

**SPEECH OF HON'BLE MINISTER OF LAW AND JUSTICE
AT THE INAUGURAL FUNCTION OF PLATINUM
JUBILEE OF INCOME TAX APPELLATE TRIBUNAL
ON 24TH JANUARY, 2016 AT NEW DELHI.**

Hon'ble Guest of Honour and President of India Shri Pranab Mukherjee, Hon'ble Chief Justice of India Shri T.S. Thakur, My dear colleague Minister of Communications & Information Technology Shri Ravi Shankar Prasad, Law Secretary, President, Vice Presidents and Members of the ITAT, and all other participants who have assembled here on the eve of celebration of the Platinum Jubilee of the Income Tax Appellate Tribunal.

I am happy to participate in this inaugural function of Platinum Jubilee of the Income Tax Appellate Tribunal. As all of us are aware, this Tribunal is the oldest quasi-judicial Tribunal set-up prior to our date of tryst with destiny, rightly termed as "Mother of all Tribunals". However, ever since the Income Tax Appellate Tribunal ("ITAT"), was set up in 1941 to decide Income Tax cases under the Income Tax Act, 1922, the process of tribunalisation of the justice system has slowly, but inexorably, grown to cover more and more areas of dispute resolution.

The tribunals were established with the object of providing a speedy, cheap and decentralised determination of disputes arising out of the various welfare legislations. Another important reason for the new development was that while the courts were accustomed to dealing with cases primarily according to law, the exigencies of modern administration requires the adjudication of disputes not

necessarily on the basis of technical questions of law, but also after considering the policy intentions and by a body manned by experts who could professionally and fairly deal with the issues which though challengeable in courts of law, required technical expertise.

Friends, we are aware of the problem of delays in the disposal of cases in courts and the backlog of litigation continues to plague the credibility and effectiveness of the judiciary. In India, the time taken by Courts to resolve disputes between parties is significantly high whereas we have global examples like Singapore, where Courts on an average take only about 125 days, i.e. just over four months. Tribunals were set up to reduce pressure on the courts. Since the Tribunals are meant for speedy justice, if it is not achieved, the continuance of Tribunals would lack justification.

One of the concerns expressed on efficacy of tribunals is that though they were supposed to address the issue of delays and pendency in the existing judicial system, they seem to be bogged down with the same problems. Although there is no mandate for tribunals to follow the procedure laid down in the Code of Civil Procedure, or to be bound by the provisions of the Evidence Act, it seems, tribunals follow them nonetheless, leading to delays and inefficiency. Concerns have also been expressed on the quality of judgments delivered by certain Tribunals.

At the same time, the working of Tribunals has been assailed on lack of independence also. The tribunals have been vested with the power of reviewing or overseeing appeals from the actions of the Executive, except in few cases when only the private parties are

involved. Thus, the requirement of independence and exhibiting higher standards of performance is far greater in case of Tribunals.

The hallmark of any Institution depends upon the reputation which it builds up over a period and the litmus test is in maintaining consistency of it being fair and judicious, apart from rendering speedy justice. In this regard, I must say that the Income Tax Appellate Tribunal has steadily but consistently built up its reputation. I have noticed that the Tribunal has a backlog of less than one lakh cases but a close examination of the details reveals that broadly the appeals, except the cases which are delayed on account of litigants, are disposed of within six months to one year from the date of institution.

All of you are aware that the income tax law is a complex piece of legislation where there have been frequent amendments year after year. Even for an expert body like ITAT, there is a strong need for the Members and practitioners to constantly update their knowledge to perform the functions assigned to them in an effective manner. I would be glad to offer any assistance if the Tribunal as an institution feels any necessity to upgrade skills of its Members and comes up with a firm proposal in this regard.

Friends, the objective of speedy justice cannot be achieved without active participation of the Bar. The Departmental representatives too need to extend their co-operation so that the appeals are disposed of within the time frame. The practice of seeking adjournments except when it becomes critical and vital, must be curbed. The system of Pre-trial hearings which is gaining popularity in developed economies should be put to use

immediately. A major reform can be undertaken with Digitalisation of documents and setting up of e-courts. We must get rid of non-eco-friendly habit of using paper. We must move in the direction of e-governance to provide the litigants better services not only for case management, but also for introducing effectiveness and efficiency in the litigation cycle. ITAT must conduct an internal evaluation of its procedures and adopt suitable modifications for quick and time bound disposal.

I understand that the Tribunal is already in the process of digitalisation and paperless filing of appeals. I am told that the first e-court was set up by the Tribunal in 2012 at Mumbai to hear the cases of Nagpur Bench and they are also in the process of setting up e-courts in other places. It is a good measure. I am sure replication of these measures will result into not only in saving time but also in taking justice to the doorsteps of the litigants.

Last but not the least, the courts have time and again observed that the Government is the biggest litigant and hampering speedy justice in genuine cases. Our Government has an objective of converting the Government into a responsible litigant. A number of measures are being taken to reduce the litigation from Government side. Recently the CBDT issued a circular directing their officers to withdraw all the appeals from the Tribunal where the tax effect is less than Rs. ten lakhs. I am sure CBDT would come up with many more measures where the litigation can be reduced, including by not filing appeals in small and routine matters.

I am conscious of the fact that the Tribunal is facing shortage of staff and Members and for most of the time, it has functioned with 20% shortage as compared to its sanctioned strength of Members. Despite that, the Tribunal has tried to maintain a healthy ratio between institution and disposal of appeals.

I am also given to understand that more than 80% of the judgments rendered by the Tribunal are accepted by the litigants and even with regard to matters which are carried in appeal to the higher forums, orders of the Tribunal are confirmed, barring a few instances. This indicates that the Tribunal has maintained its rich tradition of rendering judicious, speaking and well-reasoned orders.

On my part, it is my endeavour to see to it that the posts of Members and staff are filled up at the earliest so that the Tribunal can render justice in full steam. I once again congratulate the entire team of the Income Tax Appellate Tribunal for striving to come up to the expectations of its stake holders and maintaining the high standards. I wish the institution all the best on the occasion of its platinum jubilee and I thank all of you for giving me the opportunity to be a part of this celebration.

Jai Hind