GSTAT

State Bench Agra

Division Bench Court No. Court I

APL/24/AGR/2026

ASHOK KUMAR SINGH **.....Appellant**

Versus

M/S SAFECON LIFESCIENCES PRIVATE LIMITED, DIRECTOR, 24 BASANT VIHAR KAMLA NAGAR UPAGR 282005 **.....Respondent**

Quorum

Hon'ble Ajeet Singh, Member(Judicial)
Hon'ble Vivek Kumar, Member (Technical)

Counsel for Appellant
SH. MUKESH KUMAR, AUTHORIZED REPRESENTATIVE

Counsel for Respondent
SH. UMAKANT AGGRAWAL, ADVOCATE

Form GST APL-04A

[See rules 113(1) & 115]

Summary of the order and demand after issue of order by the GST Appellate Tribunal

whether remand order : No

Order reference no. : ZA090401026000155H **Date of order :** 16/10/2026

1.	GSTIN/Temporary ID/UIN - 09AAXCS1039D1Z4	
2.	Appeal Case Reference no. - APL/24/AGR/2026	Date - 23/04/2026
3.	Name of the appellant - ASHOK KUMAR SINGH , ashoksingh02553@gmail.com , 7235001763	
4.	Name of the respondant - 1. M/S Safecon Lifesciences Private Limited , annu@safeconlifesciences.in , 9058715139	
5.	Order appealed against - AD091120005832L	
	(5.1) Order Type - Demand Order	
	(5.2) Ref Number - ZD091021028690R	Date - 25/10/2021
6.	Personal Hearing - 16/10/2026 24/09/2026 11/08/2026	

7.	Status of Order under Appeal - Confirmed – Order under Appeal is confirmed
8.	Order in brief - The impugned order passed by the First Appellate Authority is found in full compliance with the legal provisions. Accordingly, the first appellate order is upheld and the departmental appeal is dismissed.
Summary of Order	
9.	If demand order then whether demand quantified: No

10.	For Other orders and Demand orders which are not quantified:	
Issues as raised by proper officer	Issues as determined by Appellate/Revisional authority	Order by GST Appellate Tribunal
Short or non-payment of tax	FACTS INCLOSED IN ANNEXURE	AGRA BENCH

Place :AGRA

Date : 16.10.2026

Signature

AGRA Sandeep Yadav

Designation : Stenographer/Law researcher

Jurisdiction :Agra

ORDER

Per- Vivek Kumar, Member (Technical)

1- The present appeal has been preferred by the Revenue against the order dated 23.11.2022 passed by the Additional Commissioner, Grade-II (Appeals), Agra, in Appeal No. 79/2020, Year 2019-20 for the tax period November 2019, whereby the appeal filed by the respondent-taxpayer against the adjudication order dated 6.08.2020 was allowed and the tax and penalty imposed thereon under section 74 were set aside.

For the sake of convenience, the appellant shall hereinafter be referred to as the "Revenue" and the respondent as the "Taxpayer".

Facts of the Case

2- The facts, in brief, are that, pursuant to a communication dated 30.01.2020 issued by the Principal Commissioner, Lucknow, the Commissioner, State Tax, vide his letter dated 26.02.2020, informed the concerned authorities that an investigation conducted by the Assistant Commissioner having jurisdiction over M/S Neon Pharma Chem, GSTIN 27AJGPM2901H2ZD , a dealer registered in the State of Maharashtra, had allegedly revealed that the said firm was fictitious or bogus. It was reported that the person present during the investigation had admitted that no actual purchase or sale of goods was being undertaken by the firm and that the firm was merely engaged in the exchange of invoices.

3- After receipt of this information, it was found that the respondent-taxpayer, M/S Safe Con Life Sciences, had made purchases amounting to Rs. 21,30,000/- from the said firm during November 2019 against two tax invoices and had availed input tax credit (ITC) of Rs. 3,83,400/- in respect thereof.

