

आयकर अपीलीय अधिकरण
दिल्ली पीठ "एस एम सी", दिल्ली
श्री विकास अवस्थी, न्यायिक सदस्य

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC", DELHI
BEFORE SHRI VIKAS AWASTHY, JUDICIAL MEMBER
आअसं.7290/दिल्ली/2025 (नि.व. 2014-15)
ITA No.7290/DEL/2025 (A.Y.2014-15)

Raj Kumar Sharma,
S-27, Chhattar Singh Apartment, Vill Rajpur,
Khurd, Hargobind Enclave, New Delhi 110030

PAN: APZPS-1654-L

..... अपीलार्थी/Appellant

बनाम Vs.

Income Tax Officer, Ward-32(2),
Civic Centre, Delhi 110002

..... प्रतिवादी/Respondent

अपीलार्थी द्वारा/Appellant by : Shri A.K Nayr, Chartered Accountant
प्रतिवादीद्वारा/Respondent by : Shri Manoj Kumar, Sr. DR

सुनवाई की तिथि/ Date of hearing : 16/12/2025
घोषणा की तिथि/ Date of pronouncement : 16/12/2025

आदेश/ORDER

PER VIKAS AWASTHY, JM:

This appeal by the assessee is directed against the order of Additional/Joint Commissioner of Income-tax (Appeals)-4, Chennai (hereinafter referred to as 'the CIT (A)') dated 19.09.2025, for the Assessment Year 2014-15.

2. Shri A.K Nayr, appearing on behalf of the assessee submits that the assessee filed its return of income for AY 2014-15 declaring total income of Rs.8,07,240/-. The assessee is engaged in the business of hiring of cars. In scrutiny assessment proceedings, the Assessing Officer (AO) observed that as against gross receipts of Rs.77,52,357/-. The assessee has declared net profit of Rs.8,43,190/- i.e. 10.88% of gross receipts as per P&L account. Whereas, from Form 26AS, the AO gathered that the total receipts of the assessee during the year were Rs.97,00,544/-. Thus, the

AO made addition of the difference of Rs.19,48,187/- i.e. difference between the amount as per Form 26AS and the receipts shown in the return of income filed by the assessee. The Id. Counsel explained that the difference is on account of bad debts written off by the assessee. The assessee was not required to explain the reasons for writing off of bad debts but has to merely write off bad debts in the books if the amount is irrecoverable. In support of his submissions, he placed reliance on the decision rendered by Hon'ble Supreme Court of India in the case of *TRF Ltd vs. CIT 323 ITR 397*. The Id. Counsel submitted that the assessee has furnished complete party wise ledger accounts before the authorities below. The same are available at pages 41 to 63 of the paper book. He further referred to page 40 of the paper book where party wise details of amounts written off i.e. Rs.19,48,187/- is given. The party wise reconciliation of the amounts written off is at page 64 of the paper book. The AO without examining the documents furnished by the assessee made addition of Rs.1,94,817/-.

3. Per contra, Shri Manoj Kumar representing the department vehemently defending the impugned order submitted that the assessee failed to furnish any reconciliation between Form No. 26AS and the gross receipts mentioned in the return of income. He thus prayed for upholding the impugned order and dismissing appeal of the assessee.

4. Both sides heard, orders of the authorities below examined. The short issue in present appeal is with regard to addition of Rs.19,48,187/- made by AO on account of discrepancy between Form No. 26AS and gross receipts shown in the return of income. The contention of the assessee is that the difference is on account of bad debts written off by the assessee. The assessee has placed on record

the details of amounts written off and also party wise reconciliation of the amounts as reflected in Form No. 26AS and as per books at page 64 of the paper book. The assessee has explained the difference between the two amounts i.e. amount as per Form No.26AS and as per the books of the assessee. I see no reason to sustain the addition, hence, the same is deleted.

5. In the result, impugned order is *set aside* and appeal of the assessee is allowed.

Order pronounced in the open court on Tuesday the 16th day of December, 2025.

Sd/-

(VIKAS AWASTHY)

न्यायिक सदस्य/JUDICIAL MEMBER

दिल्ली/Delhi, दिनांक/Dated 30/12/2025

NV/-

प्रतिलिपि अग्रेषितCopy of the Order forwarded to :

1. अपीलार्थी/The Appellant ,
2. प्रतिवादी/ The Respondent.
3. The PCIT/CIT(A)
4. विभागीय प्रतिनिधि, आय.अपी.अधि., दिल्ली /DR, ITAT, दिल्ली
5. गार्ड फाइल/Guard file.

BY ORDER,

//True Copy//

(Asstt. Registrar) ITAT, DELHI

1.	Date of dictation of Tribunal order	29.12.2025
2.	Date on which typed draft order is placed before the dictating Member	29.12.2025
3	Date on which typed draft order is placed before the other Member (in the case of DB)	
4.	Date on which the approved draft order comes to P.S./Sr.P.S	
5.	Date on which the fair Order is placed before the dictating Member for sign	
6.	Date on which the fair Order is placed before the other Member for sign (in the case of DB)	
7.	Date on which the Order comes back to P.S./Sr.P.S for uploading on ITAT website	
8.	Date of uploading, if not, reason for not uploading	
9.	Date on which the file goes to the Bench Clerk	
10.	Date on which order goes for xerox	
11.	Date on which order goes for endorsement	
12.	Date on which the file goes to the Superintendent/O.S. for checking	
13.	Date on which the file goes to the Assistant Registrar for signature on the order	
14.	Date on which the file goes to dispatch section for dispatch the Tribunal Order	
15.	Date of dispatch of order	
16.	Date on which file goes to Record Room after dispatch the order	