

IN THE INCOME TAX APPELLATE TRIBUNAL

"K" BENCH, MUMBAI

BEFORE SHRI SANDEEP SINGH KARHAIL, JUDICIAL MEMBER

SHRI GIRISH AGRAWAL, ACCOUNTANT MEMBER

ITA No.6680/MUM/2024
(Assessment Year 2021-22)

Logwin Air & Ocean India Private Limited

101 – 108 K.P. Auram, K.P. Engineering
Compound Marol Maroshi Road, Andheri East,
Mumbai - 400059
PAN: AABCL4792N

..... Appellant

v/s

**Assistant Commissioner of Income Tax, –
3(1)(1),**

Aaykar Bhavan, Maharshi Karve Road,
Churchgate, Mumbai

..... Respondent

Assessee by : Shri Harsh Shah
Shri Shreyas Sardesai
Revenue by : Shri Bhagirath Ramawat, Sr.DR

Date of Hearing – 26/08/2025

Date of Order - 17/11/2025

ORDER

PER SANDEEP SINGH KARHAIL, J.M.

The assessee has filed the present appeal against the impugned final assessment order dated 29.10.2024, passed under section 143(3) read with section 144C(13) read with section 144B of the Income Tax Act, 1961 (*"the Act"*) pursuant to the directions issued by the learned Dispute Resolution Panel – 1, Mumbai, [*"learned DRP"*] under section 144C(5) of the Act, for the assessment year 2011-12.

2. In this appeal, the assessee has raised the following grounds: -

"Transfer Pricing

1. *The learned Assessing Officer ('learned AO'), learned Transfer Pricing Officer (learned TPO)" and the Honourable Dispute Resolution Panel ('Hon'ble DRP') grossly erred in determining an adjustment of INR 1,04,21,731/- to the Arm's Length Price ('ALP') of the Appellant's international transactions with its Associated Enterprises ('AEs') under section 92CA of the Income-tax Act, 1961 ("the Act").*
2. *The learned AO/ learned TPO/ Hon'ble DRP erred in rejecting the Transfer Pricing ("TP") documentation maintained by the Appellant by invoking provisions of sub-section (3) of section 92C of the Act.*
3. *The learned AO/ learned TPO/ Hon'ble DRP erred in rejecting the comparability analysis undertaken by the Appellant and disregarding the economic analysis including the benchmarking analysis in the TP Documentation.*
4. *The learned AO/ learned TPO/ Hon'ble DRP erred in rejecting the filter applied by the Appellant without any cogent reasoning.*

Opportunity of hearing

5. *The Hon'ble DRP erred in not granting fair and reasonable opportunity of hearing to the Appellant during the course of appellate proceedings.*

Intra Group Services/ Management Fees

6. *The learned AO/ learned TPO/ Hon'ble DRP erred in determining the ALLP of the Management fees as 'NIL.' without adhering to the process of prescribed under Rule 10B of the TP regulations and also not providing any comparable transactions or benchmarking process followed for arriving at such price.*
7. *The learned AO/ learned TPO/Hon'ble DRP erred in not taking cognizance of the detailed submissions made by the Appellant to substantiate the services received and the benefits derived from the payment.*
8. *The learned AO/learned TPO/Hon'ble DRP erred in concluding that no benefit has been received from the Intra Group Services.*
9. *The learned AO/ learned TPO/ Hon'ble DRP erred in holding that neither the Appellant has received any service/benefit in lieu of payment made by it for services availed nor was there any need for such services/payments without appreciating the core and essential nature of the services for the business; thereby challenging the commercial wisdom of the Appellant in making such payments.*
10. *The learned AO/ learned TPO/ Hon'ble DRP erred in not taking the documentary evidence submitted by the Appellant to demonstrate the "benefit test" and has erred in stating that the Appellant has not furnished specific details of the services rendered by the AEs.*

11. The learned AO/ learned TPO/ Hon'ble DRP failed to appreciate that the cost allocation was based on scientific allocation keys and per the inter-company agreement.

