

F. No. 272/M-42/2018-ITJ
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
Judicial Section

New Delhi, 9th May 2019

OFFICE MEMORANDUM

Sub: Judgement of Bombay High Court in W.P No.3343 of 2018 and PIL No.144 of 2018-Incentivisation of CIT(A) in Central Action Plan 2018-19-reg

Reference : Board's O.M of even No. dated 10/1/2018.


Kindly refer to above mentioned subject.

2. In this regard, I am directed to enclose judgement of Bombay High Court in W.P No.3343 of 2018 and PIL No.144 of 2018 whereby the petitioners had challenged the relevant portion of CAP 2018-19 whereby incentives were provided to CsIT(A) for passing 'quality orders'. As per Para 19 of the order, the court has held that "In our opinion, such policy is wholly impermissible and invalid. Any directives by the CBDT which gives additional incentive for an order that the Commissioner (Appeals) may pass having regard to its implication, necessarily transgresses in the Commissioner's exercise of discretionary quasi-judicial powers." The Court has further set aside the relevant portion of CAP 2018-19 even for the past financial year.

3. Accordingly, I am directed to convey that decision has been taken to accept the judgement and not challenge it further. It is therefore requested that the same may also be referred to newly formed CAP committee for formulating action plan for 2019-20.

4. This issues with the approval of Chairman CBDT.

Encl. As Above


Abhishek Gautam
DCIT (OSD), ITJ-1, CBDT

CIT (IT&CT), CBDT
North Block

Copy for information to DGIT(L&R) for kind information and for records that the said decision of Bombay High Court has been accepted by CBDT.

O/c
Delivered by hand
10/05/2019

F.No.272/M-42/2018-ITJ
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes
Judicial Section

Dated the 9th May, 2019

To,

All Pr. Chief Commissioners of Income Tax

Sir,

Subject: Judgement of Bombay High Court in W.P. No. 3343 of 2018 and PIL No. 144 of 2018. - Incentivisation of CIT(A) in Central Action Plan 2018-19 - reg.

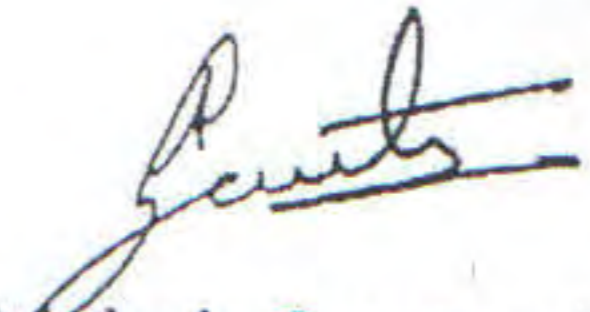
Kindly refer to enclosed order of Hon'ble Bombay High Court dated 11.04.2019 in W.P. No. 3343 of 2018 and PIL No. 144 of 2018. Note may be taken of para 18 to para 24 of the said order. Hon'ble High Court, vide para 24 of the said order has set aside Action Items no.3 of chapter III of CAP 2018-19 wherein incentive in the form of additional credits was provided to CsIT(A) for passing quality orders.

2. It is further informed that in light of the same, additional credit if any allowed to CIT(A) on the basis of impugned portion of the CAP is hereby withdrawn.

3. This issues with the approval of Chairman CBDT.

Yours faithfully

Encl: As above


(Abhishek Gautam)
DCIT(OSD)(ITJ-I)