

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

**BEFORE SHRI SATBEER SINGH GODARA, JUDICIAL MEMBER
AND
SHRI AMITABH SHUKLA, ACCOUNTANT MEMBER**

ITA No.2995/Del/2024
Assessment Year: 2011-12

Sh. Manish Khandelwal, H-249, Vikashpuri, New Delhi	Vs.	Income Tax Officer, Ward-44(1), New Delhi
PAN: AGTPK1477G		
(Appellant)		(Respondent)

Assessee by	Sh. V.K. Sabharwal, Adv. Sh. Rajiv Kumar, Adv. Sh. J.L. Sethi, Adv.
Department by	Ms. Ankush Kalra, Sr. DR

Date of hearing	22.01.2026
Date of pronouncement	22.01.2026

ORDER

PER SATBEER SINGH GODARA, JM

This assessee's appeal for assessment year 2011-12, 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/250/2024-25/1064209294(1), dated 19.04.2024 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. It emerges during the course of hearing that the assessee presses for his sole substantive ground on merits challenging both the learned lower authorities’ action treating his unexplained expenditure towards “purchases” of Rs.1,17,87,527/- in AY 2011-12, sourced from various entities as bogus ones under section 69C of the Act, in the assessment order dated 22.12.2018, and upheld in the lower appellate discussion.

3. That being the case, both the parties vehemently reiterate their respective stands against and in support of the impugned bogus purchases disallowance. We wish to make it clear that there is no dispute in principle that the assessee is engaged in trading of raw material i.e. iron and steel all along wherein possibility of assessee sourcing its purchases from unregistered dealers *per se* could not be altogether ruled out as well. And that his

corresponding sales have nowhere been questioned in both the lower proceedings. Various recent judicial precedents (2025) 173 taxmann.com 592 (Guj.) Ravjibhai Becharbhai Dhamelia vs. ACIT; (2024) 160 taxmann.com 110 (Bom) PCIT Vs. Hitesh Mody (HUF), (2024) 160 taxmann.com 93 (Del) PCIT Vs. Forum Sales (P) Ltd.; (2025) 172 taxmann.com 283 (Bom) PCIT Vs. Kanak Impex (India) Ltd; (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. have recently decided the instant issue of bogus purchases with divergent views as well.

4. Faced with these peculiar facts, it is thus deemed appropriate in the larger interest of justice that a *lumpsum* disallowance @ 6% of the assessee's alleged bogus purchases amounting to Rs.1,17,87,527/-, would be just and proper with a rider that the same shall not be treated as a precedent. The assessee's book entries are hereby rejected to the very extent. Necessary computation shall follow as per law.

No other ground or argument has been pressed.

5. This assessee's appeal is partly allowed in above terms.

Order pronounced in the open court on 22nd January, 2026

Sd/-
(AMITABH SHUKLA)
ACCOUNTANT MEMBER

Sd/-
(SATBEER SINGH GODARA)
JUDICIAL MEMBER

Dated: 22nd January, 2026.

RK/-

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi
