

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH: 'B' NEW DELHI**

**BEFORE SMT DIVA SINGH, JUDICIAL MEMBER
AND
SH.L.P.SAHU, ACCOUNTANT MEMBER**

**I.T.A .No.-3641/Del/2014
(ASSESSMENT YEAR-2006-07)**

ITO, Ward-13(3), New Delhi (APPELLANT)	vs	Nirvan Clothing Company Ltd., The Principal Officer, M/s Nirvan Clothing Co.Ltd., 2/2, WHS, Kirti Nagar, New Delhi-110015. PAN-AAACN2430N (RESPONDENT)
--	----	---

Appellant by	Sh.Manoj Kr. Gupta, Sr.DR
Respondent by	Sh. Aman Goel, CA

Date of Hearing	02.05.2016
Date of Pronouncement	05.05.2016

ORDER

PER DIVA SINGH, JM

The present appeal has been filed by the Revenue assailing the correctness of the order dated 25.03.2014 of CIT(A)-XVI, Delhi pertaining to 2006-07 assessment year on the following grounds: –

1. *“On the facts and circumstances of the case and in law, the Ld.CIT(A) has erred in deleting the addition of Rs.1,27,856/- made by the AO on account of ‘product development expenses’ by treating the same as revenue in nature ignoring the fact that the expenses are of enduring nature and assessee would take benefit of these expenses in subsequent years.*
2. *“On the facts and circumstances of the case and in law, the Ld.CIT(A) has erred in deleting the addition of Rs.4,98,439/- made by the AO on account of disallowance of setting off b/f losses with interest income on FDR ignoring the fact that interest on FDR comes under the head “income from other sources”.*
3. *The appellant craves to be allowed to add any fresh grounds of appeal and/or delete or amend any of the grounds of appeal.”*

2. Considering the amount at stake for the Revenue, both the parties were required to address Circular No.21/2015 dated 10th December, 2015 of CBDT. Considering the same in the facts on record, the Ld. Sr. DR fairly conceded that

the departmental appeal has been filed wherein the tax effect involved is much less than Rs.10 lakh.

3. We have heard the submissions of the parties on this issue and perused the material on record. We find that the CBDT vide the aforesaid Circular dated 10.12.2015 has revised the monetary limit to Rs.10 lakh for filing the appeal by the department before Income Tax Appellate Tribunal. Vide para 10 of the aforesaid Circular Para 3 has been made applicable retrospectively. Considering the settled legal precedent that the Board's instructions or directions issued to the Income Tax Authorities u/s 268A of the Income Tax Act, 1961 are binding on the authorities, we dismiss the departmental appeal considering the material available on record.

4. In the result, the appeal of the Revenue is dismissed.

The order is pronounced in the open court on 05 May, 2016.

Sd/-
(L.P.SAHU)
ACCOUNTANT MEMBER

Dated: 05/05/2016

Amit Kumar

Copy forwarded to:

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

Sd/-
(DIVA SINGH)
JUDICIAL MEMBER

ASSISTANT REGISTRAR
ITAT NEW DELHI