

**IN THE INCOME TAX APPELLATE TRIBUNAL,
AHMEDABAD BENCH 'D', AHMEDABAD**

[Coram: Justice P P Bhatt, President, and Waseem Ahmed, Accountant Member]

ITA No. 1913/Ahd/2017
Assessment year: 2013-14

Income Tax Officer**Appellant**
Ward 1(1)(4), Ahmedabad

Vs

Arvind Infrastructure Limited**Respondent**
*Arvind Premises, Naroda Road,
Ahmedabad
[PAN : AAHCA 5001 H]*

Appearances by

Vinod Tanwani, *for the Revenue*
Biren Shah, *for the assessee*

Date of concluding the hearing : October 07, 2019
Date of pronouncement : October 07, 2019

O R D E R

PER JUSTICE P P BHATT, PRESIDENT :

1. By way of this appeal, the Assessing Officer has challenged correctness of the order dated 19th June 2017, passed by the learned CIT(A)-1, Ahmedabad for the assessment year 2013-14.

2. Grievances raised by the Assessing Officer are as follows:

“(a) That the ld. CIT(A) has erred in law and on facts in deleting the disallowance of proportionate interest expenses of Rs.68,55,550/-

(b) That the ld. CIT(A) has erred in law & facts in deleting disallowance of Information Technology Expenses amounting to Rs.4,88,841/-.

(c) That the ld. CIT(A) has erred in law & facts in deleting the disallowance of deduction.”

3. When this appeal was called out for hearing, learned counsel for the assessee submitted that the present appeal of the Revenue needs to be dismissed on account of low tax effect in view of the recent CBDT Circular No. 17 of 2019 dated 08.08.2019 whereby the monetary limits for filing the appeal by the Revenue before the Tribunal was enhanced from Rs.20 lakhs to Rs.50 lakhs. This instruction is applicable to the pending cases also. Learned Counsel for the assessee also submits that in the

present case the tax effect is Rs.23,82,887/-, as per the working placed on record, which is below the prescribed limit of Rs.50 lakhs. Therefore, the present appeal of the Revenue is liable to be dismissed as non-maintainable as held by this Tribunal in the case of ITO Vs. Dinesh Madhavlal Patel in ITA No.1398/Ahd/2004 for AY 1998-99 vide a consolidated order dated 14.08.2019.

4. The learned Departmental Representative fairly admitted that the tax effect involved in this appeal is less than the limit prescribed by the aforesaid CBDT Circular.

5. We have heard the rival contentions, perused the material on record and duly considered facts of the case in the light of applicable legal position. As learned counsel rightly contends, this appeal of the Revenue is no longer maintainable in view of the recent CBDT Circular No. 17 of 2019 dated 08.08.2019. The mandatory limit for cases in which Revenue can challenge the relief granted by the CIT(A) now stands enhanced to Rs.50 lakhs. This concession granted by the Central Board of Direct Taxes (CBDT) is retrospective in effect inasmuch as it applies to all pending appeals as well. In view of the above position, the appeal of the Revenue is no longer maintainable and must be dismissed as such.

6. It is, however, made clear that on re-verification at the end of the Assessing Officer it comes out that the tax effect of more than Rs.50 lakhs is being involved in the appeal or the appeal falls within the exemption clause of the Circular, then the Revenue will be at liberty to file Miscellaneous Application to recall the Tribunal order. The application should be filed within time limit prescribed in the Act.

7. In the result, appeal of the Revenue is dismissed due to low tax effect. Pronounced in the open court today on the 7th October, 2019.

Sd/-

Waseem Ahmed
(Accountant Member)

Ahmedabad, dated the 7th day of October, 2019

*Dr**

Copies to: (1) The appellant (2) The respondent
(3) CIT (4) CIT(A)
(5) DR (6) Guard File

Sd/-

Justice P P Bhatt
(President)

By order

True Copy

Assistant Registrar
Income Tax Appellate Tribunal
Ahmedabad benches, Ahmedabad

