

IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH : I : DELHI

BEFORE SHRI SAKTIJIT DEY, VICE PRESIDENT
AND
SHRI M. BALAGANESH, ACCOUNTANT MEMBER

ITA No.631/Del/2020
Assessment Year: 2013-14

ITO,
Ward-16(4),
New Delhi.

Vs MAT Brakes India Private Ltd.,
Suite No.311,
Vardhman Diamond Plaza,
DB Gupta Road, Paharganj,
New Delhi.

PAN AAGCM9838B

(Appellant)

(Respondent)

Assessee by : Shri Deepak Kataria, AR
Revenue by : Shri Manu Chaurasia, Sr. DR

Date of Hearing : 12.07.2023
Date of Pronouncement : 26.07.2023

ORDER

PER M. BALAGANESH, AM:

This appeal in ITA No.631/Del/2020 for AY 2013-14 arises out of the order of the Commissioner of Income-tax (Appeal)-44, New Delhi, in Appeal No.208/2018-19/CIT(A)-44 dated 29.11.2019 [hereinafter referred to as 'Id. CIT(A)', in short] against the order of assessment passed u/s 143(3) r.w.s. 144C of the Income-tax Act, 1961 (hereinafter referred to as 'the Act') dated 13.06.2017 by the Id. Income-tax Officer, Circle 16(2), New Delhi (hereinafter referred to as 'Id. AO').

2. At the outset, we find that this appeal of the Revenue requires to be dismissed on the ground of low tax effect. We find that this appeal is against the penalty levied u/s 271(1)(c) of the Act. We find that the Id. AO, in the original assessment completed, made transfer pricing adjustment of Rs.2,23,31,862/-. Pursuant to the directions issued by the Id. Dispute Resolution Panel (DRP), this transfer pricing adjustment was brought down to Rs.1,38,07,041/-. In fact, the revision order has already been passed by the Id. AO on 27.04.2018. While this is so, the Id. AO was not justified in levying penalty u/s 271(1)(c) of the Act on the addition of Rs.2,23,31,862/-. In respect of the transfer pricing adjustment of Rs.2,23,31,862/-, the Id. AO had levied penalty u/s 271(1)(c) of the Act in the sum of Rs.72,45,571/-. Once the transfer pricing adjustment gets reduced to Rs.1,38,07,041/-, the corresponding penalty would work out to Rs.44,79,693/- which would eventually be less than the monetary limit prescribed by the CBDT for preferring appeal before this Tribunal by the Revenue, vide Circular No.17/2019 dated 8th August, 2019. Hence, we deem it fit to dismiss the appeal of the Revenue as not maintainable on the ground of low tax effect.

3. In the result, the appeal of the Revenue is dismissed.

Order pronounced in the open court on 26.07.2023.

Sd/-

(SAKTIJIT DEY)
VICE PRESIDENT

Sd/-

(M. BALAGANESH)
ACCOUNTANT MEMBER

Dated: 26th July, 2023.

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1. Appellant
2. Respondent
3. CIT
4. CIT(A)
5. DR

Asstt. Registrar, ITAT, New Delhi