

**INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH "A": NEW DELHI
BEFORE SMT DIVA SINGH, JUDICIAL MEMBER
AND
SHRI PRASHANT MAHARISHI, ACCOUNTANT MEMBER**

ITA No.3047/Del/2008
(Assessment Year: 2005-06)

Assistant Commissioner of Income Tax, Circle-2, Muzaffarnagar	Vs.	M/s. Avadh Alloys (P) Ltd., Vill-Vehalana, Meerut Road, Distt-Muzaffarnagar,
(Appellant)		(Respondent)

Appellant by :	Sh. K. K. Jaiswal, DR
Respondent by:	Sh. Ankit Gupta, Adv
Date of Hearing	17/03/2016
Date of pronouncement	13/05/2016

ORDER

PER PRASHANT MAHARISHI, A. M.

1. This is appeal filed by the revenue against the order of the Id CIT (A), Muzaffarnagar dated 10.07.2008 for the Assessment Year 2005-06.
2. At the outset of the hearing itself, the Id. DR brought to our attention that CBDT vide Circular No.21/2015 dated 10th December, 2015 has decided that the revenue would not prefer an appeal before the Tribunal if the tax effect is less than Rs.10 lakhs. Therefore, he pleaded that the appeal of the revenue be decided as per the instruction of the CBDT. Ld AR also reiterated same facts.
3. We have heard both the sides on the issue and perused the material. We find that the CBDT vide circular dated 10.12.2015 has revised the monetary limit for filing the appeal by the department before Income Tax Appellate Tribunal, Hon'ble High Courts and Hon'ble Supreme Court. The relevant para of the aforesaid circular is reproduced as under :-

"3. Henceforth, appeals/SLPs shall not be filed in cases where the tax effect does not exceed the monetary limits given hereunder:-

Sl.No.	Appeals in Income-tax matters	Monetary Limit (in Rs.)
1.	Before Appellate Tribunal	10,00,000
2.	Before High Court	20,00,000
3.	Before Supreme Court	25,00,000

It is clarified that an appeal should not be filed merely because the tax effect in a case exceeds the monetary limits prescribed above. Filing of appeal in such cases is to be decided on merits of the case.”

4. We have perused the grounds of appeal of the revenue. The parties state and that first three grounds of appeal have tax impact whereas the ground no 4 does not have any tax impact. The first ground of appeal is against deletion of addition of Rs 450000/- u/s 68 on account of share application money. A second ground of appeal is against the deletion of addition of Rs 11,37,000/- on account of unsecured loans. The third ground of appeal is against the deletion of disallowance of Rs 717208/- u/s 43B of the act. The fourth ground of appeal is against direction of CIT (A) in treating Rs 4747174/- as business income instead as income from other sources held by ld. Ao. we find that the tax effect involved in the appeal of the Revenue is below Rs.10 lakhs. There is no dispute that the Board’s instructions or directions issued to the Income-tax authorities are binding on those authorities; therefore, the Department should have withdrawn/not pressed the present appeal in view of the aforesaid instruction since the tax effect in the instant appeal is less than the amount of Rs.10 lakhs.
5. In view of the above, Circular No.21 dated 10.12.2015 will apply to all pending appeals. Therefore the precedent, it is held that the appeal is not maintainable in the instant case as the tax effect is less than Rs.10 lakhs. Accordingly, it is held that appeal filed by the revenue is not maintainable.
6. In the result, appeals filed by the department are dismissed.

Order pronounced in the open court on 13/05/2016.

**-Sd/-
(DIVA SINGH)
JUDICIAL MEMBER**

**-Sd/-
(PRASHANT MAHARISHI)
ACCOUNTANT MEMBER**

Dated: 13/05/2016
A K Keot

Copy forwarded to

1. Applicant
2. Respondent
3. CIT
4. CIT (A)
5. DR:ITAT

ASSISTANT REGISTRAR
ITAT, New Delhi