

आयकर अपीलीय अधिकरण
दिल्ली पीठ "एस एम सी", दिल्ली
श्री विकास अवस्थी, न्यायिक सदस्य

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC", DELHI
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER

आअसं.5298/दिल्ली/2024 (नि.व. 2018-19)
ITA No.5298/DEL/2024 (A.Y.2018-19)

Anil Kumar Mittal,
458-466, Shambhu Nath Compound,
Gali No. 8, Friends Colony, Industrial Area,
G.T Road, Shahadra, Delhi 110095

PAN: ADDPM-5324-M

..... अपीलार्थी/Appellant

बनाम Vs.

Income Tax Officer, Ward 58(7),
Vikas Bhawan, I.P Estate,
New Delhi 110002

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/ Appellant by : Shri D.K. Anand, Chartered Accountant
प्रतिवादीद्वारा/ Respondent by : Shri Sanjay Kumar, Sr. DR
सुनवाई की तिथि/ Date of hearing : 13/01/2025
घोषणा की तिथि/ Date of pronouncement: : 09/04/2025

आदेश/ORDER

PER VIKAS AWASTHY, JM:

This appeal by the assessee is directed against the order of Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, Delhi (hereinafter referred to as 'the CIT(A)') dated 06.09.2024, for assessment year 2018-19.

2. The assessee in appeal has raised three grounds assailing addition on merits as well as assailing validity of assessment order u/s.147 r.w.s. 144B of the Income Tax Act,1961(hereinafter referred to as 'the Act').

3. Shri D.K. Anand, appearing on behalf of the assessee at the outset made statement at Bar that he is not pressing jurisdictional issue in ground no.1 of appeal challenging validity of assessment order. In view of statement made by Id. AR of the assessee, ground no. 1 of appeal is dismissed as not pressed.

4. Ground no. 2 and 3 of appeal are taken up together as they relate to single issue i.e. addition of Rs.14,83,879/- on account of bogus purchases. The Id. AR of the assessee submits that the assessee is engaged in the business of manufacturing cooper wire under the sole proprietorship business in the name and style of M/s. Prabhu Enterprises. The assessee filed his return of income for AY 2018-19 on 03.10.2018 declaring total income of Rs.5,90,490/-. Thereafter, on the basis of information received through ITBA portal, the Assessing Officer (AO) reopened the assessment for AY 2018-19 and issued notice u/s. 148 of the Act on 27.03.2022. In reply to said notice, the assessee furnished reply on 15.01.2023. It was alleged by the Department that the assessee had obtained accommodation entries amounting to Rs.10,85,000/- from M/s. RCI Industries and Technologies Ltd. with respect to bogus sale/purchase of goods. He contended that during the period relevant to assessment year under appeal, the assessee had purchased 'cooper wire rods' of 3015 Kg @ Rs405 per Kg from M/s. RCI Industries and Technologies Ltd. against invoice bearing no. RCI/GST/1718/137 dated 12.08.2017 for Rs.14,83,879.50/- including GST. The assessee made payment for the above purchase of cooper wire rods through banking channel which is verifiable from bank statement of the assessee. M/s. RCI Industries and Technologies Ltd. is duly registered under GST on GST Portal in different states with various GST numbers. Thus, M/s. RCI Industries and Technologies Ltd. is a genuine company and not a paper company as alleged by the Department. The AO made addition of Rs.14,83,879/- on account of alleged

bogus purchases made by the assessee from M/s. RCI Industries and Technologies Ltd. Aggrieved by the assessment order dated 23.03.2023 passed u/s. 147 r.w.s 144B of the Act, the assessee filed appeal before the CIT(A). The CIT(A) vide impugned order dismissed appeal of the assessee and upheld additions made in assessment order. Hence, present appeal by the assessee.

4.1. The Id. AR of the assessee submits that in order to substantiate genuineness of purchases, the assessee had placed on record copy of invoice (at page 3 of the paper book), copy of stock register, books of account etc. The AO accepted the same and has not pointed any defect in any of the documents furnished by the assessee. The assessee has also placed on record annual report of M/s. RCI Industries and Technologies Ltd. at pages 19 to 22 of paper book to show that the said company is very much in existence and is still carrying out its business.

4.2. Per contra, Shri Sanjay Kumar representing the department strongly supported the impugned order and prayed for dismissing appeal of the assessee. The Id. DR submitted that as per information received from CBIC M/s. RCI Industries and Technologies Ltd. is a nonexistent company and was engaged in issuing bogus sales bill without supply of goods and services.

5. Both sides heard, orders of the authorities below examined. The short issue in appeal is addition on account of alleged bogus purchase made by the assessee from M/s. RCI Industries and Technologies. The assessee is engaged in manufacturing and sale of cooper wires. The assessee has purchased copper wire rods aggregating to Rs.14,83,879/- from M/s. RCI Industries and Technologies. The assessee in order to substantiate purchases placed on record copy of invoice at page 3 of the paper book and has also furnished bank statement indicating

payment made to M/s. RCI Industries and Technologies Ltd. against the said invoice. The assessee has also placed on record stock register and books of account. The AO has neither rejected books of the assessee nor has pointed any defect in stock register. The sales declared by the assessee have also been accepted. It is merely on the basis of information received from CBIC that M/s. RCI Industries and Technologies Ltd. is issuing bogus bills without actually supplying the goods, the AO made addition. No independent enquiry/investigation was carried out by the AO. The bare minimum enquiry by issuing summons u/s. 133(6) of the Act was not made by the AO. Taking into consideration the documents placed on record by the assessee, I hold that the findings of the AO and the CIT(A) are misplaced. If the raw material is not actually received by the assessee and there cannot be manufacturing activity, consequently there would be no matching sales or increase in the stock. However, no such defect was pointed by the AO, hence, the allegation of assessee indulging in obtaining bogus entries is unsustainable.

7. In the result, impugned order is *set aside* and appeal of the assessee is allowed.

Order pronounced in the open court on Wednesday the 09th day April, 2025.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 09.04.2025

NV/-

प्रतिलिपि अग्रेषितCopy of the Order forwarded to :

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT/CIT(A)
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Dy./Asstt. Registrar) ITAT, DELHI

	Details	Date
1	Draft of dictation of Tribunal order	07.04.2025
2	Draft on which the typed draft Tribunal order is placed before the Dictation Member	08.04.2025
3	Date on which the typed draft Tribunal order is placed before the other Member	
4	Date on which the approved draft Tribunal order comes to the Sr.PS/PS	
5.	Date on which the fair Tribunal Order is placed before the Dictating Member for pronouncement	
6.	Date on which the signed order comes back to the Sr.PS/PS	
7.	Date on which the final Tribunal order is uploaded by the Sr.PS/PS on official website	
8	Date on which the file goes to the Bench Clerk alongwith Tribunal Order	
9	Date of killing off the disposed of files on the judiSIS portal of ITAT by the Bench Clerks	
10	Date on which the file goes to the Supervisor (Judicial)	
11	Date on which the file goes for Xerox	
12	Date on which the file goes for endorsement	
13	Date on which the file goes to the superintendent for checking	
14	The date on which the files goes to the Assistant Registrar for endorsement of the order	
15	Date on which the file goes to dispatch section	
16	Date of dispatch of the order	

