

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2679
ANSWERED ON:17.03.2006
AMOUNT LOCKED UP IN CASES
Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

- e:
- (a) whether huge tax amount is locked in court cases and the same is increasing year after year;
 - (b) if so, the details of the money locked up in court cases during each of the last four years;
 - (c) the details of action taken by the Government to bring down the number of tax cases; and
 - (d) the steps taken to expedite the clearance of the pending cases?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): Yes, Sir.

(b): So far as direct taxes are concerned, the amount of tax locked up in cases pending before Income Tax Appellate Tribunal and various Courts is as under:

Rs. In crores	
Financial Year	Amount Locked up
2002-03	12,274
2003-04	30,236
2004-05	30,196
2005-06 (upto January, 2006)	31,970

So far as indirect taxes are concerned, year-wise details are as under:

Rs. In crores	
Year	Amount Locked up

As on 31.12.2003 19209.76
As on 31.12.2004 19473.52
As on 31.12.2005 21962.65

(c)&(d): Litigation is a continuous process. However, the Government in its endeavour to liquidate the arrears of pendency has set up a National Tax Tribunal for early disposal of tax cases and constituted Task Forces to develop and implement a multi-pronged strategy for effecting substantial recovery of arrears of direct and indirect taxes. The steps taken to expedite the clearance of pending cases include making it obligatory for Income Tax Appellate Tribunal to pass orders within 180 days of the stay order, monitoring of cases before different Courts/Tribunals, speedy action for recovery of arrears of income tax/duty, restricting of powers of

Commissioner (Appeals) to set aside cases, setting up of special units for recovery of arrears of service tax, etc.