

**IN THE INCOME TAX APPELLATE TRIBUNAL
“G” BENCH, MUMBAI**

**BEFORE SHRI KULDIP SINGH, JUDICIAL MEMBER
AMARJIT SINGH, ACCOUNTANT MEMBER**

**ITA No.657/Mum/2023
(A.Y 2011-12)**

ITO Ward 8(2)(1) Room No. 622, 6 th Floor, Aaykar Bhavan, M.K. Road Mumbai – 400 020	Vs.	M/s Stiaek Engineering Private Limited 203 Turf Estate, Shakti Mill Lane, Maharashtra Mumbai – 400 011
स्थायी लेखा सं./जीआइआर सं./PAN/GIR No.: AABCH0500Q		
Respondent	..	Appellant

Appellant by :	Ajay Singh
Respondent by :	Satyaprakash Singh

Date of Hearing	10.05.2023
Date of Pronouncement	12.05.2023

आदेश / ORDER

PER AMARJIT SINGH, AM:

The present appeal filed by the revenue is directed against the order passed by the NFAC, Delhi, which in turn arises from the assessment order 2011-12 u/s 143(3) r.w.s 147 of the Act.

2. After taking into consideration the tax effect Rs.29,87,085/- involved in this case it is noticed that 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 Department 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.50,00,000/-. 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 above 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 filed by the Department, the tax effect involved is below the monetary limit of Rs.50,00,000/-.

6. The revenue shall be at liberty to point out the exceptions and to seek recall the dismissal of appeal and restoration of the appeal in case it can be shown that the appeal is covered by the exceptions.

7. With the above observations, the appeal of the Revenue involving tax effect Rs.29,87,085/- which is less than Rs.50,00,000/- stand dismissed.

Order pronounced in the open Court on 12.05.2023

Sd/-
(Kuldip Singh)
Judicial Member

Sd/-
(Amarjit Singh)
Accountant Member

Place: Mumbai
Date 12.05.2023
Rohit: PS

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

1. अपीलार्थी / The Appellant
2. प्रत्यर्थी / The Respondent.
3. आयकर आयुक्त / CIT
4. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण DR,
ITAT, Mumbai
5. गार्ड फाईल / Guard file.

सत्यापित प्रति //True Copy//
आदेशानुसार/ BY ORDER,

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