

IN THE INCOME TAX APPELLATE TRIBUNAL, DELHI 'B' BENCH,
NEW DELHI

BEFORE SHRI YOGESH KUMAR U.S., JUDICIAL MEMBER, AND
SHRI NAVEEN CHANDRA, ACCOUNTANT MEMBER

ITA No. 381/DEL/2025 [A.Y. 2017-18]

The A.C.I.T.
Delhi
New Delhi

Vs.

Alloy Warehouse & Interiors LLP
Khasra No. 434, Behind Shiv Mandir
Rangpuri, Mahipalpur

PAN - ABAFA 7690 R

(Applicant)

(Respondent)

Assessee By : Shri Anil Jain, CA

Department By : Shri Rajesh Kumar Dhanesta, Sr. DR

Date of Hearing : 15.09.2025

Date of Pronouncement : 19.11.2025

ORDER

PER NAVEEN CHANDRA, A.M.:-

This appeal by the Revenue is preferred against the order of the NFAC, Delhi dated 24.10.2024 pertaining to A.Y 2017-18.

2. The solitary issue raised by the Revenue is as to whether on the facts and circumstances of the case and in law, the Ld. CIT(A) has erred in deleting the addition of Rs. 48,72,540/- made on account of

disallowance of custom duty and addition of Rs. 1,68,55,426/- on account of disallowance of overseas purchase and whether the ld. CIT(A) has erred in deleting the above addition of Rs. 2,17,27,966/- in spite of the fact that the assessee has failed to explain the transactions at the time of assessment.

3. At the very outset, the ld. DR heavily relied upon the order of the Assessing Officer and contended that there is discrepancy in the purchase shown in the ITR and the value of imports shown in the export import data which led to the addition.

4. On the other hand, the ld. counsel for the assessee submitted that the ld. CIT(A) has duly examined the data from the CBEC Portal and found the difference between CBEC data and the amount recorded in the books of the assessee are duly explained. With regard to claim of import duty, the ld. A.R explained that the same was incurred on behalf of their principal and obtained thereafter as reimbursement.

5. We have heard the rival submissions and have perused the relevant material on record. We find that the ld. CIT(A) has deleted both the additions by holding as under:

"3.3 On the issue of excessive purchase shown by the assessee, they disputed the data based on which the Assessing Officer had come to the conclusion that purchases were inflated in the books of accounts. They claimed that at the time of assessment, in spite of their request, the Assessing Officer did not supply them with the CBEC data as

reflected in Income Tax Portal. However, at the time of the appeal proceedings, they have claimed to access the portal of the CBEC and from that in such portal the assessed value taken for the imports is reflected for Rs.11,68,14,144/- where as in the books of accounts, the corresponding value was debited for Rs. 11,62,83,757/-. The details as per the CBEC portal and as per books of accounts are noted as follows:***

The Assessee claimed that the difference of Rs.5,30,357/- is on account of notional charges like landing charges at the rate 1% of CIF value, concessional value of Air Freight and nominal insurance value of 1.125% of C & F. Since, these are notional value, these do not form part of purchases and accordingly are not reflected in the books of accounts. A copy of the data fetched from the CBEC portal was enclosed with reply of the assessee dated 24.09.2024.

I have considered the Assessment Order and I have also considered the documentary evidences submitted by the assessee and I find that the matter could be explained properly by the assessee. Therefore, I do not hold that the purchases reflected in the books of accounts were falsely enhanced by the assessee. The Assessing Officer is therefore directed to delete the disallowance of Rs. 1,68,55,426/- on account of excess purchase.

6. On the second issue of claim of Import Duty as expense when such import was made on behalf of other importers for which the Assessing Officer made a disallowance, the CIT(A), after examining the facts, held as under:

“3.3. On the second issue of claim of Import Duty as expense when such import was made on behalf of other importers for which the Assessing Officer made a disallowance of Rs.48,72,540/-, the assessee explained that such expenditure was incurred on behalf of

their principal and obtained thereafter as reimbursement. The assessee explained that in the books of accounts the Sales commission income was disclosed for Rs.2,72,72,306/- which included actual sales commission of Rs.2,25,37,936/- and the said reimbursement of Import Duty of Rs.47,34,370/-. The assessee also stated that for such allowance of facility the assessee also charged commission income of Rs.14,12,370/- which is included in the Sales commission income of Rs.2,25,37,936/-. The assessee further explained that due to oversize and wrong grouping, the said receipt of reimbursement had been shown as commission. Moreover, since the amount has been shown as commission, Service Tax on such was also been paid for a sum of Rs.9,22,017/-. The expenditure was booked under the Custom Duty paid by the assessee erroneously and should have been grouped in this heading itself. The right procedure was that this expenditure should have been set off against the reimbursement. Alongwith such explanation, the assessee had also submitted the copy of the relevant bill as raised by the assessee to its principal M/s. Buildersmart Public Co. Ltd., Thailand. The relevant copy of the ledger was also submitted in support of the explanation put forward by the assessee.

I have perused the issue and I find that since the assessee had credited the reimbursement receipt and also credited a commission income out of such facility allowed, there is no justification for disallowance of Rs.48,72,540/- on account of expenses of Import Duty. The Assessing Officer is directed to delete the addition made in the Assessment Order on this issue."

4. Overall, therefore, the appeal of the assessee is allowed.

7. We have heard the rival submissions and have perused the material on record. On both the issues, we find no reason to interfere with the well-reasoned findings of the ld. CIT(A). Grounds raised by the Revenue stand dismissed.

8. In the result, the appeal of the Revenue in ITA No. 381/DEL/2025 is dismissed.

The order is pronounced in the open court on 19.11.2025.

Sd/-

[YOGESH KUMAR U.S.]
JUDICIAL MEMBER

Sd/-

[NAVEEN CHANDRA]
ACCOUNTANT MEMBER

Dated: 19th NOVEMBER, 2025.

VL/

Copy forwarded to:

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

Asst. Registrar,
ITAT, New Delhi

SI No.	PARTICULARS	DATES
1.	<i>Date of dictation of Tribunal Order</i>	
2.	<i>Date on which the typed draft order is placed before the Dictating Member</i>	
3.	<i>Date on which the typed draft order is placed before the other Member [in case of DB]</i>	
4.	<i>Date on which the approved draft order comes to the Sr. P.S./P.S.</i>	
5.	<i>Date on which the fair Order is placed before the Dictating Member for sign</i>	
6.	<i>Date on which the fair order is placed before the other Member for sign [in case of DB]</i>	
7.	<i>Date on which the Order comes back to the Sr. P.S./P.S for uploading on ITAT website</i>	
8.	<i>Date of uploading, inf not, reason for not uploading</i>	
9.	<i>Date on which the file goes to the Bench Clerk</i>	
10.	<i>Date on which the file goes for Xerox</i>	
11.	<i>Date on which the file goes for endorsement</i>	
12.	<i>The date on which the file goes to the Superintendent for checking</i>	
13.	<i>Date on which the file goes to the Assistant Registrar for signature on the order</i>	
14.	<i>Date on which the file goes to the dispatch section for dispatch the Tribunal order</i>	
15.	<i>Date of Dispatch of the Order</i>	
16.	<i>Date on which the file goes to the Record Room after dispatch the order</i>	