

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

**LOK SABHA
UNSTARRED QUESTION No. 2120
TO BE ANSWERED ON FRIDAY, THE 6TH MAY 2016
16 VAISAKHA 1938 (SAKA)**

OUTSTANDING DIRECT TAX.

2120. Shri C.N.Jayadevan

Will the Minister of FINANCE be pleased to state:

- (a) whether it is true that over 96 percent of the outstanding direct tax dues at the end of 2014-15 are difficult to recover;
- (b) if so, the details of the outstanding amount of direct taxes at the end of 2014-15 along with the reasons for not recovering the same; and
- (c) the steps taken by the Government to recover the outstanding direct tax expeditiously?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)**

(a) Yes Sir.

(b) Out of the total amount of Rs. 7,00,148 crore of outstanding tax demands on 31.3.2015, the dues against corporate taxpayers amount to Rs. 3,66,087 crore and those against non corporate taxpayers are Rs. 3,34,061 crore. Of this an amount of Rs. 6,73,032 crore is classified as “difficult to recover” due to various reasons as outlined below:

- i. Demand is stayed by ITAT/Courts
- ii. Demand is stayed by Income Tax authorities
- iii. No assets/inadequate assets for recovery
- iv. Assessee Companies is in Liquidation
- v. Assessee’s case admitted before BIFR/Settlement Commission
- vi. Assessee is a Notified person under the Special Court (Trial of offences relating to Securities) Act, 1992
- vii. Assessee is not traceable
- viii. Appeal is pending against attachment of properties

- ix. TDS/Prepaid taxes mismatch
- x. Demand not enforceable as MAP proceeding is pending
- xi. Asset is jointly attached with other agencies
- xii. Cases where department has lost in appeal but the demand is outstanding for other years as the department is in further appeal

(c) Action for recovery of these outstanding demands is taken in accordance with the provisions of the Income-tax Act, 1961 on continuous basis. There is a detailed plan for recovery of tax arrears. Strategies and targets to collect the same are laid down in the beginning of every financial year as part of the Central Action Plan document. Efforts of the assessing officer to collect/recover the outstanding demand are regularly reviewed/monitored by the hierarchical superior authorities. Databases like Individual Transaction Statement and 360-degree profile generated by the Department and those maintained by third party agencies like FIU-IND, etc have been made available to the field units for identification of assets for recovery. Guidelines for Tax Recovery Officers for recovery and for dealing with stay petitions, etc have been issued. Efforts for early disposal of appeals are also undertaken. A new reward scheme for information leading to recovery of arrears has been notified.
