

**IN THE INCOME TAX APPELLATE TRIBUNAL
MUMBAI BENCH "E" MUMBAI**

**BEFORE SHRI RAVISH SOOD (JUDICIAL MEMBER) AND
SHRI N.K.PRADHAN (ACCOUNTANT MEMBER)**

**ITA No.4943/MUM/2019
(Assessment Year:2015-16)**

ITO Ward-15(1)(2)
Room No.15B, Ground Floor,
Aayakar Bhavan, M.K.Road,
Churchgate, Mumbai
400020

Vs. M/s Excellent Engineering and
Allied Services Pvt. Ltd.
306, 3rd Floor, Ellora Feista,
Plot No. 8, Sector-11, Sanpada,
Near Jui Nagar Station,
Navi Mumbai – 400705

PAN No. AAACE1199H

Appellant

Respondent

Revenue by : Mr. Amit Pratap Singh, D.R
Assessee by : None

Date of Hearing : 14/10/2019
Date of pronouncement : 14/10/2019

ORDER

PER RAVISH SOOD, JM

The captioned appeal filed by the revenue is directed against the order passed by the Commissioner of Income Tax (Appeals)-24, Mumbai [in short 'CIT(A)'], which in turns arises from the respective assessment order passed under section 143(3) of the Income Tax Act 1961, (the 'Act').

2. Central Board of Direct Taxes (CBDT) vide Circular No. 17/2019 dated 08.08.2019 has amended Circular No. 3/2018 dated 11.07.2018 for further enhancement of monetary limit for filing of appeals by the Department before the ITAT, High Courts and SLPs/Appeals before Supreme Court as measures for reducing litigation.

3. CBDT vide Circular No. 3/2018 dated 11.07.2018 has specified that appeals shall not be filed before the Income Tax Appellate Tribunal (ITAT) in cases where the tax effect does not exceed the monetary limit of Rs.20,00,000/-. For this purpose, 'tax effect' means the difference between the tax on the total income assessed and the tax that would have been chargeable had such total income been reduced by the amount of income in respect of issues against which appeal is intended to be filed.

Further, 'tax effect' shall be taxes including applicable surcharge and cess. However, the tax will not include any interest thereon, except where chargeability of interest itself is in dispute. In case the chargeability of interest is the issue under dispute, the amount of interest shall be the tax effect. In cases where returned loss is reduced or assessed as income, the tax effect would include notional tax on disputed additions. In case of penalty order, the tax effect will mean quantum of penalty deleted or reduced in the order to be appealed against.

At para 13 of the above Circular, it has been mentioned that:

"13. This Circular will apply to SLPs/appeals/cross objection/references to be filed henceforth in SC/HCs/Tribunal and it shall also apply retrospectively to pending SLPs/appeals/cross objections/references. Pending appeals below the specified tax limits in para 3 above may be withdrawn/not pressed."

4. As a step towards further management of litigation, CBDT *vide* Circular No. 17/2019 has fixed the monetary limit for filing of appeals before ITAT at Rs.50,00,000/-.
5. In the instant appeal filed by the Department, the tax effect involved is below the monetary limit of Rs.50,00,000/-. The same was brought to the notice of the Ld. Departmental Representative (DR).
6. Before us, the Ld. DR has filed a letter dated 01.10.2019 of the Income-tax Officer-15(1)(2), Mumbai, wherein withdrawal of the captioned appeal has been sought, for the reason, that the tax effect therein involved is below that provided in CBDT Circular No. 03/2018, dated 11.07.2018.
7. We accept the aforesaid request of the revenue and allow the withdrawal of the present appeal.
8. With the above observations the aforesaid appeal involving tax effect of less than Rs.50,00,000/- is dismissed as withdrawn.

Order pronounced in the open Court on 14/10/2019.

Sd/-
(N.K. Pradhan)
ACCOUNTNAT MEMBER

Sd/-
(Ravish Sood)
JUDICIAL MEMBER

Mumbai;
Dated: 14/10/2019

***Rohit, P.S.

Copy of the Order forwarded to :

1. The Appellant
2. The Respondent.
3. The CIT(A)-
4. CIT
5. DR, ITAT, Mumbai
6. Guard file.

BY ORDER,
//True Copy//
(Sr. Private Secretary)
ITAT, Mumbai