

| आयकरअपीलीयअधिकरणन्यायपीठ,मुंबई|
IN THE INCOME TAX APPELLATE TRIBUNAL
“(SMC)” BENCH, MUMBAI

BEFORE SHRI NARENDRA KUMAR BILLAIYA, HON’BLE ACCOUNTANT MEMBER
&
SHRI SUNIL KUMAR SINGH, HON’BLE JUDICIAL MEMBER

I.T.A. No.3162/Mum/2023
(Assessment Year:2011-12)

Income Tax Officer, 30(1)(1), Mumbai	Vs	Universal Enterprises, 63/69, Nagdevi Cross Lane Masjid Bandar, Mumbai [PAN: AAAFU8884C]
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अपीलार्थी/ (Appellant)		प्रत्स्त्री/ (Respondent)
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Assessee by :	None
Revenue by :	Shri R. R. Makwana, Sr. DR

सुनवाई की तारीख/**Date of Hearing** :05.09.2024
घोषणा की तारीख /**Date of Pronouncement**:09.09.2024

आदेश/O R D E R

PERNARENDRA KUMAR BILLAIYA, AM

This appeal by the revenue is preferred against the order dated 28.07.2023 of Id. NFAC, Delhi pertaining to Assessment Year 2011-12.

2. The sum and substance of the grievance of the revenue is that the Id. CIT(A) erred in directing the AO to make addition of gross profit element embedded in the bogus purchases.
3. None appeared on behalf of the assessee in spite of notice. We decide to proceed ex-parte.
4. Briefly stated the facts of the case are that as per the information available on record, the AO came to know that the assessee has availed accommodation entries from persons indulged in issue of bogus purchases and sale bill without

actual delivery of goods. As per the information from the Sales Tax Department the assessee has purchased goods to the tune of Rs. 16,02,708/- which are bogus. The assessee was asked to explain the genuineness of the purchase. The assessee furnished ledger extracts of all the parties stating that the payment to the sellers have been made through account payee cheques. The explanation of the assessee did not find any favour with the AO who completed the assessment by making addition @12.5 % of the purchases and added a sum of Rs. 2,00,339/-.

5. The assessee carried the matter before the Id. CIT(A) and explained that the assessee is a trader engaged in the business of trading in ball bearings and roller bearings and its accessories and is authorised distributors of M/s. SKF India Ltd & Others. It was strongly contended that the assessee purchased the goods from suppliers and resale the same locally being the normal practice of business. It was brought to the notice of the Id. CIT(A) that the assessee has submitted the sample copies of the purchase bills, copies of bank statement and copies of movement of stock. The additions and disallowances have been made purely on estimated basis without any concrete evidences. After considering the facts and submissions and drawing support from the several judicial precedents the Id. CIT(A) came to the conclusion that only gross profit element embedded in the bogus purchases should be added and directed the AO accordingly.

6. We have carefully perused the orders of the authorities below. We find that AO has himself estimated the profit of 12.5% of the bogus purchase since the assessee has not furnished any ratio analysis in respect of his trading results and since the AO has made the addition estimating the gross profit we do not find any merit in the direction of the Id. CIT(A) as the profit addition to the

extent of profit element has already been made by the AO which calls for no further interference to the order of the Id. CIT(A) and is accordingly set aside and the appeal is dismissed.

Order pronounced in the Court on 9th September, 2024 at Mumbai.

Sd/-
(SUNIL KUMAR SINGH)
JUDICIAL MEMBER

Sd/-
(NARENDRA KUMAR BILLAIYA)
ACCOUNTANT MEMBER

Mumbai, Dated: 09/09/2024
**AK KEDIT, Sr. PS*

आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent
3. संबंधित आयकर आयुक्त / Concerned Pr. CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)-
5. विभागीयप्रतिनिधि , आयकरअपीलीयअधिकरण, मुंबई/DR,ITAT, Mumbai,
6. गार्ड फाई/Guard file.

आदेशानुसार/ BY ORDER,
TRUE COPY

Assistant Registrar
आयकर अपीलीय अधिकरण
ITAT, Mumbai