

**IN THE INCOME TAX APPELLATE TRIBUNAL
"E" BENCH, MUMBAI**

**SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER
SHRI RAHUL CHAUDHARY, JUDICIAL MEMBER**

**ITA No. 1917/MUM/2024
(Assessment Year: 2012-13)**

**Deputy Commissioner of Income Tax
Circle 5(1)(1),
Room No. 568 Ayakar Bhavan,
Mumbai – 400020, Maharashtra
[PAN: AAACH1212Q]**

..... **Appellant**

**Hetu Investment and Trading
Private Limited
71 Pushpak Apartment,
301 Altamount Road, Kemps Corner,
Mumbai – 400026, Maharashtra**

Vs

..... **Respondent**

Appearance

For the Appellant/Department : Shri P D Chougule
For the Respondent/Assessee : Shri Priyank Ghai

Date

Conclusion of hearing : 22.08.2024
Pronouncement of order : 30.10.2024

ORDER

Per Rahul Chaudhary, Judicial Member:

1. By way of the present appeal the Revenue has challenged the order, dated 16/02/2024, passed by the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'the **CIT(A)**'] for the Assessment Year 2012-13, whereby the Ld. CIT(A) had allowed the appeal of the Assessee against the Assessment Order, dated 10/12/2019, passed under Section 147 read with 144 of the Income Tax Act, 1961 [hereinafter referred to as 'the **Act**'].

2. The Revenue has raised seven grounds of appeal, all directed against the order of the CIT(A) deleting the addition made by the Assessing Officer in respect of alleged bogus purchases of INR.62,70,000/- made from the following three parties:
 - (a) Vitrag Traders Pvt. Ltd : INR 4,70,000/-
 - (b) Sairam Trading Pvt. Ltd: INR 50,00,000/-
 - (c) Deep Enterprises : INR 8,00,000/-
3. We have heard both the sides and perused the material on record.
4. The relevant facts in brief are that the Appellant is stated to be a company engaged in the business of dealing in textiles and general trading. Assessee filed return of income for the Assessment Year 2012-2013 on 29/09/2012 declaring an income of INR.34,64,500/. The case of the Assessee was selected for scrutiny and vide Assessment Order, dated 25/03/2015, assessment was framed on the Assessee at assessed income of INR.1,77,85,447/- after making an addition of INR.1,15,67,797/- being the estimated gross profits computed at the rate of 1.25% after examining the alleged bogus purchases and sales accommodation entries provided by the Assessee.
5. Subsequently, reassessment proceedings were initiated against the Assessee on the basis of information received from the Investigation Wing that the Assessee was engaged in providing bogus purchase/sale accommodation entries. Vide Assessment Order dated, 10/12/2019, passed under Section 147 read with 144 of the Act the abovesaid addition of INR.62,70,000/- was made in the hands of the Assessee.

6. The above addition of INR.62,70,000/- was deleted by the CIT(A) vide order, dated 16/02/2024, holding that the transactions in respect of which addition under consideration has been made was considered by the Assessing Officer while framing the original assessment and therefore, the addition made by the Assessing Officer in the re-assessment proceedings in respect of the very same purchases which have already been considered while estimating the gross profits during the original proceedings could not be sustained.
7. During the appellate proceedings the Learned Departmental Representative could not controvert the factual findings returned by the CIT(A). We note that the CIT(A) has reproduced the relevant extract of the original assessment order and on perusal of the same we find that the Assessing Officer had examined the purchases and sales made by the Assessee. After taking note of the facts that the Assessee had failed to produce relevant information/details about the purchase/sale parties, the Assessing Officer had rejected the books of accounts of the Appellant and estimated the gross profits of the Assessee at the rate of 1.25% of aggregate sales [which were brought to tax in the hands of the Assessee]. Since the purchases (genuine as well as non-genuine) were taken into consideration by the Assessing Officer while estimating profits as aforesaid, the Assessing Officer was not justified in making addition of purchases amounting to INR.62,70,000/- again during the reassessment proceedings.
8. In view of the above, we do not find any infirmity in the order passed by the CIT(A) and therefore, all the grounds raised by the

Revenue are dismissed.

9. In result, the present appeal preferred by the Revenue is dismissed.

Order pronounced on 30.10.2024.

Sd/-
(Prashant Maharishi)
Accountant Member

Sd/-
(Rahul Chaudhary)
Judicial Member

मुंबई Mumbai; दिनांक Dated : 30.10.2024

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त/ The CIT
4. प्रधान आयकर आयुक्त / Pr.CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुंबई / DR, ITAT,
Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

उप/सहायक पंजीकार / (Dy./Asstt. Registrar)
आयकर अपीलीय अधिकरण, मुंबई / ITAT, Mumbai