R.M. AMBERKAR
(Private Secretary)

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O.O.C.J.

INCOME TAX APPEAL NO. 925 OF 2016

Pr. Commissioner of Income Tax (Central)4.. Appellant

Versus

Rosy Blue Securities Pvt Ltd .. Respondent

....

- Mr. Tejveer Singh for the Appellant

....

CORAM : AKIL KURESHI &
M.S. SANKLECHA, JJ.

DATE : JANUARY 21, 2019.

P.C.:

1. Revenue is in the appeal against the judgment of the Income Tax Appellate Tribunal ("the Tribunal" for short) dated 10.4.2015 raising following question for our consideration:-

> "Whether on the facts and in the circumstances of the case and in law, the Tribunal was justified in allowing the claim of bad debts and directing the Assessing Officer to verify only whether the bad debts have been written off without appreciating the fact that the assessee had a running account with the sub-broker and carried out transactions with the sub-broker till 31.3.2001 and as such, the debts could be termed to be bad at all as on 31.3.2001 itself?"

2. The issue pertains to the assessee's claim of writing off the bad debts of Rs. 2.61 crores (rounded off). The Tribunal in the impugned judgment noticed that the assessee had business relations with M/s. Kiraj Consultants Pvt Ltd who was sub-broker of the assessee. In the course of such business transactions, the assessee transferred an amount of Rs. 2.61 crores to bad debts account. The Assessing Officer also verified that the amount was in fact written off despite which did not grant the assessee's claim. The Tribunal in the impugned judgment referred to and relied upon a decision of the Supreme Court in the case of **TRF Ltd Vs. CIT[1].** The Tribunal was of the opinion that the Assessing Officer could not have questioned the decision of the assessee to write off the debt as bad debt.

3. We are broadly in agreement with the view of the Tribunal. The assessee found that the debts of M/s. Kiraj Consultants Pvt Ltd were irrecoverable and therefore, wrote off the same as bad debts. The Assessing Officer could not have disallowed the same merely on the ground of doubting with the assessee's wisdom to do so.

1 323 ITR 397

4. No question of law arises. Income Tax Appeal is dismissed.

[M.S. SANKLECHA, J.] **[AKIL KURESHI, J]**