

No. 279/Misc./M-93/2018-ITJ(Pt.)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes, New Delhi

Dated the 31st May, 2023

Sub:- Revision of exceptions to monetary limits for filing appeals deferred under provisions of Section 158AB-reg.

Ref:- 1. CBDT Letter F.No.279/Misc.142/2007-ITJ(Pt) dated 20.08.2018
2. CBDT letter F.No.279/Misc./M-93/2018-ITJ(Pt.) dated 29.09.2022
3. CBDT Letter F.No.279/Misc./M-93/2018-ITJ(Pt.) dated 24.01.2023

The Board has, from time-to-time, revised monetary thresholds for filing appeals before various judicial fora. The last such revision was through Circular No. 17/2019 dated 08.08.2019. Exceptions to the monetary limits are as per Board's letter F.No. 279/Misc.142/2007-ITJ(Pt.) dated 20.08.2018 and OM issued vide F.No.279/Misc./M-93/2018-ITJ(Pt.) dated 16.09.2019.

2. In this respect the insertion of Section 158AB in the Income Tax Act, 1961 [hereinafter referred to as *the Act*] has led to queries on monetary limits and exceptions applicable in respect of cases falling within the purview of Section 158AB of the Act. In supersession of the letter dated 29.09.2022, referred to above, the following guidelines on the above subject are hereby issued:

3. At the outset it is clarified that references to collegiums constituted u/s 158AB of the Act for deciding on the deferral of appeal(s)/grounds of appeal(s) would be made having regard to the extant monetary limits read along with the exceptions to the same, as mentioned in para 1 above and the exceptions provided in para 6 below.

4. **The following terminology is proposed in respect of para 5 below:**

(i) **Y₀**: the current year in which appeal filing is under consideration, and

(ii) **Y_r**: the year in which the final decision on the question of law is received in favour of Revenue in the 'other case' ('other case' being as referred to in section 158AB of the Act).

5. Scenarios on the applicability of monetary limits:

(i) In cases where only one ground is contested and where the tax effect is greater than the monetary threshold as per the extant monetary limits for filing appeals at relevant judicial fora, set by CBDT, and section 158AB is applicable to it, appeal may be deferred in the current year (Y_0) in view of the provisions of section 158AB. The appeal is to be filed in the year in which the final decision on the identical question of law is received in favour of Revenue in Y_f .

(ii) In cases where multiple grounds are contested and where the total tax effect of all the disputed grounds (i.e., grounds to which Section 158AB is applicable and otherwise) is greater than the extant monetary limits for filing appeals at relevant judicial fora, set by CBDT, and Section 158AB is applicable only to certain grounds, the guidelines for filing appeal are as follows:

(a) in the current year (Y_0),

- i. filing of appeal on the grounds to which section 158AB is applicable may be deferred in view of the provisions of that section, and
- ii. appeal may be filed on the residual grounds.

(b) in the year in which the final decision on the identical question of law is received in favour of Revenue in Y_f , appeal is to be filed on the grounds to which section 158AB is applicable, irrespective of the monetary limit at that point in time.

6. In respect of deferring appeals u/s 158AB of the Act, while adhering to the guidelines as laid down in the preceding paras, it is to be ensured that when judicial finality is achieved in favour of Revenue in the '*other case*', appeal in the '*relevant case*' should be **contested on merits** subsequent to the decision in the '*other case*' irrespective of the extant monetary limits. Further, if the judicial outcome in the '*other case*' is not in favour of Revenue and is not accepted by the Department, appeal against the same may be **contested on merits** in the '*other case*' irrespective of the extant monetary limits, to arrive at judicial finality.

7. The above shall come into effect from the date of issue of this letter and may be brought to the knowledge of all officers working in your region.

8. This issues under section 268A of the Income Tax Act.

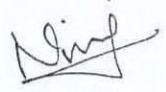


((Devaki Niranjana)
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Copy to:

1. Chairman, Members and all other officers in CBDT of the rank of Under Secretary and above.
2. All Pr. Chief Commissioners of Income Tax and all Directors General of Income Tax with a request to bring to the attention of all officers.
3. ADG (PR, P&P), Mayur Bhawan, New Delhi for printing in the quarterly Tax Bulletin and for circulation as per usual mailing list.
4. The Comptroller and Auditor General of India.
5. ADG (Vigilance), Jawaharlal Nehru Stadium, New Delhi.

6. All Directorates of Income-tax, New Delhi and Pr. DGIT(NADT), Nagpur.
7. Data Base Cell for uploading on irsofficersonline.gov.in.
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9. ITCC- 3 Copies.
10. Hindi Cell for translation.
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