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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ ITA 1118/2005

COMMISSIONER OF INCOME TAX .....Appellant

Through: Mr. Sunil Agarwal, SSC

versus

M/S DIWAKAR ENGINEERS LTD. .....Respondent

Through: Appearance not given

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE VINOD KUMAR

O R D E R

% **03.02.2026**

1. On perusal of the record, particularly the assessment order dated 27.12.1993, we find that the assessee had filed a return showing a loss of Rs.1,37,77,000/- and after the addition made by the Assessing Officer the loss was reduced and the income was assessed at Rs.(-)7,59,463/-.

2. It is therefore clear that an expenditure of Rs.3,66,924.75/- and the loss of imported material of Rs.1,06,17,661/- was disallowed to be added to the income of the respondent-assessee and even thereafter, the income of the respondent-assessee remained Rs.(-)7,59,463/- a negative profit.

3. Such being a position, there cannot be any question of Tax effect of more than Rs.2 crores in the present appeal.

4. In light of CBDT Circular No.5/2024 dated 15.03.2024 read with Circular No. 9/2024 dated 17.09.2024, the appeal is thus, dismissed.

5. However, with a liberty to the appellant-department to move application for revival of the appeal in case it falls in the exceptions.

DINESH MEHTA, J.

VINOD KUMAR, J.

FEBRUARY 3, 2026/*sr*