

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

BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER &
SHRI G.MANJUNATHA, ACCOUNTANT MEMBER

ITA NO.7218/MUM/2018(A.Y.2011-12)

ITO-33(3)(2),
R.No.612, 6th Floor,
C-12, Pratyakshkar Bhavan,
BKC, Mumbai – 400 051

..... Appellant

Vs.

Taruna R Dalal,
4-503, Challenger, Thakur Village,
Kamdivali (E), Mumbai 400 101
PAN:AELPD2969N

..... Respondent

Appellant by : Ms. R. Kavitha
Respondent by : None

Date of hearing : 18/02/2020
Date of pronouncement : 20/02/2020

ORDER

PER VIKAS AWASTHY, JM:

This appeal by the Revenue is directed against the order of Commissioner of Income Tax(Appeals)-45,Mumbai (in short 'CIT(A)) dated 19/09/2018 for the assessment year 2011-12.

2. Notice of appeal was sent to the assessee through RPAD. The acknowledgement card available on record shows that the notice was duly served. Despite service of notice neither the assessee nor any authorized

representative of the assessee was present in the court. We further observe that even before the first appellate authority none appeared on behalf of the assessee. It seems that the assessee is not keen to defend the impugned order. Under such circumstances we are constrained to take up the appeal for adjudication with the assistance of Id. Departmental Representative and the material available on record.

3 Ms. R. Kavitha, representing the Department submitted that on the basis of information received from the Sales Tax Department, Maharashtra, the Assessing Officer reopened the assessment for assessment year 2011-12. The assessee had obtained bogus purchase bills amounting to Rs.4,71,672/- from M/s. Arun Paper and Iron Traders, a declared hawala operator. In assessment proceedings, the assessee failed to produce delivery challan, lorry receipt, etc. to substantiate trail of goods. Further, the assessee failed to provide the whereabouts of the dealer from whom bogus purchase bills were procured. The Assessing Officer estimated GP @25% on the bogus purchases, thus, disallowance of Rs.1,17,918/- was made by the Assessing Officer. The assessee carried the issue in appeal before the CIT(A). The CIT(A) further restricted the addition to 12.5%. The Id. Departmental Representative submitted that the assessee is engaged in manufacturing of corrugated boxes. The GP estimated by the Assessing Officer on bogus purchases is fair and reasonable. The Id. Departmental Representative prayed for confirming the finding of Assessing Officer.

4. We have heard the submissions made by Id. Departmental Representative and have perused the orders of authorities below. The Assessing Officer in reassessment proceedings held that the assessee has

procured bogus purchases to the tune of Rs.4,71,672/-. The Assessing Officer made disallowance on account of bogus purchases at 25% of such non-genuine purchases. In first appellate proceedings the CIT(A) restricted the same to 12.5%. Taking into consideration entirety of facts we find the order of CIT(A) reasonable and justified, hence, warrants no interference. The appeal of the Revenue is dismissed being devoid of any merit.

5. In the result, appeal of the revenue is dismissed.

Order pronounced in the open court on Thursday the 20th day of February, 2020.

Sd/-
(G.MANJUNATHA)
ACCOUNTANT MEMBER

Sd/-
(VIKAS AWASTHY)
JUDICIAL MEMBER

Mumbai, Dated 20/02/2020
Vm, Sr. PS(O/S)

Copy of the Order forwarded to :

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

//True Copy//

BY ORDER,

(Dy./Asstt. Registrar)
ITAT, Mumbai