

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

**BEFORE SH. N. K. BILLAIYA, ACCOUNTANT MEMBER  
AND  
SH. SUDHANSHU SRIVASTAVA, JUDICIAL MEMBER  
(THROUGH VIDEO CONFERENCING)**

ITA No.6397/Del/2018  
Assessment Year: 2015-16

<b>Dy. Commissioner of Income Tax, Exemption, Circle- Ghaziabad</b>	<b>Vs</b>	<b>M/s. Association of Management Studies, IIMT Nagar, O, Pocket, Ganga Nagar, Meerut PAN No. AAATA7059B</b>
<b>(APPELLANT)</b>		<b>(RESPONDENT)</b>

Appellant by	Sh. Bhopat Singh, Sr. DR
Respondent by	Sh. Rajeev Ahuja, Advocate Sh. Abhishek Aggarwal, CA

Date of hearing:	21/09/2021
Date of Pronouncement:	21/09/2021

**ORDER**

**PER N. K. BILLAIYA, AM:**

This appeal filed by the revenue is preferred against the order of the CIT(A), Meerut dated 09.07.2018 pertaining to A.Y. 2015-16.

2. The solitary grievance of the revenue is that the CIT(A) erred in allowing the re-payment of loans while the assessee has

utilized its loans and other receipts on the revenue as well as capital expenses in earlier years.

3. Briefly stated the facts of the case are that the assessee is a society has been granted registration u/s. 12 AA of the Act by the CIT, Meerut. The assessee society is running education institute in the name of "IMT Meerut". During the course of the scrutiny assessment proceedings the AO noticed that the assessee has disclosed total receipts of Rs.88.84 crores against which total revenue expenditure has been claimed at Rs.79.20 crores which included depreciation and surplus of Rs.9.63 crores. The AO further noticed that the re-payment of loans of Rs.1.33 crores was also claimed as application of income. The AO was of the opinion that repayment of loan is not an allowable expense and if the repayment of loan is claimed, the same tantamount to claim double deduction. The AO accordingly disallowed the claim of repayment of loan.

4. Assessee carried the matter before the CIT(A) and reiterated its claim.

5. After considering the facts and the submissions the CIT(A) was of the opinion that the CBDT circular No. 100 [F. No.195/1/72-IT(A-1) dated 24.01.1973] which is as under :-

*162. Repayment of debt incurred for purposes of trust/ loans advanced by educational trusts to students for higher studies- Whether amounts to application of income*

1. *Where a trust incurs a debt for the purposes of the trust, whether the repayment of the debt would amount to an application of the income for the purposes of the trust; and*
2. *The Board has decided that repayment of the loan originally taken to fulfil one of the objects of the trust will amount to an application of the income for charitable and religious purposes.*
6. In the light of the aforementioned CBDT circular the CIT(A) allowed the claim.
7. Before us the DR strongly supported the findings of the AO and reiterated that repayment of loan if allowed will tantamount to claim double deduction.
8. Per contra the counsel supported the findings of the CIT(A).
9. We have given a thoughtful consideration to the orders of the authorities below. The quarrel is in relation to the allowability of repayment of loan of Rs.13305175/- against which the revenue is in appeal.
10. In our considered opinion the tax effect on this amount would be less than Rs. 50 lacs and, therefore, in the light of the CBDT circular No.17/2019 dated 08.08.2019 this appeal is not maintainable.
11. For the sake of the completeness of adjudication we find that the CIT(A) has allowed the claim following the bidding circular of CBDT (supra). We do not find any error or infirmity

in the findings of the CIT(A), the appeal filed by the revenue is dismissed.

12. Decision announced in the open court in the presence of both the representatives on 21.09.2021.

Sd/-  
**(SUDHANSHU SRIVASTAVA)**  
**JUDICIAL MEMBER**

Sd/-  
**(N. K. BILLAIYA)**  
**ACCOUNTANT MEMBER**

\*NEHA\*

Date:-21.09.2021

Copy forwarded to:

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

ASSISTANT REGISTRAR  
ITAT NEW DELHI

Date of dictation	21.09.2021
Date on which the typed draft is placed before the dictating Member	21.09.2021
Date on which the typed draft is placed before the Other member	21.09.2021
Date on which the approved draft comes to the Sr.PS/PS	21.09.2021
Date on which the fair order is placed before the Dictating Member for Pronouncement	21.09.2021
Date on which the fair order comes back to the Sr. PS/ PS	21.09.2021
Date on which the final order is uploaded on the website of ITAT	21.09.2021
Date on which the file goes to the Bench Clerk	21.09.2021
Date on which file goes to the Head Clerk.	
The date on which file goes to the Assistant Registrar for signature on the order	
Date of dispatch of the Order	