

**IN THE INCOME TAX APPELLATE TRIBUNAL  
MUMBAI BENCHES "F", MUMBAI**

**BEFORE SHRI G. MANJUNATHA (AM) AND SHRI RAM LAL NEGI (JM)**

**ITA No. 1751/MUM/2019  
Assessment Year: 2014-2015**

The DCIT-3(3)(2), Room No. 628, 6 <sup>th</sup> Floor, Aaykar Bhavan, M.K. Road, Mumbai - 400020	<b>Vs.</b>	M/s Veekaylal Investment Company Pvt. Ltd., 1017/18, Dalamal Tower, Free Press Journal Road, Nariman Point, Mumbai - 400021 PAN: AAACV9936H
<b>(Appellant)</b>		<b>(Respondent)</b>

Revenue by : Shri Jayant Jhaveri (CIT DR)  
Assessee by : Shri Satish R Mody (AR)

Date of Hearing: 16/03/2020  
Date of Pronouncement: 18/03/2020

**ORDER**

**PER RAM LAL NEGI, JM**

This appeal has been filed by the revenue against the order dated 25.01.2019 passed by the Commissioner of Income Tax (Appeals)-8 (for short 'the CIT(A), Mumbai, for the assessment year 2011-12, whereby the Ld. CIT(A) has partly allowed the appeal filed by the assessee against the assessment order passed u/s 143 (3) of the Income Tax Act, 1961 (for short the 'Act').

2. Aggrieved by the order of Ld. CIT (Appeals), the revenue has preferred this appeal before the Tribunal on the following effective grounds:-

1. *"Whether on the facts and in the circumstances of the case and in law, the Ld. CIT (A) was right in deleting the disallowance of management fees amounting to Rs. 1,49,83,609/- without appreciating that the assessee has not submitted any evidence to prove that V.K. Lalco Pvt. Ltd. has actually rendered services for which the payment has been made and the MOU appears to be a afterthought of the assessee, with specific motive of reducing the profits by*

*charging certain expenses against the said transaction of sale of property?*

2. *The appellant prays that the order of CIT (A) on the above grounds be set aside and that of Assessing Officer be restored.”*

3. At the outset, the Ld. counsel for the respondent/assessee pointed out that the tax effect of the relief granted by the Ld. Commissioner of Income Tax (Appeals) is below Rs. 50 lacs and as per Circular No.17 of 2019 dated 08.08.2019 issued by the Central Board of Direct Taxes (CBDT), Department of Revenue, Ministry of Finance, Government of India, the CBDT has revised the monetary limit for filing appeals before the ITAT from the existing limit of Rs. 20 lacs to Rs. 50 lacs. In the light of the aforesaid facts, the Ld. counsel submitted that this appeal is not maintainable and liable to be dismissed. The Ld. counsel furnished calculation sheet, as per which, the tax effect in this case is Rs. 48,61,432/- including surcharge and education cess.

4. The Ld. Departmental Representative (DR) admitted that this appeal is not maintainable in light of the aforesaid Circular issued by the CBDT, however, submitted that the department may be given liberty to file miscellaneous application in case it is found that the case falls under any of the exceptions provided in the Circular or otherwise maintainable.

5. We have gone through the impugned order passed by the Ld. Commissioner of Income Tax (Appeals) and the grounds of appeals. As pointed out by the Ld. counsel, the tax effect in this appeal is less than Rs. 50 lacs. Accordingly, we dismiss the aforesaid appeal filed by the Revenue as not maintainable/withdrawn. However, in case, it is found that the case falls under any of the exceptions provided in the Circular or otherwise maintainable, then the revenue is at liberty to file miscellaneous application for recalling the order of the Tribunal for deciding the appeal afresh on merits.

In the result, appeal filed by the revenue for assessment year 2014-2015 is dismissed.

Order pronounced in the open court on 18<sup>th</sup> March, 2020.

Sd/-  
(G. MANJUNATHA)  
ACCOUNTANT MEMBER

Sd/-  
(RAM LAL NEGI)  
JUDICIAL MEMBER

मुंबई Mumbai; दिनांक Dated: 18/03/2020

Alindra, PS

**आदेश प्रतिलिपि अग्रेषित/Copy of the Order forwarded to :**

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त (अपील) / The CIT(A)-
4. आयकर आयुक्त / CIT
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, मुंबई /  
DR, ITAT, Mumbai
6. गार्ड फाईल / Guard file.

आदेशानुसार/ BY ORDER,

सत्यापित प्रति //True Copy//

उप/सहायक पंजीकार (Dy./Asstt. Registrar)  
आयकर अपीलीय अधिकरण, मुंबई / ITAT, Mumbai