

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3646
ANSWERED ON:16.12.2005
INFLATED TAX DEMANDS
Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

- (a) Whether the income tax authorities have raised inflated tax demands which were later on refunded along with interest to the tax payers during the last three year;
- (b) if so, the details thereof, year-wise;
- (c) the reasons for raising inflated tax demands causing financial loss to the State; and
- (d) the action taken / proposed to be taken against the concerned officials?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a): No, Sir. Income tax assessments are completed taking into consideration the facts and circumstances of each case and the demands, if any, are raised by making additions to the returned income on the basis of the available evidence and provisions of law.
- (b), (c)&(d): In view of (a) above, not applicable