

concentration of audit work in the hands of few firms of Chartered Accountants has been completed and if so, the outcome thereof; and

(b) the action proposed to be taken by Government in the light of the study to curb the growth of this unhealthy practice?

THE MINISTER OF COMPANY AFFAIRS (SHRI RAGHUNATHA REDDY) : (a) The study undertaken by the Department is still in progress.

(b) Suitable action will be considered after the study is complete. However some amendments are already included in the bill to amend companies Act, proposed to be introduced in the current session of Parliament.

Non-compliance of the Provisions of Companies Act by State Government Companies

890. **SHRI J. M. GOWDER :** Will the Minister of COMPANY AFFAIRS be pleased to state :

(a) the names of State Government companies which did not comply with the provisions of the Companies Act, 1956 during 1971-72; and

(b) what action has been taken against them by the Department for not complying with the provisions of the Companies Act?

THE MINISTER OF COMPANY AFFAIRS (SHRI RAGHUNATHA REDDY) : (a) and (b). The information is being collected and will be laid on the Table of the House.

Writing off Arrears of Income-Tax

891. **SHRI J. M. GOWDER :** Will the Minister of FINANCE be pleased to state :

(a) the quantum of hard core of tax arrears which are irrecoverable and have to

be written off at some stage out of the Income-tax arrears of Rs. 499 crores as on March 31, 1971;

(b) how Government have concluded that the bulk of the arrears outstanding are due to the hard core of tax arrears which are irrecoverable and have to be written off at some stage, and

(c) why the bulk of the arrears have not yet been written off?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) : (a) The outstanding demand of Rs. 499.68 crores as on 31-3-1971 includes, apart from demands which are in progress of recovery in pursuance of Tax Recovery Certificates, demands remaining uncollected on account of one or more of the following reasons:—

(i) Amount pending settlement of D.I.T. or other relief claims.

(ii) Amounts pending consideration of write-off/scaling down petitions.

(iii) Amount due from companies under liquidation.

(iv) Amounts due from persons who have left India and/or not traceable and/or who have no known assets and/or assets vest with the Custodian of Evacuee Property and/or who are involved in insolvency proceedings.

(v) Amounts disputed in appeals/references, but not stayed or covered by instalments.

(vi) Absence of bidders for shares in private limited companies or for immovable properties.

(vii) Disputes and litigation regarding the ownership of assets.

While it is not possible to quantify the hard core of arrears which are irrecoverable, the bulk of the arrears falling in the