

3
§-16 & 18

* IN THE HIGH COURT OF DELHI AT NEW DELHI

+ ITA 225/2017

THE PR. COMMISSIONER OF INCOME TAX-4 Appellant
Through: Mr. Ruchir Bhatia with Mr. Gaurav
Khetarpal & Mr. Puneet Rai, Advs.

versus

GE MONEY FINANCIAL SERVICES PVT.LTD. Respondent
Through: Mr. Sachit Jolly, Adv. for

+ ITA 433/2017

THE PRINCIPAL COMMISSIONER OF INCOME TAX, DELHI-2
..... Appellant
Through: Mr. Rahul Kaushik, Senior Standing
Counsel for Income Tax Deptt.

versus

GE MONEY FINANCIAL SERVICE PVT. LTD. Respondent
Through: Mr. Sachit Jolly, Adv.

CORAM:

HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE SANJEEV SACHDEVA

ORDER
01.11.2017

%

The question of law urged by the Revenue is with respect to the treatment of loss on sale of loan portfolio, which was not accepted as falling in the capital stream but treated as income. The assessee, a non-banking financial company, had relied upon Section 36(2)(i) which reads as follows:

Signature Not Verified

Digitally Signed

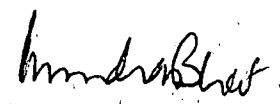
By: AMULYA ITA Nos. 225/2017 & 433/2017

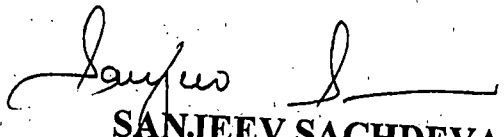
4
"36.(2) In making any deduction for a bad debt or part thereof, the following provisions shall apply-

(i) no such deduction shall be allowed unless such debt or part thereof has been taken into account in computing the income of the assessee of the previous year in which the amount of such debt or part thereof is written off or of an earlier previous year, or represents money lent in the ordinary course of the business of banking or money-lending which is carried on by the assessee."

The Court notices that the assessee relied upon an identical treatment of a similar amount for the previous year i.e. A.Y. 2004-05 and the order of the Tribunal.

Having regard to the above, the Court is of the opinion that no substantial question of law arises. The appeals are therefore dismissed.


S. RAVINDRA BHAT, J


SANJEEV SACHDEVA, J

NOVEMBER 01, 2017
kks