

**IN THE INCOME TAX APPELLATE TRIBUNAL  
COCHIN BENCH, COCHIN**

Before Shri Satbeer Singh Godara, Judicial Member and  
Shri Amarjit Singh, Judicial Member

**ITA No. 214/Coch/2024**  
(Assessment Year: 2017-18)

Bhagheeratha Engineering Ltd. Bhagheeratha Residency Banerji Road, Kacherippadi Ernakulam 682018 [PAN: AABCB1386N]	vs.	DCIT, Corporate Circle-1 Kochi 682018
(Appellant)		(Respondent)

Appellant by:	Shri Suresh Kumar, CA
Respondent by:	Dr. S. Pandian, CIT-DR

Date of Hearing:	19.08.2024
Date of Pronouncement:	23.09.2024

**ORDER**

**Per Bench**

This assessee's appeal for A.Y. 2017-18 arises against the National Faceless Appeal Centre, Delhi [CIT(A)]'s DIN & Order No. ITBA/ NFAC/S/250/2023-24/1059988854(1) dated 22.01.2024 in proceedings u/s. 250 of the Income Tax Act, 1961 (the Act).

Heard both parties. Case file perused.

2. The assessee has raised the following substantive grounds in the appeal: -

*"1. That the order of the Ld. Commissioner of Income Tax Appeals dated 22.01.2024 in appeal no. CIT(A), Kochi -1/10368/2019/20 sustaining the addition of Rs.4,63,93,184/- made by the Assessing Officer for AY 2017-18 is infirm in law and contrary to facts and circumstances of the case.*

2. *That the Lower authorities erred in adding a sum of Rs.4,63,93,184/- being bad debts written off alleging the same to be a provision for bad and doubtful debts.*
3. *That the Ld. Authorities erred in treating the above disallowance as applicable for Minimum Alternate Tax u/s. 115JB as well.*
4. *That the lower authorities erred in treating the balance written off as provision for doubtful debts. The lower authorities ought to have found that the claim is alternatively allowable as a trading loss.*
5. *That a copy of the grounds of appeal filed before the First Appellate Authority is enclosed as Annexure-A and the same maybe treated as part of this grounds of appeal as well.*
6. *That the appellant craves leave to amend, alter, modify or vary any of these grounds of appeal as deemed fit.*
7. *That for the above and other reasons to be urged at the time of hearing it is prayed that the Hon'ble ITAT may be pleased to vacate the disallowances made and render justice to the appellant.”*

3. Suffice to say, the sole substantive grievance between the parties here is that of disallowance of assessee's bad debt write off claim amounting to Rs. 4,63,93,184/- made in the course of assessment framed on 27.12.2019 as upheld in the lower appellate discussion.

4. Learned CIT-DR has drawn strong support from both the lower authorities' action treating the assessee's impugned claim as a provision only than an actual write off going by the corresponding balance sheet item noting No. 12 in page 44 of the paper book.

5. Faced with this situation, learned counsel claims before us that the assessee had duly satisfied the relevant conditions in sections 36(1)(vii) and 36(2) of the Act not only in firstly recognizing the corresponding item as an income but also followed by its actual write off thereon. We are of the considered view in this facts that the clinching issue herein is the assessee's actual write off in it's books requires the Assessing Officer's afresh factual verification. We order accordingly. Needful may be done within three effective opportunities of hearing.

6. This assessee's appeal is allowed for statistical purposes in above terms.

Order pronounced in the open court on 23<sup>rd</sup> October, 2024.

Sd/-  
(Amarjit Singh)  
Accountant Member

Sd/-  
(Satbeer Singh Godara)  
Judicial Member

Cochin, Dated: 23<sup>rd</sup> October, 2024

n.p.

Copy to:

1. The Appellant
2. The Respondent
3. The Pr. CIT concerned
4. The Sr. DR, ITAT, Cochin
5. Guard File

By Order

Assistant Registrar  
ITAT, Cochin