



ITA No.5082/Mum/2018
Kalpsaru Diamonds
Assessment Year 2010-11

आयकर अपीलीय अधिकरण “एक-सदस्य मजलस” न्यायपीठ मुंबई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“SMC” BENCH, MUMBAI

मजनीय श्री महावीर सिंह, न्यायिक सदस्य एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON’BLE SHRI MAHAVIR SINGH, JM AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM

आकरअपील सं./ I.T.A. No.5082/Mum/2018
(निर्धारण वर्ष / Assessment Year:2010-11)

Kalpsaru Diamonds JW8040, Bharat Diamond Bourse Bandra Kurla Complex Bandra (E), Mumbai-400 051.	बनाम/ Vs.	Income Tax Officer-19(2)(2) Matru Mandir Grant Road(W) Mumbai 400 007.
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AA AFK 6960 H		
(अपीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

Revenue by	:	Shri Akhtar H. Ansari-Ld.DR
Assessee by	:	Shri Pramod Kumar Parida-Ld. AR

सुनवाई की तारीख/ Date of Hearing	:	17/09/2019
घोषणा की तारीख / Date of Pronouncement	:	17/09/2019

आदेश / ORDER

Per Bench: -

1. Aforesaid appeal by assessee for Assessment Year [in short referred to as AY] 2010-11 contest the order of Ld. Commissioner of Income-Tax (Appeals)-29, Mumbai, [in short referred to as CIT(A)], *Appeal No. CIT(A)-29/IT-308/ITO-19(2)(2)/2017-18 dated 03/05/2018 qua confirmation of*



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certain additions on account of alleged bogus purchases. The assessee has also contested the validity of reassessment proceedings.

2.1 Facts on record would reveal that the assessee being resident firm stated to be engaged in trading of diamonds was assessed u/s 143(3) r.w.s 147 of Income Tax Act, 1961 on 28/09/2016 wherein the assessee was saddled with estimated additions of Rs.10.10 Lacs on account of non-genuine purchases. Pursuant to receipt of certain information from DGIT (Investigation) during search operations on Bhanwarlal Jain Group, it transpired the assessee made purchases of Rs.202.16 Lacs from various entities of the said group. The group was stated to be engaged in providing accommodation entries without carrying out any real business activities. Consequently, as per due process of law, the case was reopened vide issuance of notice u/s 148 on 15/03/2016 followed by statutory notices u/s 143(2) & 142(1), wherein the assessee was directed to substantiate the purchases.

2.2 Although the assessee defended the purchases, however, relying upon information gathered during search operations, learned AO rejected assessee's books of accounts u/s 145(3) and made estimated additions of 5% against these purchases. The learned first appellate authority, while rejecting the legal grounds, reduced the estimation to 3% after considering factual matrix. Still aggrieved, the assessee is under appeal before us. It appears that the revenue has not appealed any further.

3. We have heard and considered the rival submissions.



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4. So far as the legal grounds are concerned, we find no substance in the same since the Ld. AO was clinched with specific information regarding escapement of income in the hands of the assessee. Nothing more was required at this stage. The legal grounds stand rejected.

5. So far as the estimation is concerned, we find the learned AO estimated the additions to 5% which was reduced to 3% keeping in view the assessee's nature of business. Upon due consideration, no infirmity could be found in the estimation made by learned first appellate authority. Therefore, the grounds, on merits, also stands rejected.

6. The appeal stands dismissed.

Order pronounced in the open court on 17th September, 2019.

Sd/-

(Mahavir Singh)

न्यायिक सदस्य / **Judicial Member**

Sd/-

(Manoj Kumar Aggarwal)

लेखा सदस्य / **Accountant Member**

मुंबई Mumbai; दिनांक Dated : 17/09/2019
Sr.PS:-Jaisy Varghese

आदेश की प्रतिलिपि ँ ग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent



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3. आयकरआयुक्त(अपील) / The CIT(A)
4. आयकरआयुक्त/ CIT– concerned
5. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, मुंबई/ DR, ITAT, Mumbai
6. गार्डफाईल / Guard File

आदेशानुसार/ BY ORDER,

उप/सहायकपंजीकार (Dy./Asstt.Registrar)
आयकरअपीलीयअधिकरण, मुंबई / ITAT, Mumbai.