

## CHAPTER - IV

### SIGNIFICANCE OF SUPREME COURT AND EXAMINATION OF POSSIBILITIES REGARDING TAX LITIGATIONS.

- 4.1           Significance of Supreme Court as an appellate  
forum
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CHAPTER IV  
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AND  
EXAMINATION OF POSSIBILITIES  
REGARDING TAX LITIGATION

INTRODUCTION :

This chapter brings out the role of the Supreme Court in deciding the cases and making the decisions binding on concerned parties legally. This chapter tries to bring out disparities of law enacted, and effect of disparities on tax collection which hampered the Income of Government of India. This chapter also brings out the resultant controversies due to varied interpretation of versions by different courts of India, thereby ultimately affecting the enactments of laws. The parties then have to approach to the Supreme Court of India.

4:1 SIGNIFICANCE OF THE THE SUPREME COURT AS AN APPELLETE FORUM :

There are different destinations which decides the disputes i.e. the first appeal before the deputy commissioner or appellate commissioner, the second appeal goes to the tribunal the subsequent appeal rests with High Court of the state and finally when

the High Court decides the merits, the final appeal goes to the Supreme Court of India. The right of appeal is enjoyed by the Income Tax Department. The constitution of Supreme Court is made by the Central Government. The Supreme Court follows the procedure and gives its decisions which is binding on the parties.

#### 4:2 AN EXAMINATION OF POSSIBILITIES REGARDING THE TAX LITIGATION:

An exhaustive review of the Supreme Court decision has been taken in the earlier chapters. These cases have been selected from various statutes. The period covered is from 1985 to 1992.

Similar review has been taken in these chapter regarding the significance of Supreme Court of India as an appellate forum. It is a highest platform that settles the various issues raised by the assessee as well as the department. The Supreme Court gives its ultimate opinion on the issue and settles the law of the land. The decision of the Supreme Court bind the lower authorities and therefore there is a finality of the disputes.

The examinations of the various decisions leads to the following views.

1. The direct tax laws provide various areas of conflicts leading to litigations between the tax payers and the tax collec-

tor. The litigations arise from various areas. These litigations also covers wide spectrum. The decisions takes a prolonged time to reach the final Court of the law. The taxes are collected to meet the Governmental expenditure. The tax revenue is a major revenue of Government of India and it is, also allocated to the state Government. The tax collections are affected because of such litigations and therefore, in order that there should be a simplifications. The areas of disputes should be minimised litigations will only be reduced if the laws are simple.

2. The various decisions of the Supreme Court also reveal the fact that the different High Court gives different versions as regards the facts and also as regards the law. Because of such different interpretations there is no uniformity in the lower Court and therefore, finally the matter has to be resolved only by the Supreme Court. This increases the volume of the work of Supreme Court, because the Supreme Court has ultimately to settle the situations.

3. The decisions of the Supreme Court under various direct tax laws such as Income Tax Act, Wealth Tax Act, Gift Tax Act are taken up by the Supreme Court on the same issues such as assessment, penalties etc. There should be one common procedural law. In the absence of this, the work of Supreme Court is increased.

In the smooth collection of taxes will only reason provided the tax litigations are minimised.

In the subsequent chapter an attempt is made to draw conclusion and make suggestions.

#### CONCLUSION -

We have discussed above the role of Supreme Court of India in deciding the disputes among parties. Also, we have discussed the disparities among the decisions of different Courts, on interpretations of versions. This discussions leads us to think about possibility of common procedural law, which will lessens the burden of Supreme Court, enable speedy decisions by authorities & minimises the number of disputes and speed-up settlement of the disputes by the lower authorities will be possible.