

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

INCOME TAX APPEAL(IT) NO. 391 OF 2024

Pr Commissioner Of Income Tax Central 3 ...Appellant
Versus
Shrem Alloys Pvt Ltd ...Respondent

Ms. Swapna Gokhale, for Appellant.

Mr. Madhur Agarwal, a/w Mr. Punit Shah, Sameer G. Dalal,
for Respondent.

**CORAM : M.S. Sonak &
Advait M. Sethna, JJ.**

DATED : 12 November 2025

P.C.:-

1. Heard Ms. Gokhale, learned counsel for the appellant and Mr. Madhur Agarwal, learned counsel for the respondent.
2. The tax effect in this case is only Rs.10 Lakhs. However, Ms. Gokhale submits that this case falls within the exceptions carved out by the CBDT Circular No. 3 of 2018 dated 11 July 2018.
3. However, without going into the issue as to whether this case indeed falls within the exceptions, we have heard the learned counsel for the parties on merits.
4. Ms. Gokhale urges the admission of this appeal on the substantial questions of law formulated in the appeal

memo. She points out that though the assessee may have disclose the acquisition of the foreign assets, such disclosure was not in the prescribed format and therefore, there was justification for imposing penalty.

5. Mr. Agarwal submits that the acquisition of the assets was disclosed in the return files for the Assessment Year 2013-14 when the assets were actually acquired. He points out that disclosure in the returns for Assessment Year 2013-14 is valid. He further pointed out that there was disclosure in the return filed under Section 153A as well. Even the books of account clearly reflected the acquisition of these assets.

6. Mr. Agarwal submitted that the return under Section 153 A disclosing the acquisition of these assets was filed even before any notice for penalty could be issued. He therefore submitted that the assessee's case was covered by the decision of this Court in the case of *Principal Commissioner of Income Tax, Central – II Vs. JSW Steel Limited*¹.

7. The rival contentions falls for our determination.

8. As was fairly pointed by Ms. Gokhale, this is not a case where no disclosure of the acquired foreign assets was ever made by the respondent assessee. Her only contention was that such disclosure was not made in the prescribed format and this warranted the imposition of the penalty of Rs.10 Lakhs.

9. The record indeed shows that the disclosure was

¹. 2020 115 Taxman.com 165 (Bombay)

made in the returns filed for the Assessment Years 2012-13 and 2013-14, at the time when the asset was actually acquired. The disclosure was also made in the return filed under Section 153A, even before any penalty notice could be issued to the respondent assessee. Even the books of account produced from time to time clearly reflected the acquisition of this asset.

10. In the case of *JSW Steel Limited (supra)*, a coordinate Bench of this Court has taken the view that the return filed under Section 153A is also a return for the purposes of Section 139(1) of the Income Tax Act. The Commissioner (Appeals)-I and Income Tax Appellate Tribunal have relied upon this decision to hold that there was no failure to disclose and in any event, no penalty was warranted based upon some technical glitch which was remedied even before the notice for penalty could be issued.

11. For the above reasons, we are satisfied that the questions proposed in the appeal memo cannot be called as substantial questions of law.

12. The appeal is therefore dismissed on the ground that it does not involve any substantial questions of law. No costs.

(Advait M. Sethna, J)

(M.S. Sonak, J.)