4- On the basis of these findings notice under Section 74 of the SGST/CGST Act, 2017, read with the corresponding provisions of the applicable IGST Act, was issued to the taxpayer. Since no reply was submitted by the taxpayer to the said notice, the adjudicating authority passed an order dated 07.08.2020, creating a demand of tax amounting to Rs. 3,83,400/-, imposing an equivalent penalty of Rs. 3,83,400/-, and levying interest of Rs. 53,676/-.

5- Aggrieved by the said order, the taxpayer preferred an appeal before the Additional Commissioner, Grade-II (Appeals) IInd, State Tax, Agra. Additional Commissioner, Grade-

II (Appeals), vide the impugned order dated 13.10.2021, allowed the appeal and set aside the tax demand and penalty imposed upon the taxpayer.

6- Being aggrieved by the relief granted by the first appellate authority, the Revenue has preferred the present appeal before this Tribunal.

Submissions on Behalf of the Revenue

7- Shri Mukesh Kumar, learned authorised departmental representative appearing on behalf of the Revenue, reiterated the grounds of appeal and submitted that the impugned appellate order had been passed without proper appreciation of the facts, the evidence available on record, and the applicable statutory provisions.

8- He also contended that the first appellate authority had erred in allowing input tax credit contrary to the requirements prescribed under Section 16(2)(b) of the CGST Act, 2017. According to him, the taxpayer had availed ITC merely on the strength of tax invoices issued by a bogus supplier, without actual receipt of the goods.

9- Learned departmental representative further submitted that Rule 86A of the CGST Rules, 2017, provides for the restriction on utilisation of input tax credit in specified circumstances where the credit is suspected to have been fraudulently availed or is otherwise ineligible.

10-Reliance was also placed upon the judgment of the Allahabad High Court in Malik Traders v. State of Uttar Pradesh, decided on 18.10.2023, and the decision in State of Karnataka v. M/s Ecom Gill Coffee Trading Private Limited. It was argued that the mere production of invoices, bilty or consignment documents, and proof of payment through banking channels does not, by itself, conclusively establish the genuineness of a transaction. According to the Revenue, the taxpayer was required to establish the actual movement and receipt of goods by furnishing relevant vehicle particulars, transportation records, and evidence regarding payment of freight charges.

11- The authorised representative further contended that the first appellate authority had accepted additional evidence produced by the taxpayer without affording the adjudicating authority an adequate opportunity to examine and controvert the same. It was submitted that such acceptance was contrary to the principles of natural justice.

12- On these grounds, the Revenue prayed that the impugned appellate order be set aside

and the demand raised by the adjudicating authority be restored.

Submissions on Behalf of the Taxpayer

13- Shri Uma Kant Agrawal, learned counsel appearing for the taxpayer, opposed the departmental appeal and submitted that the purchases in question were genuine and supported by contemporaneous documentary evidence.

14- Learned Counsel submitted that the taxpayer had produced the purchase orders, tax invoices, e-way bills, payment particulars, and other relevant documents before the first appellate authority. The purchases had duly been recorded in the books of account and stock register of the taxpayer and, according to the taxpayer, were also reflected in the books of account of the supplier. The consideration had been paid to the supplier through banking channels.

15- Learned counsel further submitted that the supplier had filed its GSTR-1 and GSTR-3B returns for the period from October 2019 to March 2020 and had deposited tax in accordance with the applicable provisions. Copies of the relevant credit ledger and challans had also been furnished before the first appellate authority.

16- It was further submitted that the taxpayer had produced consignment documents, vehicle particulars, and other evidence to establish the transportation and actual receipt of the goods. Thus, the transaction was not supported merely by invoices but by a body of documentary evidence demonstrating the genuineness of the purchases.

17- Learned counsel also pointed out that the registration of the supplier, which had allegedly been cancelled pursuant to the investigation relied upon by the Revenue, had subsequently been restored by the supplier's jurisdictional authority. A copy of the revocation order had been placed before the first appellate authority. It was argued that the restoration of registration, coupled with the documentary evidence of actual purchases, materially undermined the Revenue's allegation that the supplier was a bogus entity.

