

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

**BEFORE SHRI R. K. PANDA, ACCOUNTANT MEMBER
AND
MS SUCHITRA KAMBLE, JUDICIAL MEMBER**

ITA No. 2351 to 2355/DEL/2016 (A.Y 2001-02 to 2005-06)

(THROUGH VIDEO CONFERENCING)

JCIT (OSD) Central Circle, IInd Floor, ARTO Complex Sesctor-33 Noida (APPELLANT)	Vs	Triveni Engineering & Industries Ltd. 8 th Floor Express Trade Tower, 15-16, Sector-16A Noida AABCT6370L (RESPONDENT)
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Appellant by	Sh. Rohit Jain, Adv, Ms. Tejasvi Jain, CA, Ms. Somya Jain, CA
Respondent by	Sh. Mritunjay Barnawal, Sr. DR

Date of Hearing	02.07.2020
Date of Pronouncement	14.07.2020

ORDER

PER SUCHITRA KAMBLE, JM

These appeals are filed by the Revenue and the respective assessee against orders dated 27/01/2016 for A.Ys. 2001-02 to 2005-06 passed by the Commissioner of Income Tax (Appeals)- 1, Noida.

2. At the outset, it was brought to our notice that the tax effect involved in these appeals being less than Rs. 50 lacs, squarely falls within the ambit of Circular No. 17/2019 dated 08.08.2019 issued by the Central Board of Direct Taxes prescribing the tax effect for preferring appeals before Tribunal by the revenue and subsequent clarification issued by CBDT on 20th August, 2019. The Ld. AR submitted working of the low tax effect is as under:-

LOW TAX EFFECT WORKING

Assessment Year and ITA No.	Issue Involved in Department Appeal	Quantum (in Rs)	Tax Effect (in Rs.)
2004-05 ITA No. 2354/Del/2016	1. Disallowance of interest expenditure on advancing interest free loan to Carvansari Ltd	61,43,420	23,66,420
	2. Disallowance of selling commission expenses	3,23,545	
	Total Quantum in Dept. appeal	64,66,965	
2005-06 ITA No. 2355/Del/2016	1. Disallowance of interest expenditure on advancing interest free loan to Carvansari Ltd	35,18,536	12,87,520
	Total Quantum in Dept. appeal	35,18,536	

Assessment Year and ITA No.	Issue Involved in Department Appeal	Quantum (in Rs)	Tax Effect (in Rs.)
2001-02 ITA No. 2351/Del/2016	1. Disallowance of interest expenditure on advancing interest free loan to Carvansari Ltd	90,95,883	37,18,260
	2. Disallowance of selling commission expenses	91,835	
	3. Disallowance under section 14A	2,13,702	
	Total Quantum in Dept. appeal	94,01,420	
2002-03 ITA No. 2352/Del/2016	1. Disallowance of interest expenditure on advancing interest free loan to Carvansari Ltd	71,06,159	27,56,990
	2. Disallowance of selling commission expenses	6,16,510	
	Total Quantum in Dept. appeal	77,22,670	
2003-04 ITA No. 2353/Del/2016	1. Disallowance of interest expenditure on advancing interest free loan to Carvansari Ltd	71,06,159	26,11,510
	Total Quantum in Dept. appeal	71,06,159	

3. After perusing the materials available on record, we find that the amount disputed before us is below the tax effect limit prescribed by CBDT vide Circular No. 17/2019 dated 08.08.2019 for preferring appeals before tribunal by the revenue. On perusal of the Circular No. 17/2019 dated 08.08.2019 and the materials available on record, Ld. DR could not point out as to how and why such a Circular is not applicable to the facts of the case. We find that the subsequent clarification dated 20.08.2019 makes it very clear that the revised monetary limits shall apply retrospectively to pending appeals also. The Circular is binding on the tax authorities. Hence, we hold that the appeals of the revenue deserve to be dismissed on account of low tax effect vide Circular No. 17/2019 dated 08.08.2019 and subsequent clarification on 20.08.2019. Accordingly, on account of low tax effect case, we dismiss these appeals of revenue in limine, without going into the merits of the case.

5. In result, all the Revenue's appeals are dismissed.

Order pronounced in the Open Court on 14th JULY, 2020.

**Sd/-
(R. K. PANDA)
ACCOUNTANT MEMBER**

**Sd/-
(SUCHITRA KAMBLE)
JUDICIAL MEMBER**

Dated: 14/07/2020
R. Naheed

Copy forwarded to:

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

ASSISTANT REGISTRAR
ITAT NEW DELHI

Date of dictation	02.07.2020
Date on which the typed draft is placed before the dictating Member	02.07.2020
Date on which the typed draft is placed before the Other Member	
Date on which the approved draft comes to the Sr. PS/PS	
Date on which the fair order is placed before the Dictating Member for pronouncement	
Date on which the fair order comes back to the Sr. PS/PS	14 .07.2020
Date on which the final order is uploaded on the website of ITAT	14 .07.2020
Date on which the file goes to the Bench Clerk	14 .07.2020
Date on which the file goes to the Head Clerk	
The date on which the file goes to the Assistant Registrar for signature on the order	
Date of dispatch of the Order	