

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "SMC", NEW DELHI
BEFORE SHRI H.S. SIDHU, JUDICIAL MEMBER

I.T.A. No. 3488/DEL/2019		
A.Y. : 2015-16		
DCIT, CIRCLE-16(2), NEW DELHI	VS.	M/S MASTER PROMOTERS PVT. LTD., 23, PASCHIMI MARG, VASANT VIHAR, SOUTH WEST DELHI, DELHI - 110 057 (PAN: AAECM6665J)
(ASSESSEE)		(RESPONDENT)

Revenue by : Ms. Parul Singh, Sr. DR.
Assessee by : Sh. Sanjay Sachdeva, CA

ORDER

The Revenue has filed this Appeal against the impugned Order dated 25.1.2019 of the Ld. CIT(A)-36, New Delhi relevant to assessment year 2015-16.

2. The grounds raised in the appeal read as under:-

1. Whether on the facts and circumstances of the case, the Ld. CIT(A) is legally justified in deleting the disallowance of Rs. 86,39,599/- on account of interest paid on borrowed capital for non-business purposes?
2. Whether on the facts and circumstances of the case, the Ld. CIT(A) is legally justified in holding that interest expense would form part of business

activity, as the same had been incurred for the business purpose by the assessee?

3. That the appellant craves leave to add, amend alter or forgo any ground(s) of appeal raised above at the time of the hearing.

3. At the time of hearing, Ld. Counsel for the assessee submitted that tax effect involved in this appeal is below the prescribed limit of Rs. 50 lacs, as fixed by the CBDT and requested to dismiss the Revenue's appeal on account of low tax effect.

4. Perusal of the aforesaid appeal filed by the Revenue apparently show that the same is having low tax effect as per CBDT Circular No.17/2019 dated 8th August, 2019 vide which the Revenue has been directed not to prefer any appeal in case the tax effect is less than Rs.50,00,000/- and this factual position has been fairly conceded by the Ld. D.R.

5. I have heard both the parties and perused the material on record. Perusal of CBDT Circular (supra) shows that monetary limit for filing the appeal by the Department before the Tribunal, Hon'ble High Court and Hon'ble Supreme Court has been revised. In view of the CBDT Circular No.17/2019 dated 8th August, 2019 having retrospective effect as coordinate Bench of the Tribunal in case of ***Dinesh Madhavlal Patel [TS-469-ITAT-2019(Ahd)] 2019-TIOL-1556-ITAT-AHM dated 14th August, 2019*** has already decided the issue as to the applicability of the captioned circular to the pending appeals in affirmative and what has been discussed above, I am of the considered view that the aforesaid appeal is not maintainable because of low tax effect i.e. less than Rs.50,00,000/- hence, the aforesaid appeal filed by the Revenue is hereby

dismissed having been become infructuous. However, in case, the present appeal is found to be maintainable at any stage for any technical reasons, the Department shall be at liberty to seek recall of this order under relevant provisions of law.

6. In the result, the Revenue's Appeal stands dismissed

Order pronounced on 11/02/2020.

**Sd/-
[H.S. SIDHU]
JUDICIAL MEMBER**

Date 11/02/2020

SRBHATNAGAR

Copy forwarded to: -

1. Assessee -
2. Respondent -
3. CIT
4. CIT (A)
5. DR, ITAT

TRUE COPY

By Order,

Assistant Registrar, ITAT, Delhi Benches

