

आयकर अपीलीय अधिकरण, हैदराबाद पीठ
IN THE INCOME TAX APPELLATE TRIBUNAL
Hyderabad 'A' Bench, Hyderabad
श्री रवीश सूद, माननीय न्यायिक सदस्य एवं श्री मधुसूदन सावडिया, माननीय लेखा सदस्य
SHRI RAVISH SOOD, HON'BLE JUDICIAL MEMBER
AND
SHRI MADHUSUDAN SAWDIA, HON'BLE ACCOUNTANT MEMBER

आयकरअपीलसं./I.T.A. No.1955/Hyd/2025
(निर्धारणवर्ष/ Assessment Year:2016-17)

BALAN PROPERTY HOLDINGS PRIVATE LIMITED, HYDERABAD. PAN: AABCB4779M	VS.	DEPUTY COMMISSIONER OF INCOME TAX, CIRCLE 1(1), HYDERABAD
(अपीलार्थी/ Appellant)		(प्रत्यर्थी/ Respondent)

करदाताकाप्रतिनिधित्व/ Assessee Represented by	:	Shri MV Anil Kumar, Advocate & CA Ms. Sreelekha
राजस्वकाप्रतिनिधित्व/ Department Represented by	:	Shri AVES Madhukar, SR-AR
सुनवाईसमाप्तहोनेकीतिथि/ Date of Conclusion of Hearing	:	17/03/2026
घोषणा की तारीख/ Date of Pronouncement	:	30/03/2026

ORDER

PER RAVISH SOOD, JM:

The present appeal filed by the assessee company is directed against the order passed by the Additional/Joint Commissioner of Income Tax (Appeals)-3, Bengaluru, dated 12/09/2025, which in turn arises from the order passed by the Assessing Officer (for short, "AO") under section 143(3) of the Income Tax Act, 1961 (for short, "the Act"),

dated 21/12/2018 for Assessment Year (AY) 2016-17. The assessee company has assailed the impugned order on the following grounds of appeal:

“1. The assessing officer and CTT(A) have erred both in law and on facts of the case in making an addition of Rs. 38,12,731/- to the returned income ignoring the appellant's submission that no shipment was made under shipping bill number 1475961, the addition made is bad in law and liable to be deleted.

2. Your appellant submits that the CII(A) erred in not considering the appellant's communication to the Customs-Export Department, Jawaharlal Nehru Customs House, Nheva Sheva requesting cancellation of shipping bill 1475961 and the acknowledgement from the said Customs House confirming that the shipping bill 1475961 dated 29-06-2015 was purged after 15 days of the said date, hence, the addition made is bad in law

3. The CIT(A) erred in ignoring the reconciliation furnished by the appellant between the export sales and the data available as per ICEGATE portal, which clearly indicates that no shipment was effected against shipping bill no. 1475961, hence, the addition made is bad in law.

4. Your appellant submits that CIT(A) erred in treating the letter submitted as an after-thought, ignoring the fact that the same was acknowledged by the Officer of Customs Export and stated that the shipping bill 1475961 has purged after 15 days, hence, the addition is bad in law.

5. Your appellant requests for admission of additional evidence, which goes to the root of the addition made, comprising email communications and a confirmation letter from the clearing agent, M/s Uniworld Logistics Pvt Ltd., categorically stating that no shipment/exports was effected against the shipping bill 1475961, the addition may be deleted

6. The assessing officer and CIT(A) erred in not considering the status of the shipping bill. which was appearing as Nil as per the exports website which was maintained and developed by the Directorate of Systems, Customs and Central Excise, New Delhi. Government of India, establishing that no export took place. The addition made is bad in law

7. Your appellant submits that the CT(A) erred in confirming the alleged exports as undisclosed income ignoring that an export transaction cannot occur without statutory documentation, identification of the buyer, and shipping records. The addition is made on mere assumption, the same may be deleted

8. For this and any other grounds, that may be taken up during the course of hearing, your appellant prays that the addition of Rs. 38,12,731/- may be deleted.

2. Succinctly stated, the assessee company, which is engaged in the business of manufacturing beverages and processed foods, had e-filed its return of income for AY 2016-17 on 07/10/2016, declaring an income of Rs. 18,00,375/- under the normal provisions and “book profit” of Rs. NIL under section 115JB of the Act. Thereafter, the return of income filed by the assessee company was processed as such under section 143(1) of the Act. Subsequently, the case of the assessee company was selected for “limited scrutiny” under CASS and notice under section 143(2) of the Act was issued.

