
CONTENTS

	PAGE
◆ <i>Acknowledgement</i>	I-5
◆ <i>Preface</i>	I-7
◆ <i>Chapter-heads</i>	I-9

1

APPEALS AT A GLANCE

1.1 Appeals at a glance	1
-------------------------	---

2

LATIN DICTIONARY - PROVERBS IN ENGLISH

◆ Latin Dictionary - Proverbs in English	2
--	---

3

RULES OF INTERPRETATIONS

3. The law is deemed to be what the Court interprets it to be	11
3.1 'Interpretation' vs. 'Construction'	11
3.2 Rules of interpretations	12
3.2.1 Rule of literal construction	12
3.2.2 Golden Rule (Doctrine of purposive construction)	15
3.2.3 Rule of harmonious construction	15
3.2.4 Mischief rule of interpretation	15
3.2.5 Rule of beneficent construction	16
3.2.6 Rule of strict construction	17
3.2.7 Rule of liberal interpretation	17
3.2.8 Effect of omission of a provision	20
3.2.9 Retrospective effect of amendment	20
3.2.10 Rule of 'ejusdem generis'	21
3.2.11 'Noscitur a Sociis'	21
3.2.12 Rule of 'EXPRESSIO UNIUS EST EXCLUSIO ALTERIUS'	21

CONTENTS

I-12

	PAGE
3.2.13 External aids to interpretation	22
3.2.14 Rule of “GENERALIA SPECIALIBUS NON DEROGANT”	25
3.2.15 Rule of ‘leges posteriores priores contrarias abrogant’	25
3.2.16 Mimansa Rules	26
3.2.17 Rule of ‘expressio unius est exclusio alterius’	28
3.2.18 Legal Fiction	28
3.2.19 Doctrine of ‘Reading Down’	28
3.2.20 Miscellaneous	33

4

CHECKLIST

4.1 Checklist for appeal to Tribunal	43
4.1.1 Points to be checked	43
4.1.2 Appeal papers	43
4.1.3 Annexures to be filed with Form 36	44
4.1.4 Other things to be insured	44
4.1.5 Presenting the appeal in office of Tribunal	45
4.1.6 After filing appeal	45
4.2 Check list for stay petition - Points to be checked	45
4.3 Checklist for miscellaneous application	46

5

KEY ASPECTS OF APPEALS BEFORE TRIBUNAL

5.1 Taking decision to appeal	48
5.2 Preparing appeal papers	48
5.3 Appeal memo and annexure	49
5.4 Paper book (Rule 18)	49
5.5 Evidence and additional evidence	50
5.6 Grounds of appeal	51
5.7 Additional ground	51
5.8 Comprehension of grounds of appeal	52
5.8.1 Factual grounds	52
5.8.2 Legal grounds	52
5.8.3 Jurisdictional ground	54
5.8.4 Jurisdictional ground can be raised at any time	55
5.8.5 Ground of delay	56



	PAGE	
5.8.6	Ground of year of taxability	57
5.8.7	Ground of amendment in law	57
5.8.8	Ground as to taxable entity	58
5.8.9	Ground as to validity of search before Tribunal	58
5.9	Mixed ground of fact and law	58
5.10	Violation of principles of natural justice	58
5.10.1	Inadequate hearing	58
5.10.2	Personal bias	59
5.10.3	Non-speaking order	59
5.10.4	Non-application of mind	60
5.11	Ground on onus of proof	60
5.12	Grounds relating to notice	60
5.12.1	Validity of notice	60
5.12.2	Notice not served	61
5.12.3	Notice served beyond period of limitation	61
5.13	Other Grounds	62
5.13.1	Of capital or revenue	62
5.13.2	Of <i>bona fide</i> and reasonable belief	62
5.13.3	Of defence on counsel's opinion	62
5.13.4	Of defence on equitable grounds	63
5.13.5	Of accepted grounds of equity	63
5.14	Additional ground	68
5.14.1	By leave of Tribunal	68
5.14.2	Admit and decide	68
5.14.3	Admit and remand	69
5.14.4	No time limit for raising	70
5.14.5	Decline to admit	70
5.14.6	Once admitted can be refused at final hearing	70
5.14.7	Relief not restricted to the plea taken	70
5.14.8	Other points concerning admission of new/additional grounds	71
5.15	Reading and reliance on a judgment	71
5.16	Conflicting decisions - How to deal with	76
5.17	Grounds for rejection of accounts and estimation of profit	77
5.17.1	Upheld	77
5.17.2	Rejected	79
5.17.3	Grounds for estimate of amount of profit	81

