

**आयकर अपीलीय अधिकरण, कोलकाता पीठ, कोलकाता**

**IN THE INCOME TAX APPELLATE TRIBUNAL "D" BENCH KOLKATA**

**Before Shri Rajesh Kumar, Accountant Member and  
Shri Pradip Kumar Choubey, Judicial Member**

**ITA No.1207/Kol/2025**

**Assessment Year: 2011-12**

**Ruia Marketing Ltd.....Appellant**  
**9, Ezra Street, Top Floor,**  
**Room No.47, Kol- 1..**  
**[PAN: AACCR1621D]**

**vs.**

**ITO, Ward-8(1), Kolkata.....Respondent**

**Appearances by:**

Shri Manoj Kataruka, Adv., appeared on behalf of the appellant.

Shri S. B. Chakraborty, Sr. DR, appeared on behalf of the Respondent.

Date of concluding the hearing : September 08, 2025

Date of pronouncing the order : September 15, 2025

**ORDER**

**Per Rajesh Kumar, Accountant Member:**

The present appeal has been preferred by the assessee against the order dated 24.02.2025 of the National Faceless Appeal Centre [hereinafter referred to as the "1d. CIT(A)"] passed u/s 250 of the Income Tax Act, 1961 [hereinafter referred to as the "Act"].

2. The only issue raised by the is in respect of order of the 1d. CIT(A) upholding the assessment order wherein an addition of Rs.54,57,466/- was made on account of bogus purchase of diamonds u/s 69C of the Act.

3. The facts in brief are that the assessee filed return of income on 21.09.2011 declaring total income at Nil. The case of the assessee was reopened u/s 147 and notice u/s 148 of the Act was issued accordingly on the ground that the assessee has received accommodation entry in the form of bogus purchase of diamonds of Rs.54,57,466/-. The

statutory notices along with questionnaire were issued and the assessee made compliance before the Assessing Officer. The Assessing Officer also issued notices u/s 133(6) of the Act to the supplier M/s Daksh Diamonds, however, the same was returned unserved. Thereafter, again a show-cause notice was issued and addition of Rs.54,57,466/- was made to the income of the assessee as bogus purchase u/s 69C of the Act.

4. The ld. CIT(A) also dismissed the appeal of the assessee on the ground that the assessee has not made any submission or compliance before the ld. CIT(A).

5. After hearing the rival submissions and perusing the materials available on record, we find that the assessee is engaged in property business and at the same time, the assessee is also involved in making investments in jewellery including diamonds. We observe from the profit and loss a/c that the assessee has not debited jewellery purchased during the year. On the other hand the jewellery purchased which includes diamond purchased of Rs. 54,57,466/- was shown as investments at Rs.205784162/-. It is apparent from the Schedule no.4 (Investments) which contained the purchase of diamonds of Rs.54,57,466/- which was shown as investment in Schedule no.4. Therefore, we do not find merit in the addition made by the Assessing Officer u/s 69C on bogus expenditure. Moreover, the ld. CIT(A) has ignored the written submission of the assessee uploaded on the portal of the department and passed the ex parte order. The case of the assessee is squarely covered by the decision of the Coordinate bench of the Tribunal in the case of Gopal & Sons HUF vs. ITO dated 15.07.2025 in ITA No.672/Kol/2025 wherein the Hon'ble Tribunal has held as under:

*“3. It was the submission by the ld. AR that the assessee had purchased diamonds for a value of Rs.5,12,100/- during the impugned assessment*

*year from Moulimani Impex Pvt. Ltd., Surat. The assessee had paid for the same by cheque. Ld.AR has also placed before me the bank statement of the assessee wherein the details of the transaction and cheque number are available. It was submitted that the AO treated this amount of purchase price of Rs.5,12,100/- as the bogus purchase of the assessee. It was the submission that the assessee has purchased the diamonds for personal use. The assessee is not a dealer of diamonds. The assessee has not sold the diamonds and the assessee has not claimed the said expenditure on the purchase of diamond as expenditure. It was the prayer that the addition made by the AO and confirmed by the ld. CIT(A) is liable to be deleted. It was also the submission of the ld. AR that the order passed by the ld. CIT(A) is an ex-parte order, insofar as the assessee had no knowledge of the hearing having been posted. It was the submission that even the order of the ld. CIT(A) was also not known to the assessee, it came to the knowledge only after getting the certified copy of the same in March, 2025, then the assessee proceeded to file the present appeal before the Tribunal.*

*4. In reply, ld. Sr. DR submitted that the diamonds were purchased from a bogus company in Surat. It was the submission that the order of the ld.AO and ld.CIT(A) are liable to be upheld.*

*5. I have considered the rival submissions. A perusal of the facts of the present case clearly shows that the assessee is not a dealer of diamonds. The diamonds purchased are not stock-in-trade. The expenditure on account of purchase of diamonds have not been claimed by the assessee as an expenditure. This being so, there is no cause for treating the expenditure by the AO as bogus. In these circumstances, the addition made by the AO and confirmed by the ld. CIT(A) stands deleted.*

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

6. Following the above decision, we set aside the order of the ld. CIT(A) and direct the Assessing Officer to delete the addition.

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

***Kolkata, the 15<sup>th</sup> September, 2025.***

Sd/-  
**[Pradip Kumar Choubey]**  
Judicial Member

Sd/-  
**[Rajesh Kumar]**  
Accountant Member

Dated: 15.09.2025.

RS

*Copy of the order forwarded to:*

1. Appellant -
2. Respondent -
3. CIT(A)-
4. CIT- ,
5. CIT(DR),

//True copy//

By order

Assistant Registrar, Kolkata Benches