

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES 'B' DELHI**

**BEFORE SH. P.K.BANSAL, VICE PRESIDENT
AND
SH. AMIT SHUKLA, JUDICIAL MEMBER**

**ITA No.6859/Del/2015
(ASSESSMENT YEAR: 2011-12)**

DCIT, Circle-14(2), Room No.-317B, 3 rd Floor, C.R. Building, I.P.Estate, New Delhi.	vs	Karun Carpets Pvt. Ltd., 701, 7 th Floor, Vikas Deep Building, Plot No.18, Laxmi Nagar, Distt. Centre, Laxmi Nagar, New Delhi-110092. PAN-AAACK2331D
(Appellant)		(Respondent)

**C.O.No-133/Del/2016
(In ITA No.6859/Del/2015)
(ASSESSMENT YEAR: 2011-12)**

Karun Carpets Pvt. Ltd., 701, 7 th Floor, Vikas Deep Building, Plot No.18, Laxmi Nagar, Distt. Centre, Laxmi Nagar, New Delhi-110092. PAN-AAACK2331D	vs	DCIT, Circle-14(2), Room No.-317B, 3 rd Floor, C.R. Building, I.P.Estate, New Delhi.
(Appellant)		(Respondent)

Appellant by	Sh. Anshu Prakash, Sr.DR
Respondent by	Sh. Jaspal Singh Sahni, CA
Date of Hearing	21.09.2017
Date of Pronouncement	21.09.2017

ORDER

PER P.K.BANSAL, VICE PRESIDENT

This appeal as well as the cross-objection has been filed against the order of the CIT(A)-17, New Delhi pertaining to AY 2011-12. The appeal filed by the revenue is concerned, the tax effect is less than Rs.10 lacs.

2. We have heard both sides and carefully considered the same. The CBDT Circular No.21/2015 dated 10.12.2015 has decided that the appeal shall not be filed before the Appellate Tribunal in cases where the tax effect does not exceed mandatory limit of Rs.10 Lacs. The Circular would apply to all pending appeals as well. Admittedly in the department appeal, the tax effect is less than Rs.10 Lacs. Therefore, the departmental appeal is not maintainable as was filed in violation of above circular. Therefore, the appeal filed by the revenue is dismissed.

3. Now, coming to the CO filed by the assessee, we noted that the assessee has taken the following grounds of appeal:-

1. *“The Ld.CIT(A) has erred in upholding the addition made by Ld.AO on account of travel expenses of lawyers amounting to Rs.75,525/-.*
2. *The Ld.CIT(A) has erred in upholding the addition made by Ld.AO on account of visa fee of Sh. Karan Thapar amounting to Rs.8,750/-.”*

4. Ground No.1 relates to the upholding the disallowance of Rs.75,525/- on account of travel of the expenses of the lawyers.

5. While Ground No.2 relates to the upholding the disallowance of Rs.8,750/- incurred on account of visa fee of Mr. Karan Thapar. The facts relating to both the grounds are that the AO during the course of the assessment proceedings noted that the assessee has claimed a sum of Rs.3,157,157/- under the head “travelling and Conveyance” which includes Rs.75,525/- in respect of cost of tickets from Del-Mum-Del to restructuring management and Visa fee paid for Mr. Karan Thapar for London amounting to Rs.8,750/-. The assessee is one of the promoter companies of the operating companies under the control of Mr. Karan Thapar. The assessee submitted that a sum of Rs.75,525/- while reimbursement of the travelling expenses of the two lawyers which includes of air tickets of those lawyers with regard to the

scheme of amalgamation of the company which was subsequently approved by the respective Hon'ble High Court and, therefore, the expenses incurred for the purpose of the business. The AO disallowed the same. Similarly for the sum of Rs.8,750/-, it was submitted that it was paid for the Visa fee for Mr. Karan Thapar for London for the purpose of the business of the assessee as the tour was for procurement of the maize but the AO disallowed the same. When the matter went before the Ld.CIT(A), we noted that Ld.CIT(A) sustained the disallowance.

6. After hearing rival submissions and going through the order of the tax authorities below, in our opinion the expenses incurred for air tickets of the lawyers for Del-Mum-Del for restructuring the management of the company and the expenditure which has been wholly and exclusively incurred for the business. We, therefore, delete the said disallowance so far as a sum of Rs.8,750/- relating to Visa fee of Mr. Karan Thapar is concerned since the disallowance of the expenses for hiring the chartered plane amounting to Rs.23,36,981/- and disallowance was confirmed by the Ld.CIT(A) against which the assessee was not come in appeal. This expense is relating to the Visa fee for going to the London. We, therefore, sustain the said disallowance. Thus, Ground No.1 taken by the assessee is allowed while Ground No.2 stands dismissed.

7. In the result, the appeal filed by the Revenue stands dismissed while cross-objection filed by the assessee is partly allowed.

The order is pronounced in the open court on 21 September, 2017.

Sd/-
(AMIT SHUKLA)
JUDICIAL MEMBER

Date:-21.09.2017

Amit Kumar

Sd/-
(P.K.BANSAL)
VICE PRESIDENT

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT, DELHI