

(a) whether many Multi-National Corporations (MNCs) owe crores of rupees in taxes to Government;

(b) if so, the amount of Income Tax and other Corporate Taxes outstanding against MNCs as on date;

(c) the reasons for not recovering the taxes from the companies by Government; and

(d) the steps taken or proposed to be taken to recover the outstanding taxes from the MNCs?

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

(a) and (b) Sir, information in respect of outstanding tax against Multi National Corporations is not centrally maintained. To furnish the details 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 achieve it. The total arrear demand as on 30.5.2009 is Rs.2,10,404 crores (both Income tax and Corporate tax)

(c) Out of the arrear demand of Rs.2,10,404 crores the net collectible demand is only Rs.18,200 crores. The rest of the demand cannot be recovered because of the following reasons:- (i) the demand has been stayed by the Courts/Tribunal (ii) the demand pertains to persons notified under section 3 of Special Court (Torts) Act, 1992 and so no recovery can be made directly from such persons (iii) the case is before B.I.F.R and so recovery cannot be enforced (iv) the company is under liquidation (v) case is before Settlement Commission (vi) the demand is arising from protective assessment (vii) the demand has been stayed (viii) the demand is covered by instalments.

(d) Apart from the statutory measures being taken for recovery of outstanding tax dues as prescribed under the Income Tax Act (including attachment of Bank Account, debtors etc. attachment and sale of immovable properties etc.) the following special measures have also been taken to expedite recovery of direct tax arrears in all cases (i) making it obligatory for the Income Tax Appellate Tribunals to decide appeals, where stay has been granted, within 180 days of the date on which the stay order was passed (ii) taking away the powers of the Commissioner of Income Tax (Appeal) to set aside a case (iii) monitoring of high demand cases by Directorate of Recovery and the Central Board of Direct Taxes.

#### **Contravention of Foreign Exchange Management Act by companies**

1041. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 453 given in the Rajya Sabha on 19 February, 2009 and state:

(a) whether Directorate of Enforcement have completed the investigations for alleged Foreign Exchange Management Act (FEMA) contravention by Anil Dhirubhai Ambani Group (ADAG) as requested by the Reserve Bank of India (RBI) for violating External Commercial Borrowings (ECB) guidelines;

(b) if so, the details of the investigations and action taken or proposed to be taken against ADAG for violation of FEMA; and

(c) the reasons for delay, if any, in investigating the matter?

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

(a) No, Sir.

(b) Question does not arise in view of (a) above.

(c) In view of the complexities of this case there has been no delay. All effort has been made by the Directorate of Enforcement to expeditiously conclude investigations.

#### Slowdown in economic growth

1042. SHRI SYED AZEEZ PASHA: Will the Minister of FINANCE be pleased to state:

(a) whether the economic growth of the country has registered a slowdown in the back drop of Global Economic crisis;

(b) if so, the details thereof and the reasons therefor;

(c) whether Government has identified the infrastructure bottlenecks that stand in the way in achieving high growth rate;

(d) if so, the details thereof; and

(e) the steps taken to remove such bottlenecks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (b) As per the Revised Estimates for 2008-09, released by the Central Statistical Organisation (CSO), the growth in real Gross Domestic Product (GDP) at factor cost has declined from 9 percent during the year 2007-08 to 6.7 percent in 2008-09. The details are as given below:

#### Growth of GDP (Factor Cost at constant 1999-2000 Prices)

(in percent)

Sl.No.		2007-08 (QE)	2008-09 (RE)
1	2	3	4
1.	Agriculture, forestry and fishing	4.9	1.6
2.	Industry	8.1	3.9
	a. Mining and quarrying	3.3	3.6
	b. Manufacturing	8.2	2.4
	c. Electricity, gas and water supply	5.3	3.4