

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2897
ANSWERED ON:26.11.2010
AMOUNT UNDER DISPUTE
Abdulrahman Shri ;Choudhary Shri Harish

Will the Minister of FINANCE be pleased to state:

- (a) whether crores of tax dues are locked under litigation in different tax tribunals and courts and shown as receivables in the Budgets;
- (b) if so, the details of amount which is yet to be realised, sector wise;
- (c) whether the Union Government has set any target to realise these dues;
- (d) if so, the details thereof; and
- (e) the steps taken by the Union Government to settle the disputes, including out of court settlements?

Answer

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

(a): An amount of Rs. 91,087 crore (approximately) of Income tax dues was locked up in appeal before various courts and tribunals as on 31.3.2010.

(b): The amount of Income tax locked up under litigation as on 31.3.2010 before Income Tax Tribunal and various courts are as under:

Name of the Court/Tribunal Amount locked up in appeal (in Rs. Crore)

Supreme Court 820.79

High Courts 68,443.17

Income Tax Appellate Tribunal 21,823.26

(c) & (d): Realization of the dues from cases under litigation is dependent upon the outcome of the appellate processes, which cannot be predicted. The department takes the measures prescribed under the statute to realize the collectible demand. The target for cash collection out of the total arrears of Income Tax, which includes demands locked up in litigation, for the current Financial Year is Rs 13,906 crore.

(e): The Income Tax Act, 1961 (the Act) prescribes the appellate mechanism for resolution of disputes arising under the Act. These include resolution of disputes and its prevention through institutions such as the Income Tax Settlement Commission and Authority for Advance Rulings set up under Chapter-XIX-A and Chapter-XIX-B of the Act respectively. Besides, w.e.f. 01.04.2009, the concept of Dispute Resolution Panel has been introduced in the Act in Chapter XIV as a preventive measure in the cases of foreign companies and the cases arising out of orders of Transfer Pricing officers.

Information in respect of reply to part (a) to (e) pertaining to indirect taxes is being collected and will be laid on the Table of the House.