

**IN THE INCOME TAX APPELLATE TRIBUNAL,
MUMBAI BENCH "G", MUMBAI**

**BEFORE SHRI NARENDER KUMAR CHOUDHRY, JUDICIAL MEMBER
AND
SHRI RATNESH NANDAN SAHAY, ACCOUNTANT MEMBER**

**ITA No.3583/M/2024
Assessment Year: 2020-21**

M/s. Sindia Steels Limited, D-102 Malegaon MIDC, Sinnar, Nashik, Maharasthra- 422 103 PAN: AABCS4611H	Vs.	ITO W-11(2)(1), Aayakar Bhavan, Mumbai Maharashtra-400 020
(Appellant)		(Respondent)

Present for:

Assessee by : Shri Vimal Punmiya, A.R.

Revenue by : Ms. Nayana Krishnakumar, Sr. A.R.

Date of Hearing : 29 . 08 .2024

Date of Pronouncement : 16 . 09 .2024

O R D E R

Per : Narender Kumar Choudhry, Judicial Member:

This appeal has been preferred by the Assessee against the order dated 18.06.2024, impugned herein, passed by the Ld. Commissioner of Income Tax (Appeals) (in short Ld. Commissioner) under section 250 of the Income Tax Act, 1961 (in short 'the Act') for the A.Y. 2020-21.

2. In the instant case, the Assessee had declared its total income at Rs.79,52,210/- by filing its return of income on 19.12.2020 which was processed u/s 143(1) of the Act on **18.12.2021**, whereby the total income was computed at Rs.1,13,86,210/- and demand of Rs.11,50,010/- and an addition of Rs.34,34,000/- was made.

3. The Assessee by filing a rectification application u/s 154 of the Act challenged the addition of Rs.34,34,000/-, however, the CPC vide rectification order dated **25.04.2022** though in the order mentioned *“that the Assessee’s request has been examined and said intimation u/s 143(1) of the Act stands rectified as under”*, but in fact repeated the same computation of income and demand of Rs.11,12,000/- and an addition of Rs.34,34,000/- as made/raised vide the intimation dated 18.12.2021.

4. The Assessee, being aggrieved against the order dated 25.04.2022 u/s 154 of the Act, challenged the same before the Ld. Commissioner [Additional/JCIT (Appeals), First Appellate Authority, (in short “Ld. Addl./Joint Commissioner”) and filed the statement of facts/ its contentions, however, in spite of sending three notices, the Assessee neither filed any reply nor made any response. Therefore, in the constrained circumstances, the Ld. Addl./Joint Commissioner dismissed the appeal of the Assessee in limine for non-prosecution, against which the Assessee is in appeal before us.

5. Heard the parties and perused the material available on record. It is admitted fact that in the impugned order though the Ld. Addl./Joint Commissioner reproduced the statements of facts/contentions as submitted by the Assessee before the Ld. Commissioner, however, did not adjudicate the same, hence considering the peculiar facts, we deem it appropriate to delve into the merits the case.

The Assessee has submitted that during the year under consideration, the Assessee exported stainless steel bright bars worth Rs.38,77,055/- approximately under "invoice No.SSL 1920/Ex 101" and disclosed the said exports as a part of sales in the profit & loss account and offered the same for taxation in the return of income. As the said bill was discounted from Dena Bank and therefore the Dena Bank credited the Assessee's account by Rs.34,34,000/- instead of Rs.38,77,055/-. The Assessee in its audited financial report, recorded the said transaction as "contingent liability" in order to disclose true and fair value of the books of accounts. The Assessee subsequently on 15.04.2020 has received the foreign remittance qua "invoice No. SSL 1920/Ex 101" and Dena Bank has recovered the sum credited to the Assessee on such bill discounted, from the foreign remittance and credited the balance value of the above recovery and bank charges in the Assessee's account. The realization of foreign remittance has no

impact on the profit & loss account except for the foreign exchange fluctuation and therefore no addition is warranted.

6. The Ld. D.R. did not refute the aforesaid claim and facts, as demonstrated by the Ld. Senior Counsel Shri Vimal Punmiya.

7. We have given thoughtful considerations to the peculiar facts and circumstances of the case. From the ledger account, it clearly appears that on 05.03.2020 the Assessee has raised the bill bearing "invoice No.SSL 1920/Ex 101" to the tune of Rs.38,77,055/-, against which Dena Bank through CC account on 21.03.2020 credited the amount of Rs.34,34,000/-. From the export invoice dated 29.01.2020 it clearly appears that the Assessee has exported SS round bars worth Euro Dollars 47,985.55 (Rs.38,77,055/- on the said date of export i.e. 29.01.2020) which was discounted at Rs.34,34,000/- by the Dena Bank and the same was shown as contingent liability in clause 21(g) of the financials/audit report as on 31.03.2021, wherein it is clearly written (**contingent liability for bill discounted since realized : Rs.34,34,000/-**) and on dated 15.04.2020, the Assessee ultimately has received foreign remittance of the aforesaid amount of Rs.34,34,000/-being credited by Dena Bank. It is also an admitted fact that said amount was offered for taxation. Hence considering the peculiar facts and circumstances in totality, addition on this context is un-sustainable. Accordingly, the addition under consideration to the tune of Rs.34,34,000/- pertaining to the export sales bill i.e. "invoice No.SSL 1920/Ex 101" is deleted.

8. In the result, the appeal filed by the Assessee stands allowed.

Order pronounced in the open court on 16.09.2024.

**Sd/-
(RATNESH NANDAN SAHAY)
ACCOUNTANT MEMBER**

**Sd/-
(NARENDER KUMAR CHOUDHRY)
JUDICIAL MEMBER**

* Kishore, Sr. P.S.

Copy to: The Appellant
The Respondent
The CIT, Concerned, Mumbai
The DR Concerned Bench

//True Copy//

By Order

Dy/Asstt. Registrar, ITAT, Mumbai.