

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

INCOME TAX APPEAL NO.2510 OF 2018

N.K.Ferromate (India) Ltd. ...Appellant

V/s.

Income Tax Officer – 5(2)(1),
Mumbai ...Respondent

WITH
INCOME TAX APPEAL NO.589 OF 2019

Pr.Commissioner of Income Tax-5 ...Appellant

V/s.

N. K. Ferromate (India) P. Ltd ...Respondent

Mr.M.Subramanian a/w Mr.V.S.Hadade, Advocates for Appellant in
Income Tax Appeal No.2510 of 2018 and for Respondent in Income
Tax Appeal No.589 of 2019.

Mr.Vikas T. Khanchandani, Advocate for Appellant-Revenue in
Income Tax Appeal No.589 of 2019 and for Respondent in Income
Tax Appeal No.2510 of 2018.

CORAM : M.S.KARNIK &
S. M. MODAK, JJ.

DATE : 5th FEBRUARY 2026

P. C. :-

INCOME TAX APPEAL NO.2510 OF 2018

1. The Income Tax Appeal No.589 of 2019 filed by the Revenue is

Admitted on the following “*substantial questions of law*” :-

“Substantial questions of law”

- (i) Whether the Tribunal after accepting that this is a case of bogus purchases, could have proceeded to determine profit rate without confirming the disallowance of purchases, without considering the provisions of Section 69C of the Income Tax Act, 1961 and without considering the decision of the Gujarat High Court in the case of *N.K.Industries Ltd. v. Deputy Commissioner of Income-tax*, [2016] 72 *taxmann.com* 289 (Gujarat) since the Special Leave Petition against the said decision was dismissed by the Hon’ble Supreme Court in case of *N.K.Proteins Ltd. v. Deputy, Commissioner of Income-tax*, on 16th January 2017, [2017] 84 *taxmann.com* 195 (SC)?
- (ii) On the facts and circumstances of the case and in law the ITAT has erred in restricting the disallowance to profit margin on unproven purchases without considering the position of law established by the Hon’ble Apex Court in the case of *N.K.Proteins Ltd.*, that 100% disallowance on bogus purchases is upheld?
2. List the present Appeal along with Income Tax Appeal No.589 of 2019 on 26th February 2026.

(S. M. MODAK, J.)

(M. S. KARNIK, J.)