



% 09.12.2009

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Present: Mr. N.P. Sahini with Mr. P.C. Yadav, Advs. for the appellant-  
Revenue.  
None for the respondent.

+ ITA No.118/2009

Notice was issued for 24.11.2009, which was duly served. However, nobody appeared on behalf of the respondent on that day. In the interest of justice, we deferred the matter for today. Even today, there is no appearance on behalf of the respondent. In these circumstances, we have heard the learned counsel for the appellant.

The first question which is raised in this appeal is as under:

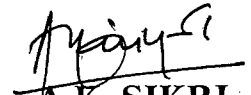
“Whether the I.T.A.T. was correct in law in upholding the C.I.T. (Appeals) order and deleting the addition of Rs.39,32,730/- made by the Assessing Officer on account of gratuity and doubtful debts for working out adjusted book profits under Section 115JB?”

The additions were made on account of gratuity as well as doubtful debts. It is stated that the addition incurred to doubtful debts is Rs.2,804,762/-. Though in our orders dated 14.07.2009, we had mentioned that this question is covered by the judgment of this Court in the case of [305 ITR 409], we find that insofar as doubtful debts for working out adjusted books profits under Section 115JB are concerned, there is an



amendment to this provision by the Finance Act, 2009 with retrospective effect from 01.04.2001. In view of this amendment, the questions regarding doubtful debts for working out adjusted books profits under Section 115JB shall have to be re-considered by the Tribunal. Similar is the position in respect of slow moving inventory.

Thus, we set aside the order of the Tribunal on these two aspects, *viz.*, addition of doubtful debts as well as addition on account of slow moving inventory for working adjusted book profits under Section 115JB. The Tribunal shall reconsider these aspects in the light of the amendment made with retrospective effect as mentioned above.

  
A.K. SIKRI

  
SIDDHARTH MRIDUL

December 09, 2009

pmc