

आयकर अपीलिय अधिकरण, चण्डीगढ़ न्यायपीठ “ए”, चण्डीगढ़
IN THE INCOME TAX APPELLATE TRIBUNAL, CHANDIGARH
BENCH ‘A’ CHANDIGARH

श्रीमती दिवा सिंह, न्यायिक सदस्य एवं, एवं श्रीमती अन्नपूर्णा गुप्ता, लेखा सदस्य
BEFORE: SMT. DIVA SINGH, JM & SMT. ANNAPURNA GUPTA, AM

आयकर अपील सं./ ITA No. 249/CHD/2019

निर्धारण वर्ष / Assessment Year : 2014-15

The ACIT, Circle – 1(1), Chandigarh.	बनाम VS	M/s Khandelia Udyog Pvt. Ltd., Plot No. 23, Indl. Area-II, Chandigarh.
स्थायी लेखा सं./PAN /TAN No: AABCK7237P		
अपीलार्थी/Appellant		प्रत्यर्थी/Respondent

राजस्व की ओर से/ Revenue by : Smt. Veena Joshi, CIT-DR

निर्धारिती की ओर से/Assessee by : Shri Amrinder Singh, Advocate

सुनवाई की तारीख/Date of Hearing : 11.07.2019

उदघोषणा की तारीख/Date of Pronouncement : 16.07.2019

आदेश/ORDER

PER DIVA SINGH

The present appeal has been filed by the Revenue wherein the correctness of the order dated 14.12.2018 of CIT(A)-1, Chandigarh pertaining to 2014-15 assessment year has been assailed on various grounds wherein the addition of Rs. 7,82,766/- made by the AO has been deleted in appeal.

2. The ld. AR inviting attention to the copy of the grounds filed submitted that the appeal of the Revenue may be dismissed on the ground of low tax effect which is shown to be Rs. 2,41,874/-. Time was given to the ld. CIT-DR to consider the submissions.

3. On a reading of the impugned order, it was seen that in column No. 7 the income tax demanded pursuant to the order of the AO is shown to be Rs. 4,29,540/-:

*IN THE OFFICE OF THE COMMISSIONER OF INCOME TAX (APPEALS)-I,
CHANDIGARH*

<i>Appeal No. 10523/16-17</i>		<i>Date of order: 14.12.2018</i>
<i>1.</i>	<i>Assessment year</i>	<i>2014-15</i>
<i>2.</i>	<i>Date of institution</i>	<i>14.12.2016</i>
<i>3.</i>	<i>Permanent Account Number</i>	<i>AABCK7237P</i>
<i>4.</i>	<i>Name & rank of the Assessing Officer</i>	<i>Ms. Deepika Mohan DCIT, Circle-1(1), Chandigarh</i>
<i>5.</i>	<i>Name & address of the appellant</i>	<i>M/s Khandelia Udyog Pvt. Ltd. Plot No.23, Industrial Area, Phase-II, Chandigarh</i>
<i>6.</i>	<i>Income assessed</i>	<i>Rs.4,55,29,800/-</i>
<i>7.</i>	<i>Income tax demand</i>	<i>Rs.4,29,540</i>
<i>8.</i>	<i>Section under which order appealed against was passed</i>	<i>143(3) of the Income Tax Act, 1961</i>
<i>9.</i>	<i>Dates of hearing</i>	<i>As per records</i>
<i>10.</i>	<i>Present for the appellant</i>	<i>Sh. Ravinder Krishan, Advocate</i>
<i>11.</i>	<i>Present for the department</i>	<i>None</i>

4. The Ld. CIT-DR on going through the material available on record in the circumstances fairly admitted that the department's appeal is covered by the CBDT circular No. 3/2018.

5. We have heard the rival submissions and perused the material available on record. Admittedly the tax effect involved is much below the limit set by the Revenue for filing of appeal before the ITAT. CBDT vide Circular No. 3/2018 dated 11.07.2018 has revised the monetary limit upto Rs.20 lacs for filing appeals by the Department before the Tribunal and further vide para 13 of the said Circular it has been clarified that said circular is applicable retrospectively to the pending appeals also. The Hon'ble Punjab & Haryana High Court in the case of Principal CIT of Income Tax Vs. Surinder Kumar Singhal ITA No 406-2016 (O&M) vide order dated 30.1.2017 while further relying upon the decision of the Hon'ble Supreme Court in the case of CIT Vs. Dhanalekshmi Bank Ltd. (2015) 373 ITR 526 (SC), has dismissed the appeal of the Revenue without going into the merits due to low tax effect leaving the question of law open. Accordingly, in view of the above, the appeal of the Revenue is dismissed on the grounds of low tax effect in terms of the aforesaid circular of the CBDT by which the Tax Authorities are bound. The appeal of the Revenue, accordingly, is dismissed as not pressed.

6. It is, however, clarified that the dismissal of the above appeal shall not be taken to be affirmation of the order of the CIT(A) on merits. The legal issue

raised by the Revenue is being left open to be adjudicated in an appropriate case.

7. In the result, the appeal of the Revenue is dismissed. Said order was pronounced in the Open Court at the time of hearing itself.

Order pronounced in the Open Court on 16th July,2019.

Sd/-

Sd/-

(अन्नपूर्णा गुप्ता)

(ANNAPURNA GUPTA)

लेखा सदस्य/ Accountant Member

“पूनम”

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

1. अपीलार्थी/ The Appellant -
2. प्रत्यर्थी/ The Respondent -
3. आयकर आयुक्त/ CIT
4. आयकर आयुक्त (अपील)/ The CIT(A)
5. विभागीय प्रतिनिधि, आयकर अपीलीय आधिकरण, चण्डीगढ़/ DR, ITAT, CHANDIGARH
6. गार्ड फाईल/ Guard File

(दिवा सिंह)

(DIVA SINGH)

न्यायिक सदस्य/ Judicial Member

आदेशानुसार/ By order,

सहायक पंजीकार/ Assistant Registrar