3. During the course of the assessment proceedings, the AO observed that verification of the Export Value Data of the assessee company in ITS Data revealed that its export sales as per export import data was reflected at Rs. 3,24,63,150/-, whereas the assessee company had admitted exports of Rs. 2,86,50,417/- during the subject year. On being queried, it was the claim of the assessee company that the export of goods vide shipping bill No.1475961 of Rs.38,12,731/- was delayed and as the initial shipping bill had expired, therefore, a fresh shipping bill No.1792989, dated 15/07/2015 was generated based on

which the subject exports were recorded in its books of accounts. The AO, considering the aforesaid explanation of the assessee company, directed it to place on record supporting documentary evidence to substantiate its claim. In reply, it was submitted by the assessee company vide its letter, dated 26/11/2018, that its export consignment vide shipping bill No.1792989, dated 15/07/2015, against invoice No. BNFL/EXP/-07/2015-16, dated 29/06/2015, was cleared by its Customs House Agent, viz., Uniworld Logistics Pvt Ltd., 516, Midas, Shahar Complex, J.B. Nagar, Andheri Kurla Road, Andheri (E), Mumbai-400059 (www.uniworld-logistics.com). Elaborating further, it was submitted by the assessee that it had requested its Customs House Agent to issue a certificate that “no shipment has taken place under shipping bill No.1475961, dated 29/06/2015”, as the same was required in the course of the proceedings before the Income Tax Department. Apart from that, the assessee, to substantiate the aforesaid factual position, had taken the online status of the aforementioned shipping bills from the Government Website developed and maintained by the Directorate of Systems, Customs and Central Excise, New Delhi, i.e., <https://enquiry.icegate.gov.in/enquiryatices/sbTrack>. Elaborating on its contention, it was submitted that information gathered from the aforementioned Government website about the shipping bill No.1475961 like “Exam Mark ID”, Insp/EO “Exam Date”, etc., revealed that the consignment was inspected, marked by the Custom Officer and

shipped. However, it was pointed out by the assessee company that no such details regarding shipping bill No.1475961, dated 29/06/2015, were available and, against all the fields, it was mentioned "NIL", which meant that no shipment had taken place. The assessee company based on the aforesaid facts submitted that no shipment had taken place under the shipping bill No.1475961, dated 29/06/2015, and subsequently the shipment was cleared under shipping bill No.1792989, dated 15/07/2015. Accordingly, it was the claim of the assessee company that its aforesaid claim was substantiated on a perusal of the authenticated shipping bill status that was available online.

4. However, the explanation of the assessee did not find favour with the AO for the reasons, viz., (i) mere furnishing of online tracking of the shipping could not be taken as an evidence; (ii) that the claim of the assessee company that a new invoice has been generated was not acceptable since there as a gap of one month between both shipping bills; (iii) that in the absence of shipment, where the assessee company had kept the material was not discernible from the record; and (iv) that no demurrage charges were claimed for the delay or cancellation of the shipment. Accordingly, the AO held a firm conviction that the assessee company had failed to discharge the onus to substantiate that the shipping bill No.1475961, dated 29/06/2015 of a value of Rs.38,12,731/- was cancelled. The AO further observed that in absence of any evidence, i.e., Agent Certificate etc., the aforesaid claim of the

assessee company did not merit acceptance. Also, it was specifically observed by him that no reply was received in response to the emails, which were sent to the consignee party, Custom House agent, i.e., M/s Uniworld Logistics Pvt Ltd., by his office to verify the factual position. The AO based on his aforesaid observations made an addition of the undisclosed export turnover of Rs.38,12,731/-, and vide his order passed under section 143(3) of the Act, dated 21/12/2018 determined the income of the assessee company at Rs. 56,13,111/-.