The learned AO/ learned TPO/Hon'ble DRP was unjustified in considering the intra group services as shareholder services/stewardship activities and are duplicative services.

Corporate Tax

13. The learned AO/ Hon'ble DRP has erred in adding back the differential amount of INR 16,57,766/- arising out of the Appellant's ledger in comparison to Lufthansa's ledger.

14. The learned AO/ Hon'ble DRP has erred in not taking cognizance of the submissions filed by the Appellant against the addition of INR 16,57,766/- under Sec. 41 of the Act.

15. On the facts and in the circumstances of the case and in law, the Hon'ble DRP erred in not mentioning that the adjustment made by CPC arises in a separate proceeding and that the scrutiny assessment proceedings before the Ld. AO do not automatically merge, without considering the submissions of the Appellant with respect to the doctrine of merger of intimation under Sec. 143(1) of the Act with the assessment order.

16. On the facts and in the circumstances of the case and in law, the Hon'ble DRP erred in exercising the jurisdiction with respect to the adjustment made in the intimation, without considering the fact that no show cause notice was issued to the Appellant for making the variation as per the intimation and thereby, the Appellant was not provided an effective opportunity for such adjustment."

3. Grounds no. 1 – 12, raised in assessee's appeal, pertain to the transfer pricing adjustment on account of Management Fees paid by the assessee to its associated enterprise.

4. The brief facts of the case pertaining to this issue, as emanating from the records, are: The assessee is a company incorporated in India and is engaged in the business of international freight forwarding with the help of a network of affiliated companies and appointed agents. The assessee's business includes door-to-door logistics solutions, freight forwarding, logistics consultancy, and management of logistics activities primarily related to export

and import by air, sea, land, or multimodal means. The assessee is part of the Logwin Group, which was incorporated for the purpose of carrying out the business of freight forwarding, with Logwin Air + Ocean International GmbH ("*Logwin Germany*") as the holding company of the Logwin Group. On 01.01.2020, Logwin Germany entered into a contract with the assessee for the provision of support and consulting services in relation to Controlling, HR Management, Accounting/Financial Reporting, Marketing, Administration, and Miscellaneous Consulting, on a cost + 5% markup basis. Since the holding company, i.e., Logwin Germany, is the leading company within the business unit, it performs tasks for the entire business unit across Europe, the Middle East, Africa, India, and America. A similar contract was entered into between Logwin Germany and the assessee on 01.01.2021.

5. During the year under consideration, the assessee entered into the following international transactions with its associated enterprise: -

<i>International Transaction</i>	<i>Most Appropriate Method</i>	<i>Total Value of Transaction</i>
<i>Receipt of Freight Cost & Handling Fees</i>	<i>TNMM</i>	<i>Rs.75,20,50,585/-</i>
<i>Payment of Freight Cost & Handling Fees</i>	<i>TNMM</i>	<i>Rs.29,43,67,369/-</i>
<i>IT support services</i>	<i>(Any other method) Government by Agreements</i>	<i>Rs.1,72,29,901/-</i>
<i>Management fee and group contribution</i>	<i>(Any other method) Government by Agreements</i>	<i>Rs.1,04,21,731/-</i>
<i>Software Maintenance Chare</i>	<i>(Any other method) Government by Agreements</i>	<i>Rs.4962/-</i>
<i>Reimbursements</i>	<i>(Any other method) Government by Agreements</i>	<i>Rs.5,24,151/-</i>
<i>Total</i>		<i>Rs.107,45,98,699/-</i>

6. Considering all the international transactions as inextricably linked, the assessee adopted a combined transaction approach and benchmarked all the international transactions with the associated enterprise using the Transactional Net Margin Method ("*TNMM*") as the most appropriate method. As the net operating margin of the comparable entities was 0.91% as against 7.52% earned by the assessee, the assessee claimed that the international transactions are at an arm's length price. Since the payment of Management Fees amounting to Rs.1,04,21,731/- to the associated enterprise was also benchmarked with all other international transactions following the combined transactions approach using the *TNMM* as the most appropriate method, the assessee considered the same to be at arm's length.

