



ITA No.6385/Mum/2018
M/s. Advance Emergency Systems P.Ltd.
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.6385/Mum/2018
(निर्धारण वर्ष / Assessment Year: 2010-11)

Income Tax Officer-12(1)(1) Room No.226, 2 nd Floor Aaykar Bhavan Mumbai-400 020.	बनाम/ Vs.	M/s. Advance Emergency Systems Private Limited A-306, Virwani Industrial Estate Off. Western Express Highway Goregaon (E), Mumbai-400 063.
स्थायीलेखासं./जीआइआरसं./PAN/GIR No. AAGCA-3741-F		
(पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

Assessee by	:	Shri Ankush Agarwal-Ld. AR
Revenue by	:	Shri R. Bhoopathi-Ld. DR

सुनवाई की तारीख/ Date of Hearing	:	03/12/2019
घोषणा की तारीख / Date of Pronouncement	:	03/12/2019

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)-20, Mumbai, [in short referred to as ‘CIT(A)’] Appeal No. CIT(A)-20/IT-10243/16-17 dated 22/06/2018. 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 corporate assessee stated to be engaged in dealing in security equipment, was assessed for impugned AY u/s. 143(3) r.w.s. 147 on 29/02/2016 wherein the income of the assessee was determined at Rs.33.58 Lacs after sole addition of alleged bogus purchases for Rs.8.97 Lacs as against returned income of Rs.24.61 Lacs e-filed by the assessee on 21/09/2010 which was processed u/s.143(1).

3.2 Pursuant to receipt of certain information from DGIT (investigation), Mumbai / Sales Tax Department, it transpired that the assessee obtained bogus purchases bills for Rs.35.88 Lacs from an entity namely Vijay Industries. Accordingly, the case was reopened as per due process of law vide issuance of notice u/s 148 on 23/03/2015 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, ledger extracts, bank statements evidencing payments through banking channels. However, notices issued u/s 133(6) to confirm the transactions, did not elicit satisfactory response. The field inquiry revealed that the said supplier was not existing at the given address. The aforesaid factual matrix led Ld. AO to disbelieve the said transactions and accordingly, the assessee was saddled with estimated additions to the extent of 25% of these purchases.



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4. Upon further appeal, learned first appellate authority, finding the estimation of 25% to be on the higher side, reduced the estimation to 12.5%. 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. Undisputedly the assessee was in possession of primary purchase documents and the payments to the supplier was through banking channels. However, at the same time, the assessee 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. Keeping in view the assessee's nature of business, the estimation of 12.5% 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 03rd December, 2019.

Sd/-

(C.N. Prasad)

न्यायिक सदस्य / **Judicial Member**

Sd/-

(Manoj Kumar Aggarwal)

लेखा सदस्य / **Accountant Member**

मुंबई Mumbai; दिनांक Dated : 03/12/2019
Sr.PS, Jaisy Varghese

आदेशकीप्रतिलिपिअग्रेषित/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/सहायक पंजीकार (Dy./Asstt.Registrar)
आयकरअपीलीयअधिकरण, मुंबई / ITAT, Mumbai.