

DIRECT TAX CIRCULARS

Circular No. 23 of 2019

Date - 06.09.2019

Exception to monetary limits for filing appeals specified in any Circular issued under Section 268A of the Income-tax Act, 1961-reg

This circular has been issued for laying down monetary limits and other conditions for filing of departmental appeals before Income Tax Appellate Tribunal (ITA T), High Courts and SLPs/appeals before Supreme Court.

Several references have been received by the Board that in large number of cases where organised tax-evasion scam is noticed through bogus Long-Term Capital Gain (LTCG)/Short Term Capital Loss (STCL) on penny stocks and department is unable to pursue the cases in higher judicial fora on account of enhanced monetary limits. It has been reported that in large number of cases, ITA Ts and High Court have recognized the unique modus operandi involved in such scam and have passed judgements in favour of the revenue. However, in cases where some appellate fora have not given due consideration to position of law or facts investigated by the department, there is no remedy available with the department for filing further appeal in view of the prescribed monetary limits.

In this context, Board has decided that notwithstanding anything contained in any circular issued U/S 268A specifying monetary limits for filing of departmental appeals before Income Tax Appellate Tribunal (IT AT), High Courts and SLPs/appeals before Supreme Court, appeals may be filed on merits as an exception to said circular, where Board, by way of special order direct filing of appeal on merit in cases involved in organised tax evasion activity.