

**Arrears of Taxes**

0410 SHRI P. G. MAVALANKAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government are taking continuous and concrete steps to recover the tax arrears;

(b) if so, full details thereof;

(c) the total amounts of such tax arrears, giving details of the two separate categories viz., amounts determined as payable from the individuals or companies by the Tax Authorities and amounts of arrears under dispute and consequent judicial review, for the years 1972, 1973 and 1974; and

(d) the amounts collected from the said arrears during the same period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE) (a) Yes, Sir,

(b) The requisite information is given in the attached statement.

(c) The amount of gross demand and net arrears of Income-tax (including Corporation-tax) outstanding against all assessee, whatever their status, at the end of Financial Years 1971-72, 1972-73 and 1973-74 were as under:—

Financial Year	Gross demand	Net arrears
	(Amount in crores of Rupees)	
1971-72 . . . . .	805.37	438.60
1972-73 . . . . .	790.02	483.10
1973-74 . . . . .	815.60	471.13

The amounts of the gross demand under dispute and consequent judicial

review as on 31st March, 1972, 31st March, 1973 and 31st March, 1974 were as below:—

As on	Amounts under dispute
	(In crores of Rs.)
31-3-72 . . . . .	163.31
31-3-73 . . . . .	199.93
31-3-74 . . . . .	184.37

(d) The amounts of cash collection/reduction out of arrear demand during the Financial Years ending 31st March, 1972, 31st March, 1973 and 31st March, 1974 were as under:—

Financial year ending	Cash collection/reduction out of arrear demand
	(In crores of Rs.)
31-3-72 . . . . .	303.64
31-3-73 . . . . .	324.18
31-3-74 . . . . .	329.05

**Statement**

(1) For and from the Financial Year 1974-75, the Board have evolved, in consultation with Commissioners of Income-tax, an Action Plan, which lays down targets for key result arrears. The target for the reduction of arrear demand is 45 per cent which is higher than actual performance during earlier years.

(2) The Board have initiated a scheme for giving cash awards on regional and all-India basis for the most outstanding performance in the field of collection and recovery of taxes. Income-tax Officers (Collec-

tion) and Tax Recovery Officers along with their staff are eligible for these awards.

- (3) Following a recommendation of the Wanchoo Committee, the number of Income-tax Officers under each Commissioner of Income-tax has been reduced to roughly 40. The Commissioners are required to keep a personal watch over cases involving arrears between Rs. 1 lakh and Rs. 10 lakhs.
- (4) As a result of inspections carried out by the Board, each Commissioner of Income-tax in major charges has been held personally responsible for reviewing, in all aspects, the top cases of his charge and, likewise, the Inspecting Assistant Commissioner, the top cases of his range.
- (5) The work relating to recovery of tax arrears was done by the State Authorities prior to 1966. The Central Government has taken over this work from 1966 onwards in a phased manner and departmental officers have been entrusted with the task of recovery of arrears all over the country except in a few districts in West Bengal and Andaman and Nicobar Islands.
- (6) A drive for the early disposal of appeals was launched to ensure the reduction/recovery of taxes under dispute.
- (7) A number of recommendations of the Wanchoo Committee which are assigned to reduce tax arrears and prevent accumulation thereof, have been incorporated in the Taxation Laws (Amendment) Bill, 1973 which is now before Parliament.

#### Economies effected by Indian Airlines

0411. SHRI P. G. MAVALANKAR. Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines have effected any economies during the year April, 1974 to March, 1975;

(b) if so, the areas wherein such economies were effected and the net savings accrued;

(c) whether such economies have affected adversely any standards of efficiency and good reputation of Indian Airlines; and

(d) if so, how are the above defects or deficiencies rectified?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI SURENDRA PAL SINGH): (a) Yes, Sir.

(b) The economies were effected by way of.—

(i) Reduction in overtime payments;

(ii) Rationalisation of shift system,

(iii) Reduction in crew night stops.

(iv) Curtailment of expenditure on publicity, printing and stationery, telephone, telex etc;

(v) Curtailment of some of the unprofitable services;

(vi) Stepping up of utilisation of staff and aircraft;

(vii) Control on fresh recruitment. These economies resulted in the anticipated loss of Rs. 16.5 crores being converted into a profit of about Rs. 81 lakhs for the financial year 1974-75.

(c) and (d). There has been an improvement in the productivity and efficiency of the Corporation.