

SHRI JAGESH DESAI : Sir, the public sector mutual funds are doing very . . .

SHRI GURUDAS DAS GUPTA : Sir, I want an assurance.

MR. CHAIRMAN : No. Please, no.

SHRI GURUDAS DAS GUPTA : We want a half-an-hour discussion on this.

MR. CHAIRMAN : Write to me.

SHRI JAGESH DESAI : As already said by the Finance Minister, the public sector mutual funds are doing excellent work. Sir, I want to know from the hon. Minister that if private mutual funds are established then again the industrial houses can manipulate and they can control that. Sir, the commitment of the Congress is there for mutual funds. The Congress is committed for mutual funds but particularly for pension funds. So, I would like to know from the Minister, whether tax concession will be given only to mutual funds in private sector which are for pension funds or for all the funds. Sir, if that is done, then I am afraid that many of the business houses will divert funds to the mutual funds only to see that their tax liability will be less.

Here there will be no tax and the investment will be done mostly in the business houses. I would like to know from the hon. Minister what will be the effect of this.

SHRI RAMESHWAR THAKUR : This is only apprehension. The private sector mutual funds have not come into existence. When they come they will be guided by the guidelines given. If they go beyond the guidelines, and if we have a conclusive proof that they are manipulating, as the hon. Member has said, necessary action would be taken by the SEBI and the Government. But that situation does not arise today.

Revenue Collected by way of Tax Arrears

*182. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount of revenue collected by way of tax arrears during the last six months; and

(b) what are the details of cases in which recovery of Income Tax has gone into arrears during the above period and

how does Government propose to recover the arrears from these assesseees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) During the period 1.8.1991 to 31.1.1992, a sum of Rs. 1639 crores (provisional figure) has been collected by way of arrears of income tax due.

(b) During the period 1.8.1991 to 31.1.1992 current income tax demand of Rs 6403 crores was raised out of which Rs.4972 crores were realised, leaving a balance of Rs. 1431 crores. This demand will become arrear demand if it remains uncollected beyond 31.3.1992. All possible measures provided under law are taken to realise the outstanding demand. The Chief Commissioner of Income tax have been directed to given top-most priority to the work of recovery of outstanding demand, along with realisation of current dues.

CHOWDHRY HARI SINGH: Hon. Chairman, Sir, my question is very straight and direct. May I know from the hon. Minister whether the Government has taken any special measures to collect the arrears of tax. A huge amount of income-tax arrears remains to be realised. May I know from the hon. Minister as to what special steps they are going to take to collect the arrears from those persons who are habitual defaulters? What are the special measures legally and otherwise also?

SHRI RAMESHWAR THAKUR: In regard to the outstanding dues, the Commissioner of Income-tax and the Chief Commissioner have been directed to review the position every month and examine clearly, case by case, all important cases and the amounts that are to be realised. There has been satisfactory realisation of the amount in the current year. In case of habitual defaulters, we have been levying penal interest, penalty and also attachment and sale of their movable property, the attachment and sale of their immovable property, arrest of the defaulter and his detention in prison and also appointing a receiver for the management of the defaulters' movable and immovable properties. These are some of the legal provisions which are applicable to

the defaulters and which have been implemented effectively.

CHOWDHRY HARI SINGH: Hon. Chairman, Sir, my second supplementary is, how many individuals not paid their dues in the last four to five years. What special measures have been taken legally and otherwise also against those persons. I want to know the specific measures you have taken.

SHRI RAMESHWAR THAKUR: I have already broadly indicated the measures. We have 7 million tax-payers.

MR. CHAIRMAN: He wants to know the number of defaulters in the last five years.

SHRI RAMESHWAR THAKUR: It is a thing which requires five days' notice. If there are any defaulters beyond our control...

MR. CHAIRMAN: You don't want to say as to how many defaulters are there?

SHRI RAMESHWAR THAKUR: The individual figures are not available.

CHOWDHRY HARI SINGH: But what is the total figure?

श्री अजीत जोगी : सभापति महोदय, मैं आपके माध्यम से माननीय मंत्री महोदय से यह जानना चाहूंगा कि क्या यह सच है कि ये जो टैक्स के बकाया एरियर्स हैं उनमें से अधिकांश हिस्सा पैसे की टर्म में कुछ चुनिन्दा लोगों के कारण है जो कि क्रोनिक डिफाल्टर्स हैं और न्यायालय की सहायता लेकर टैक्स एरियर्स उन पर बने रहना देना चाहते हैं? क्या यह भी सच है कि कुछ खास लोग ऐसे हैं और वे बड़े औद्योगिक घरानों के लोग हैं जिनके कारण ये एरियर्स ऐसे बने रहते हैं? यदि यह सच है तो आप क्या इन हायस्ट डिफाल्टर्स के दो, चार या पांच लोगों के नाम हमें बताएंगे जिनकी कई वर्षों से बहुत बड़ी राशि बकाया है। मैं यह भी चाहूंगा कि क्या यह सच नहीं है कि एरियर्स की वसूली इसलिए नहीं हो पाती है कि एरियर्स की वसूली करने की जो प्रक्रिया है, प्रोसीजर है, वह बड़ा लम्बा है और खींचा जा सकता है, इसलिए इस प्रक्रिया को कम करने के लिए क्या कोई नया लेजिस्लेशन लाया जाएगा?

श्री रामेश्वर ठाकुर : मैंने अभी आपसे निवेदन किया कि हमारी जो व्यवस्था कानून के अन्तर्गत है, व्यवस्थित रूप से और पूरी दक्षता के साथ उसके पालन की कोशिश हो रही है। यही कारण है कि पिछले वर्षों के मुकाबले चालू वर्ष में जो हमारी इसमें प्राप्ति हुई है, वह बहुत ज्यादा हुई है। जहाँ पिछले वर्ष 1990-91 में 10,691 करोड़ रुपये हमारी कुल प्राप्ति थी, इस बार आपको प्रसन्नता होगी कि इस पीरियड में...

श्री सभापति : वह डिफाल्टर्स के बारे में पूछ रहे हैं।

SHRI AJIT P.K. JOGI: I have asked a specific question. And I want a specific reply. Give me the names of those five or six defaulters.

श्री रामेश्वर ठाकुर : माननीय सदस्य सुन लें।

श्री सभापति : लम्बा जवाब काहे को दे रहे हैं।

छोटा सवाल छोटा जवाब। Are you conscious of the fact that there are some chronic defaulters?

SHRI RAMESHWAR THAKUR: There are a number of cases pending before the High Courts and the Supreme Court. These are the cases which we are fighting from our side. There are a large number of cases, both big and small cases.

SHRI AJIT P. K. JOGI: Sir, I seek your protection. I have not asked about this. I have asked a very specific question.

MR. CHAIRMAN: If the cases are pending before the High Courts how can you call them as defaulters? This is the problem. You understand his problem.

SHRI AJIT P. K. JOGI: But there are cases and we want to know which cases are going on.

MR. CHAIRMAN: You want to know as to who are the chronic defaulters. If the cases are pending before the Court, he has no right to call them as defaulters till the matter is settled in the Court.

SHRI AJIT P. K. JOGI: Let us not call them as defaulters.

यह तो कह सकते हैं कि इनके ऊपर बकाया है। पांच करोड़ से ज्यादा, चार करोड़ से ज्यादा, तीन करोड़ से ज्यादा ऐसे कितनी लोग हैं जिनके ऊपर बकाया है और कितनी सालों से उन पर बकाया है यह कहिये।

SHRI RAMESHWAR THAKUR: As the hon. Member are interested, I can give the top 20 defaulters as on 30.9.1991
... (Interruptions)

SHRI SUBRAMANIAN SWAMY: He should lay it on the Table.

SHRI RAMESHWAR THAKUR: I am giving you the names. GTC Industries, Peerless General Insurance and Investment Corporation, Oil and Natural

Gas Commission, State Bank of India . . . (Interruptions)

AN HON. MEMBER: Is the State Bank of India also a defaulter?

SHRI RAMESHWAR THAKUR: Yes, there are 20 cases. I have already said that the cases are pending before the Court and the Appellate Authority.

MR. CHAIRMAN: Is the State Bank of India also a defaulter?

SHRI RAMESHWAR THAKUR : The cases are pending before the appellate Authority. I am saying that the cases are pending before the Appellate Authority and the Courts. Such cases are reported in the top-20 list.

MR. CHAIRMAN: You have mentioned the State Bank of India.

SHRI RAMESHWAR THAKUR: Yes, Sir.

MR. CHAIRMAN: Is the State Bank of India a defaulter? That is the question.

SHRI PRAMOD MAHAJAN: So, the Finance Ministry can also become a defaulter . . . (Interruptions)

SHRI SUBRAMANIAN SWAMY: The State Bank of India is under the Finance Ministry. So, the Finance Ministry is also a defaulter . . . (Interruptions)

SHRI RAMESHWAR THAKUR: It is pending before the Appellate Authority and before the CIT. I have mentioned earlier the cases which are pending before the Appellate Authority.

MR. CHAIRMAN: Now, they are asking one question. Let us clear this. You have mentioned the State Bank of India. Is the State Bank of India one of the defaulters?

SHRI RAMESHWAR THAKUR : It is so . . . (Interruptions)

SHRI SUBRAMANIAN SWAMY: In that cases, the Finance Ministry is a defaulter. They must all resign.

MR. CHAIRMAN: Whatever you like, you can draw your own conclusion. He has said that the State Bank of India is a defaulter. That is all.

