

Income-Tax Arrears

3554. SHRI SUBHASH YADAV:

SHRI KRISHNA PRATAP
SINGH:

Will the Minister of FINANCE be pleased to lay a statement showing:

(a) the total amount of arrears of income-tax outstanding in the country at the close of each financial year during the last three years;

(b) the number of persons and parties against whom the arrears of income-tax is outstanding for more than one lakh;

(c) the steps taken to realise the amount of arrears of income-tax outstanding; and

(d) what are the details of the amount of income-tax arrears written off during the last five years, year-wise and the number of those in whose cases the amount has been written off and the reasons therefor?

THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE
(SHRI SAWAI SINGH SISODIA):

(a) The requisite information in respect of 'tax in arrears' and 'demand created but not fallen due' as at the end of the last 3 financial years is as under:

(Amount in crores of Rs.)

Financial year	Tax in arrears	Demand created but not fallen due
1977-78.	663.53	356.34
1978-79.	554.90	355.74
1979-80.	589.65	422.20

Number of persons and parties against whom arrears of income-tax outstanding for more than one lakh

(b) Financial year

1977-78.	10,183
1978-79.	7,356
1979-80.	8,459

(c) The Income-tax Act, 1961 provides for several steps for enforcing collection and recovery of tax-in-arrears such as levy of penalty, attachment of monies due to the defaulter, distraint and sale of movable property, attachment and sale of immovable property, etc., Depending upon the facts and circumstance of each case, suitable steps are taken from time to time by the Income-tax authorities concerned for recovery of tax arrears. Some of the important administrative steps taken recently are given in the Annexure.

(d) Financial year

Cases in which
arrears of income-
tax were written off

	No. of cases	Amount in crores of Rs.
1975-76.	12,485	5.32
1976-77.	87,296	9.79
1977-78.	94,316	13.19
1978-79.	96,641	21.76
1979-80.	1,81,409	10.59

The arrears of income-tax are usually written off when they become irrecoverable due to one or more of the following reasons:

(1) assessee having died leaving behind no assets;

(2) assessee-companies having gone into liquidation;

(3) assessee, who are alive but have no assets out of which tax arrears can be recovered;

(4) assessee being untraceable.

(5) assessee having left the country without leaving any assets;

(6) amounts written off as a result of settlement with the assessee; and

(7) amount being petty etc.

Statement

Some of the important administrative steps taken recently to reduce the tax arrears and to recover those long overdue are given below:—

(i) High priority has been given to the recovery of tax arrears in the 'Action Plan' of the Income-tax Department for the current financial year i.e. 1980-81;

(ii) The problem was examined in detail at the Commissioners' Conference held in May 1980. The following targets were laid down:—

(a) reduction of 55 per cent arrear demand and 85 per cent of the current demand; and

(b) reduction of 85 per cent of the outstanding entries of the demand raised in 1979-80.

(iii) Monthly progress of recovery of tax arrears is monitored by the Board. The figures are obtained telegraphically from the Commissioners and appropriate remedial action is taken by the Board;

(iv) A Director of Recovery of the rank of the Commissioner of income-tax closely watches progress of tax arrears particularly in cases of Rs. 10 lakhs and above. His progress is supervised by the Board.

(v) In order to speed up the recovery of tax arrears from companies in liquidation the Department of Company Affairs issued, at the request of the Board, instructions in 1979 to all Official Liquidators to establish close liaison with the Income-tax authorities and to furnish the required information to Income-tax Officers. Suitable instructions have also been issued in this regard to the Income-tax Officers.

(vi) A list of appeals pending with the Income-tax Appellate Tribunal involving large arrears was sent in 1979-80 to the President of the Tribunal through the Ministry of Law for disposal on priority basis. Commissioners of Income-tax were requested to keep in touch with Vice-President/Members of the Local benches of the Tribunal. They were also requested to meet the Hon'ble Chief Justice of the High Courts of their respective areas requesting them for early fixation of the pending high demand reference. A similar action has been decided for the current financial year and instructions were issued on 5th July, 1980.

(vii) A "Tax Arrears and Refund Clearance Fortnight" was observed in the second fortnight of January, 1981 when special emphasis was given for reducing the tax arrears.

(viii) In difficult cases for recovery where the amount is Rs. 25,000 or more, separate Income-tax Officers for recovery were appointed in 1979-80 to pay concerted attention to the collection of outstanding amount. The arrangements are being reviewed in the current year and, where feasible, strengthened.

(ix) 36 additional posts of Appellate Assistant Commissioners have been sanctioned to accelerate disposal of pending appeals.

(x) Lists of high demand appeals i.e., those involving tax arrears of Rs. 1 lakh and above in each appeal are being sent to the Commissioners

of Income-tax (Appeals) periodically by the Board which are required to dispose them on priority basis. Recently they have been requested to dispose of all such appeals filled up to 31-12-1980 by the end of the current financial year.

(xi) The Income-tax return forms for the assessment year 1979-80 contain a separate proforma in ITNS 224 requiring the assesses, to indicate the particulars of pending rectifications, claims of pre-paid taxes etc. Instructions have been issued to the Income-tax Officers to personally ensure that all the pending rectifications specially, those pointed out by the assesses, in the proforma in ITNS 224 are duly carried out so that the net tax payments can be recovered expeditiously and infructuous arrears are removed. The Board is watching the progress in this regard.

(xii) Instructions have been issued requiring the Commissioners to convene periodical meetings with their Inspecting Assistant Commissioners who should do likewise with their range Income-tax Officers to appraise the performance of recovery work. The Board, as stated before, have also been appraising the performance of each Commissioner of Income-tax through monthly telegraphic reports.

विदेशी निवेश

3555. श्री राम प्यारे पनिका : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सरकार ने बड़ी विकास परियोजनाओं के लिए विदेशी निवेश को बढ़ावा देने का निर्णय किया है ;

(ख) यदि हां, तो उसके क्या कारण हैं और किन परियोजनाओं में यह किया जाएगा उनके नाम क्या हैं; और

(ग) क्या इससे परियोजनाओं की गति तेज होगी ?

वित्त मंत्री (श्री आर. वेंकटरमणन) :

(क) से (ग) : संभवतः माननीय सदस्य का आशय तेल निर्यातक विकासशील देशों के लिए भारत में पूंजी के निवेश के लिए उपलब्ध की गई सुविधा के सम्बन्ध में जानकारी प्राप्त करने से है। यदि ऐसा ही आशय है तो माननीय सदस्य का ध्यान दिनांक 19-12-80 के तारांकित प्रश्न संख्या 483 के उत्तर की ओर आकर्षित किया जाता है। सरकार को उम्मीद है कि इस सुविधा के प्रदान किए जाने से प्राथमिकता प्राप्त क्षेत्रों में अधिक मूल्य वाली परियोजनाएँ स्थापित करने में सहायता मिलेगी।

Setting up of Pelletisation Plant based on Kudremukh Iron Ore

3556. SHRI JANARDHANA POO-JARY: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Public Investment Board has approved the setting up of pelletisation plant based on Kudremukh Iron Ore;

(b) if so, the details thereof, estimated cost and details of the project report is prepared; and

(c) if not, what are the reasons for delaying the final decision?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) A report on this project was prepared by MECON. The pellet plant will convert 3 million tonnes of Kudremukh concentrate annually into pellets. The estimated cost of