

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

BEFORE SHRI PRASHANT MAHARISHI, AM AND SHRI PAVAN KUMAR GADALE, JM

ITA No. 1770/Mum/2020

(Assessment Year 2009-10)

Printrade Issues India Private Limited Gala No.17, Pragati Indus Estate, 316, NM Joshi Marg, Lower Parel, Mumbai-400 011 (Appellant)	Vs.	The Asst. Commissioner of Income Tax, 7(3)(2) Aayakar Bhavan, Mumbai-400 004 (Respondent)
PAN No. AACCP1550F		

Appellant by	:	Shri Mohan Makjija, AR
Respondent by	:	Shri V Tripathi, DR

Date of hearing:	10.01.2022
Date of pronouncement :	16.03.2022

ORDER

PER PRASHANT MAHARISHI, AM:

01. This appeal is filed by assessee against the order passed by the Commissioner of income-tax (Appeals)-13, Mumbai dated 17th March, 2020, wherein the addition made by the learned Assessing Officer of ₹14,15,549/- was upheld. This is only the grievance in this appeal.

02. Assessee has raised following grounds of appeal:-

"1. The Learned CIT(A) erred in confirming the addition of Rs. 1415549/- being 100% of alleged purchased made from bogus hawala dealers ignoring the submission made by the appellant.



2. *The learned CIT(A) erred in ignoring the appeal order filed before him of another CIT(A) on similar line.*

3. *The appellant craves leave to add, amend add/alter any of the grounds of appeal at the time of before the hearing of appeal.*

4. *The appellant prays that the addition made by the Assessing Officer and confirmed by CIT(A) may please be deleted."*

03. Brief facts of the case show that assessee is a company engaged in the business of printing of public issue materials and other printing jobs. It filed its return of income on 31.08.2009 declaring income of ₹6,37,91,970/- . The assessment under section 143(3) of the income-tax Act, 1961 (hereinafter referred to as 'Act') was passed on 7th December 2011 determining the total income of the assessee at ₹6,38,62,052/-. Subsequently, the case of the assessee was reopened by issue of notice under section 148 of the Act on 28th February, 2014. The reason for reopening was that assessee has obtained bogus bill of ₹14,15,549/- from one entity listed in sale tax website and declared as hawala dealer by Sales Tax Department, Mumbai. Thus, the assessee inflated the above expenditure and suppressed the profit. Therefore, there was an escapement of income to the tune of ₹14,15,549/.



04. The learned Assessing Officer issued the notice to the assessee with respect to the purchase from M/s Padmavati Enterprises. The assessee submitted the copy of ledger account, bills of the party and bank statement reflecting the payment made. Based on these evidences it was contended that purchases are genuine and not bogus. The learned Assessing Officer rejected the contention of the assessee and held that assessee failed to provide necessary evidences such as lorry receipt, delivery challan, stock register, octroi receipt etc. in support of the purchases. The assessee also couldnot produce the above party before the Assessing Officer. Accordingly, the learned Assessing Officer made the addition of 100% of the purchases and passed an assessment order under section 143(3) read with section 147 of the Act on 19th March 2015 at 6,52,77,600/-.
05. The above addition was contested before the learned Commissioner of income-tax (Appeals). The assessee submitted that the purchases are genuine therefore, no addition should be made. Alternatively, it was contested that income may be estimated at the rate of 12.5% of the bogus purchases. The learned CIT(A) rejected both the contentions and stated that assessee has not led any evidence with regard to the goods purchase and corresponding sales. No stock register or any quantitative details were furnished. Accordingly, the addition was confirmed.



06. The assessee is aggrieved with that order has preferred this appeal before us.
07. The appeal is delayed by 100 days. The assessee has submitted an application for condonation of delay and reasons stated is nationwide lockdown. Therefore, looking at the reasons causing delay, it is condoned and appeal is admitted.
08. Before us, the learned Authorised Representative submitted that issue is squarely covered in favour of the assessee by the decision of Hon'ble Bombay High Court in Income Tax Appeal No. 1004 of 2016 in the case of Pr. Commissioner of Income Tax Vs. Mohammad Haji Adam And Co. dated 11th February, 2019. He specifically referred to Paragraph no.8 of the above decision.
09. The learned Departmental Representative vehemently supported the order of the lower authorities and submitted that in view of the decision of Hon'ble Supreme Court in the case of NK Proteins Vs. DCIT [2017] 84 taxmann.com 195 (SC), there is no infirmity in the order of the learned Assessing Officer in making 100% addition. In the rejoinder, the learned Authorised Representative submitted that in the decision of Hon'ble Bombay High Court the above judgment is considered.
010. We have carefully considered the rival contentions and perused the orders of the lower authorities. The assessee is engaged in the business of printing. The allegation is



that the assessee has obtained accommodation entry in the name of bogus purchase bills from M/s Padmavati Enterprises which is listed as bogus hawala dealers as per sales tax website. The Assessing Officer has made the addition of 100% of the purchases. The learned CIT(A) also confirmed the same. The only issue involved in this appeal is whether the addition is required to be made in the hands of the assessee to the extent of 100% of the purchases or any percentage thereof. On careful consideration of the decision of the Hon'ble Bombay High Court, we find that in that decision there was a comparison between the purchases and sales statement of the assessee and Revenue has accepted the sales. The assessee was also found to be a trader of fabrics. In the present case, we do not find that assessee is a trader at all, therefore there is no question all the material purchased by the assessee have gone into the sales. In the present case the appellate private limited company is engaged in the business of printing of public issue material and annual reports. The assessee has also made a detailed written submission as annexure-B to the paper book therein also the assessee has relied upon the decision where co-ordinate Benches have reduced the addition for only the reason that assessee has stated the material purchased have been sold. In the present case, the observation of the learned CIT(A) clearly shows in paragraph no. 5.3.13 that the appellant has not adduced any evidence with regard to link goods purchased with the



corresponding sales. In view of this, we find that all the decisions quoted before us are on distinct fact that the sales has not been disputed and are not applicable.

011. In view of the above facts, we do not find any merit in the above appeal and the orders of the lower authorities are confirmed to that extent.

012. In the result, the appeal of the assessee is dismissed.

Order pronounced in the open court on 16.03.2022.

Sd/-
(PAVAN KUMAR GADALE)
(JUDICIAL MEMBER)

Sd/-
(PRASHANT MAHARISHI)
(ACCOUNTANT MEMBER)

Mumbai, Dated: 16.03.2022

Sudip Sarkar, Sr.PS

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.

BY ORDER,

True Copy//

Sr. Private Secretary/ Asst. Registrar
Income Tax Appellate Tribunal, Mumbai