

**IN THE INCOME TAX APPELLATE TRIBUNAL
"SMC" Bench, Mumbai**

Before Shri R.C. Sharma, Accountant Member

ITA No. 596/Mum/2019
(Assessment Year: 2011-12)

Income Tax Officer-26(2)(4)
C-11, Pratyaksha Kar Bhavan
Bandra Kurla Complex
Bandra (E) Mumbai 400051

M/s. Popular Drum Suppliers
Siddhi Vinayak Stores
Vs. Opp. Cafe NAA Hotel
Khairani Road, Sakinaka
Mumbai 400072

PAN – AAFFP2632Q

Appellant

Respondent

Appellant by: Shri Anoop Hiwase
Respondent by: None

Date of Hearing: 29.01.2020
Date of Pronouncement: 30.01.2020

ORDER

Per R.C. Sharma, AM

This appeal filed by Revenue is directed against the order of the CIT(A)-38, Mumbai dated 30.05.2014 and it relates to A.Y. 2006-07, in the matter of order passed by the AO under Sections 143(3)/147 of Income Tax Act, 1961 (hereinafter "the Act").

2. In this appeal the Revenue is aggrieved by the order of the CIT(A) restricting the addition on account of bogus purchases to the extent of 12.5%.

3. I have gone through the orders of the authorities below and found that the assessee is engaged in the business of resale of all types of drums and scrap. The AO got information regarding assessee taking bogus purchase bills. The AO reopened the assessment and thereafter made addition of 25% on alleged bogus purchases. By the impugned order the CIT(A) restricted the addition to the extent of 12.5% after considering that the assessee has already declared Gross Profit at 7.98%. Thereafter he applied the judicial pronouncement as laid down by the Hon'ble Gujarat

High Court in the case of CIT vs. Smit P. Sheth 356 ITR 451. The detailed findings recorded by the CIT(A) at paras 7.4.1 to 7.4.7 has not been controverted by the learned D.R. Accordingly I do not find any reason to interfere in the findings recorded by the CIT(A) for restricting the addition on account of bogus purchases to the extent of `12.5%.

4. In the result, the appeal filed by the Revenue is dismissed.

Order pronounced in the open court on 30th January, 2020.

Sd/-
(R.C. Sharma)
Accountant Member

Mumbai, Dated: 30th January, 2020

Copy to:

1. *The Appellant*
2. *The Respondent*
3. *The CIT(A) -38, Mumbai*
4. *The Pr.CIT - 26, Mumbai*
5. *The DR, "SMC" Bench, ITAT, Mumbai*

By Order

//True Copy//

Assistant Registrar
ITAT, Mumbai Benches, Mumbai

n.p.