

IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCHES "SMC", MUMBAI

BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER

ITA No. 6905/Mum/2018
Assessment Year : 2009-10

The Income Tax Officer, -17(1)(2), MUMBAI	Vs.	Shri Bhavesh N.Shah, B-11, Suprabhat Apartments Off. S.K.Bole, Dadar, MUMBAI [PAN : AADPS2156G]
(Appellant)		(Respondent)

Revenue by : Shri R.Bhoopathi, DR
Assessee by : NONE

Date of Hearing : 17-12-2019	Date of Pronouncement : 20-12-2019
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ORDER

This appeal by the Revenue is directed against the order of the Commissioner of Income Tax(Appeals)-55, Mumbai, dated 28-09-2018, for the AY.2009-10.

2. The brief facts of the case as emanating from records are: The assessee, an individual, is engaged in the business of trading in Iron & Steel. On the basis of the information received from DGIT (Inv.), Mumbai, the assessment of assessee for the AY.2009-10 was re-opened. In the re-assessment proceedings, the Assessing Officer (AO) held that the assessee has indulged in obtaining bogus purchase bills from the following hawala dealers, aggregating to Rs.1,44,41,696/- :

S.No	Name of the Party	Bill Amount Rs.
1	Dhruv Sales Corporation	17,48,727
2	Naman Enterprises	12,72,754
3	C.K.Enterprises	14,31,669
4	Navdeep Trading Corpn.,	9,21,431
5	D.K.Enterprise	26,80,351
6	Grifton India Riddhi Enterprise	42,61,643
7	Siddhi Enterprises	21,25,121
	Total Rs.	1,44,41,696

The AO vide order dt.09-02-2015 passed u/s.143(3) r.w.s.147 of the Income Tax Act, 1961 (herein after referred to as 'the Act') made an addition of Rs.18,05,212/- by estimating Gross Profit (GP) @12.5% on non-genuine purchases.

Aggrieved against the assessment order, the assessee filed appeal before the CIT(A).

3. The CIT(A) vide impugned order, partly allowed the appeal of assessee, restricting the addition to the extent of 8% of the alleged bogus purchases.

Against the order of First Appellate Authority (FAA), the Revenue is in appeal before the Tribunal.

4. Shri R.Bhoopathi, representing the Department, vehemently defended the assessment order. The ld.DR submitted that the assessee has failed to substantiate genuineness of the purchases. The assessee could not establish trail of goods originating from suppliers to the godown of the assessee. The ld.DR prayed for modifying the order of CIT(A) and confirming the addition made by AO.

5. None appeared on behalf of the assessee.

6. The submissions made by ld.DR heard and the material available on record perused. After taking into consideration entire facts and material available on record, I am of considered view that the order of CIT(A) is fair and reasonable and hence, warrants no interference. Estimation of GP @8% over and above the GP declared by assessee on alleged bogus purchases is justified. The impugned order is upheld and the appeal of Revenue is dismissed.

*Order pronounced in the open court on Friday
the 20th day of December, 2019*

Sd/-
(VIKAS AWASTHY)
न्यायिक सदस्य/JUDICIAL MEMBER

मुंबई/Mumbai; दिनांक/Dated : 20-12-2019

TNMM

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. आयकर आयुक्त(अपील) / The CIT(A), Mumbai
4. आयकर आयुक्त / CIT, Mumbai
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुंबई /
DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file

: 4 :

ITA No. 6905/Mum/2018

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

उप/सहायक पंजीकार (Dy./Asst. Registrar)
आयकर अपीलीय अधिकरण, मुंबई / ITAT, Mumbai