

*IN THE INCOME TAX APPELLATE TRIBUNAL
KOLKATA BENCH "SMC" KOLKATA*

Shri Sanjay Garg, Judicial Member

आयकर अपील सं.य/ITA No.93/Kol/2020 Assessment Year:2010-11
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Pneumatic Tools Enterprise, 83/1 MadanMohan Burman Street, Kolkata-700007 [PAN No.AADFP 9608 C]	बनाम/ V/s.	Income Tax Officer, Ward-44(4), 3, Govt. Place (West), Kolkata- 001
अपीलार्थी /Appellant	..	प्रत्यर्थी /Respondent

Hearing through video Conferencing

अपीलार्थी की ओर से/By Appellant	Shri Manisha Patwari, ACA
प्रत्यर्थी की ओर से/By Respondent	Shri Jayanta Khanra, JCIT, SR-DR
सुनवाई की तारीख/Date of Hearing	28-01-2021
घोषणा की तारीख/Date of Pronouncement	17-03-2021

आदेश /O R D E R

The present appeal has been preferred by the assessee against the order dated 28.08.2019 of the Commissioner of Income-tax (Appeals)-13, Kolkata [hereinafter referred to as 'CIT(A)'].

2. The sole issue involved in this appeal is regarding the disallowance on expenditure of purchase of goods. The same being treated as bogus transactions by the Assessing Officer.

3. At the outset, the Ld. AR of the assessee has submitted that similar disallowance was made in the case of the assessee by the Assessing Officer in the assessment carried out for the assessment year 2011-12. The matter travelled to the Tribunal and the Tribunal in the identical circumstances vide order dated 13.07.20 passed in ITA No.2635/Kol/2019 has held that the disallowance of entire purchases

cannot be made. The Tribunal held that 15% gross profit on the unverifiable purchases would meet the ends of justice. The Tribunal, accordingly restricted the addition to 15% of the gross profit on the aforesaid unverifiable purchases. The relevant part of the order, which reads as under:-

“4. The sole issue involved in this appeal is the disallowance of expenditure on purchase of goods as bogus accommodation entries. After hearing the ld. D/R, I am of the considered opinion that as the sales are not doubted and as there can be no sales without purchases, I am of the view that 15% GP on the unverified purchases would meet the ends of justice. Thus, the addition is restricted to Rs.72,345/-. The assessee gets relief of Rs.4,09,955/-.”

The Ld. DR has fairly agreed that the issue is covered by the decision of the Tribunal in the own case of the assessee in earlier assessment year. Respectfully following the said decision, the addition is restricted to 15% of the gross profit on the unverifiable purchases.

The appeal of the assessee stands partly **allowed**.

Order pronounced in open court on 17/03/2021

Sd/-
(Sanjay Garg)
Judicial Member

*Dkp/Sr.PS

दिनांक:- 17/03/2021 कोलकाता

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. अपीलार्थी/Appellant-Pneumatic Tools Enterprise 83/1 Madan Mohan Burman Street, Kolkata-007
2. प्रत्यर्थी/Respondent-ITO Ward-44(4), 3, Govt. Place (West), Kolkata-700 001
3. संबंधित आयकर आयुक्त / Concerned CIT
4. आयकर आयुक्त- अपील / CIT (A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण कोलकाता / DR, ITAT, Kolkata
6. गार्ड फाइल / Guard file.

By order/आदेश से,

सहायक पंजीकार
आयकर अपीलीय अधिकरण,
कोलकाता ।