

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:70

ANSWERED ON:10.08.2007

OUTSTANDING DEMANDS

Mehta Shri Bhubneshwar Prasad;Prasad Shri Hari Kewal;Thummar Shri Virjibhai

**Will the Minister of FINANCE be pleased to state:**

- (a) the amount of income tax and other corporate taxes outstanding against individuals and companies as on date;
- (b) The companies against which taxes amounting to more than rupees ten lakh is outstanding;
- (c) The reasons for not recovering the taxes from these companies by the Government; and
- (d) the steps taken or proposed to be taken to recover the taxes?

**Answer**

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

(a): the amount of income tax and other corporate taxes outstanding against individuals and companies as on 1/6/07 is Rs 119263 crores .

(b): As on 1/6/07 the demand outstanding against companies is Rs 66928 crores The figures of the companies against which taxes amounting to more than rupees ten lakh is outstanding is not maintained centrally . To furnish this detail would require compilation of data at all the field formations spread throughout the country, and the time and efforts required would not be commensurate with the objective sought to be achieved.

(c): Out of the Rs 66928 crores outstanding against companies the net collectible demand is only Rs 9454 crores. The balance demand of Rs 57474 crores is difficult to recover due to many reasons - stay ,installments, protective assessment, demand pertaining to persons notified under section 3 of Special Court (Torts) Act, 1992 ,assessee not being traceable, Company in B.I.F.R,or before Settlement Commission or in liquidation etc . The Government makes all out efforts to collect the outstanding demand and as a result the arrear demand of companies was brought down from Rs 67718 crores as on 1/04/07 to Rs 65478 crores on 1/06/07 .

(d): The steps taken/being taken by the Government against the defaulters vary from case to case and are governed by the provisions of Chapter XVII read with Second Schedule to the Income Tax Act, 1961 . The steps include issuance of statutory notice u/s 220(2), charging of interest and levy of penalty for nonpayment of dues, attachment of bank accounts of the defaulter and amounts owed by debtors to such a defaulter, attachment and sale of movable/immovable properties of the defaulter, arrest of the defaulter, appointing a receiver for the management of the defaulter's movable/immovable properties etc.