

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3397

ANSWERED ON:01.08.2014

CUTTING DOWN ON FRIVOLOUS APPEALS

Mahadik Shri Dhananjay Bhimrao;Patil Shri Vijaysinh Mohite;Sule Smt. Supriya Sadanand

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Central Board of Direct Taxes has issued internal instructions to tax authorities to cut down on frivolous appeals against favourable orders granted to taxpayers;
- (b) if so, the details thereof and the reasons therefor;
- (c) Whether the Government is contemplating to raise the threshold limit for filing an appeal before the Income Tax Appellate Tribunal;
- (d) if so, the details thereof; and
- (e) the other steps taken by the Government to file appeals only before Tax Appellate Tribunal on merit to avoid high volume of decisions going against the tax department?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

- (a) Yes, Sir.
- (b) In Instruction No. 5/2014 dated 10.07.2014 issued by CpDT, the tax authorities have been requested to decide filing of appeal in each case based on merits.
- (c) Yes, Sir.
- (d) Monetary Limit for filing appeals before Income tax Appellate Tribunal has been raised to Rs 4 lakhs from Rs 3 lakhs vide Instruction No. 5/2014 dated 10.07.2014.
- (e) A Committee has been set up to study the appellate orders to examine the filing of appeals by the Department before various forums. The Committee, inter alia, is mandated 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. The Committee's report is due in September. 2014.