

**F No 279/Misc./M-84/2014-(ITJ)**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**  
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New Delhi the 17<sup>th</sup> July, 2014

**Office Memorandum**

**Subject: Committee to study the appellate orders to examine the filing of appeals by the Department before various forums-reg.**

It has been decided to constitute a Committee to appraise the efficacy of existing dispute resolution forums of CsIT (A) & ITAT and to suggest steps to reduce litigation before these forums. The composition of the Committee is as follows:

| Sl No | Name            | Designation                                     |             |
|-------|-----------------|---|-------------|
| 1     | Ms Rani S Nair  | Chief Commissioner of Income tax- II, Ahmedabad | Chairperson |
| 2     | Ms Uma Singh    | CIT (J), Mumbai                                 | Members     |
| 3     | Sh Rakesh Goyal | CIT-XXI, Kolkata                                |             |
| 4     | Sh D K Mishra   | CIT (J), Delhi                                  |             |
| 5     | Sh Rajib Hota   | CIT (TDS), Chennai                              |             |
| 6     | Sh D S Kalyan   | CIT(ITAT)-V, Ahmedabad                          |             |

1.2 The Chairperson may appoint an officer as Member Secretary. The Committee may co-opt other members as it deems fit to have proper representation, co-ordination and feedback from ITAT at non – metro stations.

2. The Committee shall submit its report within 8 weeks from the date of its constitution.

3. The terms of reference of the committee will be as follows:

(i) To carry out detailed analysis of appellate orders and assessment orders, on various aspects as suggested in Para 7 and recommend steps to reduce litigation before the CIT (A).

(ii) To study the efficacy of existing system of filing appeals to the ITAT by the Department and suggest steps to reduce litigation before the ITAT after analyzing various aspects as mentioned in Para 7.

4. The Committee should examine the assessment orders, appellate orders and scrutiny report for the appeal to the ITAT related to orders selected as per guidelines mentioned in Para 5 below and give its recommendations for different income groups as defined in Para 6 separately for corporate and non- corporate assessees.

5. Guidelines to select orders:

(i) Sample should be drawn from the orders passed by the ITAT during the month of June, September, December and March of the FY 2013-14.

(ii) (a) Approximately 200 orders should be selected for study from each of the following 8 major cities: Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Pune, Ahmedabad and Bangalore.

(ii) (b) Approximately 150 orders should be selected for study from each of the following stations: Chandigarh, Jaipur, Indore, Lucknow and Kochi.

(iii) As far as possible, orders in cases of corporate and non-corporate assessees should be selected in equal numbers, particularly in Metro charges whereas in non-metro, sample of non-corporate assessees may be larger. It must also be ensured that some orders in search cases are in select basket.

(iv) As number of appeals filed by the Department before ITAT is much larger than appeals filed by the assessee, the order in appeals filed by the Department and by the assessee may be selected in the ratio of 2:1.

6. Analysis should be done and conclusions be drawn separately by categorising assessment orders in various income groups (returned income) as under:

< 25 Lakh

25 Lakh to 1 Crore

1 Crore to 10 Crore

10 Crore and above

7. Within the overall terms of reference, an analysis on the following aspects should be conducted, along with any other that the Committee deems fit:

(i) Assessment Orders: Nature of additions made in general, guidance of supervisory authorities, sustainability of additions in appeal, quality of addition made and average tax effect of additions made in each category at Para 6 above.

(ii) Orders of CIT (A): Whether relief allowed is based on proper marshalling of facts and legal position. The decisions are also to be analysed in the light of the order of the ITAT.

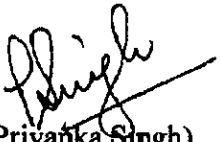
(iii)(a) Authorization by CIT: The filing of second appeal is to be examined as to whether the same is filed mechanically by applying the monetary limits or on sound grounds after examining the merits of each order.

(iii)(b) The Committee should ascertain from the orders of each CIT (A) received during the FY 2013-14 by each administrative CIT under the jurisdiction of CCIT-I & CCIT-VIII Delhi, CCIT-I Ahmedabad, CCIT-II Hyderabad the percentage of appeals filed by the Department in ITAT where the tax effect exceeds monetary limits.

(iv) The success rate of appeals filed by the Department / Assessee before the ITAT to be analysed.

(v) The Committee must also take inputs on relevant issues from DRs in the stations mentioned in Para 5.

8. The Headquarters of the Committee will be in Delhi.

  
(Priyanka Singh)  
(OSD)  
ITJ, CBDT

(i) PPS to Chairman, CBDT and PSs to all Members of CBDT

(ii) All Pr. CCsIT

(iii) All Committee Members