

**| 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.1439/Mum/2024**  
**(Assessment Year:2016-17)**

<b>Income Tax Officer, 12(1)(1), Mumbai</b>	Vs	<b>Arudha Traders Pvt Ltd, A-204, Vrindavan CHS Ltd, New Sai Baba Nagar, Kandivali (West), Mumbai [PAN: AAICA3317K]</b>
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<b>अपीलार्थी/ (Appellant)</b>		<b>प्रत्यर्थी/ (Respondent)</b>
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Assessee by :	Ms. Vinita Shah
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/ORDER**

**PERNARENDRA KUMAR BILLAIYA, AM**

This appeal by the revenue is preferred against the order dated 29.01.2024 of Id. NFAC, Delhi pertaining to Assessment Year 2016-17.

2. The sum and substance of the grievance of the revenue is that the Id. CIT(A) erred in restricting the addition on account of bogus purchase to the extent of 2.5% of such purchases as against 12.5 % made by the AO.

3. Briefly stated the facts of the case are that the assessee is a private limited company filed its return of income on 30.09.2015 declaring income of Rs. 2,41,690/-. The AO was in a possession of an information that the assessee is engaged in bogus purchases with One World Creation Pvt. Ltd

and One World Sourcing. The assessee was asked to explain the genuineness of the purchase totalling to Rs. ,560,23,286/-. On receiving no plausible reply, the AO estimated the profit @12.5% and made addition of Rs. 7,002,910/-. The assessee carried the matter before the Id. CIT(A) and the Id. CIT(A) by way of a consolidated order dated 29.01.2024 has restricted the addition to 2.5%. The coordinate bench in AY 2017-18 and 2018-19 in ITA No. 1438 & 1433/Mum/2024 has considered similar issue in the case of the assessee and held as under:-

*“7. We have given thoughtful considerations to the peculiar facts and circumstances of the case. We observe from the assessment order that the AO consciously recorded that malpractice of bogus purchases is mainly to save 10% of sales tax etc. and the profit margin in the industry in which the Assessee is working/dealing is 2.5% only, whereas the Ld. Commissioner has also consciously recorded the fact that Sales Tax/VAT is not applicable in the products dealt with by the Assessee and therefore deleted the addition of 10% of the purchases under consideration. We even otherwise do not find any material and/or reason to contradict the findings arrived and taking the decision by the Ld. Commissioner for restricting the addition to the extent of 2.5% of the alleged bogus purchases. Hence on the aforesaid analyzations, impugned addition as restricted by the Ld. Commissioner is affirmed. Thus, the appeal under consideration i.e. ITA Nos. 1438/M/2024 is dismissed.”*

4. On finding parity of facts respectfully following the decision of the coordinate bench we decline to interfere with the findings of the Id. CIT(A).

5. Appeal of the revenue is dismissed.

**Order pronounced in the Court on 9<sup>th</sup> September, 2024 at Mumbai.**

*Sd/-*  
**(SUNIL KUMAR SINGH)**  
**JUDICIAL MEMBER**

*Sd/-*  
**(NARENDRA KUMAR BILLAIYA)**  
**ACCOUNTANT MEMBER**

*\*AK NEDT, S. 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