CONTENTS

I-14

	PAGE	
5.18	Adjournment	82
5.19	Arguing a case	83
5.20	Duties of authorised representatives	84
5.21	Reply by respondent	85
5.22	Counter reply	85
5.23	Restoration of appeals decided <i>ex parte</i>	85
5.24	Other applications to Tribunal	85
5.24.1	Application for intervention	85
5.24.2	Application for early hearing of appeal	86
5.24.3	Application for transfer of appeal	87
5.24.4	Application for transfer of jurisdiction over assessment	87
5.24.5	For hearing with connected appeal	87
5.24.6	On alleged bias	88
5.24.7	Application for certified copies	88
5.24.8	Application for inspection of the records of the Tribunal	89
5.24.9	Application to block appeals	90

6

EVOLUTION OF APPELLATE TRIBUNAL

6.1	Backdrop	91
6.2	Objective	92
6.3	Civil Court Prohibition	92
6.4	Insurgence of Tribunal	94
6.5	Initial Stage of Tribunal	95
6.6	Expansion & Turbulences	95

7

REPRESENTING THE APPEAL

7.1	Authorising a representative to appear	101
7.2	Defined in ITAT Rules, 1963	102
7.3	Defined under Income-tax Act, 1961	102
7.4	Departmental representatives	104
7.5	Representatives in general	105
7.6	Duties of a Representative	107



	PAGE
7.7	Duty conflict between client and court 108
7.8	Duty conflict between the client and the society 110
7.9	Duty conflict between him and the profession 112
7.10	Lawyer as a Director 113

8

SECTION 252 : APPELLATE TRIBUNAL

8.	Statutory provisions 114
8.1	Sub-section (1) 115
8.1.1	Central Government shall constitute 115
8.1.2	An Appellate Tribunal 116
8.1.3	Consisting of as many judicial and accountant members 118
8.1.4	As it thinks fit 119
8.1.5	To exercise the powers 119
8.1.6	And discharge the functions 121
8.1.7	Conferred on the Appellate Tribunal by this Act 121
8.2	Sub-section (2) : A Judicial Member 121
8.3	Section 253(2A) : An Accountant Member 123
8.4	Sub-section (3) : President of the Tribunal 125
8.5	Sub-section (4) : Vice-President(s) 125
8.6	Sub-section (4A) : Senior Vice-President 126
8.7	Sub-section (5) : Delegation of Powers 126

9

APPEAL TO THE APPELLATE TRIBUNAL

9.	Statutory provisions 128
9.1	Sub-section (1) : Appeal by whom and against what 131
9.1.1	(Appeal by) any assessee 131
9.2	Sub-section (2) : Appeal by revenue 138
9.2.1	The Commissioner may (file an appeal) 138
9.2.2	If he (CIT) objects to 138
9.2.3	To any order passed by a DCIT (Appeal) or 138
9.2.4	As the case may be, a CIT (Appeals) 139
9.2.5	(Order) under section 154 [by CIT(A)] 139
9.2.6	Or Order under section 250 by CIT(A) 139



CONTENTS

I-16

	PAGE
9.2.7	Commissioner may Direct 141
9.2.8	Direct AO to Appeal to Appellate Tribunal 142
9.2.9	Monetary Limitation for Departmental Appeals 142
9.2.10	Against the Order [of DCIT(A) or CIT(A)] 142
9.3	Sub-section (2A) : DRP Directions Appeal by Revenue 142
9.4	Section 253(3) : Time limit to appeal 143
9.4.1	Time limit of 60 days 143
9.4.2	Of order communicated 144
9.4.3	Proviso curtailing time limit 144
9.5	Section 253(3A) : Time limit for DRP appeals 144
9.6	Section 253(4) : Cross Objection 145
9.6.1	Assessing Officer or the assessee 145
9.6.2	On receipt of notice of appeal 145
9.6.3	Notwithstanding appeal by him 146
9.6.4	Time limit 146
9.6.5	File cross-objection as verified in prescribed manner 146
9.6.6	Against any part of appealed order 146
9.6.7	Disposal of CO as if an appeal 146
9.7	Section 253(5) : Condonation of delay 147
9.7.1	Delayed filing of appeal and cross objection 147
9.7.2	On satisfaction of sufficient cause for delay 147
9.8	Section 253(6) : Appeal form and fee 150
9.8.1	Form of appeal 150
9.8.2	Specified fee 150
9.8.3	Fee for revenue appeals and for C.O. 154
9.9	Section 253(7) : Fee for stay application 154

