

## **CBDT staring at Rs. 7L cr unpaid, disputed taxes**

At a time when the government is bearing down upon banks to recover up to Rs. 7 lakh crore of outstanding loans from companies, it has admitted that a like amount of outstanding taxes may be irrecoverable.

The tax department has indicated to the government auditor, Comptroller and Auditor General (CAG) that more than 96% of this uncollected demand is difficult to recover in the current financial year. Speaking on condition of anonymity, one tax department official said even later, much of the amount was likely to prove unrecoverable.

According to a CAG audit, pending tax demands have more than doubled in five years, from Rs. 2.91 lakh crore in 2010-11 to Rs. 7 lakh crore in 2014-15.

The tax department ascribed the 'difficulty' in recovery to "inadequate assets for recovery, cases under liquidation, assesseees not traceable, demand stayed by various authorities etc."

The CAG had rapped the department for its deficient recovery mechanism, saying: "The uncollected demand is rising despite clear provisions in the Act to enforce collection and recovery of outstanding demand— attachment and sale of assesseees' property, appointment of a receiver for management of (such) properties and imprisonment."

According to CBDT, of this amount, approximately Rs.3.66 lakh is corporate tax, including two major cases under litigation — Cairn Energy and Vodafone.

CBDT told HT that as of March 2015, as much as 38% (Rs.2.63 lakh crore) of the total dues are stuck in cases "where either there are no assets or inadequate assets for recovery of demand."

"This category includes a small number of cases with very high demand. Approximately Rs.29,000 crore of demand is related to cases where assesseees are not traceable and Rs. 12,000 crore is related to companies under litigation," it said. The tax department is clueless on how and when it can make recoveries, and to what extent.

"Raising of new tax demands, liquidation of old demands and recovery of tax dues are continuous processes," CBDT told HT. "The department makes continuous efforts to recover all dues. However, recovery of outstanding dues on a particular date is not amenable to a timeframe."

*(Hindustan Times)*