

IN THE INCOME TAX APPELLATE TRIBUNAL
"A" BENCH : BANGALORE

BEFORESHRI SUNIL KUMAR YADAV, JUDICIAL MEMBER AND
SHRI ARUN KUMAR GARODIA, ACCOUNTANT MEMBER

ITA No.517/Bang/2017
Assessment Year : 2012-13

The Deputy Commissioner of Income Tax, Circle 6(1) (2), Bangalore.	Vs.	M/s. Snowman Logistics Ltd., No. 54, Virgo Nagar, Old Madras Road, Bandapura Village, BidarehalliHobli, Bangalore – 560 049. PAN: AAFCS 3514H
APPELLANT		RESPONDENT

Assessee by	:	Shri K.P. Srinivas, CA
Revenue by	:	Shri B.R. Ramesh, JCIT (DR)

Date of hearing	:	20.09.2017
Date of Pronouncement	:	28.09.2017

ORDER

Per Shri A.K. Garodia, Accountant Member

This is a revenue's appeal directed against the order of Id. CIT(A), Bangalore-6, Bangalore dated 11.11.2016 for Assessment Year 2012-13.

2. The grounds raised by the revenue are as under.

"1. The order of the CIT (Appeals) is opposed to law and the facts and circumstances of the case.

2. On the facts and in circumstances of the case, the CIT(A) erred in applying the judgment of the Hon'ble Supreme Court in the case of TRF Limited without appreciating that the facts in the instant case are different, in as much as the assessee had failed to establish that the debts have actually become bad.

3. For these and such other grounds that may be urged at the time of hearing, it is humbly prayed that the order of the CIT(A) in so far as it relates to the above grounds may be reversed and that of the Assessing Officer be restored.

4. The appellant craves leave to add, alter, amend or delete any of the grounds that may be urged at the time of hearing of the appeal."

3. The Id. DR of revenue supported the assessment order whereas the Id. AR of assessee supported the order of CIT(A). He also submitted that the issue

involved was decided by CIT(A) by following the judgment of Hon'ble Apex Court rendered in the case of T.R.F. Ltd. Vs. CIT as reported in 323 ITR 397.

4. We have considered the rival submissions. We find that as per the assessment order, the objection of the AO is this that the assessee company had not taken any effective steps to recover the amount of debts. After the amendment in the provision of section 36 (1) (vii) w.e.f. 01.04.1989, this is not required to be shown by the assessee that the debts in question has become bad and only requirement is this that the assessee should write it off in the books of accounts. This is not the objection of the AO that bad debts are not written off in the books of accounts and therefore, the disallowance made by the AO is not justified. We find no reason to interfere in the order of CIT(A) on this issue because as per the judgment of Hon'ble Apex Court rendered in the case of T.R.F. Ltd. Vs. CIT (supra), this issue is squarely covered in favour of the assessee. We therefore, decline to interfere in the order of CIT(A).

5. In the result, the appeal filed by the revenue is dismissed.

Order pronounced in the open court on the date mentioned on the caption page.

Sd/-
(SUNIL KUMAR YADAV)
Judicial Member

Sd/-
(ARUN KUMAR GARODIA)
Accountant Member

Bangalore,
Dated, the 28th September, 2017.

/MS/

Copy to:

1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR, ITAT, Bangalore.
6. Guard file

By order

Senior Private Secretary,
Income Tax Appellate Tribunal,
Bangalore.