

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3206  
ANSWERED ON:15.03.2013  
AMOUNT LOCKED DUE TO LITIGATION  
Owaisi Shri Asaduddin

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

- (a) the agencies of the Government involved in checking tax evasion;
- (b) the number of cases of tax evasion detected by these agencies during the last three years, agency-wise and year-wise;
- (c) whether the Government has any mechanism to monitor the working of the officers of the agencies who are involved in checking tax evasion and if so, the details thereof;
- (d) the number of officers found involved in favouring the tax evaders during the last three years and action taken or proposed by the Government against such officers; and
- (e) the effective measures taken/being taken by the Government to combat tax evasion in the country?

**Answer**

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

(a) Yes, Madam.

(b) Amount locked up due to litigation with regard to direct taxes (as on 30.09.2012) is as under :-

(Rs. in Crores)	
Supreme Court	2599.17
High Court	18216.22
Income Tax Appellate Tribunal	1191.25
Commissioner Income Tax (Appeals)	78605.98

Amount locked up due to litigation with regard to indirect taxes (as on 31.12.2012) is as under :-

(Rs. in Crores)	
Supreme Court	8693.28
High Court	12222.71
Customs, Excise & Service Tax Appellate Tribunal	78545.43
Commissioner Appeals	8619.38

(c) The amount so far settled with regard to direct taxes during the last three years and taxes realized therefrom is as under :-

(Rs. in crores)			
Financial Year	Supreme Court	High Court	Income Tax Appellate Tribunal
2009-10	784.56	2074.62	2070.67
2010-11	275.17	6213.58	7871.75
2011-12	1416.41	24512.34	21506.35
2012-13 (till Sept., 2012)	192.90	4076.10	9574.58

Data regarding direct tax involved in appeals disposed off by Commissioner of Income-Tax (Appeals) and tax realized after appellate decision at various levels, is not centrally maintained.

As regards indirect taxes, data regarding amount so settled and taxes realized is also not maintained centrally.

(d) The following steps have been taken by Central Board of Direct Taxes and by Central Board of Excise and Customs to minimize

litigation time to ensure early release of the locked-up amount :-

Central Board of Direct Taxes :-

(i) Target of disposal of appeals by Commissioner Income Tax (Appeals) has been set, with high demand appeals getting priority, which are monitored on regular basis.

(ii) Redistribution/ rationalization of workload amongst Commissioner Income Tax (Appeals) has also been effected.

(iii) In order to facilitate early disposal of appeals pending with ITAT, High Court and Supreme Court, instructions have been issued to ensure proper and timely representation.

Central Board of Excise & Customs :-

(i) Threshold limit for filling of Departmental Appeals has been prescribed as Rs.25 lakh, Rs.10 lakh and Rs.5 lakh before the Supreme Court, High Court and Customs, Excise & Service Tax Appellate Tribunal respectively. This is expected to reduce future appeals and help in de-clogging of indirect tax matters in the courts and Customs, Excise & Service Tax Appellate Tribunal.

(ii) The legislative amendments in the Finance Bill, 2013, have been introduced to enhance the monetary limit of the cases heard and disposed by Single Member Benches of the Customs, Excise & Service Tax Appellate Tribunal from Rs.10 lakhs to Rs.50 lakhs.

(iii) Early hearing application in cases involving substantial revenue are filed for quicker disposal.