

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES : A : NEW DELHI

BEFORE SHRI G.S. PANNU, HON'BLE VICE PRESIDENT
AND
SHRI ANUBHAV SHARMA, JUDICIAL MEMBER

ITA No.37/Del/2020
Assessment Year: 2015-16

DCIT,
Central Circle-20,
New Delhi.

Vs
Bright Point India Pvt. Ltd.,
G-9, Block-B-1,
Mohan Cooperative Indl. Area,
Mathura Road, Jatpur,
New Delhi. – 110 044.

PAN: AAACB6414G

(Appellant)

(Respondent)

Assessee by : Shri Abhinav Jain, CA &
Ms Usha Nayak, CA
Revenue by : Shri R.K. Meena, Sr. DR
Date of Hearing : 05.12.2023
Date of Pronouncement : 29.12.2023

ORDER

PER ANUBHAV SHARMA, JM:

This is appeal preferred by the Assessee against the order dated 01.10.2019 of the Commissioner of Income-tax (Appeals)-31, New Delhi (hereinafter referred as Ld. First Appellate Authority or in short Ld. 'FAA') in appeal Nos.498/19-20/390/17-18 arising out of the appeal before it against the order dated 26.12.2017 passed u/s. 143(3) of the Income Tax Act, 1961

(hereinafter referred as 'the Act') by the ACIT, Central Circle-20, New Delhi (hereinafter referred to as the Ld. AO).

2. The assessee filed return of income declaring an income of Rs.60,27,83,640/- which was processed u/s 143(1) of the Act and subsequently, the case of the assessee was selected for scrutiny under CASS and certain notices were issued. The ld. AO made addition of Rs.2,11,52,691/- on account of failure of the assessee to provide evidence of the efforts made for recovery of bad debts. An addition of Rs.1,73,88,122/- was made disallowing the provision for doubtful debts. An addition of Rs.1,68,60,821/- was made for lack of documentary evidence in support of the claim that TDS is not deductible in respect of certain expenses. The ld. AO had made disallowance of Rs.1,60,83,642/- on account of failure to file complete details of persons to whom sales related claims have been given. However, the ld.CIT(A) has deleted the additions on the basis of additional evidences filed before the ld.CIT(A) for which remand report was sought.

3. Aggrieved, the Revenue is in appeal raising the following grounds:-

“1. That Ld. CIT(A) erred in law and on facts in deleting the addition of Rs.2,11,52,691/- on account of bad debts on ad hoc basis without appreciating the facts and circumstances of the case.

2. That Ld. CIT(A) erred in law and on facts in deleting the addition of Rs.1,73,88,122/- on account of provision of doubtful debts written on ad hoc basis without appreciating the facts and circumstances of the case.

3. *That the Ld. CIT(A) erred in law and on facts in deleting the addition of Rs.1,68,60,821/- made on non-deduction of TDS adhoc basis without appreciating the facts and circumstances of the case.*

4. *That the Ld. CIT(A) erred in law and on facts in deleting the addition of Rs.1,60,83,642/- made on account of sales related claim.”*

4. Heard and perused the record. The ld. DR submitted that no evidences were filed before the ld. AO and without justification the ld.CIT(A) had admitted the evidences and there is no error in the findings of the ld. AO.

5. The ld. AR has supported the findings of the ld.CIT(A) submitting that on all additional evidences remand report was called.

6. After giving thoughtful consideration to the matter on record and the submissions raised, we find that there is no specific ground of the Revenue of any error committed on the part of the ld.CIT(A) in admitting the additional evidences.

7. Further, in regard to ground no. 1 arising out of deletion of addition on account of bad debts on ad hoc basis, it comes up that the ld. CIT(A) had given opportunity to the ld. AO to verify the details furnished by the assessee, but, the AO failed to verify the same except for issuing notice u/s 133(6) of the Act. The ld.CIT(A) observes that out of this disallowance of Rs.2,11,52,691/- for the bad debts written off of Rs.1,00,06,196/-, the assessee had furnished complete details of the customers like name, date of invoice, invoice number, amount and

reasons for write off by way of submissions in the form of additional evidences which are forwarded to Id. AO for verification. Similarly, details were furnished in respect of vendors' claim written off at Rs.20,46,379/-, but, the Id. AO had not responded to the same. The Id. DR has also not pointed out if there was any non-satisfaction of the conditions required for claiming bad debts u/s 36(1)(vii) r.w.s. 36(2) of the Act. As regards the bad debts of Rs.91,00,121/-, the assessee established that the same was added back to the total income in the computation of income. But, the AO has failed to consider the same and even failed to respond when remand report was called. Thus, there is no error in the deletion by the Id.CIT(A).

8. In regard to ground No.2, deleting the addition on account of provision for doubtful debts, we find that the Id.CIT(A) has observed that the claim of the assessee was sustained subject to verification that if the provision for doubtful debts of Rs.3,54,24,511/- was actually added in the computation of income of AY 2013-14 and a sum of Rs.3,08,85,748/- was actually credited in the P&L Account as 'other income' in AY 2015-16. Thus, there is no error in the findings of the Id.CIT(A) as he has allowed the issue subject to verification on the basis of the accounting principles involved.

9. In regard to ground No.3 arising out of deletion of addition made on account of non-deduction of TDS on ad hoc basis, the Id.CIT(A) has again

restored the matter for verification by the AO as there were evidences with the assessee which required reconciliation.

10. In regard to ground No.4 on deletion of addition on account of sales related claims, the Id.CIT(A) was not satisfied with the remand report. The Id.CIT(A) observes that the assessee has added the sales related claims of Rs.1,60,83,642/- but, adjusted the same with the amount on this account disallowed till AY 2014-15 at Rs.4,37,51,410/- and this has resulted in net deduction in total income. Thus, the same also requires no interference.

11. In view of the aforesaid, there is no substance in the grounds of the Revenue.

12. In the result, the appeal of the Revenue is dismissed.

Order pronounced in the open court on 29.12.2023.

Sd/-

(G.S. PANNU)
VICE PRESIDENT

Sd/-

(ANUBHAV SHARMA)
JUDICIAL MEMBER

Dated: 29th December, 2023.

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Copy forwarded to:

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

Asstt. Registrar, ITAT, New Delhi