

**IN THE INCOME TAX APPELLATE TRIBUNAL  
AMRITSAR BENCH, AMRITSAR.**

**BEFORE DR. M. L. MEENA, ACCOUNTANT MEMBER  
AND SH. ANIKESH BANERJEE, JUDICIAL MEMBER**

**I.T.A. No.577/Asr/2014  
Assessment Year: 2010-11**

The Asstt. Commissioner of Income Tax, Circle-1, Bathinda.  (Appellant)	<b>Vs.</b>	M/s Shuvam Colonisers, Pvt. Ltd. HBN Sunrise City Mansa Road, Bathinda. [PAN: AAJCS2195L] (Respondent)
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<b>Appellant by</b>	<b>Sh. S.M. Surender Nath, Sr. DR</b>
<b>Respondent by</b>	<b>Sh. Ashwani Kalia, CA</b>

<b>Date of Hearing</b>	<b>28.02.2023</b>
<b>Date of Pronouncement</b>	<b>15.03.2023</b>

**ORDER**

**Per:Anikesh Banerjee, JM:**

The instant appeal of the revenue is directed against the order of the Id. Commissioner of Income Tax (Appeals), Bathinda, [in brevity the 'CIT (A)'] order passed u/s 250 (6) of the Income Tax Act 1961, [in brevity the Act] date of order 31.07.2014 for A.Y. 2010-11. The impugned order was emanated from the order of the Id. Income Tax Officer, Ward-1(3), Bathinda, (in brevity the AO) order passed u/s 144 of the Act date of order 12.03.2013.

The revenue has taken the following grounds:

“1. In the facts and circumstances of the case, the Ld. CIT(A) has erred both in law and on facts in not appreciating on the face of the fact that the assessee had itself submitted during the course of assessment proceedings that the assessee company has entered into a mutual agreement with the HBN Homes Colonizers Pvt. Ltd. whereby HBN Homes Colonizers Pvt. Ltd. will undertake all the development activities such as earth filling expenses, boundary wall, bricks, development expenses etc. in relation to the land. Hence, apparently, the assessee had not to incur any expenditure on the development of land and the assessee could not justify any reason of debiting the expenses to the tune of Rs.53,51,089/- in respect of development of land. Moreover, the assessee failed to furnish any documentary evidence in shape of bills/vouchers in support of expenses claimed nor any books of account were produced during the assessment proceedings.

2. In the facts and circumstances of the case, the Ld. CIT(A) has erred both in law and on facts in making opinion that the disallowance of Rs.11,16,440/- made by the A.O. (on account of expenses under various heads such as audit fee, land, legal, license fee, miscellaneous, preliminary, salary, staff welfare, stationery etc.) out of petty expenditure is not in order and the expenses claimed are very reasonable. But the assessee could not establish the genuineness

*of expenses by producing the vouchers of expenses and books of account for verification.*

3. *The Ld. CIT(A) has erred both in law in appreciating the fact that the assessee neither produced the copy of agreement with the HBN Homes Colonizers Pvt. Ltd. nor any copy of return of income of the HBN Homes Colonizers Pvt. Ltd. was furnished to substantiate the fact that the 75% share of total revenue will be retained by the HBN Homes Colonizers Pvt. Ltd. The version of Ld. CIT(A), Bathinda that the assessee has filed copy of agreement and balance sheet of HBN Homes Colonizers Pvt. Ltd. as additional evidence before the Ld. CIT(A), is not acceptable as the assessee was given adequate opportunity for filing submissions during assessment proceedings. Hence, it could not be admitted as additional evidence as the assessee was not prevented by sufficient cause for filing the documents before the AO.*

4. *That the department craves leave to add or alter any of the grounds of appeal on or before the date of hearing and the Ld. CIT(A) is not justified in admitting the documents produced before him as additional evidence as they are not covered under Rule 46A of the I.T. Act.”*

2. Brief fact of the case is that the assessee's case was assessed u/s 144 with an addition of Rs.53,51,089/- and Rs.11,16,440/- and Rs.86,36,950/- which is worked out total amount of Rs.1,51,04,479/-. Aggrieved assessee filed an appeal before the

ld. CIT(A). The ld. CIT(A) allowed the appeal of the assessee. The revenue has filed an appeal before us by challenging the order of the ld. CIT(A).

3. During hearing the department has started argument but only the point of grievance was related to for Rs.53,51,089/- and Rs.11,16,440/-. The total tax effect is less than 50 lacs.

4. The ld. counsel further argued that the tax effect of the assessee is below the 50 lacs after the appeal. So, the appeal of the revenue is not entertained.

5. The ld. Sr. Dr has not made any strong objection in quantum issue related filing of appeal before the ITAT

6. Considering the argument of both the rival parties, the tax effect related two grounds of appeal is below the monetary limit as prescribed in the **CBDT circular no 17/2019, F No.279/Misc. 142/207-ITJ(Pt) dated 08/08/2019**. The copy of the circular is reproduced as below: -

Circular No. 1/2019

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, 8<sup>th</sup> 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 20<sup>th</sup> 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:

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. 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 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.”

7. In the view of the above we find that the issue raised by the revenue related to tax effect is below the monetary limit as prescribed by the CBDT. With the consent of the Id. Sr DR the appeal of the revenue is rejected due to low tax effect.

8. In the result, the appeal of the revenue bearing **ITA No. 577/Asr/2014** is dismissed.

**Order pronounced in the open court on 15.03.2023**

**Sd/-**

**(Dr. M. L. Meena)**  
**Accountant Member**

**Sd/-**

**(ANIKESH BANERJEE)**  
**Judicial Member**

**AKV**

Copy of the order forwarded to:

- (1) The Appellant
- (2) The Respondent
- (3) The CIT
- (4) The CIT (Appeals)
- (5) The DR, I.T.A.T.

True Copy  
By Order