

**IN THE INCOME TAX APPELLATE TRIBUNAL "D", BENCH  
MUMBAI**

**BEFORE SHRI SAKTIJIT DEY, JM  
&  
SHRI M.BALAGANESH, AM**

**ITA No.6504/Mum/2018  
(Assessment Year : 2010-11)**

ITO 33(1)(4), Mumbai	Vs.	Shri Devendra P Sheth C-604, Pushpa Heritage Dahanukarwadi, Gokhale Road, Kandivali (W) Mumbai – 400067
<b>PAN/GIR No. ALQPS0537B</b>		
<b>(Appellant)</b>	<b>..</b>	<b>(Respondent)</b>

Revenue by	Shri Kamal Mangal
Assessee by	None
<b>Date of Hearing</b>	<b>13/01/2020</b>
<b>Date of Pronouncement</b>	<b>15/01/2020</b>

**आदेश / ORDER**

**PER M. BALAGANESH (A.M):**

This appeal in ITA No.6504/Mum/2018 for A.Y.2010-11 arises out of the order by the Id. Commissioner of Income Tax (Appeals)-45, Mumbai in appeal No.CIT(A)-45/ITO-33(1)(4)/ITA-324/2015-16 dated 25/07/2018 (Id. CIT(A) in short) against the order of assessment passed u/s.143(3) r.w.s. 147 of the Income Tax Act, 1961 (hereinafter referred to

as Act) dated 17/02/2016 by the Id. Income Tax Officer 33(1)(4), Mumbai (hereinafter referred to as Id. AO).

2. The only issue to be decided in this appeal is as to whether the Id. CIT(A) was justified in restricting the disallowance made on account of bogus purchases to 8% of value of purchases as against 12.5% added by the Id. AO in the assessment.

3. None appeared on behalf of the assessee. We have heard rival submissions and perused the materials available on record. We find that assessee is an individual engaged in the business of trading in Iron and Steel. It is not in dispute that assessee had made purchases of Rs.60,55,355/- from certain parties whose names apparently appeared in the list of hawala dealers prepared by the Maharashtra Sales Tax Department, which information was passed on to Investigation Wing of Income Tax Department which ultimately triggered the reopening of assessment. It is not in dispute that the goods so purchased from the alleged suppliers have been sold by the assessee. Based on this, the Id. AO categorically gave a finding that assessee could have made purchases from grey market and accordingly, brought to tax the profit element embedded in the value of such purchases at 12.5% and completed the assessment. The Id. CIT(A) considering the industry in which the assessee is involved i.e. trading in Iron and Steel, reduced the addition made towards profit element to 8% from 12.5%.

3.1. The Id. DR stated that assessee had not preferred any appeal before this Tribunal against the order of the Id. CIT(A). Accordingly, we deem it fit and appropriate to hold that the profit element in the instant

case should be restricted to 8% which had been done by the Id. CIT(A).  
The grounds raised by the revenue are dismissed.

**4. In the result, appeal of the revenue is dismissed.**

Order pronounced in the open court on this 15/01/2020

**Sd/-**  
**(SAKTIJIT DEY)**  
**JUDICIAL MEMBER**

**Sd/-**  
**(M.BALAGANESH)**  
**ACCOUNTANT MEMBER**

Mumbai; Dated 15/01/2020  
KARUNA, *sr.ps*

**Copy of the Order forwarded to :**

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

//True Copy//

BY ORDER,

(Asstt. Registrar)  
ITAT, Mumbai