

**IN THE INCOME TAX APPELLATE TRIBUNAL  
(DELHI BENCH :H: DELHI)**

**BEFORE SHRI SAKTIJIT DEY, VICE-PRESIDENT &  
DR. B.R.R. KUMAR, ACCOUNTANT MEMBER**

**ITA No.4369/Del/2019  
Assessment Year: 2004-05**

Global Green Company Ltd., First India Place, Tower 'C', Mehrauli Road, Gurgaon, Haryana PIN: 122 002 (PAN:AAACR0635H)	Vs.	DCIT, Circle-12(1) New Delhi.
<b>(Appellant)</b>		<b>(Respondent)</b>

**Present for:**

Assessee by : Shri Ankit Agrawal, CA  
Department by : Shri Amit Katoch, Sr. DR

Date of Hearing : 12.10.2023  
Date of Pronouncement : 27.10.2023

**ORDER**

**PER SAKTIJIT DEY, VICE PRESIDENT:**

This is an appeal by the assessee against order dated 28.03.2019 of learned Commissioner of Income-Tax (Appeals)-16, New Delhi pertaining to assessment year 2004-05.

2. In ground nos. 1, 2 & 3, assessee has challenged the following disallowances made while computing profit under Section 115JB of the Income-Tax Act, 1961:

i) Farmer advances	: Rs.39,33,577
ii) Debts	: Rs. 7,08,229
iii) Other trade advances	: Rs. 59,40,483

3. Briefly, the facts are, assessee is a resident corporate entity. Assessment in case of assessee was originally completed under Section 143(3) of the Act vide order dated 29.12.2006. Subsequently, the assessment order was revised under Section 263 of the Act on the ground that while computing book profit under Section 115JB, certain deductions claimed by the assessee, which are in the nature of provisions, were not disallowed.

4. In pursuance to the order passed under Section 263 of the Act, Assessing Officer completed the assessment disallowing the deduction as per directions of learned CIT. Against the order so passed the assessee preferred appeal before learned Commissioner (Appeals) and being unsuccessful, went before the Tribunal.

5. After considering assessee's submission that the deductions claimed are not in the nature of provisions but have actually been written off, the Tribunal restored the issue to the Assessing Officer for fresh examination. However, while examining the issue the Assessing Officer

again repeated the disallowance. Though, the assessee went in appeal before the learned Commissioner (Appeals), however, the disallowances were upheld.

6. Before us, learned counsel appearing for the assessee reiterated that, though, in the financial statement the nomenclature is shown as provisions, however, the amounts have been written off in the books. He submitted, identical issue has been decided in assessee's favour by the Tribunal in various other assessment years. In this context, he placed on record order dated 20.06.2023 passed in ITA No. 2232/Del/2017 and Ors.

7. Learned Departmental Representative relied upon the observations of the Assessing Officer and learned First Appellate Authority.

8. We have considered rival submissions and perused the material on record.

9. It is the case of the assessee that the provisions for farmer advances, trade debts and other trade advances have been disallowed while computing book profit under Section 115JB of the Act only for the reason that they have not actually been written off, hence, in the nature of provisions. It is observed, while deciding assessee's appeal in various

other assessment years in the order cited before us, the Tribunal has directed the Assessing Officer to allow similar deduction claimed by the assessee on actual write off basis and not merely going by the terminology used as “provision”.

10. In view of the aforesaid, the Assessing Officer is directed to factually verify assessee’s claim and in case it is found that assessee has actually written off the farmer advances, trade advances and doubtful debts in the books, they have to be allowed as deduction while computing book profit under Section 115JB of the Act. Grounds are allowed, subject to, verification by the Assessing Officer.

11. Ground nos. 4, 5 and 7 being general grounds and ground no.6 being a without prejudice ground, do not require adjudication.

12. In the result, the appeal is partly allowed.

*Order pronounced in the open court on 27 .10.2023.*

Sd/-

( DR. BRR KUMAR )  
ACCOUNTANT MEMBER

Sd/-

(SAKTIJIT DEY)  
VICE-PRESIDENT

**Dated: 27<sup>th</sup> October, 2023**  
**Mohan Lal**

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi