

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:323
ANSWERED ON:25.02.2000
I.T. ARREARS .
CHANDRAKANT BHAURAO KHAIRE

Will the Minister of FINANCE be pleased to state:

- (a) whether the Income Tax Arrears of nearly 40,000 crores of rupees is due from 14,444 persons in the country;
- (b) if so, the number of person who owe more than Rs. 10, 50 and 100 lacs as I.T. arrears;
- (c) the steps being taken to recover the arrears within time bound limit; and
- (d) the reasons for not recovering the arrears so far?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRIV. DHANANJAYA KUMAR)

(a) & (b): The total gross arrear demand of Corporation Tax and Income Tax as on 30th September, 1999 is Rs. 44638 crores in 47,51,141 cases. There are 12299 cases in which demands of over Rs. 10 lakhs but not exceeding Rs.1 crore is outstanding and 5119 cases against which demands of over Rs.1 crore is outstanding as on 30th September, 1999.

(c) & (d): Income Tax Act prescribes a statutory procedure for collection and recovery of taxes. The recovery of the outstanding tax is a continuous process. The process starts after the demand falls due after 30 days of the service of the Demand Notice. Thereafter, action is taken by Assessing Officer in respect of unstayed demand by attaching bank accounts, charging interest, levying penalty etc. In difficult cases, matter is referred to Tax Recovery Officer who takes various coercive measures as per the Act like attachment and sale of defaulter's movable and immovable properties, arrest of defaulter and his detention in prison, appointment of Receiver for the management of the defaulter's movable and immovable properties. The recovery action taken by the Assessing Officer and TROs is closely monitored by the higher Income-tax authorities.

Further dossier cases having outstanding demand of Rs.10 lakhs and above are monitored by higher authorities on a regular periodic basis and necessary instructions are issued for taking various coercive measures for effecting the recovery of demand.

The entire outstanding demand is not recoverable. This amount includes demands not fallen due, demands paid but pending verification, demands stayed by courts/Settlement Commission/Appellate Tribunals and Income Tax Authorities etc. The major reason for accumulating large arrears is on account of multiplicity of litigations on the same issue in different assessment years. The Government is regularly monitoring and analysing the outstanding large arrears and taking necessary steps in this regard