

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCHES 'E', NEW DELHI**

**Before Sh. Bhavnesh Saini, Judicial Member
Dr. B. R. R. Kumar, Accountant Member**

ITA No. 405/Del/2017 : Asstt. Year : 2012-13

DCIT, Circle-16(1), New Delhi	Vs	MGF Motors Ltd., MGF House, Asaf Ali Road, New Delhi-110002
(APPELLANT)		(RESPONDENT)
PAN No. AABCM4247R		

Assessee by : None

Revenue by : Ms. Rinku Singh, Sr. DR

Date of Hearing: 08.07.2019

Date of Pronouncement: 09.07.2019

ORDER

Per B. R. R. Kumar, Accountant Member:

The present appeal has been filed by the Revenue against the order of the Ld. CIT(A)-6, Delhi dated 10.11.2016.

2. The Revenue has raised the following effective grounds:

"1. Whether in the facts and circumstances of the case and in law, the Ld. CIT(A) is justified in deleting the disallowance of Rs.36,97,825/- u/s 36 (1)(iii) of the Income Tax Act 1961 (the Act) relating to interest free advance interest free the assessee to related parties & others even when the assessee was making huge payment of interest on loan?"

2. Whether in the facts and circumstances of the case and in law, the Ld. CIT(A) is justified in deleting addition of Rs. 59,250/- u/s 14A r.w. R 8D of the Rules without considering legislative intent of introducing section 14A by the Finance Act 2001 as clarified by the CBDT Circular No. 5/2014 dated 10.02.2014?"

3. According to Circular No. 03/2018 dated 11/07/2018, the CBDT in supersession of earlier instructions has directed that department's appeals before ITAT shall not be filed in cases where the tax effect does not exceed the monetary limit of Rs. 20 lacs. The tax will not include any interest thereon. It is further clarified that if in the case of an assessee, disputed issues arise in more than one assessment year, appeal can be filed in respect of such assessment year or years in which the tax effect in respect of disputed issues exceeds the monetary limit so specified.

4. Admittedly, in the departmental appeal, the tax effect is less than Rs. 20 lacs, therefore, departmental appeal is not maintainable. The Ld. DR could not bring to our notice any exceptions mentioned in the said Circular.

5. In the result, the appeal of the Revenue is dismissed.
(Order pronounced in the open Court on 09.07.2019)

Sd/-

(Bhavnes Saini)
Judicial Member

Dated: 09/07/2019

Subodh

Copy forwarded to:

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

Sd/-

(Dr. B. R. R. Kumar)
Accountant Member

ASSISTANT REGISTRAR