

**INCOME TAX APPELLATE TRIBUNAL
AGRA BENCH "DB": AGRA
SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
BEFORE SHRI M. BALAGANESH, ACCOUNTANT MEMBER
(Through virtual hearing)**

**ITA Nos. 398 399/AGR/2024
(Assessment Years: 2013-14 & 2014-15)**

ACIT, Circle-2(1)(1), Agra	Vs.	Mamta Agarwal, 907/121, maharaja Agarsen Market, Chawari Bazar, Delhi- 110006
(Appellant)		(Respondent)
		PAN: ABZPA1240N

Assessee by :	Shri Amol Sinha, Adv
Revenue by:	Shri Shailender Shrivastava, Sr. DR
Date of Hearing	07/02/2025
Date of pronouncement	07/02/2025

ORDER

PER M. BALAGANESH, A. M.:

1. The appeal in ITA No. 398/AGR/2024 for AY 2013-14, arises out of the order of the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'ld. NFAC', in short] dated 29.08.2024 against the order of assessment passed u/s 147 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 23.05.2023 by the Assessing Officer, ACIT, Circle-2(1)(1), Agra (hereinafter referred to as 'ld. AO').
2. However, Ld. Departmental Representative (DR) pointed out that the present appeal is to be withdrawn as the tax effect involved in the case is below Rs.60 Lacs.
3. The CBDT vide Circular No.09/2024 dated 17.09.2024 has revised the monetary limit for filing the appeals before the Tribunal to Rs.60 Lacs and the

said Circular would be applicable to all pending appeals. In such circumstances, the present appeal filed by the Revenue in case of low tax effect is not maintainable.

4. Before parting, we clarify here that the Revenue shall be at liberty to approach the Tribunal for re-institution of appeal, if the requisite material is brought to show that the appeal is protected by the exceptions prescribed in para-3.1 and 3.2 of the Circular dated 17.09.2024.

5. In conclusion, by applying the CBDT Circular dated 17.09.2024, the captioned appeal of the Revenue is dismissed as withdrawn/not pressed.

6. In the result, the appeal of the Revenue stands dismissed.

ITA No. 399/AGR/2024 for AY 2014-15

7. The appeal in ITA No. 399/AGR/2024 for AY 2014-15, arises out of the order of the National Faceless Appeal Centre (NFAC), Delhi [hereinafter referred to as 'Id. NFAC', in short] dated 29.08.2024 against the order of assessment passed u/s 147 r.w.s. 144B of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 29.05.2023 by the Assessing Officer, ACIT, Circle-2(1)(1), Agra (hereinafter referred to as 'Id. AO').

8. The only effective issue to be decided in this appeal is as to whether the Id NFAC was justified in deleting the addition made on account of ingenuine purchases in the facts and circumstances of the instant case.

9. We have heard the rival submissions and perused the material available on record. The assessee runs a proprietorship concern under the name and style of M/s. Bhagwati International engaged in the business of paper trading. The return of income for AY 2014-15 was filed by the assessee on 26.09.2014 declaring total income of Rs. 29,70,464/-. The Id AO on the basis of

information received from Investigation Wing pertaining to one Prakash Gupta and his proprietorship concern namely Shri Trading Company, had initiated the reassessment proceedings in the case of the assessee with an allegation that assessee had made purchases of Rs. 1,77,64,049/- from the said entity which was in the form of an accommodation entry. The assessee in compliance to the show cause notice u/s 148A(b) of the Act filed her response on merits and denied having received any accommodation entry from the entity belonging to Prakash Gupta. It was clarified that the assessee had purchased papers from Shri Trading Company during the year under consideration to the tune of Rs. 1,77,64,049/- against which payments were made by account payee cheques from the disclosed bank account of the assessee. The assessee in support of her contention submitted the purchase bill, transport receipts, corresponding sale bills of such papers purchased, VAT returns duly disclosing the purchases made from Shri Trading Company, bank statement duly reflecting the payments made to Shri Trading Company, audited balance sheet and stock register. The Id AO by completely disregarding the contentions of the assessee proceeded to reopen the assessment by issuance of notice u/s 148 of the Act on 30.07.2022. The assessee filed her return of income on 10.09.2022 declaring the same income as was filed originally, in response to notice u/s 148 of the Act. The assessee has stated supra filed the transportation receipts clearly stipulating the quantity and date thereon, purchase and sale bills, duly recording the quantity date and amount of sales made against such alleged ingenuine purchases and other documents as listed above again during the reassessment proceedings before the Id AO. In other words, the assessee vehemently pleaded that the purchase made by her from Shri Trading Company was genuine and out of such purchase, the assessee had made corresponding sales which were already disclosed in her books of account and in the return of income. The Id AO completely disregarded the entire

contentions of the assessee and proceeded to make disallowance of the entire purchase made from Shri Trading Company as ingenuine purchase in the sum of Rs. 1,77,64,049/-. The Id NFAC observed that one of the reasons for the Id AO to treat the purchase made by the assessee from Shri Trading Company as ingenuine is that Shri Prakash Gupta had not filed his return of income for AY 2013-14 and summons issued by the Investigation Wing on the said party remained unserved. The efforts of the Income Tax Inspector posted with the Investigation Wing also could not fructify as concern M/s. Shri Trading Company or Prakash Gupta could not be found on the said address. During the reassessment proceedings, notice u/s 133(6) of the Act was issued to the Id AO to Prakash Gupta and no response was received from him. This goes to prove that the notice u/s 133(6) of the Act stood served on him but the party are chosen not to respond for which the assessee cannot be faulted. The Id NFAC took due cognizance of the fact that the assessee had submitted the computation of income along with copy of ITR, audited financial statement, copy of VAT duly declaring the entire purchase and sums including the purchase made from Shri Trading Company and corresponding sales made thereon, purchase bills, transportation bills, sale receipts, item register reflecting inward and outward movement of goods, copy of bank statement etc. the assessee in reality the purchase made from the Shri Trading Company and the corresponding sales made thereon, both the transaction being reflected in the books of account of the assessee. The Id NFAC also took due cognizance of both the facts and gave a categorical finding that the purchase made by the assessee through Shri Trading company cannot be doubted or treated as ingenuine and also gave a finding that the corresponding sales made by the assessee have been accepted by the Id AO and books of account were not rejected by the Id AO. Id NFAC also took due cognizance of the fact that there is no substantial fall in the gross profit or net profit of the assessee

during the year under consideration. He accordingly deleted the disallowance made on account in genuine purchase. We do not find any infirmity in the said order of the NFAC granting relief to the assessee. Accordingly, grounds raised by the revenue are dismissed.

10. In the result, the appeal of the revenue is dismissed.

11. To sum up, both the appeals of the revenue are dismissed.

Order pronounced in the open court on 07/02/2025.

-Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

-Sd/-
(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 07/02/2025
A K Keot

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1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi