

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4623

ANSWERED ON:04.05.2012

REPRESENTATION FROM THE NIZAM S FAMILY WELFARE ASSOCIATION

Abdulrahman Shri ;Jeyadural Shri S. R.

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

- (a) whether the Government has received any representation from the Nizam's Family Welfare Association relating to Income Tax during the last three years and the current year and is so, the details thereof;
- (b) whether the Government has taken any steps to address the grievances of the Nizam's family; and
- (c) if so, the details thereof and if not, the reasons therefor?

**Answer**

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

(a) Yes, Madam. Various representations from Nizam Family Welfare Association have been received during the last 3 years and the current year relating to release of the interest on the fixed deposits on which the Department is having lien and to lift the lien once and for all, release of refund, rectifications, etc.

(b) Yes, Madam. Various steps have been taken from time to time to address the grievances of the Nizam Family.

(c) The assesseees of the Nizam Family have represented that they are not bound to pay the entire tax demand raised by the Income Tax Department, that the demands should be raised in proportion to the shares of the respective beneficiaries. The High Court of Andhra Pradesh had also directed the Income Tax Department to recover the taxes relatable to beneficiary interest of the beneficiaries of the Trust. However, this was subsequently reversed by the High Court in a review petition filed by the Income Tax Department. The Trust has appealed against the orders in an SLP filed before the Supreme Court, which is yet to be disposed of. The Income Tax Department has raised a further demand of Rs.8.99 crores, which has been kept in an account under lien to the Income Tax Department pending final settlement.

Out of 35 grievances filed by the Nizam Family, 15 grievances have been disposed off. In the remaining cases, letters were sent to the beneficiaries, which were not replied to. A meeting was also convened by the concerned Commissioner of Income Tax with the beneficiaries and the Trustees in 2009 to settle the matter amicably, wherein it was proposed to the Trust and its beneficiaries to enable the Department to adjust the arrear as per the records so that not only the interest but the principal amount, due to the Trust and its beneficiaries could be released. However, the representatives of the Trustees sought time and did not appear. Some beneficiaries under the aegis of the Nizam Family Welfare Association appeared but they wanted only release of interest and not the settlement of the grievance once for all.