

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR BENCH : NAGPUR

BEFORE SHRI N.K. CHOUDHRY, JUDICIAL MEMBER &
SHRI K.M. ROY, ACCOUNTANT MEMBER

I.T.A.No. 458/NAG/2024
(Assessment Year 2009-10)

Gangadhar Nagorao Nikam, Tarsa Road, Kanhan, Nagpur, Maharashtra.		DCIT/ACIT, Circle-1, Nagpur
PAN : ABHPN 1709 P	vs.	
(Appellant)		(Respondent)

For Assessee :	Smt. Veena Agrawal, CA
For Revenue :	Shri Anand Nagrale, Sr.DR

Date of Hearing :	17.06.2025
Date of Pronouncement :	17.06.2025

ORDER

PER N.K. CHOUDHRY, JM:

This appeal has been preferred by the assessee against the order dated 28/06/2024 impugned herein passed by the Ld. Commissioner of Income Tax (Appeals)/NFAC, Delhi [in short, "Ld.Commissioner"] u/sec. 250 of the Income Tax Act, 1961 (for short, "the Act") for the Assessment Year (for short, "AY") 2009-10.

2. In the instant case, the Assessing Officer (for short, "A.O.") vide order dated 24/03/2015 u/sec. 144 r.w.s. 147 of the Act has made the addition of ₹ 7,29,222/- being 13.02% of the gross purchases of ₹ 56,00,790/-, on account of disallowance of bogus purchases. The assessee being aggrieved, challenged the said addition before the Ld. Commissioner, however, could not get any relief, as the Ld. Commissioner affirmed the aforesaid addition by holding the decision of the A.O. as justified. Therefore, assessee being aggrieved challenged the impugned order before this Tribunal.

3. Heard the parties and perused the material on record. At this juncture, the assessee submitted that though the assessee has accounted for the amount of purchases made at ₹ 56,00,790/- in its books of accounts, however still the reasonable addition can be sustained.

4. On the contrary, Id.DR refuted the claim of the assessee.

5. We have given thoughtful consideration to the peculiar facts and circumstances of the case. It appears from the orders passed by the lower authorities that it is not the complete case of the bogus purchases and admittedly the A.O. has not disputed the sale made of the alleged bogus purchases. Therefore, to cut-short the litigation and for substantial justice, we are of the considered view, justice would be made by restricting the addition of 13.02% to 5% over and above the G.P. already shown by the assessee and, therefore, we direct the A.O. to verify the fact and restrict the addition at 5% over and above the G.P. already shown and recompute the tax liability accordingly, without making any roving enquiry and just restricting himself to the directions made above.

6. In the result, appeal of the assessee is allowed.

Order pronounced in the open Court on 17.06.2025.

Sd/-
(K.M. ROY)
Accountant Member

Sd/-
(N.K. CHOUDHRY)
Judicial Member

vr/-

Copy to

1.	The appellant
2.	The respondent
3.	The CIT(A), Nagpur concerned.
4.	D.R. ITAT, Nagpur Bench, Nagpur.
5.	Guard File.

//True Copy //

By Order

Sr. Private Secretary,
ITAT, Nagpur Bench.