

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH "SMC" NEW DELHI**

**BEFORE SHRI CHALLA NAGENDRA PRASAD, JUDICIAL MEMBER**

आ.अ.सं./I.T.A No.829/Del/2020

निर्धारणवर्ष/Assessment Year: 2015-16

<b>Sanyang Exim India Pvt. Ltd., 2505/5, Guru Chamber Gurudwara Road, Bedan Pura, Karol Bagh, New Delhi.</b>	<b>बनाम Vs.</b>	<b>ITO Ward 23(3) New Delhi.</b>
<b>PAN No. AANCS4946H</b>		
<b>अपीलार्थी Appellant</b>		<b>प्रत्यर्थी/Respondent</b>

<b>निर्धारितकीओरसे /Assessee by</b>	<b>Shri Lalit Mohan, CA</b>
<b>राजस्वकीओरसे /Revenue by</b>	<b>Shri Om Prakash, Sr. DR</b>

<b>सुनवाईकीतारीख/ Date of hearing:</b>	<b>11.10.2023</b>
<b>उद्घोषणाकीतारीख /Pronouncement on</b>	<b>09.01.2024</b>

**आदेश /O R D E R**

This appeal is filed by the Assessee against the order of the Ld. Commissioner of Income Tax (Appeals)-XXV, New Delhi dated 29.04.2019 for the AY 2015-16 in sustaining the addition of Rs.8,67,173/- u/s 69 of the Act.

2. The Assessing Officer (hereinafter referred as "AO") while completing the assessment noticed that assessee company paid Customs Duty amounting to Rs.65,48,087/-, whereas as per AIR

Information the actual Customs Duty paid was Rs.74,15,260/-. The assessee was required to show-cause as to why the difference of Rs.8,67,172/- may not be added as undisclosed income. Assessee vide letter dated 12.06.2017 submitted that out of the total Customs Duty paid of Rs.74,15,260/- an amount of Rs.8,67,172/- was claimed as recoverable from the Customs Department on account of Special Additional Duty (SAD) and the balance amount of Rs.65,48,087/- was treated as direct expense. It was further stated that SAD recoverable during the year amounting to Rs.8,67,172/- has been shown under the head “current assets” of the audited financial results of the company for the year ended 31.03.2015 and the details of SAD recoverable from the Customs Department was furnished along with ledger account of receivables from the Customs Department in the books of account of the assessee before the AO. Thus, the assessee contended that the difference of Rs.8,67,172/- as per the books and AIR Information was properly explained. Not convinced with the submissions, the AO made disallowance u/s 69C of the Act which was confirmed by the CIT(Appeals).

3. Ld. Counsel for the assessee reiterated the submissions made before the authorities below and the Ld. DR supported the orders of the Ld.CIT(Appeals).

4. Heard rival contentions.

5. It is noticed that the assessee paid Rs.74,15,260/- towards Customs Duty. Out of the said amount of Rs.74,15,260/- an amount of Rs.8,67,172/- representing SAD has been shown as receivable from Customs Department in the balance sheet under current assets. This SAD is eligible for set off against CENVAT Credit and, therefore, the assessee has shown this amount as receivable from Custom Department in the asset side of the balance sheet. This amount has not been claimed as expenditure by the assessee. The assessee debited profit and loss account only an amount of Rs.65,48,087/- as direct expense.

6. In my view, the assessee has properly explained the difference between the amount reflected in AIR and the books of accounts and, therefore, there is no unexplained expenditure claimed by the assessee warranting addition u/s 69C of the Act. Thus, the AO is directed to delete the disallowance of Rs.8,67,173/- made as

unexplained expenditure u/s 69C of the Act. Grounds raised by the Assessee are allowed.

7. In the result, appeal of the assessee is allowed.

Order pronounced in the open court on 09/01/2024

Sd/-  
(C.N. PRASAD)  
JUDICIAL MEMBER

Dated: 09.01.2024

*\*Kavita Arora, Sr. P.S.*

Copy of order sent to- Assessee/AO/Pr. CIT/ CIT (A)/ ITAT  
(DR)/Guard file of ITAT.

By order

Assistant Registrar, ITAT: Delhi Benches-Delhi