

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2753  
ANSWERED ON:09.12.2011  
TAX CESS  
Shantha J.

**Will the Minister of FINANCE be pleased to state:**

- (a) the number of cases lying pending for adjudication with departmental officers in Income Tax, Central Excise, Customs and Service Tax, as on date;
- (b) the number of cases lying pending with them for more than one year, two years and more than three years;
- (c) the quantum of money locked in these cases;
- (d) whether there is any time limit for the disposal of such cases;
- (e) if so, the reasons for not adhering to the said time limit; and
- (f) the steps taken or proposed to be taken to dispose of such cases quickly?

**Answer**

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

(a): The numbers of Income Tax, Central Excise, Customs cases and Service Tax cases pending for adjudication with the departmental officers, are as under:-

Type of cases	Total number
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Central Excise (as on 30.9.2011)	21200
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Customs (as on 31.8.2011)	10593
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Service Tax (as on 30.9.2011)	28429
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Income Tax (as on 31.08.2011)	206523
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(b):

Type of cases	1 -2 years	2-3 years	More than 3 years
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Central excise	1376	285	104
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Customs	716	121	246
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Service Tax 12816 cases are pending for more than one year. Break-up of cases pending for more than two and three years is not maintained.

Income Tax Out of total pendency, 83227 appeals are pending since 31.03.2010, 80832 appeals are pending which have been instituted between 01.04.2010 and 31.03.2011 & 42914 appeals have been instituted after 01.04.2011. Further bi-furcation

of age wise pendency of these cases is not maintained.

(c):

(in Rs. Crores)

Central excise 22037.89

Customs 7209.15

Service Tax 22759

Income Tax 250622

(d) & (e) : In case of Indirect Taxes, as per provisions contained in sub-section (2A) of Section 28 of the Customs Act, 1962 and sub-section 11 of Section 11A of the Central Excise Act, 1944, where it is possible to do so, the cases involving fraud, collusion, suppression etc. are to be adjudicated within a period of one year and other cases within a period of six months from the date of service of the notice. Departmental instructions have also been issued to adjudicate such cases within a period of one year. Delay in adjudicating these cases within the prescribed time limit is due to procedural requirements necessitated to meet the principles of natural justice. In case of Direct Tax, Section 250 (6A) of Income Tax Act, 1961, provides as under:

‘Commissioner (Appeals,) where it is possible, may hear and decide such appeals within a period of one year from the end of financial year in which such appeal is filed before him. ` The Act does not prescribe any binding time limit but only a suggestive time limit for adjudication of appeals by Commissioner of Income Tax (Appeal). Best efforts are made to dispose off the cases within the said limit of one year. However, in many cases, owing to the factors such as facts and circumstances of the cases, requirement of further enquiry, delay in representation by assessee or for other valid reasons, the Commissioner of Income-Tax (Appeals) may take more than one year in deciding the appeal. There is also shortage of manpower looking into work load of appeals which adversely affect quick disposal of appeals.

(f) The pendency of adjudication cases is monitored and appropriate instructions for their expeditious disposal are issued to the field formations from time to time. In case of Direct Taxes, a Central Action Plan for Commissioner (Appeals) with bench mark for timely disposal of cases has been prepared.