$~8, 9 & 14

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **ITA 67/2017, C.M. APPL.3060/2017**

\+ **ITA 68/2017, C.M. APPL.3061-3062/2017**

\+ **ITA 73/2017, C.M. APPL.3066-3067/2017**

THE PR. COMMISSIONER OF INCOME TAX-4 ..... Appellant

versus

GE MONEY FINANCIAL SERVICES PVT. LTD...... Respondent

Through : Sh. Ruchir Bhatia, Sr. Standing Counsel with Sh. Puneet Rai, Jr. Standing Counsel, for petitioner, in Item Nos. 8, 9 and 14.

Sh. Tushar Jarwal, Sh. Rahul Sateeja, Sh. Gautam Swarup and Sh. Siddhartha Singh, Advocates, for respondent, in Item Nos. 8, 9 and 14.

CORAM:
HON'BLE MR. JUSTICE S. RAVINDRA BHAT
HON'BLE MR. JUSTICE NAJMI WAZIRI

O R D E R

% **08.02.2017**

In this appeal by the Revenue under Section 260A of the Income Tax Act,1961, the question of law urged by the Revenue is with respect to the treatment of interest on Non Performing Assets (NPAs).

The assessee filed its returns for AYs 2006-07, 2007-08 and 2008-09. It was submitted to scrutiny by the Transfer Pricing Officer (TPO) based on whose report a draft assessment order was made. The assessee carried the matter to the Dispute Resolution Panel (DRP) and the Income Tax Appellate Tribunal (ITAT), the latter of which granted it substantial reliefs. The Revenue contends that given the obligation of the assessee to maintain books in accordance with Section 209 of the Companies Act, 1956 on accrual basis, it had to reflect the interest accrued upon unpaid loans (NPAs). The assessee successfully contended before the ITAT that the treatment it accorded to such transactions was in accord with the decision of this Court in *CIT v. Vasisth Chay Vyapar Ltd.* (2011) 330 ITR 440. The ITAT applied the rationale and law declared in *Vasisth Chay (supra)*. This Court also notices that the assessee's method of treatment of such accrued interest was also subject matter of a previous order of this Court in *CIT v. GE Countrywide Consumer Financial Service Limited* [ITA 50/2016, decided on 29.01.2016]. The Court had affirmed the views of the ITAT which ruled in favour of the assessee. In view of the above, no substantial question of law arises. The appeals are accordingly dismissed.

S. RAVINDRA BHAT, J

NAJMI WAZIRI, J

FEBRUARY 08, 2017/ajk