

**IN THE INCOME TAX APPELLATE TRIBUNAL
DELHI BENCH FRIDAY NEW DELHI
BEFORE SHRI G.S. PANNU, VICE PRESIDENT
AND
SHRI SUDHANSHU SRIVASTAVA, JUDICIAL MEMBER**

**ITA No. 182/Del/2020
Assessment Year : 2011-12**

ITO, Ward 13(4), New Delhi.	Jwala Associates (P) Ltd., C/o Sandeep Sapra, C-763, New Friends Colony, New Delhi-110025 (PAN: AABCJ8284F)
(Appellant)	(Respondent)

**Appellant by: Shri Saras Kumar, Sr. DR
Respondent by: Shri Sandeep Sapra, Adv.**

ORDER

PER G.S. PANNU, VICE PRESIDENT

The appeal filed by the Revenue is directed against the order of Id. Commissioner of Income Tax (Appeals)-5, New Delhi dated 21.10.2019 pertaining to the assessment year 2011-12.

2. At the outset, the Id. AR brought to our attention that CBDT vide Circular No. 17/2019 dated 08th August 2019 has decided that the revenue would not prefer any appeal before the Tribunal if the tax effect is less than Rs. 50 lakhs. Therefore, he pleaded that the appeal of the revenue be decided as per the Instruction of the CBDT. The Id. AR submitted that the tax effect is only Rs. 6,31,596/- which is below the revised limit of Rs. 50 lakh.

3. Now there is a latest CBDT Circular No. 17/2019 dated 08.08.2019, wherein the CBDT has further enhanced the monetary limit for filing of appeal by the Department before the Income Tax Appellate Tribunal from Rs. 20 lacs to Rs. 50 lacs. The said circular also make reference to the earlier Circular No. 3/2018 dated 11.7.2018 and specially states that as a step towards further management of litigation, the Board has decided to enhance the monetary limit for filing of the appeals. This circular is not in supersession of the earlier circular but only amends the monetary limits as well as gives clarification with regard to paragraph 5 of the earlier circular. This *inter alia* means that all the other conditions mentioned in the earlier Circular No. 3 of 2018 dated 11.7.2018 will apply *mutatis mutandis* including that is, it will apply to all the pending appeals. For the sake of ready reference, the latest circular is reproduced hereunder :

*“F. No.279/Misc. 142/2007-ITJ(Pt.)
Government of India
Ministry of Finance
Department of Revenue
Central Board Direct Taxes
Judicial Section
New Delhi. 8th August 2019*

Subject: - Further Enhancement of Monetary limits for filing of appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court - Amendment to Circular 3 of 2018 - Measures for reducing litigation.-

Reference is invited to the Circular No.3 of 2018 dated 11.07.2018 (the Circular) of Central Board of Direct Taxes (the Board) and its amendment dated 20th August, 2018 vide which monetary limits for filing of income tax appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court have been specified. Representation has also been

received that an anomaly in the said circular at para 5 may be removed.

“2. As a step towards further management of litigation. it has been decided by the Board that monetary limits for filing of appeals in income-tax cases be enhanced further through amendment in Para 3 of the Circular mentioned above and accordingly, the table for monetary limits specified in Para 3 of the Circular shall read as follows:

<i>S.No</i>	<i>Appeals/SLPs in income tax matters</i>	<i>Monetary Limit (Rs.)</i>
<i>1.</i>	<i>Before Appellate Tribunal</i>	<i>50,00,000/-</i>
<i>2.</i>	<i>Before High Court</i>	<i>1,00.00.000/-</i>
<i>3.</i>	<i>Before Supreme Court</i>	<i>2,00,00,000/-</i>

3. Further, with a view to provide parity in filing of appeals in scenarios where separate order is passed by higher appellate authorities for each assessment year vis-a-vis where composite order for more than one assessment years is passed. para 5 of the circular is substituted by the following para:

"5. The Assessing Officer shall calculate the tax effect separately for every assessment year in respect of the disputed issues in the case of every assessee. If, in the case of an assessee, the disputed issues arise in more than one assessment year, appeal can be filed in respect of such assessment year or years in which the tax effect in respect of the disputed issues exceeds the monetary limit specified in para 3. No appeal shall be filed in respect of an assessment year or years in which the tax effect is less than the monetary limit specified in para 3. Further, even in the case of composite order of any High Court or appellate authority which involves more than one assessment year and common issues in more than one assessment year, no appeal shall be filed in respect of an assessment year or years in which the tax effect is less than the monetary limit specified in para 3. In case where a composite order/ judgement involves more than one assessee. each assessee shall be dealt with separately.

4. The said modifications shall come into effect from the date of issue of this Circular.

5. The same may be brought to the notice of all concerned.

6. This issues under section 268A of the Income-tax Act, 1961.”

4. Further, CBDT vide circular dated 20th August, 2019 F.No.279/19-93/2018-ITJ has clarified that it will apply to all pending appeals. Thus, in view of the aforesaid circular, the appeal of the Revenue is dismissed as non-maintainable because tax effect is below Rs. 50 lakhs.

5. In the result, appeal filed by the Revenue is dismissed.

Order pronounced in the Open Court in the presence of the parties through video conferencing.

Sd/-

(Sudhanshu Srivastava)
Judicial Member

Dated: 17th July, 2020
‘GS’

Copy forwarded to: -

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

Sd/-

(G.S. Pannu)
Vice President

By Order

Assistant Registrar