

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

**Before Shri R.C. Sharma, Accountant Member**

**ITA No. 600/Mum/2019**  
(Assessment Year: 2009-10)

Income Tax Officer-28(1)(5)  
Room No. 325, 3rd Floor  
Tower No. 6, Vashi Railway  
Station Complex, Vashi  
Navi Mumbai 400703

M/s. Ganesh Engineering  
Workshop  
Vs. Plot No. 77, Sector-23  
Turbhe, Navi Mumbai 400703

PAN – AAAFG1982H

**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 is an appeal filed by the Revenue against the order of the CIT(A) for A.Y. 2009-10, the matter of order passed under Sections 143(3)/147 of the Income Tax Act, 1961 (hereinafter "the Act").

2. In this appeal the Revenue is aggrieved for restricting the disallowance 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 a trader. On getting information regarding assessee taking bogus purchase bills, the AO reopened assessment and thereafter made 100% addition in respect of such alleged bogus purchases. By the impugned order the CIT(A) restricted the addition to the extent of 12.5% after considering the Gross Profit declared by the assessee and the profit element embedded in the alleged bogus purchases. The CIT(A) also applied the judicial pronouncement laid down by the Hon'ble Gujarat High Court in the case of CIT vs. Smit P. Sheth 356 ITR 451. Detailed finding recorded

by the CIT(A) at para 6.1 has not been controverted. Accordingly I do not find any reason to interfere in the order of the CIT(A) restricting the addition to the extent of 12.5% of alleged bogus purchases.

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

Order pronounced in the open court on 30<sup>th</sup> January, 2020.

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

Mumbai, Dated: 30<sup>th</sup> January, 2020

Copy to:

1. *The Appellant*
2. *The Respondent*
3. *The CIT(A) -26, Mumbai*
4. *The Pr.CIT - 28, Mumbai*
5. *The DR, "SMC" Bench, ITAT, Mumbai*

*By Order*

//True Copy//

*Assistant Registrar*  
*ITAT, Mumbai Benches, Mumbai*

n.p.