IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.378 OF 2024

Pr Commissioner Of Income Tax Central 4 ...Appellant
Versus
Rosy Blue India Pvt Ltd ...Respondent

Mr. Suresh Kumar, for Appellant.
Mr. Atul K. Jasani, for Respondent.

CORAM : M.S. Sonak &
Advait M. Sethna, JJ.
DATED : 19 November 2025

P.C.:-

1. Heard learned counsel for the parties.

2. The tax effect in this Appeal is less than Rs.2 Crores. However, Mr. Suresh Kumar states that the issue of bogus purchases is involved and therefore, the Appeal would fall within the exception carved out in the CBDT Circular.

3. Without going into the issue of whether the exception is attracted, we have heard the learned counsel on merits.

4. In this case, we find that the Assessing Officer, on account of bogus purchases did not make a 100% addition but restricted the addition to only 12.5%. This was never challenged by the Revenue. The Assessee challenged the same and the

Commissioner of Appeals and ITAT have maintained this addition.

5. Thus, this is only a case of estimation. In any event, since, the addition of only 12.5% was never challenged by the Revenue, we do not agree with Mr Suresh Kumar that the Revenue should be allowed to raise this issue in this restrictive Appeal under Section 260A of the IT Act. Similar matters have not been entertained by us. The reasoning in our order dated 22 January 2025 disposing of Income Tax Appeal No.517 and 528 of 2021 would apply in this case as well.

6. Accordingly, we are satisfied that the first question of law formulated in paragraph 4(i) cannot be regarded as a substantial question of law for the admission of this Appeal.

7. Insofar as the question of law under paragraph 4(ii) is concerned, this is purely a question of fact and not even a question of law. In this regard, we refer to paragraphs 20 to 23 of the ITAT's order, wherein, the ITAT has recorded a finding of fact that there was no discrepancy insofar as the gold was concerned. Accordingly, we cannot admit this Appeal on the question now urged before us.

8. For the above reasons, we dismiss this Appeal as involving no substantial questions of law. No costs.

(Advait M. Sethna, J) **(M.S. Sonak, J.)**