SHRI SUBRAMANIAN SWAMY: But the State Bank of India is under the Finance Ministry. How can we deny that?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Chairman, Sir, these tax assessments are under dispute. I repeat, these tax assessments about which mention has been made of the State Bank of India, are under dispute.

Therefore, in the technical sense of the term the State Bank of India is not a defaulter.

श्री अजीत जोगी : नाम नहीं बताये जिनके ऊपर ज्यादा एरियर्स है। उनका नाम छिपा दिया (व्यवधान)

SHRI DINESHBHAI TRIVEDI: In this country there is always a signal that honesty to be punished very harshly and dishonesty to be rewarded. They are so always irrespective of which Government is in power. My question is this: Is the Government aware of the rampant corruption in the Income-Tax Department also, because it is not the only department? Secondly, is the Government also aware that there are people, honest taxpayers, who have always gone through the system of corruption? They don't want to be part of it. What is the Government doing to protect the honest tax-payers because there is so much of harassment that they form part of the system of corruption even if they don't want to pay? I can tell you with first hand knowledge, even if they don't want to pay, they are made to pay just to avoid harassment. What is the Government doing about it? Secondly, how long will this one-way traffic go on? If a taxpayer does not pay the tax on time, he can be hauled up, he may be put behind the bars, or what have you. What is the Government going to do if the Income-Tax Department don't give the refund on time, if they don't make the assessment on time? What would the Government do? With all these reforms would the Government kindly consider this also?

SHRI RAMESHWAR THAKUR : Our approach is to be absolutely just and fair to all assesses. No harassment. There may be still cases . . .

SHRI DINESHBHAI TRIVEDI: These are sermons all right. But let us be open about it, let us be fair about it.

SHRI RAMESHWAR THAKUR: In

spite of that, there may be some cases of harassment and if there is any specific case, we will look into the matter and get remedy. But so far as the realisation is concerned, we are requesting all the concerned people; nearly 80 to 85% of the tax is deducted at source and the remaining is realised. If there is excess for refund, steps are being taken to refund the amount in time. Very strict instructions have been given. Still there may be a few cases here and there where it has not been refunded. Otherwise, we pay interest also on the refund and officers are asked for explanation why they have delayed making the refund. Therefore, we have improved the system. But there remains a lot of improvement so far as the total administration is concerned?

SHRI DINESHBHAI TRIVEDI: What is the rate of interest?

MR. CHAIRMAN: Do you give interest on the delayed refund? And what is the rate of interest?

SHRI RAMESHWAR THAKUR: Yes; we are giving 12% interest.

SHRI SUBRAMANIAN SWAMY: Just now the Minister has answered the question of harassment by the Income-Tax Officers. I would like to ask the other side of the question. Where a conscientious officer pursues a defaulter, has the Ministry any method of rewarding him? For example, one of the defaulters is the Vishwa Hindu Parishad. When the National Front Government was in power, one Income-Tax Officer was removed by the then Finance Minister. I would like to know whether that conscientious officer has been reinstated and given a suitable reward and the Vishwa Hindu Parishad's tax default exposed.

DR. JINENDRA KUMAR JAIN: The question is factually wrong. *(Interruptions)* It was not decided properly . . . *(Interruptions)*

MR. CHAIRMAN: let the Minister decide it. Let him reply.

डा० रत्नाकर पाण्डेय : करोड़ों रुपया लिया है।
(व्यवधान) आज तक कोई हिसाब नहीं दिया
(व्यवधान)

श्री सभापति : आप बैठिये।

डा० रत्नाकर पाण्डेय : करोड़ों रुपये का आज तक कोई हिसाब नहीं दिया (व्यवधान) विदेशी पैसा खर्च कर रहे हैं (व्यवधान)

DR. JINENDRA KUMAR JAIN: Sir, it is a dubious question . . . *(Interruptions)* . . . It is a wrongly placed question and you should not have allowed that question, Sir . . . *(Interruptions)* . . .

SHRI SUBRAMANIAN SWAMY: No question of any wrongly placed question . . . *(Interruptions)* . . . There is no question of my asking any wrongly placed question . . . *(Interruptions)* . . .

DR. JINENDRA KUMAR JAIN: It is a wrongly placed question . . . *(Interruptions)* . . .

MR. CHAIRMAN: You see, he is a responsible Minister in the Government and he knows it . . . *(Interruptions)* . . .

DR. JINENDRA KUMAR JAIN: Sir, this question does not arise and it is not in the list . . . *(Interruptions)* . . .

MR. CHAIRMAN: Let me decide it. Yes, Mr. Minister . . . *(Interruptions)* . . .

SHRI SUBRAMANIAN SWAMY: I have not asked as to what they imported from South Africa . . . *(Interruptions)* . . .