5. Aggrieved, the assessee company carried the matter in appeal before the CIT(A). Ostensibly, the CIT(A) vide his notice, dated 02/09/2025 directed the assessee company to provide the confirmation of cancellation of shipping bill No.1475961, dated 29/06/2025 from the Customs Department. Also, the assessee company was directed to provide a copy/screenshot of its total export sales reported during the year as appearing in "ICEGATE". In reply, it was submitted by the assessee company that it had submitted a letter to the Customs Officer requesting for confirmation of the cancellation of shipping bill No.1475961, dated 29/06/2015.. Also, it was stated that as per the information available in ICEGATE portal, shipping bill No.1475961, dated 29/06/2015 was purged after 15 days of the said date. The assessee company to buttress its aforesaid claim had enclosed a copy of the aforesaid letter wherein the Customs Office was requested for confirmation of the cancellation of shipping bill No.1475961, dated

29/06/2015. Also, the assessee company produced a reconciliation of the total sales as was furnished during the assessment proceedings by downloading the data from the ICEGATE portal. Further, it was submitted by the assessee company that it was unable to retrieve the aforementioned details from the ICEGATE portal due to its upgrade to version 2.0. Accordingly, the assessee company requested that taking cognizance of the aforesaid factual position the impugned addition of Rs.32,12,730/- made by the AO with respect to shipping bill No.1475961, dated 29/06/2015 be vacated. However, we find that the CIT(A) did not find favour with the explanation of the assessee company. It was observed by him that the assessee company despite specific direction had not provided a confirmation from the Customs Department regarding the cancellation of the aforesaid bill even after the lapse of 5 years since making of a request for the same. Apart from that, the CIT(A) held a conviction that the letter filed by the assessee company with the Customs Export Officer for cancellation of the shipping bill No.1475961, dated 29/06/2015 was submitted after completion of the assessment proceedings, which, thus, revealed that it was an afterthought with an aim to get relief. Apart from that, the CIT(A) observed that there were certain infirmities in the aforementioned letter, which as observed by him was not only unsigned/unstamped by any of the authority, but was also found to be undated. Accordingly, the CIT(A) raising serious doubts about the authenticity of the aforesaid letter

claimed by the assessee to have been filed with the Customs Department regarding the cancellation of the shipping bill No.1475961, dated 29/06/2015, upheld the view taken by the AO and dismissed the appeal.

6. The assessee company, aggrieved with the order of the CIT(A) has carried the matter in appeal before us.

7. We have heard the Learned Authorized Representatives of both parties, perused the orders of the authorities below and considered the material available on record.

8. Shri M V Anil Kumar, Advocate, the Learned Authorized Representative (for short, "Ld. AR") for the assessee company, at the threshold of hearing of the appeal submitted that the assessee company had suffered the impugned addition based on the perverse observations of both the authorities below. Elaborating on his contention, the Ld. AR submitted that it is a matter of fact that the shipping bill No.1475961, dated 29/06/2015 of Rs.38,12,731/- was cancelled and no shipment to the said effect was carried out. The Ld. AR submitted that the assessee company had thereafter carried out the shipment under shipping bill No.1792989, dated 15/07/2015. It was submitted by him that though the assessee company had followed up the matter with its Custom House Agent, viz., M/s. Uniworld Logistics Private Limited for obtaining a certificate from the concerned Custom

Department on its official letter bearing the seal and signature, stating that “shipping bill No.1475961, dated 29/06/2015” was purged after 15 days, and no shipment based on the same had taken place, but the same despite best of efforts was not made available to the assessee company. The Ld. AR to buttress his aforesaid contention had taken us through the series of email correspondence between the assessee company and M/s. Uniworld Logistics Private Limited between 15/09/2023 till 31/10/2025, Page Nos.12-22 of APB. The Ld. AR submitted that the AO had rejected the explanation of the assessee company regarding the aforesaid factual position, inter alia, for the reason that no certificate of the agent substantiating its aforesaid claim was placed on record. The Ld. AR submitted that the assessee had received a letter from M/s. Uniworld Logistics Private Limited, dated 30/10/2025, wherein it had confirmed that the shipping bill No.1475961, dated 29/06/2015 was purged after 15 days from the date of filing and no shipment/export was effected against the above shipping bill No.1475961, Page Nos.10-11 of APB. The Ld. AR submitted that as the aforesaid certificate of M/s. Uniworld Logistics Private Limited, dated 30/10/2025 was received after passing of the CIT(A) order, dated 12/09/2025, therefore, the same could not be filed before him. Elaborating further on his contention, the Ld. AR submitted that as the aforesaid certificate of M/s. Uniworld Logistics Private Limited, dated 30/10/2025 will have a strong bearing on the adjudication of the core

issue, i.e., the claim of the assessee company that the shipping bill No.1475961, dated 29/06/2015 was purged after 15 days, and no shipment against the same took place, the same in all fairness and in the interest of justice be admitted and the matter be restored to the file of the AO with a direction to re-adjudicate the subject issue.

