

**Misuse of Funds by Companies**

1117. DR. VASANT NIWRUTTI PAWAR : Will the Minister of FINANCE be pleased to state :

(a) whether incidents of misuse of funds from financial institutions by companies has come to the notice of the Government;

(b) if so, the steps Governments propose to take to prevent misuse of funds by companies;

(c) the action taken against the erring companies; and

(d) the steps taken to prevent such recurrence of incidents in future;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) to (d). The information is being collected and will be laid on the Table of the House to the extent available and permissible under the rules.

**Income Tax Defaulters**

1118. MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI :

DR. LAXMINARAYAN PANDEYA :

Will the Minister of FINANCE be pleased to state:

(a) the top fifty defaulters in the payment of income tax as on March 31, 1995;

(b) the total amount of income tax due in each case together with the reasons therefor; and

(c) the steps taken for the recovery of these dues?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY) : (a) The desired information is in the statement attached.

(b) Amount of outstanding demand as on 31.3.1995 is indicated against each defaulter in the statement at Annexure.

The cases mentioned at serial Nos.1 to 4,6,7,10,16,21,27,29,32,37 and 42 of the list are attached as statement are notified persons. These cases are also pending in the Special Court. In the case of Smt. R.S. Mehta also (Sl. No. 47) the matter is pending before the Special Court.

In the cases of Harshad Mehta Group (Harshad Mehta, Smt. Jyoti H. Mehta, Ashwin S. Mehta, Growmore

Research & Assets Management Ltd.), the Custodian has moved application before the Supreme Court stating that as per the interpretation of Section 11 of the Special Court Act, the income Tax department is entitled to its dues in terms of tax demands raised upto the date of notification under the Special Court Act.

Some of the assessments are also pending at the appellate level *i.e.* CIT(A)/Tribunal. In some cases, demand had not fallen due, demand had been stayed and dispute was pending before the Committee of Secretaries.

(c) Various measures as provided under the Income-Tax Act, are being taken *e.g.* launching of prosecution, filing of recovery petition before the Special Court. In some cases the amount paid is under verification. In the case of SBI, the whole demand has since been collected.

**STATEMENT**

Top 50 Income Tax Defaulters as on 31.3.1995

(Rs. in crores)

Sl. No.	Name of the assessee	Demand Outstanding
1	2	3
1.	Shri Harshad S. Mehta	3647.93
2.	Shri Hiten P. Dalal	1271.33
3.	Shri Bhupendra C. Dalal	729.71
4.	Shri Ashwin S. Mehta	608.17
5.	M/s. State Bank of India	604.56
6.	Smt. Jyoti H. Mehta	525.14
7.	Shri A. D. Narottam	485.39
8.	M/s. Peerless General Finance & Investment Co. Ltd.	439.42
9.	M/s. Growmore Research & Assets Management Ltd.	290.89
10.	M/s. Dhanraj Mills (P) Ltd.	267.46
11.	M/s. B.H.E.L.	250.31
12.	M/s. Bank of India	203.06