

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
QUESTION NO 02.03.2010
ANSWERED ON
UNDER CHARGING OF TAX

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Shri Vijay Jawaharlal Darda

Will the Minister of COAL, HEALTH AND FAMILY WELFARE, INFORMATION AND BROADCASTING AND FINANCE be pleased to state :-

- (a) whether the Comptroller and Auditor General (CAG) in its Audit Report of December, 2009 had pointed out under-charging of tax totaling Rs. 1,572 crores in more than 80 cases;
- (b) if so, whether these irregularities pertained to computation of business income, capital expenditure and while making provisions for depreciation;
- (c) how much of this short-charged amount has been recovered; and
- (d) what is the time-frame for making full recoveries of around Rs. 1572 crores?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI S.S. PALANIMANICKAM)

- (a) Yes, Sir, C&AG in its Report No.CA 2(of2009(Direct Taxes) had pointed out 860 Audit observations involving Revenue impact of Rs.1572.08 crore.
- (b) The irregularities as observed by the Audit include mistakes in computation of business income, making provisions for depreciation, carry forward/set off of losses, adoptions of correct figures/arithmetical errors, application of correct rate of tax/surcharge, deductions under chapter VIA and other than chapter VIA, assessments while giving effect to appellate orders, capital gains, deduction/liability not supported by actual payment, exemptions and relief, refund/interest on refund, non/short levy of interest, summary assessments, allowance of liabilities, assessment of salary income, deduction in respect of export profits, wealth not assessed due to non- correlation of records of different taxes, non-inclusion of taxable assets and mistakes in valuation of assets.
- (c) Audit observation in specific cases are examined by the Assessing officers and wherever necessary, remedial measures are taken as per provisions of the respective, statutes. Information in respect of recoveries made on account of short charged amounts has been called for from field formation of Central Board of Direct Taxes, which is still awaited.
- (d) Information is being collected from field formation of Central Board of Direct Taxes.