**FILING OF APPEAL OR APPLICATION FOR REFERENCE**  
**BY INCOME TAX AUTHORITY– SECTION 268A OF THE**  
**INCOME TAX ACT, 1961 [238 TAXMAN (st.) 5]**  
The monetary limits for filing appeals before the Income Tax  
Appellate Tribunals and High Courts were raised to ` 10  
lakh and ` 20 lakh respectively by Circular 21 of 2015, dated  
10/12/2015.  
The CBDT *vide* letter F.No.279/MISC/M-142/2007-ITJ (PART)  
dated 08/03/2016, clarified that monetary limits of ` 10 lakh for  
filing appeals before the Income Tax Appellate Tribunals would  
apply equally to cross objections under section 253(4) of the  
Act. Cross objections below this monetary limit, already filed,  
should be pursued for dismissal as withdrawn/not pressed.  
The filing of cross objections below the monetary limit may not  
be considered henceforth.  
Similarly, references to High Courts below the monetary limit  
of ` 20 lakh should be pursued for dismissal as withdrawn/  
not pressed. References below this limit may not be considered  
henceforth.  
**ASSOCIATION OF PERSON – ASSESSABLE AS –**  
**CLARIFICATION REGARDING TAXABILITY OF**  
**CONSORTIUM MEMBERS – SECTION 4 OF THE INCOME**  
**TAX ACT, 1961 [238 TAXMAN (st.) 6]**  
1) The CBDT *vide* Circular No. 7/2016 dated 7/3/2016 clarified  
with a view to avoid tax–disputes and to have consistency in  
approach while handling these cases, the Board has decided  
that a consortium arrangement for executing EPC/Turnkey  
contracts which has the following attributes may not be  
treated as an AOP.  
a) Each member is independently responsible for executing  
its part of work through its own resources and also bears  
the risk of its scope of work i.e., there is a clear demarcation  
in the work and costs between the consortium members  
and each member incurs expenditure only in its specified  
area of work.  
b) Each member earns profit or incurs losses, based on  
performance of the contract falling strictly within its  
scope of work. However, consortium members may  
share contract price at gross level only to facilitate  
convenience in billing.  
c) The men and materials used for any area of work are  
under the risk and control of respective consortium  
members.  
d) The control and management of the consortium is not  
unified and common management is only for the *inter*  
*se* co-ordination between the consortium members for  
administrative convenience.  
2) There may be other additional factors also which may justify  
that consortium is not as AOP and the same shall depend  
upon the specific facts and circumstances of a particular  
case, which need to be taken into consideration while taking  
a view in the matter.  
3) It is further clarified that this circular shall not be applicable  
in cases where all or some of the members of the consortium  
are Associated Enterprises within the meaning of section  
92A of the Act. In such cases, the Assessing Officer will  
decide whether an AOP is formed or not keeping in view  
the relevant provisions of the Act and judicial jurisprudence  
on this issue.