

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

**BEFORE SHRI SAKTIJIT DEY (JUDICIAL MEMBER) AND  
SHRI N.K. PRADHAN (ACCOUNTANT MEMBER)**

**ITA No. 1456/MUM/2019  
Assessment Year: 2013-14**

DCIT, Central Circle-8(3),  
Room No. 659, 6<sup>th</sup> floor,  
Aayakar Bhavan, M.K. Road,  
Mumbai-400020.

Vs. M/s Rosy Blue (India) Pvt.  
Ltd.,  
1608-09, Prasad Chambers,  
Opera House, Mumbai-  
400004

**Appellant**

**PAN No.AACCR2413B  
Respondent**

Revenue by : Mr. Manpreet Duggal, DR  
Assessee by : Mr. Nitesh Joshi, AR

Date of Hearing : 10/12/2020  
Date of pronouncement : 10/12/2020

**ORDER**

PER N.K. PRADHAN, A.M.

The captioned appeal filed by the Revenue is directed against the order passed by the Commissioner of Income (Appeals)-57, Mumbai [in short 'CIT(A)'] and arise out of assessment completed u/s 143(3) r.w.s. 144C(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 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, as per the calculation filed by the Ld. counsel the tax effect is Rs.44,47,598/-. 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 application.

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In view of the CBDT Circular No. 17/2019, this appeal involving tax effect of less than Rs.50,00,000/- is dismissed as withdrawn.

**Order pronounced in the open Court on 10/12/2020.**

Sd/-  
(SAKTIJIT DEY)  
JUDICIAL MEMBER

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

Mumbai;

Dated: 10/12/2020.

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**