7. For the year under consideration, the assessee filed its return of income on 17.02.2022, declaring a total income of Rs.13,66,43,260/-. The return filed by the assessee was selected for scrutiny, *inter alia*, due to the large value of international transactions. Accordingly, statutory notices under section 143(2) and section 142(1) were issued and served on the assessee. Pursuant to the reference by the Assessing Officer ("*AO*") under section 92CA(1) of the Act, the Transfer Pricing Officer ("*TPO*") issued show cause notice to the assessee seeking details regarding the brief of specific services requested by the assessee from the associated enterprises, brief of rendition of services and the cost incurred by the associated enterprises for rendering such services. The *TPO*, vide order dated 25.10.2023 passed under section 92CA(3) of the Act, disagreed with the submission of the assessee and held that the assessee has only provided a generic proof/documents regarding the total payment of

Rs.1,04,21,731/- to its associated enterprise for Management Fees. Further, the TPO held that since the evidence of expenses incurred by the associated enterprise for rendering the services has not been provided by the assessee, the question of the validity of allocation and the quantum of such expenses is in doubt. Accordingly, the TPO rejected the benchmarking done by the assessee and, by considering the assessee as a tested party, adopted "*Other Method*" as the most appropriate method for benchmarking the international transaction of payment of Management Fees by the assessee to the associated enterprise. The TPO, on the basis that the assessee has failed to satisfy the Need Benefit Rendition Test in respect of services received from the associated enterprise, treated the arm's length price of the international transaction to be Rs.Nil, by considering these services as shareholder activities, duplicative services for which no payment is necessary by the assessee to the associated enterprise. Accordingly, the TPO made a transfer pricing adjustment at Rs.1,04,21,731/-. In conformity, the AO passed the draft assessment order under section 144C(1) of the Act on 27.12.2023, proposing to assess the total income of the assessee at Rs.14,87,22,757/-.

8. During the proceedings before the learned DRP, in order to substantiate the grounds of objection raised against the transfer pricing adjustment, the assessee filed additional evidence. After considering the additional evidence filed by the assessee and remand report by the TPO and rejoinder thereto by the assessee, the learned DRP, vide its direction dated 20.09.2024 passed under section 144C(5) of the Act rejected the objections filed by the assessee on this issue and held that the benefit to the assessee was only of an indirect

or remote nature and a subsidiary would not be willing to pay to the third party to perform central coordination and control activities. Furthermore, the learned DRP also rejected the assessee's reliance on additional evidence and held that the services were duplicative in nature, and no benefit had accrued to the assessee due to the services claimed to have been rendered. Accordingly, the AO passed the impugned final assessment order. Being aggrieved, the assessee is in appeal before us.

9. During the hearing, the learned Authorised Representative ("*learned AR*") submitted that the assessee derives benefit out of strong network support due to the Logwin Group's presence in 35 countries with more than 200 offices, in Europe, Asia, South Africa and America. It was further submitted that under the guidance of its holding company, new business opportunities are generated for the assessee and existing businesses are handled at arm's length amongst the Logwin Group Companies. It was further submitted that in the period under review, the majority of income generated by the assessee is directly related to the overseas network activity guided by the holding company and the remaining part of the business, although originated locally, vis-à-vis, the customers, is highly dependent on the close cooperation with other Logwin Offices. In order to substantiate the need, rendition and benefit from these services, the learned AR referred to various documentary evidence forming part of the paper books filed by the assessee. In addition, the learned AR submitted that the international transaction of payment of Management Fees was aggregated by the assessee with other international transactions, adopting TNMM as the most appropriate method,

which resulted in the assessee earning a healthier margin than the comparable companies. Accordingly, the learned AR submitted that since the international transaction of payment of Management Fees is already part of the combined benchmarking approach adopted by the assessee, and the same has not been disturbed by the TPO, there is no basis in subjecting only one element, i.e., payment of Management Fees, as a separate international transaction and determining ALP as Nil applying "*Other Method*" as the most appropriate method.

