

Amounts due to undisclosed tax defaulter

†991. SHRI JAI PRAKASH: Will the Minister of FINANCE be pleased to state:

- (a) whether Government has made any effort to find out the figures of arrears pertaining to undisclosed tax defaulters of the country;
- (b) if so, the details thereof;
- (c) whether this issue was discussed in the conference of Income Tax Commissioners and Director Generals recently held in Delhi; and
- (d) if so, the steps being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) There is no information as regards undisclosed tax defaulters of the country. However, several tax defaulters (assesseees) are not traceable and, as on 31.3.2011, the amount of tax arrears due from such persons was Rs. 10,116 crore.

(c) and (d) The issue of tax arrears was discussed in the Conference. A Committee has been constituted by the CBDT to suggest modalities for recovery of outstanding tax arrears from the tax defaulters (assesseees) who are not traceable.

Financing of disputed projects by PSBs

992. SHRI T.M. SELVAGANAPATHI: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government had asked the Public Sector Banks (PSBs) not to finance the disputed projects;
- (b) if so, the details thereof;
- (c) whether it is also a fact that the banks both in private sector and public sector were reluctant to advance loans to real estate sector; and
- (d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) As part of financial sector liberalization, all the credit related matters of banks have been deregulated by the RBI and are governed by the banks' own lending policies. Banks have to consider different loan proposals as per their commercial judgement and merits of each case keeping in view the loan policies approved by their Board of Directors.

Withdrawal of IT exemption given to Co-operative Societies

†993. SHRI ASHK ALI TAK: Will the Minister of FINANCE be pleased to state:

†Original notice of the question was received in Hindi.

(a) the income tax paid by the cooperative societies in the country consequent upon withdrawal of exemption given to them under section 80(P) of Income Tax Act;

(b) the details of income tax paid by the cooperative societies in Rajasthan;

(c) whether Government proposes to give exemption to cooperative credit societies on income from agriculture; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The deduction under Section 80P of the Income Tax Act, 1961 is available to cooperative societies engaged in agricultural related activities specified in the Section 80P. The Finance Act, 2006 has withdrawn the tax benefits available under Section 80P to the cooperative banks other than primary agricultural credit society and primary agricultural and rural development banks. However no separate State-wise database of banks or cooperative societies whose income has become taxable subsequent to the above amendment is maintained. The required information therefore can be collected only by examining each and every return of a cooperative bank or a cooperative society for A.Y. 2006-07 to A.Y. 2010-11 and thereafter ascertaining whether they have been made liable to pay tax as a result of the change in the section 80P. As the number of such assessees in the country would run into thousands of cases, the time and effort required for collecting and compiling this information would not be commensurate with the objective sought to be achieved by the Hon'ble M.P. However the consolidated statistics in respect of the claim of deduction, under Section 80P in the entire country show that the total deduction under Section 80P in assessment year 2007-08 which was the first year in which the above amendment was applicable, was Rs. 266 crores as compared to Rs. 1632 crores in the preceding year in respect of deduction claimed by the cooperative banks.

(c) Under Clause (1) of the Section 10 of Income tax Act, 1961, full exemption from payment of income tax on agricultural income is available to all persons, including Cooperative societies.

(d) Does not arise in view of (c) above.

Recovery of tax arrears

994. SHRI TAPAN KUMAR SEN: Will the Minister of FINANCE be pleased to state:

(a) the total tax arrears, Direct and Indirect taxes separately as on 31 March, 2011, 31 March, 2010 and 31 March, 2009; and

(b) the target of recovery of tax arrears during next three years?