IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL NO.289 OF 2014
WITH
INCOME TAX APPEAL NO.441 OF 2014

Commissioner of Income
Tax-2, Mumbai .. Appellant
v/s.
M/s. Priya Limited .. Respondent

Mr. P.C. Chhotaray for the appellant.
Mr. Atul Jasani for the respondent.

CORAM : M.S. SANKLECHA &
A.K. MENON, JJ.

DATED : 9TH AUGUST, 2016.

P.C.

1. Both the Appeals relate to Assessment Years 2008-09 and 2009-10. The appeals have been filed by the Revenue from a common impugned order dated 2nd August, 2013 passed by the Income Tax Appellate Tribunal (the 'Tribunal'). The common impugned order dated 2nd August, 2013 relates to assessment years 2005-06, 2008-09 and 2009-10.

2. Mr. Chhotaray, learned Counsel appearing for the Revenue states that the tax effect in respect of all three assessment years which led to the impugned order of Tribunal dated 2nd August, 2013 is less than Rs.20 lakhs. Our attention is invited to Circular

No.21 of 2015 dated 10th December, 2015 issued by the Central Board for Direct Taxes. In particular, our attention was invited to paragraphs 3, 5 and 10 therein which read as under:-

> ***"3:-*** *Henceforth, appeals/SLPs shall not be filed in cases where the tax effect does not exceed the monetary limits given hereunder:-*

Sr. No.	*Appeals in Income Tax matters*	*Monetary Limit (in Rs.)*
1	*Before Appellate Tribunal*	*10,00,000/-*
2	*Before High Court*	*20,00,000/-*
3	*Before Supreme Court*	*25,00,000/-*

> *It is clarified that an appeal should not be filed merely because the tax effect in a case exceeds the monetary limits prescribed above. Filing of appeal in such cases is to be decided on merits of the case."*

> *"5. .... However, in case of a 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, appeal shall be filed in respect of all such assessment years even if the 'tax effect' is less than the prescribed monetary limits in any of the year(s), if it is decided to file appeal in respect of the year(s) in which 'tax effect' exceeds the monetary limit prescribed. In case where a composite order / judgment involves more than one assessee, each assessee shall be dealt with separately."*

> ***"10:-*** *This instruction will apply retrospectively to pending appeals and appeals to be filed henceforth in High Courts/ Tribunals. Pending appeals below the specified tax limits in para 3 above may be withdrawn/not pressed. Appeals before the Supreme Court will be governed by the instructions on this subject, operative at the time when such appeal was filed."*

3. In the Income Tax Appeal No.289 of 2014 the tax effect is

Rs.10.78 lakhs as mentioned in paragraph 11 of the Memo of Appeal for Assessment Year 2009-10.

4. In the Income Tax Appeal No.441 of 2014 the tax effect is Rs.7.38 lakhs as mentioned in paragraph 9 of the Memo of Appeal for Assessment Year 2008-09.

5. Mr.Chhotaray on instructions states that the tax effect in respect of Assessment Year 2005-06 is less than Rs. 20,00,000/-. The Appellant – Revenue is not certain whether any appeal has been filed in respect of Assessment Year 2005-06 in this Court.

6. As neither of the two appeals on board today for Assessment Year 2008-09 and 2009-10 have a tax effect of Rs.20,00,000/- or more, Mr. Chhotaray, learned Counsel appearing for the Revenue on instructions does not press either of the Appeals.

7. Accordingly, both the **Appeals are dismissed,** as not pressed.

8. Refund of Court Fees, as per Rules.

(A.K. MENON, J.) **(M.S. SANKLECHA, J.)**