

**Speech on the occasion of the 79<sup>th</sup> Foundation Day  
of the Income Tax Appellate Tribunal**

It is a great pleasure to be here on the occasion of the 79<sup>th</sup> foundation day of this prestigious Institution; the Income Tax Appellate Tribunal.

There is no denial of the fact that tax administration is complex. With so many amendments one after another; provisions with exceptions, provisos, cross references; many delegated legislations, it is one of the most mazed branch of law. In fact, the famous of Federal Court Judge of United States, namely Learned Hand said:

*...the words of such an Act as the Income Tax... merely dance before my eyes in a meaningless procession: cross-reference to cross-reference, exception upon exception—couched in abstract terms that offer [me] no handle to seize hold of [and that] leave in my mind only a confused sense of some vitally important, but successfully concealed, purport, which it is my duty to extract, but which is within my power, if at all, only after the most inordinate expenditure of time. I know that these monsters are the result of fabulous industry and ingenuity, plugging up this hole and casting out that net, against all possible evasion; yet at times I cannot help... wondering whether to the reader they have any significance save that the words are strung together with syntactical correctness.*

In fact, great Nani Palkhivala once remarked that:

*the time has come for Parliament to enact some new legislation – say, Prevention of Cruelty to Taxpayers Act, which should override all fiscal legislations.*

Having said that on lighter side, Tax judiciary plays a very important role in resource mobilization of the country. A just and speedy dispute resolution is perceived as a tax incentive by the tax payer. To tax collector, an efficient tax judiciary ensures that demands arising out of legitimate assessments, are not strangled in delayed litigation. While tax evasion is a social injustice to fellow citizens, arbitrary or excessive tax also results in social injustice by the government itself.

Speedy justice being one of the most important aspect of a civilized world, delays in administration of justice are of paramount concern. These delays, as also the need of specialized domain knowledge, have been the basic justifications for the creations of Tribunals.

Much before we gained our independence, Indian Judicial System had its rendezvous with tribunalization, when this prestigious institution was constituted on 25<sup>th</sup> January 1941. A step much ahead of its time, it was India's first experiment with the Tribunals, and it has proven to be a very successful one. It is a recognized fact that over the years, ITAT through its transparent working has protected the faith of the assessee as well as the revenue authorities. It has complete functional independence, a high degree of legal and technical expertise, assessee friendly approach and quick decision-making. One common thread in the success of this institution has been the relentless pursuit of excellence of its Members. No wonder, in 2008, the United Nations Development Program picked up the Indian Income Tax Appellate Tribunal as a case study of success story from the developing world and projected it as a role model in UNDP event at New York for other developing nations.

You will recall that in L. Chandrakumar's case, the Supreme Court observed that the Tribunals in this country had not performed upto expectations. However, if there is one Tribunal in India that has made its mark for its professional excellence, independence and neutrality, it is Income Tax Appellate Tribunal. To that extent, the ITAT is certainly an exception to the general perceptions about tribunalization of justice. I congratulate each one of you on this success story and for being part of, in whatever role- as part of its effective administration; as a part of the distinguished members on the bench or as a part of its illustrious bar.

Occasions like foundation day are the occasions to take stock of things. Whatever you have done good, you must do better, whatever you have done best, you must keep on doing that, and wherever you find scope of improvement, you must improve upon that. It is only this approach that will help you maintain the reputation that you have earned and to even take it to greater heights.

While the Income Tax Appellate Tribunal has done a great job on the judicial side, equal focus must be given to the infrastructure. The need of good infrastructure is like the pre-requisite of a healthy body for a healthy mind. It is absolutely essential that there is atmosphere conducive for good work and you must update your skills constantly. I am happy to note that important initiatives are taken on this front. I am told that your own buildings are under construction at several places. I congratulate President Justice P. P. Bhatt for all his initiatives taken in this regard in recent past.

As I visualize it, the use of technology in judicial functioning is another fascinating area and it is an important technological breakthrough. The

developments in this regard are unprecedented. I am told that the tribunal has been using video conferencing for the disposal of cases of other places. I am glad that later in the conference you will be discussing the role of artificial intelligence in judicial functioning. Understanding the nature of the matters decided by the Tribunal, Artificial Intelligence can play a very significant role in docket management and decision making.

The Artificial Intelligence systems we are currently looking to employ in courts, possesses reading speeds of one million characters per second. I can imagine a system similar to this can be used to read and extract all relevant facts, compute tax effect and assist in a myriads of new ways, to propel the pace of decision-making. I find it reassuring to discover that more nations are taking steps towards experimenting and implementing Artificial Intelligence in their respective Justice Delivery System. This goes to say that we are doing and must continue to do everything in order tackle with the workload in Judicial process. Artificial Intelligence, as I see, brings new hope to drive the public faith to our institutions.

One of the most transparent measure to adjudge performance is your ability to dispose of the cases. Lower pendency figures also inspire public faith in the institutions. I am happy to note that there is a constant negative growth in the sense that disposals are more than institution.

Your motto **सुलभ,सर्वसुखे सर्वसुखे** (*sulabh and satvar nyaya*) is very apt and in fact it reflects public expectations from every Tribunal. It is a matter of great satisfaction that you have made sincere efforts to live upto this motto, and have been, by and large, able to meet legitimate public expectations. The fact that all the stakeholders are actively participating in

this event, not just as spectators but also as panelists and in various roles, shows the keenness of the ITAT to take everyone on board and serve the cause of justice in effective manner.

As we bask in the glory of the good work done by our predecessors, we must constantly strive for excellence in whatever we do. The institution must carry on its legacy to follow the best practices and commitment to evolve.

As Palkhivala would say:

*to tax and to please is not given to men; but to tax and be fair is.*

Once again, I congratulate you all on your foundation day and hope that members of ITAT family will continue to excel and contribute to the growth and development of the country.

*Thank You*

*Jai Hind*