

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

**BEFORE SHRI R.C.SHARMA, ACCOUNTANT MEMBER**

**ITA No.82 & 83/Mum/2019  
(Assessment Year: 2010-11 & 2011-12)**

Shri Ghanshyamdas Advani, Prop. of Mahadev Enterprises Plot No. 234, B.K. No. 144 & 145, Ulhasnagar, Pin-421001	Vs.	I.T.O., Ward 2(1), Kalyan, 2 <sup>nd</sup> Floor, Mohan Plaza, Wayale Nagar, Khadakpada, Kalyan (W), Pin-421301.
<b>PAN/GIR No.AAQPA 7566 F</b>		
<b>(Appellant)</b>	..	<b>(Respondent)</b>

Assessee by	None
Revenue by	Shri Akhtar H Ansari (DR)
<b>Date of Hearing</b>	<b>13/01/2020</b>
<b>Date of Pronouncement</b>	<b>20/01/2020</b>

**आदेश / O R D E R**

**PER: R.C. SHARMA, A.M.**

These appeals by the assessee are directed against the separate orders of Id. CIT(A)-03, Thane dated 19/04/2018 for the A.Y. 2010-11 & 2011-12 in the matter of order passed u/s 143(3) r.w.s 147 of the Income Tax Act, 1961 (in short, the Act).

2. No body has appeared on behalf of the assessee in spite of service of notice, the Bench, therefore, decided to dispose off the appeals after hearing the Id. DR and the considering material placed on record.

3. I have considered the contention of the Id DR and carefully gone through the orders of the authorities below. From the record I found that on the basis of information from the Sales Tax Department, the A.O. reopened the assessment and thereafter made 100% addition in respect of alleged bogus purchases.

4. By passing ex parte order, the Id. CIT(A) has confirmed the action of the A.O. From the record, I found that the assessee was carrying on the proprietary business under the name and style of M/s Mahadev Enterprises engaged in the business of trading of electronic appliances. During the relevant financial years, regular books of account were maintained by the assessee and same were subjected to tax audit U/s 44AB of the Act. In the A.Y. 2010-11, the assessee has declared gross profit of 19.01% and N.P. of 5.04% on gross receipts of Rs. 81,11,444/-. In the A.Y. 2011-12, the assessee has declared G.P. of 16.76% and N.P. of 5.04% on gross receipt of Rs. 1,12,92,914/-.

5. During the relevant assessment years, the assessee had purchased PVC compounds of Rs. 1,24,800/- and Rs. 6,72,525/- from M/s S.S. Enterprises during F.Y. 2009-10 an 2010-11 respectively.

6. Before the A.O., the assessee has filed following documents so as to substantiate the genuineness of the purchases:

- (a) Ledger copy of S.S. Enterprises for the financial year 2009-10, Annexure-B.
- (b) Purchase invoices alongwith relevant Transport receipts from S.S. Enterprises, Annexure-C1-C2.
- (c) Bank of Baroda Bank statement reflecting the payments made to supplier M/s S.S. Enterprises, Annexure-D1. This is to appreciate that the assessee had duly made the payment to supplier M/s S.S. Enterprises through account payee cheque.
- (d) Copy of Tax audit report for A.Y. 2010-11, Annexure-E1-E19.
- (e) Comparative chart of G/P and N/P for the five financial years, Annexure-F.

However, the A.O. did not agree with the contention of the assessee and added 100% of such alleged bogus purchases in assessee's income. Considering various documents filed before the lower authorities, the G.P. declared by the assessee in the respective years, the judicial pronouncements on this issue and the facts and circumstances of the case, I do not find any merit in 100% of the addition. Keeping in view the nature of assessee's business, I direct the A.O. to restrict the addition to the extent of 15% of the alleged purchases in both the years under consideration.

7. In the result, both the appeals of the assessee are allowed in part.

Order pronounced in the open court on 20<sup>th</sup> January, 2020.

**Sd/-  
(R.C.SHARMA)  
ACCOUNTANT MEMBER**

Mumbai; Dated 20/01/2020

\*Ranjan

**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.

सत्यापित प्रति //True Copy//

BY ORDER,

(Asstt. Registrar)  
**ITAT, Mumbai**