

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH 'SMC', NEW DELHI**

Before Sh. R. S. Syal, Accountant Member

ITA No. 4586/Del/2016 : Asstt. Year : 2007-08

M/s Randhawa Engineering Works, B-50, G.T. Karnal Road, Azadpur, Delhi-110033	Vs	Income Tax Officer, Ward-36(5), New Delhi
(APPELLANT)		(RESPONDENT)
PAN No. AAAFR3861L		

**Assessee by : Sh. Bishnu Bhagwan Gupta, Adv.
Revenue by : Sh. V. K. Prasanth, Sr. DR**

Date of Hearing : 16.01.2017	Date of Pronouncement : 17.01.2017
-------------------------------------	---

ORDER

This appeal by the assessee arises out of the order passed by the CIT(A)-12 on 27.06.2016 in relation to the assessment year 2007-08.

2. The only issue raised in this appeal is against the confirmation of addition of Rs.1,43,131/- on account of bogus purchases.

3. The facts apropos this ground are that the AO received information from Addl. CIT, Central, Range-4, New Delhi that Sh. Vaibhav Jain and Sh. Navneet Jain etc. were indulging in providing accommodation entries through their 37 paper entities and charging commission from the beneficiaries on such accommodation entries. The assessee had shown to have made purchases amounting to Rs.1,43,131/- from M/s Balaji

Trading Co., a concern in the both the above persons were interested. The assessee was called upon to produce proprietor/partner of M/s Balaji Trading Co. for proving the genuineness of the transactions of purchase of goods, which the assessee failed to do. Accordingly, such purchases amounting to Rs.1,43,131/- were added to the assessee's total income. No relief was allowed in the first appeal. The assessee is aggrieved against such addition.

4. I have heard the rival submissions and perused the relevant material on record. The ld. AR has placed on record a copy of the Division Bench order dated 08.03.2016, passed by the Delhi Tribunal in Mohinder Kumar Khanna vs. ACIT (ITA No. 6176/Del/2015) in which the Tribunal upheld the decision of the CIT(A) in restricting the addition to 20% of purchases shown from such parties providing accommodation entries. The ld. AR submitted that both the persons, namely, Sh. Navneet Jain and Sh. Vaibhav Jain were involved in the transactions of that assessee as well. It was, therefore, prayed that a similar view be taken in the instant appeal as well. No contrary decision of the Tribunal was brought on record by the ld. DR. Respectfully following the precedent, we direct that addition on account of bogus purchases be restricted to 20% of the amount of purchases, which, in quantitative terms, means sustenance of addition to the tune of Rs.28,626/-.

5. In the result, the appeal is partly allowed.

Order pronounced in the open Court on 17/01/2017.

Sd/-
(R. S. Syal)
ACCOUNTANT MEMBER

Dated: 17/01/2017

Subodh

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR