

**IN THE INCOME TAX APPELLATE TRIBUNAL,
DELHI BENCH: 'E' NEW DELHI**

BEFORE SHRI MAHAVIR SINGH, VICE PRESIDENT

AND

SHRI BRAJESH KUMAR SINGH, ACCOUNTANT MEMBER

**ITA No.503/Del/2017
Assessment Year: 2011-12**

Addl. Commissioner of Income Tax, Special Range-6, Room No.352, C.R. Building, I.P. Estate, New Delhi	Vs.	M/s Nortel Networks India Pvt. Ltd. C-27, Ground Floor, Near Garden of Five Senses Westend Marg, Paryavaran Complex, New Delhi-110030
PAN :AABCN1424B		
(Appellant)		(Respondent)

Assessee by	Sh. Shivam Yadav, Adv. & Ms. Ananya Kapoor, Adv.
Department by	Sh. Gireesh Kumar Kohli, Sr. DR

Date of hearing	11.11.2024
Date of pronouncement	11.11.2024

ORDER

PER BRAJESH KUMAR SINGH, ACCOUNTANT MEMBER

This appeal by the Revenue is directed against the order of the Ld. CIT(Appeals)-33, New Delhi, dated 15.11.2016 pertaining to Assessment Year 2011-12.

2. Grounds of appeal raised by the Department are as under:-

1. *Whether on the facts and circumstances of the case, the Ld. CIT(A) is legally justified in deleting the disallowance of Rs.71,03,752/- out of total disallowance of bad debt of Rs.7,58,74,347/- even when the assessee had not*

discharged its onus u/s 36(1)(vii) r.w.s. 36(a) of the Income Tax Act 1961 (the Act)?

2. Whether on the facts and circumstances of the case, the Ld. CIT(A) is legally justified in deleting the disallowance of Rs.71,03,572/- out of total disallowance of bad debt of Rs.7,58,74,347/- u/s 36(1)(vii) of the Act ignoring the fact that the assessee had not furnished any evidence either before the AO or CIT(A) that bad debts of Rs.71,03,572/- were actually written off in the books of accounts?

3. Whether in facts and circumstances of the case and in law, the Ld. CIT(A) is legally justified in admitting additional evidence under Rule 46A of the Income Tax Rules 1962 (the Rule) even when the case of the assessee did not fall in clause (a) to (D) of Rule 46A of the Rule?

2.1. During the course of hearing, the Ld. AR submitted a computation of tax effect in respect of the disputed amount of Rs.71,03,572/- as under:-

Particulars	Reference	Amount (in INR)
Returned Loss		(-)3,04,13,254
Assessed Loss		(-)2,95,52,230
Disputed addition	(A)	71,03,572
Tax @30%	(B=30%*A)	21,31,072
Surcharge @7.5%	(C=7.5%*B)	1,59,830
Cess @ 3%	[D=3%*(B+C)]	68,727
Notional Tax Effect on Disputed Addition	(E=B+C+D)	23,59,629

2.2. On perusal of the above computation of the tax effect and grounds, it was noticed that in the appeal filed by the Revenue, admittedly, has a tax less than Rs.60 lakhs and the same falls into the category of low tax effect appeals after the enhanced monetary limits of Rs.60 lacs, for which the appeal is to be filed by the Department before this Tribunal, as laid down by the CBDT vide Circular Nos.5/2024 dated 15.03.2024 and 09/2024 dated 17.09.2024. The Ld. DR did not controvert to the above fact.

3 In the light of the aforesaid, the appeal of the Revenue is dismissed being a low tax effect appeal with a rider that in case the issue falls in the category of exceptions to the low tax effect appeals or if there is any valid reason, the Department shall be entitled for restoration of the appeal.

4. In the result, the appeal filed by the department is dismissed.

Order pronounced in the open court on 11/11/2024.

Sd/-

**(MAHAVIR SINGH)
VICE PRESIDENT**

Dated: 11th November, 2024.

Shekhar

Sd/-

**(BRAJESH KUMAR SINGH)
ACCOUNTANT MEMBER**

Copy forwarded to:

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

Asst. Registrar, ITAT, New Delhi