9. Per contra, Shri AVES Madhukar, Learned Senior Departmental Representative (for short, "Ld. Sr-DR") submitted that as the assessee company had failed to substantiate its claim that the shipping bill No.1475961, dated 29/06/2015 was purged after 15 days, and no shipment was carried out based on the same, therefore, the AO had acted upon the details gathered from the export import data of the assessee company, which revealed that, during the subject year the assessee company had carried out exports to the tune of Rs.,3,24,63,150/-. The Ld. Sr-DR submitted that as the assessee company had despite sufficient opportunity failed to place on record supporting documentary evidence before the authorities below, therefore, the letter addressed to M/s. Uniworld Logistics Private Limited may not be admitted. Accordingly, the Ld. Sr-DR submitted that the appeal filed by the assessee company being devoid and bereft of any substance is liable to be dismissed.

10. We have given a thoughtful consideration to the contentions advanced by the Learned Authorized Representatives of both parties in the backdrop of the orders of the authorities below.

11. Admittedly, it is matter of fact borne from the record, that the aforesaid discrepancy qua the export sales carried out by the assessee company during the subject year were gathered by the AO from the export import data, as against that disclosed by the assessee company in its return of income for the subject year. As the assessee company had failed to reconcile the aforesaid discrepancy based on irrefutable documentary evidence, therefore, the AO made addition of the said amount of Rs.38,12,731/-.

12. Controversy involved in the present appeal lies in a narrow compass, i.e., the claim of the assessee company that shipping bill No.1475961, dated 29/06/2015 was purged after 15 days, and no shipment had taken place against the same. Ostensibly, the assessee company failed to place on record any documentary evidence which would irrefutably substantiate its aforesaid claim. In fact, we concur with the Ld.CIT(A) that the letter filed by the assessee company with the Office of the Customs/Export, dated 07/03/2019, wherein it had requested for cancellation of shipping bill No.1475961, dated 29/06/2015 does not inspire much of confidence. We say so, for the reason that though it is handwritten on the aforementioned letter that as per the available information in the system, the shipping bill No.1475961, dated 29/06/2015 was purged after 15 days, but the said noting is neither stamped nor reveals any designation of the person who had signed/initialled the same.

13. Be that as it may, we find that the assessee company had filed before us a letter from M/s. Uniworld Logistics Private Limited, dated 30/10/2025, i.e., its Customs Agent, wherein it had confirmed that shipping bill No.1475961, dated 29/06/2015 was purged after 15 days from the date of filing and no shipment/export was effected against the same.

14. In our view, as the AO had declined to accept the explanation of the assessee company, inter alia, for the reason that it had failed to place on record any evidence, i.e., the Agent Certificate etc., substantiating its aforesaid claim, therefore, the aforesaid letter so filed before us would have a material bearing on the adjudication of the subject issue. We thus, in all fairness and in the interest of justice, set aside the matter to the file of the AO with a direction to re-adjudicate the matter after affording a reasonable opportunity of being heard to the assessee company.

15. Resultantly, the appeal filed by the assessee company is allowed for statistical purposes in terms of our aforesaid observations.

Order pronounced in the open court on 30th March, 2026.

Sd/- (मधुसूदन सावडिया) (MADHUSUDAN SAWDIA) लेखासदस्य/ACCOUNTANT MEMBER	Sd/- (रवीश सूद) (RAVISH SOOD) न्यायिकसदस्य/JUDICIAL MEMBER
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Hyderabad, dated 30/03/2026.

OKK/sps

आदेशकीप्रतिलिपिअग्रेषित/ Copy of the order forwarded to:-

1.	निर्धारित/ The Assessee	:	BALAN PROPERTY HOLDINGS PRIVATE LIMITED 301, 6-3-863, Padmavathi Apartments, Sadat Manzil, Ameerpet, Secunderabad, Hyderabad, Telangana- 500016.
2.	राजस्व/ The Revenue	:	DEPUTY COMMISSIONER OF INCOME TAX, CIRCLE 1(1), IT Towers, Ac Guards, Hyderabad- Telangana-500004
3.	The Principal Commissioner of Income Tax, Hyderabad.		
4.	विभागीयप्रतिनिधि, आयकरअपीलीयअधिकरण /DR,ITAT, Hyderabad.		
5.	The Commissioner of Income Tax		
6.	गार्डफ़ाईल / Guard file		

आदेशानुसार / BY ORDER

Sr. Private Secretary
ITAT, Hyderabad.