

**IN THE INCOME TAX APPELLATE TRIBUNAL
COCHIN BENCH**

BEFORE SHRI INTURI RAMA RAO, AM

**ITA No. 868/Coch/2025
Assessment Year: 2018-19**

Orbit Diamonds Appellant
8B, Santhi Savera, Warriam Road, Kochi
[PAN: AAFFO6176N]

vs.

The Income Tax Officer, WD-2(3), Thrissur Respondent

Assessee by: Smt. Anjana A., Advocate
Revenue by: Ms. Neethu S. Sr. DR

Date of Hearing: 27.11.2025
Date of Pronouncement: 28.11.2025

ORDER

This appeal filed by the assessee is directed against the order of the National Faceless Appeal Centre, Delhi [CIT(A)] dated 19.09.2025 for Assessment Year (AY) 2018-19.

2. Brief facts of the case are that the appellant is a partnership firm engaged in the business of manufacturing and sale of jewellery. The return of income for AY 2018-19 was filed on 31.10.2018 disclosing total income of Rs. 12,78,040/-. Against the said return of income, the assessment was completed by the Assessment Unit of Income Tax Department (hereinafter called "the AO") vide order dated 05.03.2024 passed u/s. 147 r.w.s. 144B of the Income Tax

Act, 1961 (the Act) at total income of Rs. 14,71,660/-. While doing so, the AO found that the appellant had made purchase of diamonds to the tune of Rs. 15,98,964/- from one firm namely M/s. Chamak Impex LLP. According to the AO, the said firm was engaged in providing accommodation entries of bogus purchases and the appellant is a beneficiary of such entries, AO rejecting the contention of the appellant that such purchases were genuine purchases The AO made addition of Rs. 1,93,620/- applying the GP rate of 12.5% on such purchases.

3. Being aggrieved, an appeal was filed before the CIT(A), who vide the impugned order confirmed the action of the AO.

4. Being aggrieved, the appellant is in appeal before this Tribunal in the present appeal.

5. I heard the rival contentions and perused the material available on record. The issue in the present appeal is whether the purchases made by the appellant firm from Chamak Impex LLP are genuine or not. During the course of assessment proceedings the appellant had filed details of purchases made by the appellant from the said form. The AO had not given any finding as to how the details filed by the appellant are not true and correct. The AO has chosen to make the addition merely based on the information that the Chamak Impex LLP is providing accommodation entries of bogus purchases. In my considered view the approach adopted by the AO is not tenable in

the eyes of law. Therefore, the matter is restored back to the file of AO for de novo assessment in accordance with law after affording reasonable opportunity of hearing to the appellant.

6. In the result, the appeal filed by the assessee stands partly allowed for statistical purposes.

Order pronounced in the open court on 28th November, 2025.

Sd/-
(INTURI RAMA RAO)
ACCOUNTANT MEMBER

Cochin, Dated: 28th November, 2025

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar
ITAT, Cochin