

Over 450 tax cases withdrawn

In a significant step towards reducing litigation over indirect tax, the government has withdrawn more than 450 cases in high courts and the appellate tribunal. Based on a new criteria laid down by the government, field officials of the Central Board of Excise and Customs (CBEC) filed applications for withdrawal of 980 cases in high courts and 2,174 in the Customs, Excise and Service Tax Appellate Tribunal (CESTAT). High courts have allowed the withdrawal in 250 cases, while the CESTAT has accepted 202, the finance ministry said in a statement.

Chief commissioners or principal commissioners were directed to identify the cases that could be withdrawn based on the new rules and higher threshold framed by the government to cut litigation. Officials identified 2,051 and 5,261 cases fit for withdrawal from high court and CESTAT, respectively.

The government has raised the limit below which appeals are not to be filed by the department in CESTAT and high courts to Rs 10 lakh and Rs 15 lakh, respectively.

It was also decided that government would withdraw all cases in high courts and CESTAT where there was a precedent Supreme Court decision and against which no review was contemplated by the department.

In another measure, the government made pre-show-cause consultation mandatory in all the cases where duty involved is above Rs 50 lakh.

"The measures on litigation management are welcome and in line with the recommendation of TARC (Tax Administration Reform Commission).

The pre-show-cause notice discussion with the assessee if applied in true spirit could drastically cut down litigation and hence the transaction cost of doing business in India," said Bipin Sapra, tax partner at EY India.

(Economic Times)