HIGH COURT OF JUDICATURE AT ALLAHABAD

INCOME TAX APPEAL No. - 181 of 2026

The Pr Commissioner Of Income Tax-1 And Another

.....Appellant(s)

Versus

Prem Lata Verma

.....Respondent(s)

Counsel for Appellant(s)	:	Amit Mahajan
Counsel for Respondent(s)	:	Sarthak Ahuja, Manish Tiwari

Court No. - 39

HON'BLE SAUMITRA DAYAL SINGH, J.
HON'BLE SWARUPAMA CHATURVEDI, J.

1. In compliance of the last order, Sri Amit Mahajan, learned Senior Standing Counsel for the revenue has placed on record copy of the Circular Letters i.e. Circular No. 5 of 2024 dated 15.03.2024, Circular No. 9 of 2024 dated 17.09.2024 and copy of the written instructions received by him dated 21.10.2026. Those have been marked as "X" and retained on record.

2. Heard Sri Amit Mahajan, learned Senior Standing Counsel for the revenue, Sri Mayank Patawari (through video conference) along with Sri Sarthak Ahuja, learned counsel for the assessee.

3. Present income tax appeal has been filed against the order of the Income tax, Appellate Tribunal Agra Bench, Agra dated 15.01.2026, ITA No. 441/Agr/2025 for the Financial Year 2016-2017 (Prem Lata Verma Vs. DCIT).

4. The Tribunal has allowed the appeal and quashed the re-assessment order passed under Section 147/144 of the Income Tax Act, 1961, dated 30.03.2021.

5. Undeniably, the assessment order assessed the petitioner to tax Rs.1,41,74,009/-.

6. Therefore, preliminary objection has been raised as to maintainability of the present appeal in face of Circular No. 5 of 2024 dated 15.03.2024 issued by the C.B.D.T. read with further Circular No. 9 of 2024 dated

17.09.2024 issued by the C.B.D.T. Thus, it has been contended that the tax effect is below the revised threshold limit of Rs. 2 crores. Therefore, the present appeal is not maintainable.

7. On the other hand, learned counsel for the revenue would contend that the present case falls under Clause 3.1 (m) of the above noted Circulars. For ready reference Clause 3.1(f) reads as below:-

> *"3.1 Monetary limits given in paragraph 4 with regard to filing appeal/SLP shall be applicable to all cases including those relating to TDS/TCS under the Act with the following exceptions where the decision to appeal/file SLP shall be taken on merits, without regard to the tax effect and the monetary limits:*
>
> *(f) Where the tax effect is not quantifiable or not involved, such as the case of registration of trusts or institutions under sections 10(23C), 12A/12AA/12AB of the Act, order passed u/s 263 of the Act etc. The reference to cases involving sections referred here, where it is not possible to quantify tax effect or tax effect is not involved, is for the purpose of illustration only."*

8. To the extent, the appeal before the Tribunal had not arisen from proceedings in which tax may not have been quantified or may not be involved and further inasmuch as, the appeal had arisen directly from reassessment order whereby tax Rs. 1,41,74,009/- had been imposed, the revenue is not right in contending that present is the case that falls under Clause 3.1(m) of the Circular No. 5 of 2024 dated 15.03.2024.

9. On the plain reading of the said clause, it may apply to cases where the tax effect is not quantifiable or may not be involved such as cases where registration granted for the purposes of exemption may have been cancelled or where the assessment order may have been interfered with in revisional jurisdiction that would further involve passing of a fresh assessment order. In cases of that variety, in given facts, it may be said that the tax effect may not be quantified or may not be involved. However, where assessments or re-assessments have been made and those have been set aside, the position would be entirely different. In such cases, quantification of the tax amount exists.

10. In the present case, merely because the assessment order has been set aside on legal ground of notice not served etc, it cannot be said that the tax effect was not quantified. As to merit consideration- the addition

involved in the present case is clearly below the monetary limit of the above noted Circulars.

11. Accordingly, the appeal is found to be below the threshold taxable limit prescribed under the Circular issued by the C.B.D.T.

12. The present appeal is accordingly ***dismissed***.

(Swarupama Chaturvedi,J.) (Saumitra Dayal Singh,J.)

October 27, 2026

Suraj Srivastav

Digitally signed by :-
SURAJ SRIVASTAVA
High Court of Judicature at Allahabad