

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCHES "SMC" : DELHI

BEFORE SHRI C.M. GARG, JUDICIAL MEMBER

ITA.No.2473/Del./2016  
Assessment Year : 2006-07

Supreme Cad Engineers,  
Prop. Harsimrat Kaur,  
7/8, Gali No.7, Anand Parbad Ind.  
Area,  
New Delhi.

Vs. ITO,  
Ward-33(3),  
New Delhi.

PAN : AAKPK8028J  
(Appellant)

(Respondent)

For Revenue : Shri Om Parkash, Sr. DR  
For Assessee : None

Date of Hearing : 30.11.2022  
Date of Pronouncement : 21.12.2022

**ORDER**

This appeal filed by assessee is directed against the Order of the  
Ld. CIT(A)-17, New Delhi, dated 21.07.2015 relating to the A.Y. 2006-07.

2. The grounds of appeal raised by the assessee read as under:-

"1. That on the facts & circumstance of the case, the order passed by the Ld. A.O. is bad both in law and on facts of the case.

2. That on the facts & circumstance of the case, The Ld. A.O. has erred in making addition of Rs. 20,25,586/- on A/c of bogus purchases & C1T(A)-17, New Delhi further erred in upholding the addition to the tune of Rs. 4,05,117/- @ 20% of Rs. 20,25,586/- on A/c of bogus purchases & balance addition of Rs. 16,20,469/- has been deleted.

3. The Ld. CIT(A)-17 is totally unjustified in upholding the addition of Rs. 4,05,117/- where there is no bogus purchase as the assessee's sale have been accepted. The additions are upheld without any basis.

4. That the appellant craves leave to add, amend or alter any of the grounds of appeal."

3. When the appeal was taken up for hearing, neither the assessee nor any authorized representative of the assessee appeared nor any adjournment application has been filed despite due issuance and service of the notice to the assessee. Hence I proceed to adjudicate the appeal, after hearing the Id. Sr. DR appearing for the Department.

4. The main contention of the assessee before the authorities below was that no addition can be made on account of bogus purchases. Before this Bench, the grounds of the assessee reveals that the assessee is aggrieved by the order of the Id. CIT(A) in upholding the addition of Rs.4,05,117/- @ 20% of Rs.20,25,586/- on account of bogus purchases. It was the contention of the assessee that when the sales has been accepted no addition can be made. The Id. CIT(A) restricted the addition to 20% of the impugned amount of bogus purchases and deleted the remaining part of 80%. But, the assessee is still aggrieved.

5. In my considered opinion, the analogy adopted by the Id.CIT(A) while confirming and restricting the addition to 20% was that the 20% cost has been shown from the parties who have given accommodation entries is not

applicable to the case of a seller. Therefore, the percentage adopted by the Id.CIT(A) is reduced to 10% in place of 20% to plug all possible leakage of revenue and, thus, the addition is restricted to Rs.2,02,554/- only. The assessee gets part relief.

6. In the result, the appeal filed by the assessee is partly allowed.

Order pronounced in the open court on 21.12.2022.

Sd/-

[CHANDRA MOHAN GARG]  
JUDICIAL MEMBER

Delhi, Dated, 21<sup>st</sup> December, 2022

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Copy to

1. The appellant
2. The respondent
3. Ld. CIT(A) concerned
4. CIT concerned
5. DR ITAT "A" Bench, Delhi
6. Guard File

//By Order//

Assistant Registrar, ITAT, Delhi Benches,  
Delhi.