10. On the other hand, the learned Departmental Representative ("*learned DR*"), vehemently relying upon the orders passed by the lower authorities, submitted that the assessee has not provided the evidence of cost incurred by the associated enterprise for rendering services, and the quantum of such cost is not verifiable. The learned DR further submitted that the assessee has also failed to submit evidence in support of having satisfied the Need, Rendition and Benefit test. As regards the submission of the learned AR that the TPO cannot cherry-pick one of the transactions from the aggregate benchmarking, the learned DR submitted that arm's length price determination in respect of every payment is to be conducted irrespective of such obligation undertaken by the assessee.

11. We have considered the submission of both sides and perused the material available on record. As noted above, the assessee entered into a service agreement dated 01.01.2020 and 01.01.2021 with its associated enterprise, whereby the associated enterprise agreed to provide support and consulting services in the nature of Controlling, HR Management, Accounting,

Financial Reporting, Marketing, Administration and Miscellaneous Consulting to the assessee at a remuneration model of Cost + 5% basis. In its submission before the lower authorities, the assessee provided the following details of the nature of services under the aforesaid agreements and the benefit derived by the assessee from availing the services from its associated enterprise: -

"Controlling, Accounting & Finance Reporting

Central Controlling Team constantly monitors the financials data to ensure that we work within the budgetary framework & to avoid undue risk taking and avoid losses. Based on the strong interdependence resulting from the mutual network business, central Controlling is pivotal for the alignment of the business planning among the companies and hence the successful development of Logwin India in further growing the business volumes and profits generated. The Central Controlling team also negotiates credit insurance centrally to mitigate the risk of receivables. Further centralised Cash Management & Treasury Function has helped mitigating exchange rate risk by netting off arrangement among all Logwin entities & also reduced transactions costs. This centralized functions also takes over the whole netting process, which is the intercompany billing saving Logwin India to settle all payments individually.

HR Management:

Employees of Logwin India are appointed by Logwin India, however, they are informed to work within the compliance framework of the Logwin Group. Employees of Logwin India are regularly invited to participate in Global HR development programs, and they participate in local and Group wide training and development activities under the guidance of the Central HR department.

Marketing:

Logwin India receives the benefit of rich & diverse experience of marketing & Administration team who constantly guide us to achieve common objective / goal of growth in quality business. Logwin India is able to participate in Global tenders of customers who needs to be served from various countries.

Administration:

We also receive support from Logwin International in vetting Contracts to be entered with Customers through legal desk in head office. Insurance of Carrier legal liability, third party damages, Fire & burglary is negotiated centrally at competitive rates to mitigate the business risk, besides this support is always available for filing insurance claims, as & when required."

12. In the present case, it is undisputed that by considering all the international transactions as inextricably linked, the assessee benchmarked the same by adopting the TNMM as the most appropriate method. Further, it

is evident from the record that the TPO only disputed the benchmarking done by the assessee in respect of international transaction pertaining to payment of Management Fees to the associated enterprise and by considering the assessee as a tested party and applying "*Other Method*" as the most appropriate method considered arm's length price of the international transaction of payment of Management Fees to be Nil and made the impugned transfer pricing adjustment. However, the TPO did not alter the combined benchmarking approach adopted by the assessee by applying TNMM as the most appropriate method. One of the pleas of the assessee is that it is not open to the TPO to segregate a transaction from a class of transactions while carrying out a benchmarking exercise. Thus, the assessee submitted that since its margin after considering Management Fees as a cost base is higher than the average net margin of the comparable entities, all the international transactions undertaken by it are at arm's length price.

13. Before proceeding further, it is relevant to note that under the Income Tax Rules, 1962 ("*the Rules*"), the term "*transaction*" has been defined in Rule 10A(d) as "*transaction includes a number of closely linked transactions*". In the present case, there is no dispute regarding the functional profile of the assessee as noted in the foregoing paragraph. Further, the TPO has also not altered the combined transaction approach adopted by the assessee.

