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

\+ ITA 199/2024 CM APPL. 18182/2024 CM APPL. 18183/2024

PR. COMMISSIONER OF INCOME TAX, DELHI-1.....Appellant

Through: Mr. Vipul Agrawal, SSC and Ms. Harshita Kotru, Adv.

versus

M/S FLAIR BUILDTECH P. LTD. .....Respondent

Through: Ms. Monalisa Maity, Adv.

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

ORDER

% **18.02.2026**

1. The present appeal is filed under Section 260A of the Income Tax Act, 1961 (*hereinafter referred to as 'the Act of 1961'*) is directed against order dated 20.12.2019 passed by the Income Tax Appellate Tribunal, New Delhi (*hereinafter referred to as 'the Tribunal'*), whereby the Tribunal has dismissed the appeal filed by the Department, as the tax effect involved was below the limit as prescribed in the circular No. 17/2019 dated 20.08.2018.

2. Mr. Vipul Agrawal, learned Senior Standing Counsel for the appellant contended that the case in hand clearly fell within the exception carved out by the said circular, inasmuch as the assessment proceedings emanated from the information furnished by Serious Fraud Investigation Officer

(*hereinafter referred to as 'SFIO'*).

3. He invited Court's attention towards Clause (e) of the said circular dated 20.08.2018, so also towards the assessment order dated 15.12.2017 passed under Section 144 read with Section 147 of the Act of 1961 for Assessment Year 2010-11, in order to satisfy that the assessment proceedings were initiated against the respondent company pursuant to the information received by SFIO and as per Clause (e), the appeal ought not to have been dismissed on the ground of low tax effect.

4. Learned counsel further informed that after the appeal was dismissed, a miscellaneous application was filed by the Department but the same was cursorily dismissed by the Tribunal.

5. Ms. Monalisa Maity, learned counsel for the respondent submitted that the respondent company's name has been struck off from the roll of the Registrar of the Companies and that the appellant has no case on merit inasmuch as the Commissioner of Income Tax (Appeals)-3 has passed a well reasoned and correct order dated 15.02.2019 for Assessment Year 2010-11, which is in accordance with law.

6. In relation to respondent's contention, that the company's name has been struck off, Mr. Agrawal submitted that an application has been moved before the National Company's Law Tribunal, New Delhi for revival of the company's name and the same is pending.

7. Having heard learned counsel for the parties and upon perusal of the circular dated 20.08.2018, we are of the considered view that the Tribunal ought not to have rejected the appeal on the ground of the amount of tax involved or since the tax effect is below the tax limit prescribed in the circular.

8. Because, there is a clear exception *qua* the orders emanating from the information received from the SFIO. Indisputedly, the assessment proceedings were kick-started pursuant to the information received by the SFIO and therefore, according to us, the case was covered by the exception given in Para 10(e) of the circular dated 20.08.2018.

9. The appeal is, therefore, allowed.

10. The matter is restored back to the dockets of the Tribunal.

11. The Tribunal shall decide the appeal on merits in accordance with law.

12. Pending applications are disposed of.

DINESH MEHTA, J.

VINOD KUMAR, J.

FEBRUARY 18, 2026/*cd*