



ITA No.6258/Mum/2018
M/s. Ace International Corporation
Assessment Year :2011-12

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

माजनीय 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

आयकर अपील सं./ I.T.A. No.6258/Mum/2018
(निर्धारण वर्ष / Assessment Year: 2011-12)

Income Tax Officer-17(1)(1) Room No.115, 1 st Floor Aaykar Bhavan Mumbai.	बनाम/ Vs.	M/s. Ace International Corporation 101/C, Mittal Tower Nariman Point Mumbai-400 021.
स्थायी लेखा सं./जी आइ आर सं./PAN/GIR No. AABFA-1975-D		
(पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

Assessee by	:	None
Revenue by	:	Shri R. Bhoopathi – Ld. DR

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

आदेश / O R D E R

Manoj Kumar Aggarwal (Accountant Member)

1. Aforesaid appeal by revenue for Assessment Year [in short referred to as ‘AY’] 2011-12 contest the order of Ld. Commissioner of Income-Tax (Appeals)-55, Mumbai, [in short referred to as ‘CIT(A)’] Appeal No. CIT(A)-55/ITO-17(1)(1)/IT-490/17-18 dated 27/08/2018. 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. None has appeared for assessee and no valid adjournment application is on record. Left with no option, we proceed to adjudicate the appeal on the basis of material on record and after hearing Ld. Departmental Representative, who supported the order of Ld.AO.

3. We have carefully heard the submissions, perused relevant material on record and deliberated on arguments raised before us.

4.1 Facts on record would reveal that the assessee being resident firm stated to be engaged in the business of chemicals, was assessed for impugned AY u/s. 143(3) r.w.s. 147 on 29/12/2016 wherein the income of the assessee was determined at Rs.1.76 Lacs, *inter-alia*, after addition of alleged bogus purchases for Rs.0.66 Lacs as against returned income of Rs.0.28 Lacs e-filed by the assessee on 23/09/2011 which was processed u/s.143(1).

4.2 Pursuant to receipt of certain information from DGIT (investigation), Mumbai, it transpired that the assessee obtained bogus purchase bills for Rs.5.30 Lacs from an entity namely M/s. Srishti Mercantile P.Ltd. Accordingly, the case was reopened as per due process of law vide issuance of notice u/s 148 on 10/02/2016 which was followed by statutory notices u/s 143(2) & 142(1) wherein the assessee was directed to substantiate the purchase transactions.

4.3 Although the assessee filed bank statements evidencing payments through banking channels, ledger extracts, purchase invoices etc. but failed to provide stock register, delivery challans, lorry receipts, proof of octroi payment etc. to substantiate the delivery of the material. Consequently, Ld. AO estimated an addition of 12.5% against aforesaid purchases. Upon further appeal, the said estimation was reduced by



learned first appellate authority to 8%. 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. No independent investigation was carried out by Ld. AO to verify the genuineness of the transactions. However, at the same time, the assessee miserably failed to substantiate the delivery of material and also failed to produce the said supplier 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. Finding the estimation of 8% to be quite fair and reasonable, we confirm the order of learned first appellate authority and see no reason to interfere with the same.

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**

मुंबई Mumbai; दिनांक Dated : 02/12/2019
Sr.PS, Jaisy Varghese



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Assessment Year :2011-12

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.**