

**Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes**

**PRESS RELEASE**

New Delhi, 15<sup>th</sup> January, 2016

**Subject: Initiatives for reducing litigation- regarding.**

Reducing litigation with the taxpayers has been a key focus area for the Income Tax Department. Several initiatives have been taken by the Central Board of Direct Taxes in the last three months up to December 2015 to significantly reduce disputes and provide relief to taxpayers facing long standing litigation.

The significant steps taken by CBDT include issue of a Circular revising the monetary limits for filing of appeals by the Department with the objective of reducing litigation as a part of its initiatives to reduce grievances of the taxpayers. CBDT has also directed Principal Chief Commissioners to constitute a collegium of Chief Commissioners of Income Tax to consider withdrawal of appeals filed by the Department in cases involving tax effect above the revised monetary limit from the High Courts in cases where, no question of law is involved, the issue is considered settled by the Department, or the appeal is no longer relevant in view of subsequent amendment.

Besides this, the CBDT has issued a number of Circulars for withdrawing or not pressing of appeals on settled issues relating to the subjects listed below:

- Non applicability of Rule 9A of the Income-tax Rules 1962 in case of abandoned feature films.
- Measurement of the distance for the purpose of section 2(14)(iii)(b) of the Income-tax Act for the period prior to assessment year 2014-15.
- Interest from non-statutory liquidity ratio (non-SLR) securities.
- Allowability of employer's contribution to funds for welfare of employees in terms of section 43(b) of the Income-tax Act.
- TDS under section 194A of the Act on interest on fixed deposit made on the directions of the courts.
- Recording of satisfaction note under section 158BD/153C of the Income-tax Act.
- Non levy of penalty u/s 271(1) (c) wherein additions/disallowances were made under normal provisions of Income-tax Act 1961 but tax was levied under MAT provisions under section 115JB/115JC, for cases prior to A.Y. 2016-17.

The relevant Circulars are available on the website of the Department [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in).

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