10

ORDER OF APPELLATE TRIBUNAL

10.	Statutory Provisions 155
10.1	Sub-section (1) : Order on appeal 156
10.1.1	The Appellate Tribunal may 156
10.1.2	After giving both the parties to the appeal an opportunity of being heard 157
10.1.3	Pass such orders thereon 160
10.1.4	(Pass any order) as it thinks fit 184



	PAGE	
10.1.5	Power to admit additional evidence	187
10.1.6	On validity of search	187
10.1.7	Judicial Discipline and Appellate Tribunal	188
10.1.8	Exceptions	188
10.1.9	Decision of High Court	190
10.1.10	Decision of Tribunal	192
10.1.11	Conclusions	194
10.2	Section 254(2) : Rectification of Appellate Order	196
10.2.1	<i>Suo motu</i> rectification by Tribunal	196
10.2.2	Parties' invoked rectification	196
10.2.3	Mistake apparent from record	196
10.2.4	Non-consideration of a decision of Supreme Court/ Jurisdictional Court	200
10.2.5	Tests of mistake apparent	202
10.2.6	Power to rectify and review	207
10.2.7	Supreme Court decision in <i>Perfetti Van Melle India (P.) Ltd.</i>	207
10.2.8	DTC provision	211
10.2.9	Hearing to assessee	212
10.2.10	Fee	212
10.2.11	Limitation period for rectification	212
10.3	Section 254(2A) : Time limit for deciding appeal	214
10.3.1	Early disposal of cases	215
10.3.2	Power to stay	215
10.4	Section 254(2B) : Cost of appeal	218
10.4.1	Statutory provision of the section	218
10.4.2	Provision in Rules	218
10.4.3	Assistance of CPC Rules	218
10.4.4	Object of awarding costs	219
10.4.5	Broad classification of objects	220
10.4.6	Cost award is a discretion	222
10.4.7	Scope - Little more in details	223
10.4.8	No cost cases	226
10.4.9	Circumventing orders of court	227
10.5	Section 254(3) : Copy of order	228
10.6	Section 254(4) : Finality of Appellate Order	228

11**PROCEDURE OF APPELLATE TRIBUNAL**

11.	Statutory Provisions	231
11.1	Section 255(1) : Powers & functions	232
	11.1.1 Exercise of powers and discharging functions of Tribunal	232
	11.1.2 Want of necessary pleas	232
	11.1.3 Statement to be relied upon	233
11.2	Section 255(2) : Bench of Tribunal	233
	11.2.1 Division Bench	233
11.3	Section 255(3) : Single Member & Special Bench	233
	11.3.1 Single member cases Bench	233
11.4	Special Bench	235
	11.4.1 President may, for the disposal of any particular case, constitute a Special Bench	235
	11.4.2 Constitution of Special Bench	236
	11.4.3 (Special Bench) Consisting of three or more members	237
	11.4.4 One of whom shall necessarily be a judicial member and one an accountant member	237
11.5	Section 255(4) : Reference to Third Member	239
	11.5.1 Third Member Bench	239
	11.5.2 If the members of a Bench differ in opinion on any point	239
	11.5.3 The point shall be decided according to the opinion of the majority, if there is a majority	239
	11.5.4 But if the members are equally divided, they shall state the point or points on which they differ	240
	11.5.5 And the case shall be referred by the President of the Appellate Tribunal for hearing on such point or points by one or more of the other members of the Appellate Tribunal	240
	11.5.6 And such point or points shall be decided according to the opinion of the majority of the members of the Appellate Tribunal who have heard the case, including those who first heard it.	242
	11.5.7 Additional evidence at the stage of Third Member	243
	11.5.8 <i>Inter se</i> value of Third Member, Special Bench & Division Bench	244
11.6	Section 255(5) : Procedure	246
	11.6.1 Subject to the provisions of this Act	246

	PAGE	
11.6.2	The Appellate Tribunal shall have power to regulate its own procedure	246
11.6.3	... and the procedure of Benches thereof	246
11.6.4	In all matters arising out of the exercise of its powers or of the discharge of its functions	246
11.7	Language of Tribunal	246
11.8	Form of Appeal	247
11.8.1	Respondent in Appeal	249
11.8.2	Verification and Signing of Appeal	249
11.8.3	Defective Memorandum of Appeal	251
11.8.4	Abatement of appeal	251
11.9	Functioning of the Benches	252
11.9.1	Hearing	252
11.9.2	Adjournments	252
11.9.3	Awarding cost	253
11.9.4	Authorisation by CIT	253
11.10	Including the places at which the Benches shall hold their sittings	253
11.11	High Court	253
11.12	Writing of order	254
11.13	Setting aside and remanding the matter	255
11.14	Awarding cost	257
11.15	Recall of <i>ex parte</i> Order	257
11.16	Bench Decision	259
11.17	Pass no order on protective basis	259
11.18	No order of enhancement	259
11.19	Tribunal cannot dismiss appeal for default	260
11.20	Representation before Tribunal	261
11.21	Dress Code	262
11.22	Communications addressed to the Tribunal	263
11.23	Written submissions before the Tribunal	263
11.24	Departmental representation	263
11.25	Limitations of Tribunal	265
11.25.1	Limited as to appellate jurisdiction	265
11.25.2	Limited as to the subject matter of the appeal	265
11.25.3	Restricted to the year under appeal	266
11.25.4	Cannot deal with vires of a provision	266

