

**Writing-off arrears of Taxes**

5484. **SHRI MOHAN LAL PIPIL:** Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state the names of the parties in whose cases arrears of direct as well as indirect taxes amounting to more than Rs. 1 lakh were written off during the period from 1.7.1975 to 31.3.1977 and the reasons thereof in each case?

**THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL):** Names of parties in respect of whom arrears of income-tax (including corporation-tax) in excess of Rs. 10 lakhs, in each case,

were approved for write-off by the Central Board of Direct Taxes during the period 1.7.75 to 31.3.77, the information of which is readily available, is furnished in Statement 'A'.

Details of cases where arrears of Central Excise revenue exceeding Rs. 1 lakh were written-off during the period from 1.7.75 to 31.3.77 is furnished in Statement 'B'.

Details of cases of arrears of Direct Taxes other than income-tax and corporation tax and of Customs duty exceeding Rs. 1 lakh written-off during the period from 1.7.75 to 31.3.77 are being collected and will be laid on the Table of the House.

**Statement 'A'**

*Details of the cases where the arrears of Income-tax (including Corporation-tax) in excess of Rs. 10 Lakhs were written-off during the period 1-7-75 to 31-3-77*

S. No.	Name of the assessee	Amount approved for write-off	Reasons for write-off
1	2	3	4
Rs.			
1	Shri Gopal Narain Seth, Prop. Seth Bros., Calcutta.	15,96,568	The assessments were made ex-parte. The assessee was not traceable nor any assets were found out of which the tax could be recovered.
2	Shri S. T. Shah, Prop. G.A. Prabhudas & Co., Bombay.	31,16,735	Assessee closed the business and had no attachable assets.
3	M/s. Commercial Yarn Trading Co., Bombay.	61,72,250	The firm closed its business and had insufficient assets.
4	Shri T. M. Karundia, Bombay	13,36,741	Assessee died leaving behind insufficient assets.
5	M/s. Chimanlal Popatlal, Bombay.	17,31,847	The firm closed its business and had insufficient assets.
6	M/s. Sankalchand G. Shah & Co., Bombay.	33,11,883	The firm closed its business and had no attachable assets.
7	Shri Abdul Razak Ahmed Saheb Kokani, Nasik.	13,88,196	The assessee had insufficient assets.
8	Shri Bhagi Lal Mehta, Partner of M/s. Pravin Bros., Bombay.	10,74,392	The firm closed the business and its partners were declared insolvent.
9	M/s. Pravin Bros., Bombay	17,46,675	

1	2	3	4
		Rs.	
10	H. H. Srimat Sardanandji, Cooch Behar	25,54,665	Assessee was not traceable nor any assets were available, out of which recovery could be made.
11	Shri N. G. Shah, Bombay	13,67,509	The assessee died in 1965 leaving behind insufficient assets.
12	Late Shri Jivanlal Lalubhai, Bombay.	13,59,412	The assessee died in 1962 leaving behind insufficient assets.
13	Shri Jaishankar Gaurishankar, Prop. of M/s. Nandram Govindram, Bombay.	12,62,180	The assessee closed the business in 1951. No recovery could be made for want of assets.
14	M/s. New Era Textile Mills (P) Ltd., Bombay.	22,62,635	The company went into liquidation and no recovery could be effected in the absence of any assets.
15	M/s. Jaipuria Brs., Tumsar	14,24,361	The amount could not be recovered in the absence of sufficient assets.
16	M/s. Gudrughat Mines Tumsar	13,79,392	The amount could not be recovered in the absence of sufficient assets.
17	M/s. East Asia Trading Corporation, Calcutta.	17,55,982	The firm closed its business in 1954. There were no assets out of which tax could be recovered.

#### Statement 'B,

*Details of cases where the arrears of Central Excise revenue exceeding Rs. 1 Lakh were written-off during the period from 1-7-75 to 31-3-77.*

S. No.	Name of the party	Amount	Reasons
1	2	3	4
		Rs.	
1	Shri Shafi Mohammed S/o Abdul Majid of Sahawar Distt. Etah (U.P.)	1,21,548.36	The party was involved in an offence case which was adjudicated by the departmental officers in the year 1965 demanding the amount indicated in Col. 3, on account of non-accountal of tobacco in the statutory records.  After exhausting all the avenues of recovery available to the Department, the matter was referred to the State Authorities for effecting recovery. As they also failed to recover any amount and furnished an irrecoverability certificate the amount had to be written-off as irrecoverable.

1	2	3	4
		Rs.	
2	Shri Nanubhai Ambalal Patel of Rangapur, Baroda.	₹1,53,361-00	An offence case was booked against the party for non-accountal of tobacco to the satisfaction of Excise officers. A demand for the amount as shown in Col. 3 was raised in 1951 against the party. He went in litigation against the department. The case remained in litigation from 1955 to 1976 and finally went in favour of the party. The Law Ministry advised against a further appeal. Accordingly, the amount had to be written-off as irrecoverable.
3	Shri Akhtar Abbas, Proprietor of M/s. Nadra Chemicals & Pharmaceutical Works, Bhopal.	1,32,936-00	M/s. Nadra Chemicals & Pharmaceutical Co., Bhopal were found manufacturing and clearing french polish without a central excise licence and without payment of central excise duty leviable thereon during the period 1-3-55 to 16-5-57. A demand for the amount as shown in Col. 3 was therefore raised against them. The party disputed this liability and filed a writ in the M.P. High Court at Indore. One Mrs. Iftakar Jehan Begum offered security bond for the amount involved on 23-2-58, as ordered by the Court. The Writ petition was dismissed by the Court on merits. As the party failed to pay the amount, action was taken to recover the amount from the surety. The surety also approached the Court and succeeded. Government application for special leave to Supreme Court was rejected. The amount had therefore to be written off as irrecoverable.

**Division of work handled by the Revenue Wing**

5485. SHRI MOHAN LAL PIPIL: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether it has been decided to divide the work handled by the Revenue Wing into three independent Boards;

(b) if so, the estimated amount of additional administration expenditure likely to be incurred as a result thereof;

(c) whether it is further proposed to set up separate Boards of Central Excise, Customs, Land Customs and Estate-Duty and if so, the additional expenditure likely to be incurred as a result thereof; and

(d) the total number of Class I posts created or likely to be created as a result of the changes in the administrative set up of the Department?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) The decision taken