

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1966
ANSWERED ON:26.07.2002
C & AG OBSERVATION ON NON ADHERENCE OF I.T. ACT, 1961
RAVINDRA KUMAR PANDEY

Will the Minister of FINANCE be pleased to state:

:

- (a) whether it has been mentioned in the report number 12 of 2002 of Comptroller and Auditor General of India that there has been a mistake in granting permission for deduction of profit earned on account of service rendered to foreign tourist;
- (b) if so, whether non-adherence of provisions of Income Tax Act, 1961 during assessment year 1989-90 led to less tax collection to the tune of Rs.97.49 lakh;
- (c) if so, the details thereof; and
- (d) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

- (a) & (b) Yes Sir. In para 3.25 of their report No.12 of 2002, the C&AG have pointed out such mistakes which, according to them, led to short levy of tax aggregating to Rs.97.49 lakhs.
- (c) Details of such cases are given in Annexure -A
- (d) This Report of C & AG is being examined in the CBDT with a view to give para wise reply to C & AG and to determine the correctness or otherwise of the aforesaid audit observations. Remedial actions are invariably taken in all cases in accordance with CBDT Instruction No. 1928 dated 7.8.95. DIT (Audit) has also issued instructions and checklist for guidance of the assessing officers.