CONTENTS

I-20

	PAGE
11.25.5 Limited as to power to assessment and not to enhance	267
11.25.6 Limited as to disposal of appeal on merits	267
11.26 Judicial proceedings	267
11.27 Tribunal is quasi-judicial body	267
11.28 Civil Court	270
11.29 Power to punish for its contempt	271
11.30 E'court filing and hearing of appeals	271

12

MONETARY LIMIT FOR FILING APPEAL

12. Statutory Provision	272
12.1 Analysis of provision	273
12.2 Instructions	274
12.2A Instruction of 2015 : Circular No. 21/2015, dated 10-12-2015	274
12.2B Letter F. No. 279/Misc./M-142/2007-ITJ (Part), dated 8-3-2016 : Clarification on applicability of Circular 21 of 2015	274B
12.3 Instruction No. 3/2011 [F. No. 279/Misc. 142/2007-ITJ], dated 9-2-2011	274C
12.3A Letter [F.No. 279/Misc./142/2007-ITJ], dated 27-8-2015	276
12.4 Letter No. DIT(L&R)-I/SLP/393/2011/4589, dated 2-9-2011	277
12.5 Instruction No. 5/2008, dated 15-5-2008	278
12.6 Instruction No. 5/2007, dated 16-7-2007	281
12.7 Instruction No. 2/2005, dated 24-10-2005	281
12.8 Instruction No. 5/2004, dated 27-5-2004	282
12.9 Instruction No. 19/2003, dated 23-12-2003	282
12.10 Instruction No. 6/2003, dated 17-7-2003	283
12.11 Instruction No. 1985, dated 29-6-2000	283
12.12 Instruction No. 1979 [F. No. 279/126/98-IT], dated 27-3-2000	284
12.13 Instruction No. 1903, dated 28-10-1992	286
12.14 Instruction No. 1777, dated 4-11-1987	286
12.15 Judicial analysis	289

13

SMILE AND LAUGH

1. Advice	317
2. Advocate	317
3. Contingency fee	318
4. Four stage collection of fee	318
5. Court hearing	318



	PAGE
6. Cross Examination	319
7. Discretion	319
8. Dread of law	319
9. Equity	319
10. Ethical question	319
11. Facts	320
12. Good lawyer - Great lawyer	320
13. Government	320
14. Hiding contempt	320
15. Hourly Billing	320
16. Ignorance of law	320
17. Income	320
18. Interpretation	321
19. Intimidating questioning	321
20. Justice	321
21. Knowledge	321
22. Law	322
23. Leader	323
24. Liberty	323
25. Need of a lawyer	323
26. Open the brief for fee	323
27. Presence of Counsel	323
28. Right to silence	323
29. Who knows law?	324
30. Witness	324
31. Win or lose	325
32. Wife Hunting	325
33. Lotus & Hand	325
34. Husband & Wife	325
35. Teacher & Student	325
36. Doctor & Lawyer	326
37. Knowledge & Wisdom	326
38. Optimist & Pessimist	326
39. Punctuation	326
40. Litigant	326
41. Loss	326



CONTENTS

I-22

	PAGE
42. Love	327
43. Marriage	327
44. Mind	327
45. Mistake	327
46. Money	327
47. Obedience	327
48. Parliament	328
49. Power	328
50. Professional	328
51. Profits	328
52. Property	328
53. Question	328
54. Results	329
55. Retirement	329
56. Right	329
57. Risk	329
58. Rules	329
59. Say	329
60. Speech	329
61. Statutory Law	329
62. Success	330
63. Tax Payers	330
64. Taxation	330
65. Taxes	330
66. Time	331
67. Tools of Trade	331
68. Trial & Error	331
69. Truth	331

APPENDICES

APPENDIX A : Relevant sections of Income-tax Act, 1961	335
APPENDIX B : Relevant Rules and Forms of Income-tax Rules, 1962	342A
APPENDIX C : Income Tax (Appellate Tribunal) Rules, 1963	343
APPENDIX D : Circulars and Clarifications	399

