

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'E' BENCH,  
NEW DELHI

BEFORE SHRI CHALLA NAGENDRA PRASAD, JUDICIAL MEMBER, AND  
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER

ITA No. 3386/DEL/2025 [A.Y. 2016-17]  
ITA No. 3387/DEL/2025 [A.Y. 2017-18]

The I.T.O  
Ward - 23(3)  
Delhi

Vs. Shree Shyam Coatings Ltd  
Khasra No. 1024, Mahipalpur  
New Delhi

PAN - AAJCS 2365 L

(Applicant)

(Respondent)

Assessee By : None  
Department By : Ms. Ankush Kalra, Sr. DR

Date of Hearing : 20.11.2025  
Date of Pronouncement : 20.11.2025

**ORDER**

**PER NAVEEN CHANDRA, ACCOUNTANT MEMBER:-**

The above captioned two separate appeals by the Revenue are preferred against the order of the Id. CIT(A)/NFAC, Delhi dated 28.03.2025 pertaining to A.Ys. 2016-17 and 2017-18.

2. None appeared on behalf of the assessee. We decided to proceed ex-parte with the assistance of the ld. DR who was heard at length. Case records carefully perused.

3. Brief facts of the case are that the assessee for the year under consideration, has e-filed the return of income on 25.01.2017 u/s 139(1) of the Income-tax Act, 1961 [the Act, for short], declaring total income of Rs. 18,11,456/-.

4. The case was reopened by issuing notice u/s 148 of the Act on 30.03.2021 on account of information that the assessee has taken entries for purchase from paper company. The assessee submitted in return of Income on 26.09.2021 in response to notice u/s 148 wherein a total income of Rs. 18,11,456/- was declared. Subsequently, a show cause notice containing a draft assessment order on 24-03-2022 was issued to the assessee. In response, the assessee filed its reply with the relevant documents. Thereafter, the Assessing Officer, not finding the response of the assessee satisfactory, considered the said purchase as bogus and passed the order of assessment on 30.03.2022 making addition of Rs. 3,33,45,268/- u/s 69C of the Act.

5. Aggrieved, the assessee went in appeal before the ld. CIT(A) who restricted the disallowance by holding that the average NP in last three years comes at 1.84%. Though the assessee has already paid the tax on the net profit emanated from the sales made out of the impugned bogus purchases, the net profit ratio on the impugned purchases of Rs. 3,15,33,812/- was increased to 2.5% from 1.89%. The Assessing Officer was directed to modify the income accordingly and partly allowed the grounds of the assessee.

6. Aggrieved by the restriction of the disallowance, the Revenue is in appeal before us in both the years under consideration.

7. Before us, the ld DR vehemently relied on the orders of the AO.

9. We have heard the ld DR's submissions and have perused the relevant material on record. We find that the ld. CIT(A) has given a categorical finding that the average NP in last three years comes at 1.84% and though the assessee has already paid the tax on the net profit emanated from the sales made out of the impugned bogus purchases, the net profit ratio on the impugned purchases of Rs. 3,15,33,812/- is increased to 2.5% from 1.89%.

10. After perusing the order of the ld. CIT(A), we find that the ld. CIT(A) has examined the issue carefully and has arrived at a justifiable decision. We, therefore, find no fault in the order of the ld. CIT(A) and decline to interfere with the same. Accordingly, the sole ground raised by Revenue in both the appeals stands dismissed.

11. In the result, both the appeals of the Revenue in ITA No. 3386 and 3387/DEL/2025 are dismissed.

The order is pronounced in the open court on 20.11.2025.

Sd/-

**[CHALLA NAGENDRA PRASAD]  
JUDICIAL MEMBER**

Sd/-

**[NAVEEN CHANDRA]  
ACCOUNTANT MEMBER**

Dated: 08<sup>th</sup> DECEMBER, 2025.

VL/

Copy forwarded to:

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

Asst. Registrar,  
ITAT, New Delhi

Sl No.	PARTICULARS	DATES
1.	<i>Date of dictation of Tribunal Order</i>	
2.	<i>Date on which the typed draft order is placed before the Dictating Member</i>	
3.	<i>Date on which the typed draft order is placed before the other Member [in case of DB]</i>	
4.	<i>Date on which the approved draft order comes to the Sr. P.S./P.S.</i>	
5.	<i>Date on which the fair Order is placed before the Dictating Member for sign</i>	
6.	<i>Date on which the fair order is placed before the other Member for sign [in case of DB]</i>	
7.	<i>Date on which the Order comes back to the Sr. P.S./P.S for uploading on ITAT website</i>	
8.	<i>Date of uploading, inf not, reason for not uploading</i>	
9.	<i>Date on which the file goes to the Bench Clerk</i>	
10.	<i>Date on which the file goes for Xerox</i>	
11.	<i>Date on which the file goes for endorsement</i>	
12.	<i>The date on which the file goes to the Superintendent for checking</i>	
13.	<i>Date on which the file goes to the Assistant Registrar for signature on the order</i>	
14.	<i>Date on which the file goes to the dispatch section for dispatch the Tribunal order</i>	
15.	<i>Date of Dispatch of the Order</i>	
16.	<i>Date on which the file goes to the Record Room after dispatch the order</i>	