

**IN THE INCOME TAX APPELLATE TRIBUNAL,  
DELHI BENCH: 'A' NEW DELHI**

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER  
AND  
SHRI S. RIFAUR RAHMAN, ACCOUNTANT MEMBER**

ITA No.3660/Del/2025  
Assessment Year: 2012-13

Sh. Vinod Kumar, Proprietor of Vinod Enterprises, R/o- H. No.920, Sector-13, Karnal, Haryana	<b>Vs.</b>	Income Tax Officer, Ward-5, Karnal
<b>PAN: ADEPK5811G</b>		
<b>(Appellant)</b>		<b>(Respondent)</b>

Assessee by	Sh. Rajeev Sachdewa, CA
Department by	Sh. Ajay Kumar Arora, Sr. DR

Date of hearing	12.11.2025
Date of pronouncement	12.11.2025

**ORDER**

**PER SATBEER SINGH GODARA, JM**

This assessee's appeal for assessment year 2012-13, arises against the Commissioner of Income Tax (Appeals)/National Faceless Appeal Centre [in short, the "CIT(A)/NFAC"], Delhi's DIN and order no. ITBA/NFAC/S/250/2025-26/1075476941(1), dated 04.04.2025 involving proceedings under section 147 r.w.s. 143(3) of the Income-tax Act, 1961 (hereinafter referred to as 'the Act').

Heard both the parties. Case file perused.

2. We note at the outset that the assessee/appellant herein is aggrieved against the learned CIT(A)/NFAC's lower appellate discussion enhancing bogus purchases disallowance @ 5% of Rs.1,33,24,719/-; coming to Rs.6,66,235/- to that in entirety reading as under:

*"6. Decision: I have considered the facts of the case, written submission and case laws relied upon by the appellant as against the observations and findings of the AO in the assessment order. The submissions and contentions of the appellant are discussed and decided as under*

*6.1 Ground No.1: In this ground the appellant has challenged the addition worth Rs.666235/- as 5% profit on bogus purchases of Rs. 13324719/-. The case was reopened u/s 147 of the Income Tax Act as it was found that the appellant has done bogus purchases from shell company worth Rs. 13324719. The AO relied upon the judgement of Hon. Gujarat HC in the case of CIT vs Vijay Proteins and made the addition.*

*6.1.1 Now before me in the appellate proceedings, the appellant has filed written submission. The appellant has stated that the purchases have been done through cheques and the purchase bills and the delivery challans are there. The appellant has relied upon various judgements of various courts including the judgement of Hon. CIT(A) Karmal in the case of M/s Prem Industries. I don't agree with the submission of the appellant and the case laws relied upon. The AO has pointed out the modus operandi and the detailed examination of the Investigation Wing Kamal regarding the bogus bills issued by the Shell companies like M/s. Anurag Enterprises, M/s Ishwar Chand & Sons M/s Shree Hari Trading Co. To verify the bogus purchases, the letters were issued to various parties to verify the transactions but no compliance was filed before the AO. Similar thing happened before the Investigation Wing at Karnal. Hence it is clear that the appellant has taken bogus purchase bills in lieu of small amount of commission paid to these parties. Hon. Bombay HC in a recent judgement in the case of PCIT vs. Kanak Impex Ltd dated 03.03.2025 has analysed the various judgements of various courts on the issue of bogus purchases like the decision of Hon. Gujarat HC in the case of N.K Industries vs. DCIT and Kolkata HC in the case of PCIT vs. Premlata Tekriwal and also the decision of Bombay HC in the case of Shoreline vs CIT and*

*has held that the addition should be made on the account of entire bogus purchases because the source of the genuineness of the purchases were not proved. Hence the addition is enhanced to Rs. 13324719/-. The AO has made the addition of Rs. 666235/-, but following the recent decision of Hon. Bombay HC, the addition is enhanced to Rs. 13324,719/-.”*

3. That being the case, both the learned representatives reiterate their respective stands against and in support of the learned CIT(A)'s impugned enhancement action. The Revenue, more particularly, submits that going by PCIT Vs. M/s. Kanak Impex (India) Ltd., (2025) 172 taxmann.com 283 (Bom) and N.K. Proteins Ltd. Vs. DCIT (2017) 84 taxmann.com 195 (SC), we ought to confirm the impugned bogus purchases disallowance in entirety.

4. We find no merit in the Revenue's foregoing vehement contention. We make it clear that the question as to whether such bogus purchases are to be disallowed in entirety or a portion thereof or only the profit element embedded therein; as the case may be, has seen divergent views as well in (2025) 173 taxmann.com 592 (Guj.) Ravjibhai Becharbhai Dhamelia vs. ACIT; (2024) 160 taxmann.com 110 (Bom) PCIT Vs. Hitesh Mody (HUF); (2025) 178 taxmann.com 424 (Del. – Trib.) DCIT Vs. Kohinoor Foods Ltd.; and (2025) 177 taxmann.com 836 (Delhi-trib.) DCIT Vs. Tirupati Matsup (P.) Ltd. Faced with this situation, we are of the

considered view that the learned Assessing Officer's estimation of the assessee's impugned disallowance @ 5% to the alleged bogus purchases could not be found fault with which has been wrongly enhanced to that in entirety in the lower appellate discussion. We thus reverse the learned CIT(A)'s findings to this extent to restrict the impugned bogus purchases at an estimated disallowance of 5% only subject to a rider that the same shall not be treated as a precedent.

No other ground or argument has been pressed before us.

5. This assessee's appeal is partly allowed.

***Order pronounced in the open court on 12<sup>th</sup> November, 2025***

***Sd/-***  
**(S. RIFAUH RAHMAN)**  
**ACCOUNTANT MEMBER**

***Sd/-***  
**(SATBEER SINGH GODARA)**  
**JUDICIAL MEMBER**

Dated: 20<sup>th</sup> November, 2025.

*RK/-*

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi