

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA

UNSTARRED QUESTION NO.1459

TO BE ANSWERED ON FRIDAY THE 4TH MARCH, 2016

PHALGUNA 14, 1937(SAKA)

THRESHOLD LIMITS FOR FILING CASES BEFORE ITAT

1459. SHRI V. PANNEERSELVAM:

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Direct Taxes has increased the threshold limits for filing cases before the ITAT and Courts by the IT departments;

(b) if so, the details and the objectives thereof;

(c) the benefits likely to accrue therefrom;

(d) whether the said orders have since been implemented; and

(e) if so, the details thereof indicating the number of pending cases dismissed as a result of the said orders?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI JAYANT SINHA)

(a) Yes, Madam.

(b) Monetary limits for filing appeals have been raised from Rs.4 lakhs and Rs.10 lakhs to Rs.10 lakhs and Rs.20 lakhs before ITATs and High Courts respectively. The objectives thereof are:

(i) To reduce litigation in ITAT and High Courts thereby enabling them to function more efficiently with a lower pendency.

- (ii) To allow the Department to concentrate on its core functioning of tax collection.
- (iii) To ensure a balance between the cost and benefit of litigation.
- (iv) To reduce litigation and further a non-adversarial regime.
- (v) Enabling finality of taxation in smaller cases at the first or second level of appeal.

(c) The benefits likely to accrue are:

- (i) a reduction in pending litigation before ITATs and High Courts.
- (ii) a reduction in future litigation, with the Department accepting the adverse appellate orders within the monetary limit.
- (iii) the overall litigation management would become more viable with limited number of appeals allowing for improvement in quality of representation.
- (iv) reduction in grievances of smaller taxpayers due to an early finality in appeal.
- (v) a positive non-adversarial regime image for the Department since a larger number of decision of CsIT(A) and ITAT's would stand accepted without further litigation.
- (vi) the Department can now focus attention on tax collection without being diverted by unnecessary litigation.

(d) Yes, Madam.

(e) Till 31.01.2016, 6,451 cases from the ITATs and 2,027 cases from the High Courts have been dismissed as withdrawn/ not pressed pursuant to Circular No.21/2015 dated 10.12.2015. Implementation is a continuing process.
