

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1648  
ANSWERED ON:22.08.2012  
UNRECOVERED DUES  
Singh Shri Pashupati Nath;Singh Shri Ravneet

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

- (a) the number of tax recovery cases in various Courts as on date along with the amount locked up thereby;
- (b) whether the cases of unrecovered dues have been analyzed and if so, the details thereof and if not, the reasons therefor;
- (c) the proportion of cases lost due to poor representation as also those lost due to flawed legislation; and
- (d) the reaction of the Government thereto?

**Answer**

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

(a) The number of cases pending and the amount involved in cases relating to direct and indirect taxes before High Courts and Supreme Court as on 31-3-2012 are as under:

**Direct Taxes:**

Court    No. of cases    Amount involved (Rs. in crore)

Supreme Court    5860    2707

High Courts    29650    36340

**Indirect Taxes:**

Court    No. of cases    Amount involved (Rs. in crore)

Supreme Court    2855    8130

High Courts    14626    11459

(b): Analysis of unrecovered direct and indirect taxes dues indicate that non recovery is mainly attributable to unavoidable processes in law including appellate remedies. The main reasons for non- realization of unrecovered dues inter-alia include, pendency of decision on stay applications by Appellate Authorities, arrear recovery stayed by various Appellate Authorities and Courts, defaulters being not traceable, units being under BIFR and cases pending with Official Liquidators, etc.

(c) & (d): Department take every possible step to ensure proper representation of cases before High Courts and Supreme Court. Department is represented before High Courts through Standing Counsels, and before Supreme Court through law officers appointed by Ministry of Law and Justice. Department also engages Special Counsels for cases involving substantial revenue, wider impact or cases with complexity, etc. Loss of any case can not be attributed to poor representation as every possible step is taken to ensure that the Department's case is represented properly. Further legislations are made upon conscious policy decisions and after due legal vetting, therefore, the question of cases being lost due to flawed legislation does not arise.