



ITA No.6257/Mum/2018
Sri Ramrekha Shukla
Assessment Year :2010-11

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

मजनीय श्री सी. एन. प्रसाद, न्यायिक सदस्य एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON’BLE SHRI C.N. PRASAD, JM AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM

आकरअपील सं./ I.T.A. No.6257/Mum/2018
(निर्धारण वर्ष / Assessment Year: 2010-11)

Income Tax Officer-32(3)(1) Room No.107, C-11, Pratyakshkar Bhavan BKC Bandra (E) Mumbai-400 051.	बनाम/ Vs.	Shri Ramrekha Shukla 7/204, Ridhi CHS Ltd. Sai Baba Nagar, Borivali (W) Mumbai-400 092.
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AAUPS-0630-A		
(पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

Revenue by	:	Shri R. Bhoopathi – Ld. DR
Assessee by	:	Shri Mahesh Saboo-Ld.AR

सुनवाई की तारीख/ Date of Hearing	:	02/12/2019
घोषणा की तारीख / Date of Pronouncement	:	02/12/2019

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by revenue for Assessment Year [in short referred to as ‘AY’] 2010-11 contest the order of Ld. Commissioner of Income-Tax (Appeals)-45, Mumbai, [in short referred to as ‘CIT(A)’] Appeal No. CIT(A)-45/ITO-32(3)(1)/ITA-74/2017-18 dated 19/07/2018. It



is evident from grounds of appeal that the sole issue that arises for our consideration is addition on account of alleged bogus purchases.

2. We have carefully heard the rival submissions, perused relevant material on record and deliberated on arguments advanced before us.

3.1 Facts on record would reveal that the assessee being resident individual stated to be engaged in trading of metals, was assessed for impugned AY u/s. 143(3) r.w.s. 147 on 31/06/2016 wherein the income of the assessee was determined at Rs.11.28 Lacs after sole addition of alleged bogus purchases for Rs.9.27 Lacs as against returned income of Rs.2.00 Lacs filed by the assessee on 30/09/2010 which was processed u/s.143(1).

3.2 Pursuant to receipt of certain information from DGIT (investigation), Mumbai, it transpired that the assessee obtained bogus purchases bills aggregating to Rs.74.23 Lacs from 8 entities, the details of which have already been extracted in para-2 of the quantum assessment order. Accordingly, the case was reopened as per due process of law vide issuance of notice u/s 148 on 03/11/2015 which was followed by statutory notices u/s 143(2) & 142(1) wherein the assessee was directed to substantiate the purchase transactions.

3.3 The assessee defended the purchases by filing copies of purchase bills, stock register, bank statements evidencing payments through banking channels. However, notices issued u/s 133(6) to all the suppliers, to confirm the transactions, were returned unserved by postal authorities. Therefore, after considering the factual matrix, the books of accounts were rejected u/s 145(3) and an addition were made in the



hands of the assessee to the extent of 12.5% of alleged bogus purchases.

4. Upon further appeal, learned first appellate authority, finding the estimation of 12.5% to be on the higher side, reduced the estimation to 5%. Aggrieved, the revenue is under further appeal before us.

5. After careful consideration, we are of the considered opinion that there could be no sale without actual purchase of material keeping in view the assessee's nature of business i.e. trading. Undisputedly the assessee was in possession of primary purchase documents and the payments to the said supplier were through banking channels. However, at the same time, the assessee miserably failed to substantiate the delivery of material and also failed to produce any of the suppliers to confirm the transactions. The onus casted upon assessee, in this regard, remained undischarged. Therefore, the said factual matrix was a fit case for estimation of income against suspicious purchases made by the assessee. Keeping in view the fact that the assessee was dealing in low margin item like metal, the estimation of 5% as made by Ld. CIT(A) could not be said to be unreasonable from any angle. Therefore, by confirming the same, we dismiss the appeal.

6. Resultantly, the appeal stands dismissed.

Order pronounced in the open court on 02nd December, 2019.

Sd/-

(C.N. Prasad)

न्यायिक सदस्य / **Judicial Member**

Sd/-

(Manoj Kumar Aggarwal)

लेखा सदस्य / **Accountant Member**



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आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
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/सहायक पंजीकार (Dy./Asstt.Registrar)
आयकरअपीलीयअधिकरण, मुंबई / ITAT, Mumbai.**