

IN THE INCOME TAX APPELLATE TRIBUNAL

PUNE BENCH "SMC", PUNE

BEFORE SHRI R.S. SYAL, VICE PRESIDENT

आयकर अपील सं. / ITA Nos.2183 & 2184/PUN/2017

निर्धारण वर्ष / Assessment Years : 2009-10 & 2010-11

Shri Satyanarayan Agrawal  
Block No.88,  
Mahesh Industries,  
MIDC Chikalthana,  
Aurangabad.  
PAN : AAPPA5485N

.....अपीलार्थी / Appellant

**बनाम / V/s.**

The Income Tax Officer,  
Ward 1(2), Aurangabad.

.....प्रत्यर्थी / Respondent

Assessee by : Ms Pooja Khatod  
Revenue by : Shri Uday Kakne

सुनवाई की तारीख / Date of Hearing : 23.12.2019

घोषणा की तारीख / Date of Pronouncement : 23.12.2019

**आदेश / ORDER**

**PER R.S. SYAL, VP :**

These two appeals by the assessee relate to the assessment years 2009-10 and 2010-11. Since common issues are raised in these appeals, I am, therefore, proceeding to dispose them off by this consolidated order for the sake of convenience.

2. These are recalled matters in as much as the earlier *ex-parte* order passed by the Tribunal for both the years was subsequently recalled vide later order dated 09.08.2019.
3. The only issue involved in both the appeals is against confirmation of addition equal to the amount of bogus purchases.
4. Briefly the facts for the assessment year 2009-10 are that the Assessing Officer, on verification of information received from the Maharashtra Sales Tax Department, observed that the assessee was one of the beneficiaries of Hawala purchase bills. Such amount of bills stood at Rs.7,04,183/-. He made the addition equal to the amount of Hawala purchase bills, which came to be confirmed in the first appeal.
5. The facts of the appeal for the assessment year 2010-11 are similar. For this year, the assessee was found to have received Hawala purchase bills for sum of Rs.6,18,903/-. The Assessing Officer made addition for the equal sum, which came to be sustained in the first appeal.
6. The assessee is aggrieved by the sustenance of the additions.
7. Having heard both sides and gone through the relevant material available on record, it is observed that the assessee allegedly purchased raw material through the Hawala purchase bills and thereafter consumed the same in the manufacture of finished goods. In such a situation, it cannot be said that the entire amount of purchase bills requires addition. The Hon'ble jurisdictional High Court in Pr.CIT Vs. Paramshakti Distributors Pvt. Ltd., vide its

judgment dated 15.07.2019 in ITA No.413/2017, has sustained the addition @ 10% of the amount of purchases being the profit element involved therein. Respectfully following the precedent, I restrict the addition to 10% of Hawala purchases for both the years under consideration.

8. In the result, the appeals are partly allowed.

Order pronounced on 23<sup>rd</sup> day of December, 2019.

Sd/-  
**R.S. SYAL**  
उपाध्यक्ष / VICE-PRESIDENT

पुणे / Pune; दिनांक / Dated : 23<sup>rd</sup> December, 2019.

GCVSR

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

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent
3. The CIT (Appeals)-1, Aurangabad.
4. The Pr. CIT-1, Aurangabad.
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, "एक-सदस्य" बेंच, पुणे / DR, ITAT, "SMC" Bench, Pune.
6. गार्ड फाइल / Guard File.

आदेशानुसार / BY ORDER,

//True Copy//

वरिष्ठ निजी सचिव / Sr. Private Secretary  
आयकर अपीलीय अधिकरण, पुणे / ITAT, Pune

		Date	
1	Draft dictated on	23.12.2019	Sr. PS/PS
2	Draft placed before author	23.12.2019	Sr. PS/PS
3	Draft proposed and placed before the second Member		JM/AM
4	Draft discussed/approved by second Member		AM/JM
5	Approved draft comes to the Sr. PS/PS		Sr. PS/PS
6	Kept for pronouncement on		Sr. PS/PS
7	Date of uploading of order		Sr. PS/PS
8	File sent to Bench Clerk		Sr. PS/PS
9	Date on which the file goes to the Head Clerk		
10	Date on which file goes to the A.R		
11	Date of dispatch of order		

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