

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

BEFORE SHRI R.C.SHARMA, ACCOUNTANT MEMBER

**ITA No.725/Mum/2019
(Assessment Year: 2011-12)**

M/s Oilwell Oil Centre, Shop No. 1538, Lotus Colony, Govandi, Mumbai- 400043.	Vs.	I.T.O.-27(2)(3) 417, 4 th Floor, Tower No. 6, Vashi Station Complex, Vashi, Navi Mumbai- 400703.
PAN/GIR No. AAFO 7027 K		
(Appellant)	..	(Respondent)

Assessee by	Shri Jitendra Singh (Adv)
Revenue by	Shri R.K. Gubgotra (JCIT-DR)
Date of Hearing	04/02/2020
Date of Pronouncement	04/02/2020

आदेश / ORDER

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

This appeal by the assessee is directed against the order dated 20/12/2018 of Id. CIT(A)-25, Mumbai for the A.Y. 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. In this appeal, the assessee is aggrieved for confirming addition of 12.5% in respect of bogus purchases.

3. Rival contentions have been heard and record perused. Facts in brief are that the assessee is engaged in the business of trading of edible oil and ghee. The A.O. got information from the Sales Tax

Department regarding bogus purchases bill taken by the assessee. The A.O. made addition by estimating profit at 12.5% on such bogus purchases. By the impugned order, the Id. CIT(A) has confirmed the action of the A.O. against which the assessee is in appeal before the ITAT.

4. It was contended by the Id AR of the assessee that the assessee has filed details of purchases, corresponding sales, stock register and delivery challan etc.. However, no defect was found in all these details. He further contended that the assessee was having average G.P. of 4% in the last three years, therefore, further addition of 12.5% was not justified.

5. On the other hand, the Id DR has contended that the A.O. has very reasonably estimated profit at 12.5% after ascertaining that the assessee has not produced bills from the supplier from whom he has actually purchased the goods.

6. I have considered the rival contentions and carefully gone through the orders of the authorities below and found from the record that the assessee has filed details of purchases made by him alongwith stock register, delivery challans, evidence of dispatch. There was one to one tally of purchases and hence, keeping in view the G.P. shown by the assessee, a further addition of 12.5% will be

excessive. Keeping in view the totality of facts and circumstances and the nature of assessee's business, I direct the A.O. to restrict addition to the extent of 10%. I direct accordingly.

7. In the result, appeal of the assessee is allowed in part.

Order pronounced in the open court on 04th February, 2020.

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

Mumbai; Dated 04/02/2020
*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