14. We find from the note forming part of the financial statement of the assessee for the year ending 31.03.2021 that Regional Management Fees and Group Contribution amounting to Rs.1,04,21,731/- form part of the "*Other Expenses*" of Rs.7,15,71,119/-, which were considered by the assessee for

computing its profit of Rs.13,43,59,597/- for the year ending 31.03.2021. In this regard, it is relevant to note the following details “Other Expenses” and statement of profit and loss of the assessee for the year ending 31.03.2021:-

NOTE 16 : OTHER EXPENSES		AMOUNT IN RS.
PARTICULARS		For the year ended 31 March, 2021
		INR
POWER AND FUEL		9,80,365
RENT INCLUDING LEASE RENTALS		1,74,85,444
REPAIRS AND MAINTENANCE		8,38,872
INSURANCE		27,44,625
RATES AND TAXES		17,48,584
COMMUNICATION		33,50,391
TRAVELLING AND CONVEYANCE		3,46,162
PRINTING AND STATIONERY		11,87,035
MOTOR CAR EXPENSES		88,150
BUSINESS PROMOTION		8,15,654
BANK CHARGES		1,23,827
LEGAL AND PROFESSIONAL		36,45,242
PAYMENTS TO AUDITORS (REFER NOTE BELOW)		8,50,000
NET GAIN ON FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION (OTHER THAN CONSIDERED AS FINANCE COST)		10,32,220
LOSS ON SALE/DISCARDING OF FIXED ASSETS		2,30,959
PROVISION FOR DOUBTFUL TRADE AND OTHER RECEIVABLES, LOANS AND ADVANCES (REFER NOTE BELOW)		21,79,597
OFFICE & GENERAL EXPENSES		26,47,124
BAD DEBTS WRITTEN OFF		21,31,742
CORPORATE SOCIAL RESPONSIBILITY (CSR)		14,88,532
BROKERAGE EXPENSES		-
PAYMENTS TO HOLDING COMPANY & ASSOCIATES:		-
- REGIONAL MANAGEMENT FEES & GROUP CONTRIBUTION		1,04,21,731
- OTHER COSTS FOR SOFTWARE ACCESS & MAINTENANCE		1,72,34,863
TOTAL		7,15,71,119

LOGWIN AIR & OCEAN INDIA PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31 March, 2021

Particulars	Note No.	For the year ended 31 March, 2021	INR
Revenue from operations	11	1,72,24,16,128	
Other income	12	48,19,508	
Total revenue (1+2)			
Expenses			
(a) Operating Costs	13	1,40,62,02,769	
(b) Employee benefits expense	14	11,23,22,594	
(c) Finance costs	15	33,786	
(d) Depreciation and amortization expense	6	27,45,770	
(e) Other expenses	16	7,15,71,110	
Total expenses		1,59,28,76,039	
Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		13,43,59,597	

15. We find that the net profit of Rs.13,43,59,597/- was considered by the assessee for computing its margin of 7.52% which was compared against the average net operating margin of 0.19% of the comparable entities. The relevant computation of the operating profit margin of the assessee, forming part of the Transfer Pricing Study Report, is as follows:

Amount in crores					
Description	Logwin	Allcargo Logist. (MTO Segment Consolidated) Page 52 of the annual report)	Tiger Logistics	Jet Freight Ltd.	Schenker
Revenue	172.24	8,401.00	167.87	346.79	2432.35
Operating Income (see below)	12.96	207.14	(11.32)	6.51	147.16
Operating Income (EBIT) (%)	7.52	2.47	(6.74)	1.88	6.05
					Average
					0.91

Logwin Operating Profit

Operating Income	Rs.	Rs. In crores
Net profit before tax	13,43,59,597	13.44
Less : Other income	48,19,508	-0.48
Add: Export incentive reversals	-	
Add: Interest on export incentive	-	
Add: Finance Cost	33,786	0.00
	12,95,73,876	12.96

16. Thus, it is evident from the aforesaid details that the Regional Management Fees and Group Contribution amounting to Rs.1,04,21,731/- paid by the assessee to its associated enterprise formed part of the cost base, while computing the net margin of the assessee, which has already been accepted to be at arm's length by the TPO. Therefore, we are of the considered view that once the overall margin of the assessee has been accepted after consideration of the payment of Management Fees, then no question arises of making any separate adjustment insofar as the payment of Management Fees is concerned. We find that our view is duly supported by the decision of the Hon'ble Delhi High Court in *Magneti Marelli Powertrain India Pvt. Ltd. vs. DCIT*, reported in (2016) 389 ITR 469 (Del). In the aforesaid decision, the Hon'ble High Court observed as follows: -

