

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2963

ANSWERED ON:17.12.2004

TAX ARREARS

Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

- (a) whether steps have been taken by Union Government to get the stay orders vacated; and if so, the details thereof;
- (b) the arrears of tax recovered on account of getting the stay orders vacated;
- (c) whether is the policy of Government in all cases to minimize litigation and if so, the reasons for the litigation increasing day in and day out and whether the Government departments are also responsible for increased litigation; and
- (d) if so, steps taken to minimize litigation so as to facilitate early disposal of cases pending in the country?

Answer

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

(a) Vacation of stay orders is a legal process in terms of the procedure prescribed by the Courts and the Tribunal. Whenever, a stay application is made before the Courts or Tribunal, the Government suitably opposes such applications on merits. Task Forces on Recovery of Arrears have been constituted to, inter alia, monitor the stays granted by the Courts/Tribunal.

(b) Information as to the recovery of tax on account of vacation of stay orders is not maintained. Collection of such information from field authorities located all over the country would involve substantial time and effort, which may not be commensurate with the objective sought to be achieved.

(c) It is the endeavour of the Government to minimize litigation. However, the legal interpretation of the tax laws necessitates elucidation by Courts on complex questions of law. The Government has taken steps to reduce litigation by ensuring that no matter comes to the court without its clearance by the Committee on Disputes in respect of Government Departments and PSUs.

(d) Major initiatives have been undertaken to minimize litigation as also to facilitate early disposal of cases, which include monitoring of the pending cases before the Tribunals, High Courts and Supreme Court, issue of instructions fixing higher monetary limits for filing appeals in an effort to minimize litigation, legislative measures to correct lacunae pointed out by the courts, periodical meetings with officers concerned to resolve high demand appeals on priority basis, etc.