

Ram Chandra Singh

Miscellaneous Appeal No.773 of 2014

FORUM

Patna High Court

ORDER DATE

10 Jan 2024

NOTE TYPE

Source extract

01 CONCLUDING COURT PASSAGE - SOURCE EXTRACT

It cannot be said that the penalty was levied only on the creditors having not turned up and confirmed the credits. There was absolutely no evidence produced to substantiate the credit that was recorded in the books of accounts; when there can be inferred a deliberate furnishing of inaccurate particulars of income. This is a clear case falling under Section 271(1)(c) since the assessee had merely doctored its books of accounts to show sundry credits without even the invoices leading to such credits being produced. The certificates furnished, of the so called creditors, also did not show the credits; thus bringing in mens rea. 8. On the first question of law, we have to notice Saheli Leasing and Industries Ltd. (supra) wherein the burden under Section 271(1)(c) is found entirely on the assessee and there cannot be any shifting of burden on to the revenue, especially in the context of no material having been placed before the Assessing Officer to substantiate the sundry credits claimed. The mere disclosure of the name and address of the sundry creditors cannot lead to substantiation of the credits especially when there was no evidence produced regarding the transactions which led to the credit. The mere acceptance of the entirety of the purchases would not lead to substantiation of the credits claimed; since the purchases which led to the credit, has not been established before the Assessing Officer. There was no material available on record before the Assessing Officer, the First Appellate Authority or the Tribunal, which would have persuaded them to take a contrary decision with respect to penalty. 9. We answer the questions of law framed against the assessee and in favor of the revenue. The appeal stands rejected.

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