

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

**BEFORE SHRI C.N. PRASAD (JUDICIAL MEMBER) AND  
SHRI N.K. PRADHAN (ACCOUNTANT MEMBER)**

**ITA No. 3054/MUM/2017  
Assessment Year: 2007-08**

Income Tax Officer-13(2)(1),  
1<sup>st</sup> floor, Room No. 147,  
Aayakar Bhavan, M.K. Road,  
Mumbai-400020.

M/s Saroj Home Makers &  
Vs. Finance Ltd.  
807/808, Phadke Marg Off  
Andheri Teli Galli, Andheri (East),  
Mumbai.

**PAN No. AABCS3974R**  
**Appellant**

**Respondent**

Revenue by : Mr. Uday Bhaskar Jakke, DR  
Assessee by : Ms. Aarti Vissanji, AR

Date of Hearing : 29/01/2020  
Date of pronouncement : 30/01/2020

**ORDER**

**PER N.K. PRADHAN, A.M.**

The captioned appeal filed by the Revenue is directed against the order of the Commissioner of Income Tax (Appeals)-21, Mumbai (in short 'CIT(A)') and arise out of the assessment order passed u/s 143(3) r.w.s. 147 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 Revenue 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 said 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, the amount in dispute is Rs.1,00,00,000/- and the consequential tax effect is less than Rs.50,00,000/-. Therefore, the Ld. counsel for the assessee submits that the appeal filed by the Revenue be dismissed.

6. Before us, the Ld. Departmental Representative (DR) fairly agrees that the tax effect herein is below the monetary limit of Rs.50,00,000/- fixed by the above Circular for filing of appeals before the ITAT. However, it is pleaded by him that in case of exceptions to the above Circular, the appellant may be allowed to bring it to the notice of the Tribunal. Considering the submission, we make it clear that the appellant shall be at liberty to point out the exceptions to which the above Circular may not apply by filing miscellaneous applications.

7. In view of the CBDT Circular No. 17/2019, this appeal involving tax effect of less than Rs.50,00,000/- is dismissed.

**Order pronounced in the open Court on 30/01/2020.**

Sd/-  
(C.N. PRASAD)  
JUDICIAL MEMBER

Sd/-  
(N.K. PRADHAN)  
ACCOUNTANT MEMBER

Mumbai;  
Dated: 30/01/2020  
Rahul Sharma, Sr. 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.

//True Copy//

BY ORDER,

(Dy./Asstt. Registrar)  
**ITAT, Mumbai**