"17. As far as the second question is concerned, the TPO accepted TNMM applied by the assessee, as the most appropriate method in respect of all the international transactions including payment of royalty. The TPO, however, disputed application of TNMM as the most appropriate method for the payment of technical assistance fee of Rs. 38,58,80,000 only for which Comparable Uncontrolled Price ("CUP") method was sought to be applied. Here, this court concurs with the assessee that having accepted the TNMM as the most appropriate, it was not open to the TPO to subject only one element, i.e payment of technical assistance fee, to an entirely different (CUP) method. The adoption of a method as the most appropriate one assures the applicability of one standard or criteria to judge an international transaction by. Each method is a package in itself, as it were, containing the necessary elements that are to be used as filters to judge the soundness of the international transaction in an ALP fixing exercise. If this were to be disturbed, the end result would be distorted and within one ALP determination for a year, two or even five methods can be adopted. This would spell chaos and be detrimental to the interests of both the assessee and the revenue. The second question is, therefore, answered in favour of the assessee; the TNMM had to be applied by the TPO/AO in respect of the technical fee payment too."

17. In this regard, the following observation of the Hon'ble Delhi High Court in *Sony Ericsson Mobile Communication India Pvt. Ltd. vs. CIT*, reported in [2015] 374 ITR 118, also becomes relevant: -

"(v) Where the Assessing Officer/TPO accepts the comparables adopted by the assessee, with or without making adjustments, as a bundled transaction, it would be illogical and improper to treat AMP expenses as a separate international transaction, for the simple reason that if the functions performed by the tested parties and the comparables match, with or without adjustments, AMP expenses are duly accounted for. would be incongruous to accept the comparables and determine or accept the transfer price and still segregate AMP expenses as an international transaction."

18. Accordingly, respectfully following the decisions of the Hon'ble High Court cited supra, we do not find any merit in the submissions of the Revenue, and we are of the considered view that the TPO/AO was not justified in making the transfer pricing adjustment in respect of the international transaction of payment of Management Fees in the present case. Accordingly, the same is deleted. Since the relief has been granted to the assessee on this short basis, the other submissions of the assessee pertaining to this issue are rendered academic, and therefore, are kept open. In view of the above findings, the grounds pertaining to transfer pricing adjustment raised by the assessee in its appeal are allowed.

19. The issue arising in grounds no.13-16, raised in assessee's appeal, pertains to the addition made under section 41 of the Act.

20. The brief facts of the case pertaining to this issue, as emanating from the record, are: During the assessment proceedings, it was noticed that the assessee overstated the amount payable to Lufthansa Cargo AG. As per the assessee's claim, the trade payable was Rs.17,25,793/-, while the creditors claimed trade receivable of Rs.68,027/-. Accordingly, the assessee was asked to reconcile the difference of Rs.16,57,766/-. In response, the assessee submitted that the ledger provided by Lufthansa Cargo AG is

incorrect/incomplete, as there is a mismatch in the document reference number. Furthermore, by reference to document numbers, the assessee sought to reconcile the amount to the extent of Rs.16,46,932. The AO, vide draft assessment order passed under section 144C(1) of the Act, disagreed with the submissions of the assessee and held that all the analysis done by the assessee is based on a few vouchers with different documentation numbers and nullifications. The AO further held that the clarification sought in the show cause notice regarding other such cases, where similar nullifications have been found, has not been satisfactorily explained by the assessee, nor has any evidence/documentation been submitted. Furthermore, it was held that the assessee had merely claimed that the ledger received from Lufthansa Cargo AG was incomplete/incorrect, without providing any evidence to support its claim. Accordingly, the AO proposed to make an addition of Rs.16,57,766/- by treating the same as cessation of liability under section 41(1) of the Act.