SHRI RAMESHWAR THAKUR: Sir, we have an elaborate system or a scheme of incentives and rewards for the good work of the officers at different levels. So far as the specific question is concerned, the officer concerned has been put in his job, installed again. He has been taken back by the Government who was a victim of a certain decision earlier. He has been brought back to his work.

MR. CHAIRMAN: That officer has been reinstated?

SHRI RAMESHWAR THAKUR: Yes, Sir. He has been reinstated . . . *(Interruptions)* . . .

MR. CHAIRMAN: Yes, Mr. Salve.

SHRI N. K. P. SALVE: Sir, the Finance Minister, Shri Manmohan Singh, has stumbled upon the correct answer . . . *(Interruptions)* . . .

MR. CHAIRMAN: Stumbled on what? . . . *(Interruptions)* . . .

SHRI N.K.P. SALVE: Stumbled on the correct answer. Sir, technically they are not defaulters. Sir, "defaulter" is a concept in law . . . *(Interruptions)* . . .

SHRI MANMOHAN SINGH: I did not stumble upon; I was quite clear . . . *(Interruptions)* . . .

SHRI N. K. P. SALVE: Then, Sir, he should not have used the word "technically" . . . *(Interruptions)* . . .

MR. CHAIRMAN: I think he should have taken your advice earlier ...*(Interruptions)*... Anyway, you put your question.

SHRI N. K. P. SALVE: Sir, in law, a person is a defaulter when there is a tax demand which is not paid. So, they are not defaulters at all, technically or otherwise, and the question does not arise.

Sir, one of the main reasons for this kind of arrears is the inability of the Department to get the liability finalised and these cases remain pending at various levels including the High Courts and the Supreme Court. In my own case, in a matter relating to my election expenses, my claim was allowed by the Commissioner, but disallowed by the Tribunal. The matter went to the High Court. After twenty years, when I had completely given up practice, I had to find a lawyer who was not expensive! Sir, tax lawyers are unreasonably expensive ...*(Interruptions)*... Fortunately for me, my son, who was ten years old then, was 30 years old by this time and he went and argued and won the case for me and he did not charge any fees from me fortunately! ...*(Interruptions)*... If it had gone to the Supreme Court, I would not have won it because I do not have a grandson and it would take that long! ...*(Interruptions)*... Now, under these circumstances, one of the serious problems, the problem of arrears, is there because of the inability of the Department to get the liability finalised in a reasonable way. He has made very grave allegations against it saying that they are "fair" and "just" and all that! ...*(Interruptions)*... Sir, he is laughing at me. Anyway, I leave it at that ...*(Interruptions)*... Sir, if the matters have to go from the High Courts to the Supreme Court, one can take it reasonably that they will never be finalised in the person's lifetime. Therefore, may I enquire from the Minister whether or not pendency of disputes for long is one of the reasons for these arrears and, having promised National Courts, they are going to take action for starting these National Courts so that arrears and pendency of disputes do not take an exceedingly long time?

SHRI RAMESHWAR THAKUR: Sir, it is a fact that a large number of cases are pending before various Appellate Authorities. Nearly, Sir, 2,18,000 cases are

pending before the Tribunals and about sixteen thousand cases are before the various High Courts and the Supreme Court and it takes a long time for them to dispose of these cases. Therefore, the Government has decided, and the honourable Finance Minister has announced in his Budget speech, that there will be a Direct Taxes Court and the people can go directly to that Court. It will take a lesser time and the cases will be settled soon. We are trying to establish them and we are in the happy process of amendment of the law and we will get them established as quickly as possible.

MR. CHAIRMAN: Question No. 183.
Grant of Financial Aid for Talcher Thermal Power Station in Orissa

*183. DR. SANJAYA SINH: Will the Minister of POWER AND NON-CONVENTIONAL ENERGY SOURCES be pleased to state:

(a) whether it is a fact that the Union Government is ready to offer financial aid and technological expertise to the ailing Talcher Thermal Power Station in Orissa;

(b) if so, what are the details thereof;

(c) whether it is also a fact that there is a demand from the engineers of the power station for handing over the same to the NTPC; and

(d) if so, what are the details thereof and what is Government's reaction thereto?

THE MINISTER OF STATE OF THE MINISTRY OF POWER AND NON-CONVENTIONAL ENERGY SOURCES (SHRI KALP NATH RAI): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) Government of India has proposed to offer financial assistance and technological guidance to the Orissa State Electricity Board for the renovation and modernisation for the Talcher TPS. Under the Phase-I of the R&M programme implemented during the Seventh Five Year Plan an amount of Rs. 29.78 crores was sanctioned by the Government of India for the R&M project of Talcher TPPS. Out of this Orissa State Electricity Board has already incurred an expenditure of Rs. 28.64 crores for completing works relating to all the activities except coal handling plant and cooling water system. Phase-II of R&M programme to