

possible to furnish the desired information.

Arrears of Taxes

6726. SHRI R. S. PANDEY : Will the Minister of FINANCE be pleased to state :

- (a) whether the arrears of income and wealth tax during 1974-75 have gone high; (b) if so, the reasons therefor; and

(c) the measures taken to recover all these arrears?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE) : (a) and (b) Yes, Sir. Data relating to outstanding demand of Income-tax and Wealth-tax during 1974-75 are available only upto 31-12-1974. The gross demand and net arrears of Income-tax and Wealth-tax as on 31-12-1974 and 31-12-1973 are as under :—

Arrears as on	Income-tax		Wealth-tax	
	Gross demand	Net arrears	Gross demand	Net arrears
	(In crores of rupees)			
31-12-74	802.06	576.42	34.52	25.04
31-12-73	714.10	527.43	28.18	19.90

The gross demand on any date includes not only the arrear demand of earlier years but also the current demand raised upto that date, including demand which has not fallen due for payment. Net arrears on any date are arrived at by deducting from the gross-demand the following items of demand :

- (i) Amount not fallen due.
- (ii) Amount claimed to have been paid by way of advance-tax, self-assessment tax or by deduction of tax at source, which are awaiting verification and adjustments;
- (iii) Amounts in respect of which stay has been granted by various authorities, including courts.
- (iv) Amounts covered by instalments granted.

As mentioned above, the gross demand as well as net arrears on any date include arrear demand of earlier years as also current demand. The current demand of income-tax raised during April to December, 1974 being Rs. 475.74 crores was much more than the current demand of Rs. 325.79 crores raised from April to December, 1973. The reasons for the increase in Wealth-tax arrears are under study.

(c) Such of the steps provided in the Income-tax Act, 1961/Wealth-tax Act 1957 as are appropriate to the circumstances of each case have been and are being taken for effecting recovery of outstanding demand.

Linking of Credit to Industries with Production

6727. SHRI M. S. PURTY : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal under Government's consideration to link credit to industries with their production; and

(b) if so, whether any guidelines have been issued to the banks in this regard and if so, the nature thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) : (a) and (b) The approach of banks since nationalisation has been to link credit for industries to production needs and other related requirements rather than to such aspects as the worth and the connections of the party, the value of the security offered, the availability or otherwise of third party guarantees etc. With a view to ensuring that the assessment of production needs is done on scientific basis, the Reserve Bank has appointed a Study Group to, *inter-alia*,