

WRITTEN ANSWERS TO STARRED QUESTIONS

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

RAJYA SABHA
STARRED QUESTION NO.*187
ANSWERED ON 18/03/2025

RESOLUTION OF TAX LITIGATIONS

*187. ShriVivek K. Tankha:

Will the Minister of Finance be pleased to state:

- (a) the total number of tax disputes currently pending in various courts and tribunals;
- (b) the estimated amount of tax revenue locked in litigations; and
- (c) whether Government proposes any special mechanisms or fast-track courts to resolve these disputes expeditiously?

ANSWER
THE MINISTER OF FINANCE
(SMT. NIRMALA SITHARAMAN)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. *187 FOR REPLY ON 18.03.2025 REGARDING “RESOLUTION OF TAX LITIGATIONS” ASKED BY SHRI VIVEK K. TANKHA.

(a) & (b): The total number of tax disputes pending in various courts and tribunals and the estimated amount of tax revenue locked up in litigation are as follows: -

S. No.	Forum	Indirect Taxes (as on 31/01/2025)		Direct Taxes (as on 31/12/2024)	
		Number	Amount (Rs. Cr.)	Number	Amount (Rs. Cr.)
1	Supreme Court	2571	109098.3	6730	25708.2
2	High Court	24184	263732.6	41548	487989.2
3	CESTAT/ITAT	55256	203216.7	23175	670216.0
	Total	82011	576047.6	71453	1183913.4

(c): The following steps have been taken by the Government to resolve tax disputes expeditiously in case of direct taxes:

- In pursuance of section 245MA in the Income-tax Act, 1961, the CBDT has notified the e-Dispute Resolution Scheme, 2022 (e-DRS) with the aim to reduce litigation and provide relief to eligible taxpayers.
- Direct Tax Vivad se Vishwas Scheme, 2024 ("the DTVSV Scheme 2024") has been introduced since 1.10.2024 as a one time measure of dispute resolution. As per the scheme, the appellant, in whose case objections before DRP/ appeal/writ petition/ special leave petition has been filed by him or by the Income Tax Authority or both, can avoid litigation by paying the amount, decided by the designated authority as per the Scheme.
- Vide Circular dated 17.09.2024, the CBDT has enhanced the monetary limits of filing appeals by the Department before the ITAT, HC and SC to Rs. 60Lakhs, 2 Cr. And 5 Cr. in 2024. The revision of monetary limits of filing appeals has been undertaken from time to time.
- In the sphere of international taxation, the Department has adopted the Advance Pricing Agreement (“APA”) under section 92CC of the Act. An APA is an agreement between the tax administration and the taxpayer, which determines, in advance, the Arm’s Length Price (“ALP”) or specifies the manner of the determination of ALP (or both), in relation to an international transaction. The APA programme has contributed immensely in prevention/ resolution of protracted tax disputes by providing tax certainty to taxpayers.
- The Rule 44G of the Income Tax Rules deals with the issue of implementation of Mutual Agreement Procedure (“MAP”). MAP is an alternate tax dispute resolution mechanism available to the taxpayers under the DTAAAs for resolving disputes giving rise to double taxation or taxation not in accordance with DTAAAs.
- In line with the international best practice Government of India has incorporated a scheme of Advanced Tax Ruling in the Act and accordingly, the CBDT has constituted 3 Boards of Advance Ruling as per Section 245-OB of the Act. A non-resident investor can obtain certainty on its liability towards income tax even before undertaking the investment in India. Further, even a resident entity can obtain a Ruling on the taxability of a transaction and avoid long-drawn litigation, as the Scheme is also available to a resident taxpayer seeking an advance ruling concerning its tax liability arising out of one or more transactions, valuing Rs.100 crore or more in total.

The Following steps have been taken in the case of Indirect Taxes:

- A circular No.1081//202-EX dated 19.01.2022 was issued by the Board wherein the field formations have been instructed to file Miscellaneous Application for early hearing, out of turn hearing, early decision, stay vacation, bunching of cases as per merits/requirement to reduce the pendency in various appellate fora.
- Monetary limits for filing appeals in various fora w. r. t. Legacy (C. Ex. & S. Tax), Customs & GST appeals have been enhanced/introduced vide Instructions dated 06.08.2024, 02.11.2023 and Circular dated 26.06.2024 respectively. Post enhancement, the monetary limits are as under:

S. No.	Appellate Forum	Enhanced Monetary Limits (Instruction dated 06.08.24)	Enhanced Monetary Limits (Instruction dated 02.11.23)	Introduced Monetary Limits (Circular dated 26.06.24)
		Legacy (C. Ex & S. Tax)	Customs	GST
1	Supreme Court	Rs. 5 Crore	Rs. 2 Crore	Rs. 2 Crore
2	High Courts	Rs. 2 Crore	Rs. 1 Crore	Rs. 1 Crore
3	CESTAT	Rs. 60 Lakh	Rs. 50 Lakh	Rs. 20 Lakh

Consequent to enhanced monetary limits, total 200 Legacy Appeals & 14 Customs Appeals have been dismissed (as withdrawn) on account of monetary limits by the Hon'ble Supreme Court.

- Early Hearing Applications are being filed in the Supreme Court for the priority disposal of high-revenue cases involving revenue of Rs.10 crores and above. Currently, 108 such applications have been filed in the Supreme Court, and a further 188 applications are in the process of being filed. A similar practice is followed in High Courts and CESTAT.
- In CESTAT, cases involving similar issues are being bunched for priority disposal.
- Field formations have been instructed that in matters where Department has lost in two consecutive previous stages of appeal, the proposal for any further appeal at a higher forum has to be accompanied with a certificate of satisfaction by the concerned Chief Commissioner that the Department has a strong case on merits.
- CBIC has empowered Zonal Principal Chief Commissioners/Chief Commissioners to redistribute pending appeals among other Commissioner (Appeals) and equivalent officers within their jurisdiction.
- CBIC has recently issued a letter dated 27.09.2024 to all Zonal Principal Chief Commissioners/Chief Commissioners to undertake periodical review of the appeals pending with Commissioner (Appeals) and Additional/Joint Commissioner (Appeals) to reduce the pendency of first appeals.
- CBIC has recently notified scheme under Section 128A of the CGST Act, 2017 (to be effective from 01.11.2024) to give total waiver of interest and penalty for specified non-fraudulent GST demand notices under section 73 relating to F.Y. 2017-18 to 2019-20.
- CBIC introduced SAMAY software for systematic adherence and management of timelines for yielding results in litigation.
