

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

BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER

ITA NO. 6980/MUM/2018(A.Y.2010-11)

Income Tax Officer , Ward 3(5)  
2<sup>nd</sup> Floor, Rani Mansion,  
Murbad Road,  
Kalyan (West) – 421 301

..... Appellant

Vs.

M/s. Raj Ceramics,  
C/o. Advocate N.A.Kulkarni,  
Wadal Building, 1<sup>st</sup> Floor,  
Near DNS Bank, Manpada Road,  
Dombivali (East).  
PAN: AAIFR 4548Q

..... Respondent

Appellant by : Shri R. Bhoopati  
Respondent by : Shri Neeraj Kumar

Date of hearing : 18/12/2019  
Date of pronouncement : 06/01/2020

ORDER

This appeal by the Revenue is directed against order of the Commissioner of Income Tax (Appeals)-1, (in short 'the CIT(A) ), Thane, dated 27/09/2018 for the assessment year 2010-11.

2. Shri R. Bhoopati representing the Department submitted that the assessee is engaged in the business of manufacturing of P P Caps and labels. Information was received from Sales Tax Department, Maharashtra/DGIT(Inv) Wing that the assessee has indulged in procuring bogus purchases bills from various hawala dealers in the period relevant

to in assessment year 2010-11. The assessee has obtained bogus purchases bills to the tune of Rs.7,44,688/- from two parties, namely M/s.Universal Trading Co. Rs.7,40,010/- & M/s. Shree Enterprises Rs.4,658/-. On the basis of the aforesaid information, assessment for assessment year 2010-11 was reopened. The Assessing Officer in reassessment proceedings disallowed Rs.7,44,688/-. The assessee thereafter carried the matter in appeal before CIT(A). The CIT(A) vide impugned order restricted the addition to 25% of the hawala purchases i.e.1,86,172/-. The Id. Departmental Representative vehemently supported the assessment order and prayed for reversing the findings of the CIT(A).

3. Shri Neeraj Kumar appearing on behalf of the assessee vehemently defended the impugned order and prayed for dismissing the appeal by Revenue.

4. I have heard the submissions made by rival sides and have examined the material available on record. The Assessing Officer has made addition of entire alleged bogus purchases. In the first appellate proceedings, the CIT(A) has restricted the addition to 25% of the hawala purchases. The Revenue has not disputed the turnover declared by the assessee. Therefore, the entire alleged bogus purchases cannot be added. Taking into consideration, entirety of facts, I find the order of first appellate authority reasonable and hence, the same is upheld. The appeal of the Revenue is without any merit and the same is dismissed.

5. In the result, the appeal of Revenue is dismissed.

Order pronounced in the open court on Monday, the 6<sup>th</sup> day of January,2020.

Sd/-  
(VIKAS AWASTHY)  
JUDICIAL MEMBER

Mumbai, Dated 06/01/2020

Vm, Sr. PS(O/S)

**Copy of the Order forwarded to :**

1. The Appellant ,
2. The Respondent.
3. The CIT(A)-
4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

//True Copy//

BY ORDER,  
(Dy./Asstt. Registrar)  
**ITAT, Mumbai**