

**आयकर अपीलीय अधिकरण 'बी' न्यायपीठ चेन्नई में।**  
**IN THE INCOME TAX APPELLATE TRIBUNAL**  
**'B' BENCH, CHENNAI**

**माननीय श्री महावीर सिंह, उपाध्यक्ष एवं**  
**माननीय श्री मनोज कुमार अग्रवाल, लेखा सदस्य के समक्ष।**  
**BEFORE HON'BLE SHRI MAHAVIR SINGH, VICE PRESIDENT AND**  
**HON'BLE SHRI MANOJ KUMAR AGGARWAL, AM**

आयकर अपील सं./ **ITA No.1573/Chny/2019**  
(निर्धारण वर्ष / **Assessment Year: 2008-09**)

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|---|----------------------|--|
| <b>M/s. India Pistons Ltd.</b><br>Huzur Gardens,<br>Madhavaram High Road,<br>Chennai – 600 011. | <b>बनाम/<br/>Vs.</b> | <b>DCIT,</b><br>Corporate Circle-2(2),<br>Chennai. |
| <b>स्थायी लेखा सं./जीआइ आर सं./PAN/GIR No. AAACI-1439-E</b>                                     |                      |  |
| (अपीलार्थी/ <b>Appellant</b> )  | :                    | (प्रत्यर्थी / <b>Respondent</b> )                  |

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| अपीलार्थी की ओरसे/ <b>Appellant by</b>        | : | Shri R. Vijayaraghavan (Advocate)-Ld. AR   |
| प्रत्यर्थी की ओरसे/ <b>Respondent by</b>      | : | Shri Varuvooru Sreedhar (Addl. CIT)-Ld. DR |
| सुनवाई की तारीख/ <b>Date of Hearing</b>       | : | 06-06-2022                                 |
| घोषणा की तारीख / <b>Date of Pronouncement</b> | : | 15-06-2022                                 |

**आदेश / O R D E R**

**Manoj Kumar Aggarwal (Accountant Member)**

1. Aforesaid appeal by assessee for Assessment Year (AY) 2008-09 arises out of the order of learned Commissioner of Income Tax (Appeals)-5, Chennai [CIT(A)] dated 18-03-2019 in the matter of assessment framed by Ld. Assessing Officer [AO] u/s. 143(3) r.w.s. 254 of the Act on 23-12-2015. The sole grievance of the assessee is disallowance of write-off of Rs.41.37 Lacs.

2. This is a second round of appeal since the matter, in the first round, was remitted back by Tribunal vide ITA No.56/Mds/2013 dated 12.06.2015 to Ld. AO with the following directions:

10. We heard both the parties on this issue and perused the orders of the Revenue as well as the facts placed before us. It is a limited request of the Id. Counsel for the assessee that he be given one more opportunity for filing the relevant details, if any, before the Assessing Officer for demonstrating that debts in question pertain to discounts given by the assessee to the said corporations. He also mentioned that in remand proceedings, the Assessing Officer can also adjudicate the issue relating to allowing the said debts as business loss. We order accordingly and direct the Assessing Officer to adjudicate the issue afresh after considering the material placed before him even it means furnishing of additional evidences for the first time before him. In the remand proceedings, the Assessing Officer shall consider all the judgments relied upon by the Id. Counsel for the assessee. The Assessing Officer shall grant reasonable opportunity of being heard to the assessee in accordance with the principles of natural justice. Accordingly, ground No.2 is allowed for statistical purposes.

3. In the set-aside proceedings, the disallowance has again been repeated. The write-off represents amounts due to the assessee by various state transport corporations. The assessee submitted that these amount represent price difference / discounts deducted by the Government undertakings which were written off as bad debts since they were not recoverable though they were in the nature of discounts. It was also submitted that it was normal practice of any government transport undertaking to deduct amounts from invoices as volume discounts / turnover discounts at the time of releasing the payments. In support, the assessee submitted ledger extract of the customers wherein short-payment was made and finally wrote-off the same as bad-debts. However, Ld. AO held that the assessee could not produce any details such as copies of invoices to prove the claim relating to the claim of discounts and any correspondence to show that the Government undertaking claimed discounts on the invoices raised by

the assessee. These were government undertakings and the failure of the assessee in furnishing the relevant details to demonstrate that the bad-debts were discounts in nature, would disentitle the assessee to claim such a deduction. Finally, the claim was rejected.

4. Upon further appeal, the position remained the same. Consequently, the disallowance was upheld against which the assessee is in further appeal before us.

5. The undisputed position that emerges is that the assessee has received short-payment against invoices from various transport undertakings. The same is evident from the ledger extract furnished by the assessee. Undisputedly, these undertakings are the customer of the assessee and the shortfall of amount so received by the assessee has been claimed as bad-debts / discounts. In our considered opinion, to claim the same, it was not necessary for the assessee to map each of the amounts against particular invoices. It was sufficient to show that there was shortfall in receipt of amount against the invoices. This fact has already been established by the assessee. Therefore, the expenditure is clearly allowable as business loss. We order so.

6. The appeal stands allowed in terms of our above order.

Order pronounced on 15<sup>th</sup> June, 2022.

**Sd/-**  
**(MAHAVIR SINGH)**  
**उपाध्यक्ष / VICE PRESIDENT**

**Sd/-**  
**(MANOJ KUMAR AGGARWAL)**  
**लेखा सदस्य / ACCOUNTANT MEMBER**

चेन्नई / Chennai; दिनांक / Dated : 15-06-2022

EDN/-

**आदेश की प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी/Appellant
2. प्रत्यर्थी/Respondent
3. आयकर आयुक्त (अपील)/CIT(A)
4. आयकर आयुक्त/CIT
5. विभागीय प्रतिनिधि/DR
6. गार्ड फाईल/GF