21. The learned DRP, vide its directions issued under section 144C(5) of the Act, rejected the objections filed by the assessee on the basis that the addition arises from the intimation issued under section 143(1) of the Act and the AO has neither examined the issue nor given any finding thereon. In conformity, the AO passed the impugned final assessment order, inter-alia, making the addition of Rs. 16,57,766/- under section 41(1) of the Act.

22. We have considered the submissions of both sides and perused the material available on record. During the hearing, the learned AR reiterated the submissions made by the assessee during the assessment proceedings

and submitted that there is no overstatement of the amount payable by the assessee to Lufthansa Cargo AG and the entire addition is made simply on account of difference in the ledger maintained by the assessee and the ledger furnished by Lufthansa Cargo AG pursuant to notice issued under section 133(6) of the Act. The submissions of the assessee are reproduced as follows:-

"- Ledger of Lufthansa does not have any opening balance.

- Document numbers as per ledger provided by Lufthansa differ from the Tax invoice number shown on the invoices which we have in our record. For E.g. Tax invoice number - BOM2020FA004174 DATED 10.5.2020 for INR 25,325.15 (as per The Assessee) is apparently shown vide document number - 3700010240 as per Lufthansa ledger.

- There are many invoices with similar amounts and documents number differs.

- Invoice No. IM020A- 004312 and IN-020-012947 both dated 26.03.2023 for amounts Rs.51,925/- and Rs.4,60,695/- respectively and Invoice No. BLR2021CE000178 dated 31.03.2023 for amount Rs.11,34,3121- has been nullified as per Lufthansa's statement, hence, their ledger account shows lower receivable from Logwin India. Hence resulting into a difference of Rs. 10,833/- which is due to no opening balance in Lufthansa's ledger.

- It may be noted that the Appellant had highlighted to the Assessing Officer the difference in the invoice number as per Lufthansa's ledger & also offered to give all the invoices recorded by the Appellant in its ledger.

- The Appellant had also clarified that only those Lufthansa invoices were recorded by it against which corresponding income was booked in AY 2021-22."

23. Having considered the submissions and perused the material available on record, we are of the considered view that this issue requires factual verification qua each invoice raised by Lufthansa Cargo AG and recorded in the ledger account of the parties, since, as per the assessee's claim, there is a difference in the invoice number as per ledger provided by Lufthansa Cargo AG. Furthermore, it is also evident from the record that the learned DRP did

not examine this aspect and proceeded on the erroneous assumption that the said addition does not arise from the draft assessment order, and the AO has not examined the issue. Accordingly, we restore this issue to the file of the jurisdictional AO for *de novo* adjudication after necessary verification of the details. As this issue is restored to the file of the AO for consideration afresh, the assessee shall be at liberty to furnish all the details for complete adjudication of this issue. Accordingly, the impugned order on this issue is set aside, and grounds no.13-16 raised by the assessee are allowed for statistical purposes.

24. Vide its application dated 28/02/2025, the assessee raised an additional ground of appeal challenging the validity of the assessment order on the basis that the same is beyond the limitation period prescribed under section 153 of the Act. Being a legal issue, the said ground is admitted in light of the decision of the Hon'ble Supreme Court in NTPC vs. CIT, [1998] 229 ITR 383 (SC). However, vide its written submission furnished during the hearing, the assessee did not press the said additional ground. Accordingly, the same is kept open for adjudication.

25. In the result, the appeal by the assessee is allowed for statistical purposes.

Order pronounced in the open Court on 17/11/2025

Sd/-
GIRISH AGRAWAL
ACCOUNTANT MEMBER

Sd/-
SANDEEP SINGH KARHAIL
JUDICIAL MEMBER

MUMBAI, DATED: 17/11/2025

Prabhat

Copy of the order forwarded to:

- (1) The Assessee;*
- (2) The Revenue;*
- (3) The PCIT / CIT (Judicial);*
- (4) The DR, ITAT, Mumbai; and*
- (5) Guard file.*

By Order

Assistant Registrar
ITAT, Mumbai.