

**IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI "E" BENCH: NEW DELHI**

**(THROUGH VIDEO CONFERENCING)**

**BEFORE SHRI R.K.PANDA, ACCOUNTANT MEMBER  
AND  
SHRI SANJAY GARG, JUDICIAL MEMBER**

**ITA No.7226/Del/2017  
Assessment Year : 2013-14**

M/s Matrix Cellular International Services Ltd.,7-Khullar Farms, Mandi Road, Mehrauli, New Delhi-110030	vs	The Addl. CIT, Special Range-6, C.R. Building, New Delhi-110002
<b>PAN-AAECM5169M</b>		
<b>APPELLANT</b>		<b>RESPONDENT</b>

<b>Appellant by</b>	Sh. A. K. Khanna, CA
<b>Respondent by</b>	Sh. Gaurav Pundir, Sr. DR
<b>Date of Hearing</b>	28.09.2021
<b>Date of Pronouncement</b>	01.10.2021

**ORDER**

**Per Sanjay Garg, Judicial Member :**

The present appeal has been preferred by the assessee against the order dated 26.09.2017 of the Ld. Commissioner of Income Tax (Appeals)-37, New Delhi, (hereinafter referred to 'CIT(A)') for the Assessment Year 2013-14. The assessee has raised following grounds of appeal:-

*“a) The assessing officer erred in law by not considering the nature of write off of sundry advance of Rs.10,26,158/-.*

*b) The learned Assessing officer erred in law by not considering following facts*

*1. Write off of Rs 3, 43,717/- of Tourfone China due to difference in reconciliation on account purchases of SIM cards from them.*

*2. The learned Assessing officer erred in law by disallowing Rs3,08,106/- on account of error in billing to sundry debtors.*

*c) The learned Assessing officer erred in law by disallowing Rs 3,26,804/- on account of excess charges on final settlement of loan from Religious Finvest.*

*d) The learned Assessing officer erred in law by disallowing write off Rs 17,531/- on account of reconciliation of account with Bennet Coleman & Co,*

*e) The learned CIT (A)-37 erred in law by not considering the details of Sundry Advances Write-off along with details of write off & case laws quoted inside letter dated 26/09/2017*

*f) The learned CIT (A)-37 erred in law by not giving opportunity to the Assessee for producing Audited Annual accounts.”*

2. A perusal of the grounds of appeal reveals that the assessee is aggrieved by the action of the Ld. CIT(A) in confirming the addition made by the Assessing Officer on account of disallowance made in respect of sundry advances written off of Rs.10,26,158/-.

3. The assessee has explained before the Learned CIT(A) that the aforesaid amount was written off due to difference in reconciliation in account, error in billing and difference arrived on final settlement of loan, etc with different parties as explained in the above grounds of appeal.

4. However, the Ld.CIT(A) confirmed the addition made by the Assessing Officer observing that the assessee had failed to establish primarily that such advances were taken into account in computing the income chargeable to tax for the previous year in which such amount became irrecoverable or in any earlier previous years as required as per the provisions of section 36(2) of the Income Tax Act, 1961 (hereinafter referred to 'the Act').

5. Before us, the Ld. Counsel for the assessee has submitted that the assessee had duly taken into account the aforesaid advances were for computing the income for earlier Assessment Years. The Ld. Counsel for the assessee has further submitted that the authorities below have failed to appreciate properly the evidences furnished by the assessee in this respect. He has further submitted that the matter may be remanded to

the file of the Assessing Officer on the limited issue to verify that the aforesaid advances/income was taken into account in computing the income chargeable to tax in the year under consideration or in earlier Assessment Years.

6. The Ld. DR on the other hand, has relied upon the findings of the lower authorities.

7. Considering the above submissions of the assessee, the matter is restored to the file of the Assessing Officer with a direction to verify the contention of the assessee that the sundry advances written off were taken into account in the year under consideration or in earlier years for computing the income of the assessee and if the above contention of the assessee is found correct, then no disallowance will be made on this issue.

8. In the result, the appeal of the assessee is treated as allowed for statistical purposes.

Order was pronounced in the Open Court on 01/09/2021.

**Sd/-**

**(R.K.PANDA)**  
**ACCOUNTANT MEMBER**

**Sd/-**

**(SANJAY GARG)**  
**JUDICIAL MEMBER**

**Delhi;** Dated: 01/10/2021.

*Shekhar*

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR  
ITAT, NEW DELHI