18- With regard to the allegation of violation of natural justice, learned counsel submitted that the first appellate authority had forwarded the documents produced by the taxpayer to the adjudicating authority and had called for a report. The adjudicating authority had furnished its report vide his letter dated 12.10.2021, and the same had been referred to in the impugned appellate order. Accordingly, the contention that the Revenue had been denied an

opportunity to examine the evidence was stated to be factually incorrect.

19- Learned counsel, therefore, prayed that the impugned order be upheld and the departmental appeal be dismissed.

Discussion and Findings

20-We have heard the authorised representative appearing on behalf of the Revenue and the learned counsel appearing on behalf of the taxpayer. We have also carefully examined the grounds of appeal, the impugned order, and the material available on record.

21- Upon consideration of the rival submissions and the material available on record, the following points arise for determination:

1. Whether the input tax credit availed by the taxpayer in respect of the purchases made from M/s Neon Pharma Chem was liable to be disallowed on the ground that the supplier was allegedly bogus and the actual movement and receipt of goods had not been established.
2. Whether the impugned appellate order allowing input tax credit to the tax payer, calls for any interference by this Tribunal.

22- The principal allegation of the Revenue is that the taxpayer availed input tax credit on the strength of invoices issued by a bogus supplier without actual receipt of goods. The allegation is founded substantially upon the investigation report concerning M/s Neon Pharma Chem and the statement reportedly made by a person present during that investigation.

23- However, the allegation against the supplier, by itself, cannot be considered in isolation from the evidence produced by the recipient-taxpayer concerning the transactions in question. The eligibility of input tax credit must be examined with reference to the applicable statutory conditions and the facts and evidence relating to the particular transactions.

24-In the present case, the taxpayer is stated to have produced purchase orders, tax invoices, e-way bills, payment records, entries in the books of account and stock register, consignment documents, and vehicle particulars before the first appellate authority. The taxpayer also relied upon the supplier's GST returns and records relating to the payment of tax. These documents were relied upon to establish not merely the issuance of invoices but also the actual purchase, transportation, and receipt of the goods.

25- The material referred to in the impugned order indicates that the taxpayer had furnished documentary evidence relating to the purchases and transportation of goods serve as proof

that actual purchase of goods took place, and refutes the allegation that only invoices were procured.

26-An important fact in the present case is that the registration of M/s Neon Pharma Chem, which had allegedly been cancelled on the basis of the investigation relied upon by the Revenue, was subsequently restored by the supplier's jurisdictional authority. The revocation order was produced before the first appellate authority. The Revenue has not controverted the fact of such restoration in the present proceedings. The revocation of supplier's registration automatically nullifies any allegation that the supplier is bogus or non-existent.

27-We further note that the first appellate authority did not proceed solely on the basis of the taxpayer's assertions. The record, as described in the impugned order, indicates that the documents produced by the taxpayer were forwarded to the adjudicating authority and a report was called for. The adjudicating authority submitted its report on 12.10.2021, which was taken into consideration by the first appellate authority. In these circumstances, the contention of the Revenue that the additional evidence was accepted without affording any opportunity to the department does not, on the material placed before us, furnish sufficient ground for setting aside the impugned order.

28- The principle laid down in above quoted ratios established by Hon'ble High Court does not apply in view of facts as discussed here in.

29-In view of the foregoing discussion, and having regard to the facts and circumstances of the present case, we are of the considered opinion that allowance of the input tax credit on the purchases from M/S Neon Pharma Chem is completely justified and Revenue has failed to establish sufficient grounds for interference with the impugned appellate order dated 13.10.2021.Questions raised are thus answered accordingly and in favour of the tax payer.

30- Consequently, this second appeal fails and dismissed as found to be devoid of merit. Order in appeal is upheld.

31- No order as to cost

32- There is no pending interim application.

33- Order pronounced in open court on this 16th day of October 2026

32- Copy of order be communicated to all concerned, as per rules.

(Ajeet Singh)

(Vivek Kumar)

Dated: 16.10.2026