

**IN THE INCOME TAX APPELLATE TRIBUNAL
RANCHI BENCH "E" Court at KOLKATA**

Before **Shri J.Sudhakar Reddy, Accountant Member** and
Shri S.S.Godara, Judicial Member

ITA No.262/Ran/2019
Assessment Year :2014-15

Assistant Commissioner of Income Tax, Central Circle-1(1) 1 st Floor, Aaykar Bhawan, L.C. Road, Dhanbad-826001	बनाम V/s.	Shri Gopal Baran Chattopadhyay, 505, 5 th Shanti Bhawan, Bank More, Dhanbad-876001 [PAN No.ABUPC 9299 E]
अपीलार्थी /Appellant	..	प्रत्यर्थी/Respondent

अपीलार्थी की ओर से/By Appellant	Shri N.S.Khalkho, JCIT-SR-DR
प्रत्यर्थी की ओर से/By Respondent	Shri R.R. Mittal, FCA
सुनवाई की तारीख/Date of Hearing	01-09-2020
घोषणा की तारीख/Date of Pronouncement	01-09-2020

आदेश /ORDER

PER BENCH :-

This Revenue's appeal for assessment year 2014-15 arises against the Commissioner of Income Tax (Appeals)-Dhanbad's order dated 24.09.2019 passed in case No. CIT(A), Dhanbad/10027/2017-18 imposing penalty of ₹14,48,130/-u/s 271(1)(c) the Income Tax Act, 1961; in short 'the Act'.

Heard Shri R.R. Mittal, authorized representative and Shri N.S. Khalkho, JCIT-SR-DR for assessee and department; respectively. Case file perused.

2. It is seen at the outset that the tax effect on the disputed penalty before us is less than Rs. 50 lacs as the prescribed in the CBDT's latest

Circular No17/2019 dated 08.08.2019. It will be pertinent to reproduce the relevant portion of the said Circular as follows:-

“2 . As a step toward 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:

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

3.1 We find that intention behind the Circular No17/2019 dated 08.08.2019 needs to be understood in the following perspective:-

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-à-vis where composite order for more than one assessment year 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, 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 assessments 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/judgment involves more than one assessee, each assessee shall be dealt with separately.”*

3.2. On perusal of the Circular No. 17/2019 dated 08.08.2019 and the materials available on record, we do not see this case falling under any of the exceptions contemplated in the said circular *per se*. We also find that this circular makes it very clear that the revised monetary limits shall apply retrospectively to pending appeals as well. *Hon'ble apex court in Commissioner of Customs vs Indian Oil Corporation Ltd reported in 267 ITR 272 (SC)* has settled the law that CBDT's circulars are very much binding on

revenue authorities. We thus hold that this Revenue's appeal raising sole issue of ₹73,49,434/- deserve to be dismissed in terms of low tax effect. We make it clear that it shall very much open for the Revenue to seek necessary rectification in case it is found that any of the appeal involve operations of exception clauses in the tax effect circular as per law.

4. This Revenue's appeal is dismissed for involving lower than the prescribed minimum tax effect.

Order pronounced in open court at the close of hearing on Tuesday 1st September, 2020

Sd/-

(लेखा सदस्य)

(J.Sudhakar Reddy)
(Accountant Member)

*Dkp Sr.P.S.

दिनांक:- 01/09/2020 कोलकाता ।

Sd/-

(न्यायिक सदस्य)

(S.S.Godara)
(Judicial Member)

आदेश की प्रतिलिपि अग्रेषित / Copy of Order Forwarded to:-

1. अपीलार्थी/Appellant-ACIT, Cir-1(1), 1st Floor, Aaykar Bhawan, L.C. Road, Dhanbad-826001
2. प्रत्यर्थी/Respondent-Shri Gopal Baran Chattopadhyay 505, 5th Floor, Shanti Bhawan, Bank More, Dhanbad-876001
3. संबंधित आयकर आयुक्त / Concerned CIT Ranchi
4. आयकर आयुक्त- अपील / CIT (A) Ranchi
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, / DR, ITAT, Ranchi
6. गार्ड फाइल / Guard file.

/True Copy/

By order/आदेश से,

Sr. Private Secretary,
आयकर अपीलीय अधिकरण, कोलकाता ।