

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5189

ANSWERED ON:24.04.2015

INCOME TAX CASES UNDER LITIGATION

Giluwa Shri Laxman;Laguri Smt. Sakuntala;Patil Shri Kapil Moreshwar

Will the Minister of FINANCE be pleased to state:

(a) the arrears of outstanding tax accumulated as on 31 March, 2015, category-wise;

(b) the number out of them outstanding due to litigation in courts;

(c) whether delay in settlement of such cases in courts is a result of lack of due diligence on the part of Income tax officials to pursue the case; and

(d) if so, the reaction of the Government thereon and the steps taken by the Government for speedy recovery of outstanding taxes under litigation?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI.JAYANT SINHA)

(a) The details of outstanding income tax as on 31st March 2015 have not yet been compiled. However, provisional data of head-wise outstanding income tax demand as on 28th February 2015 is available and is as under:-

(Rs. in crore)

Head	Income Tax	Corporate Tax	Total
Arrear Demand	312773	272252	585025
Current Demand	9349	48038	57387
Total	322122	320290	642412

(b) The number of cases in which outstanding tax demand is locked in litigation in appeals, as on 31st March 2015, has not yet been compiled. However, provisional data of the amount of tax demand disputed in litigation before Commissioners of Income Tax (Appeals) (CsIT(A)), Income Tax Appellate Tribunal (ITAT) and Supreme Court/ High Courts (SC/HCs) as on 28th February 2015, is as under:-

(Rs. in crore)

Demand	Arrear	Demand	Current	Demand	Total
disputed	Income	Corporate	Income	Corporate	
before	Tax	Tax	Tax		
CsIT(A)	161700	116929	1475	9169	289273
ITAT	104618	47056	41	3678	155393
SC/HCs	3745	21329	168	226	25468
Total	270063	185314	1684	13073	470134

(c) & (d) No, Madam. Income Tax Department takes all necessary steps to ensure that all cases are suitably represented and strongly contested. Necessary Instructions and Standard Operating Procedures are in place to ensure proper due diligence by the Officers concerned.

Recovery of outstanding tax demand in accordance with the provisions of Income-tax Act, 1961 is a continuous process irrespective of the fact whether the tax demand is locked in litigation before the court or not. However, no action for recovery can be taken if the demand is stayed.

Moreover, the Department has issued an advisory to the Principal Chief Commissioner of Income Tax/ Chief Commissioner of Income Tax (Pr CCsIT/CCsIT) to ensure that Standing counsels are properly briefed when a case for stay comes up for hearing before High Courts/Supreme Court. Further, the Standing Counsels are also requested to explore the possibility of filing caveats in appropriate cases where taxpayer is likely to seek stay of demand.

Pr CCsIT/CCsIT have also been advised to request the Chief Justice of the respective High Court to expedite hearing in cases where high demand is outstanding.