



ITA No.6154/Mum/2018
M/s. Facets
Assessment Year: 2010-11

आयकर अपीलीय अधिकरण “एफ” न्यायपीठ मुंबई में।
IN THE INCOME TAX APPELLATE TRIBUNAL
“F” BENCH, MUMBAI

मजनीय श्री महावीर सिंह, उपाध्यक्ष एवं
माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।
BEFORE HON’BLE SHRI MAHAVIR SINGH, VP AND
HON’BLE SHRI MANOJ KUMAR AGGARWAL, AM
(Hearing Through Video Conferencing Mode)

आयकर अपील सं./ I.T.A. No.6154/Mum/2018
(निर्धारण वर्ष / Assessment Year: 2010-11)

M/s. Facets 502, Gulshan 2, Juhu Lane, Andheri (W) Mumbai-400 058	बनाम/ Vs.	ITO-24(1)(3) Pratyakshkar Bhavan BKC, Bandra (E) Mumbai-400 051
स्थायी लेखासं./जीआइआरसं./PAN/GIR No. AABFF-5276-C		
(पीलार्थी/ Appellant)	:	(प्रत्यर्थी / Respondent)

Assessee by	:	None
Revenue by	:	Ms. Usha Gaikwad-Ld. Sr. DR

सुनवाई की तारीख/ Date of Hearing	:	10/05/2021
घोषणा की तारीख / Date of Pronouncement	:	10/05/2021

आदेश / ORDER

Manoj Kumar Aggarwal (Accountant Member)

1. In this appeal for Assessment Year (AY) 2010-11, the assessee is aggrieved by certain addition on account of *alleged bogus purchases*. Though none appeared for assessee, however, material on record was sufficient for disposal of the appeal. The Ld. DR pleaded for dismissal of appeal.



2.1 The material facts are that the assessee being resident firm stated to be engaged in trading of diamonds was assessed for the year under consideration u/s 143(3) r.w.s. 147 on 30/06/2016. The original return filed by assessee was processed u/s 143(1). However, pursuant to receipt of certain information from DGIT (Investigation), Mumbai, it transpired that the assessee made alleged bogus purchases of Rs.21.09 Lacs from an entity namely M/s Krishna Diam. Accordingly, the case was reopened as per due process of law and the assessee was required to file requisite detail to substantiate the purchases.

2.2 In support of purchases, the assessee furnished purchase register, sales register, stock register, bank statement, purchase bills, ledger confirmation etc. However, going by the findings of investigation wing that the supplier belonged to a tainted group of Gautam Jain & Ors. and various concerns of this group were not carrying out any genuine business activity, the purchases so made by the assessee were not to be accepted as genuine purchases. Finally, Ld. estimated Gross Profit addition of 21.36% against these purchases.

3. Upon further appeal, Ld. CIT(A), relying upon the decision of Hon'ble Gujarat High Court in **CIT V/s Simit P. Sheth (356 ITR 451)**, estimated the additions @12.5%. Aggrieved, the assessee is in further appeal before us.

4. Going by the factual matrix as enumerated in the orders of lower authorities, we find that the Sales Turnover was not in doubt and the assessee was in possession of primary purchase documents. The payment to the supplier was through banking channels. There could be



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no sale without actual purchase of material keeping in view the assessee's nature of business. The facts of the case made it a fit case to estimate the profit element embedded in these transactions. The Ld. CIT(A), after due consideration of assessee's submissions as well as material on record, estimated the additions @12.5%. The said estimation, in our opinion, could not be termed as unjustified, in any manner. Therefore, finding no reason to interfere in the impugned order, we dismiss the appeal.

5. The appeal stands dismissed.

Order pronounced on 10th May, 2021

Sd/-

(Mahavir Singh)

उपाध्यक्ष / **Vice President**

Sd/-

(Manoj Kumar Aggarwal)

लेखा सदस्य / **Accountant Member**

मुंबई Mumbai; दिनांक Dated : 10/05/2021

Sr.PS, Jaisy Varghese

आदेशकीप्रतिलिपिअग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी/ The Appellant
2. प्रत्यर्थी/ The Respondent
3. आयकरआयुक्त(अपील) / The CIT(A)
4. आयकरआयुक्त/ CIT– concerned
5. विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण, मुंबई/ DR, ITAT, Mumbai
6. गार्डफाईल / Guard File

आदेशानुसार/ BY ORDER,

उप/सहायक पंजीकार (Dy./Asstt.Registrar)
आयकरअपीलीयअधिकरण, मुंबई / ITAT, Mumbai.