

IN THE INCOME TAX APPELLATE TRIBUNAL  
DELHI BENCH: 'F', NEW DELHI

BEFORE SHRI H.S. SIDHU, JUDICIAL MEMBER  
AND  
SHRI O.P. KANT, ACCOUNTANT MEMBER

ITA No. 1211/Del/2017  
Assessment Year: 2010-11

|   |     |   |
|---|-----|---|
| INCOME TAX OFFICER,<br>WARD 21(2),<br>NEW DELHI | Vs. | M/S RELIABLE DIESEL<br>ENGINEERS PVT. LTD.,<br>C-114, 1 <sup>ST</sup> FLOOR, FATEH<br>NAGAR, JAIL ROAD, NEW<br>DELHI - 110 018<br>(PAN: AAACR4048L) |
| <b>(Appellant)</b>                              |     | <b>(Respondent)</b>   |

|               |                          |
|---------------|--------------------------|
| Department by | Shri Sunder Pal, Sr. DR. |
| Assessee by   | Sh. Sameer Kapoor, CA    |

**ORDER**

**PER H.S. SIDHU, JM:**

This appeal is filed by the Revenue against the impugned order passed by the Ld. CIT(A)-11, New Delhi relating to assessment year 2010-11 on the following grounds:-

1. Whether the Ld. CIT(A) erred in law and on merit without appreciating the facts and circumstances of the case in deleting the addition of Rs. 69,41,959/- made by AO on account of trading additions.
  2. Whether the Ld. CIT(A) erred in law and on merit for accepting the assessee contention that the expenditure of Rs. 3,22,895/- are revenue in nature ignoring the facts that the assessee failed to substantiated its claimed that expenditure such as imported tools, purchased of electrical equipments etc. Are revenue expenditure.
  3. The applicant craves to be allowed to add any fresh ground(s) of appeal and / or deleted or amend any of the ground(s) of appeal.
2. At the time of hearing, Ld. Counsel for the Assessee has stated that the tax effect involved in this Departmental Appeal is less than Rs.50 lakhs, hence, he requested that the appeal of the Revenue may be

dismissed in view of latest CBDT Circular No. 17/2019 Dated 08.08.2019 wherein the monetary limit for filing the appeal before the Appellate Tribunal by the Department have been enhanced to Rs.50 lakhs.

3. It is noted that vide Circular No.3/2018 Dated 11<sup>th</sup> July, 2018 issued by CBDT under section 268A of the I.T. Act, it has been directed that the Department shall not file appeal before the Tribunal in case where the tax effect does not exceed the monetary limit of Rs.20 lakhs. It is also directed that this instruction will apply retrospectively to pending appeals and appeals to be filed henceforth in the Tribunal. Pending appeals below the specified tax limit may be withdrawn/not pressed by the Department. Recently, the CBDT vide Circular No.17/2019 Dated 08.08.2019 amended its earlier Circular No.3/2018 (Supra) whereby it has been directed that monetary limit for filing the Departmental appeal in Income Tax Cases may be enhanced further through this amendment in para-3 of the Circular mentioned above and accordingly, the monetary limit for filing the appeal before the Appellate Tribunal

have been enhanced to Rs.50 lakhs. Since Circular No.17/2019 Dated 08.08.2019 have been issued to amend its earlier Circular No.3/2018 dated 11.7.2018 (Supra), therefore, all the conditions of earlier Circular No.3/2018 shall apply accordingly. This view is supported by the ITAT, Ahmedabad 'A' Bench decision dated 14<sup>th</sup> August, 2019 passed in the case of Income Tax Officer, Ward 3(2), Ahmedabad vs. Dinesh Madhvlal Patel and 627 others passed in ITA No. 1398/Ahd/2004 (AY 1998-99).

4. Ld. CIT(DR) did not controvert the aforesaid proposition.

5. Keeping in view of the facts and circumstances as explained above and in view of the aforesaid CBDT Circulars as well as decision dated 14<sup>th</sup> August, 2019 of the ITAT, Ahmedabad 'A' Bench passed in the case of Income Tax Officer, Ward 3(2), Ahmedabad vs. Dinesh Madhvlal Patel and 627 others passed in ITA No. 1398/Ahd/2004 (AY 1998-99), the appeal of the Department is dismissed.

6. In the result, the appeal filed by the Department is dismissed.

The decision is pronounced on 03.09.2019.

**Sd/-**

**(O.P. KANT)  
ACCOUNTANT MEMBER**

**Sd/-**

**(H.S. SIDHU)  
JUDICIAL MEMBER**

Dated: 03.09.2019

“SRB”

**Copy forwarded to:**

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

Asstt. Registrar, ITAT, New Delhi

