

IN THE INCOME TAX APPELLATE TRIBUNAL
NAGPUR BENCH, NAGPUR

BEFORE SHRI V. DURGA RAO, JUDICIAL MEMBER

S.M.C. MATTER

ITA no.402/Pun./2023
(Assessment Year : 2017-18)

Dy. Commissioner of Income Tax
Central Circle-2(1), Nagpur

..... Appellant

v/s

Nirmal Software Services Pvt. Ltd.
Plot no.48, Bharat Nagar
Amravati Road, Nagpur 440 033
PAN - AAACN5962H

..... Respondent

Assessee by : None

Revenue by : Shri Abhay Y. Marathe

Date of Hearing - 16/12/2024

Date of Order - 20/12/2024

ORDER

This appeal by the assessee is against the impugned order dated 13/10/2023, passed by the learned Commissioner of Income Tax (Appeals)-3, Nagpur, [*learned CIT(A)*], for the assessment year 2017-18.

2. In its appeal, the assessee has raised following grounds:-

"1. The Ld. CIT(A) has erred in deleting the addition of Rs. 25,87,000/- on account of disallowance of consultancy charges paid to Lamrin Solution ignoring the fact that the assessee during the course of assessment proceedings failed to substantiate its claim of paying amount of Rs. 25,87,000/- to Lamrin Solutions.

2 The Ld. CIT(A) has erred in deleting the addition of Rs. 1,32,75,860/- on account of disallowance of Consultancy Charges ignoring the fact that the assessee during the course of assessment proceedings failed to furnish the details called for by the Assessing Officer such as total cost of the project, duration, year-wise revenue generated & expenditures claimed, & net profit earned, etc.

3 The Ld. CIT(A) has erred in deleting the addition of Rs. 18,50,000/- on account of disallowance of salary expenses ignoring the fact that during the course of assessment proceedings the assessee failed to provide the confirmation from the employees as well as the bank statement reflecting the payment made to the employees.

4 The Ld. CIT(A) has erred in deleting the addition of Rs. 2,10,000/- and Rs. 1,63,100/- on account of disallowance of Data Entry and DTP Charges and Sub Contract Expenses respectively ignoring the fact that the Assessing Officer cannot allow any expenses without any documentary evidences which the assessee failed to provide during the course of assessment proceedings.

5. Any other ground that may be raised during the course of appellate proceedings.”

2. At the outset, the learned Departmental Representative fairly submitted that the tax effect on the amount disputed in this appeal is below the revised monetary limit of ₹ 60 lakh applicable to appeals before the Tribunal, as per CBDT Circular no.09 of 2024, dated 17/09/2024.

3. None appeared on behalf of the assessee.

4. Having heard the arguments of the learned Departmental Representative, perused the material available on record and gone through the orders of the authorities below, we are of the view that the tax effect on the amount disputed by the Revenue in the present appeal is below the revised monetary limit of ₹ 60 lakh as per CBDT Circular cited supra. It also stands clarified by the CBDT that the revised monetary limit of ₹ 60 lakh, as per the aforesaid CBDT Circulars, would also apply to all pending appeals. In view of the aforesaid, Revenue's appeals deserve to be dismissed. However, the Revenue is given liberty to seek recall of this consolidated order if, at a later point of time, it is found that the appeal falls under any of the exceptions provided in the CBDT Circular referred to above.

5. In the result, appeal filed by the Revenue is dismissed.

Order pronounced in the open Court on 20/12/2024

NAGPUR, DATED: 20/12/2024

**Sd/-
V. DURGA RAO
JUDICIAL MEMBER**

Copy of the order forwarded to:

- (1) The Assessee;
- (2) The Revenue;
- (3) The PCIT / CIT (Judicial);
- (4) The DR, ITAT, Nagpur; and
- (5) Guard file.

Pradeep J. Chowdhury
Sr. Private Secretary

True Copy
By Order

Sr. Private Secretary
ITAT, Nagpur