

F. No.225/148/2019/ITA.II  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

North Block New Delhi, dated 25<sup>th</sup> June, 2019

To,

All Principal Chief-Commissioners of Income Tax

Sir/Madam,

**Subject:- Sharing of information with Public Sector Banks in case of loan defaulters -reg.**

Many a time, Public Sector Banks (PSBs) request the Income-tax Department (ITD) to furnish information in respect of immovable assets of a loan defaulter to enable them to effect recovery from the loan defaulter.

2. In this regard, attention is drawn to Schedule AL to the relevant Form of Income Tax Return in case of an Individual or HUF having total income in excess of Rs 50 lakhs, wherein particulars of Assets and corresponding Liabilities, held at the end of the year, is required to be furnished. The information contained therein may be provided to the PSBs so as to aid recovery of loan from the defaulter.

3. The information may be furnished under section 138(1) (b) of the Income Tax Act 1961 (Act) which states that where a person makes an application to the Pr. CCIT/CCIT/Pr. CIT/CIT in the prescribed form, seeking any information relating to any assessee received or obtained by any income-tax authority in the performance of his functions under the Act, the Pr. CCIT/CCIT/Pr. CIT/CIT may, if he is satisfied that it is in the public interest to do so, furnish or cause to be furnished the information asked for.

4. Since the information on assets, as contained in the Income Tax Return in specified cases, is received by the Income Tax Authority in performance of his statutory functions, the information contained therein qualifies for being furnished in terms of Section 138(1) (b) of the Income Tax Act. In this context, Board is of the view that sharing of information with PSBs in respect of assets held by defaulters of loans, so as to enable recovery of loans from such defaulters, is in **public interest** and hence, can be furnished. Besides statement of Assets, if requested, information such as details of bank account, sundry debtors of the loan defaulter which may aid recovery of loan by the PSB from the loan defaulter, can also be provided.

**5.** It is further clarified that such information may be provided in respect of the borrower/mortgager/guarantor of the loan only. At the time of supply of such information a confidentiality clause may be included specifying that such information be used only for the purpose of recovery of loan and will not be shared with any other person/agency. An undertaking to this effect shall be obtained from the Bank (to be signed by an officer not below the rank of the Manager of the Branch concerned) before furnishing the information.

**6.** In order to ensure that the tax dues of the Department against the defaulter (if any) are safeguarded, an undertaking may be obtained from the PSB to obtain a No Objection Certificate (NOC) from the jurisdictional Pr. CIT/CIT of the loan defaulter before appropriation of the surplus amount recovered from sale of immovable/movable asset of the defaulter, information in respect of which is shared.

**7.** The above guideline may be brought to the notice of all offices posted in your region.

**8.** This issues with the approval of Chairman, CBDT

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(Rajarajeswari R.)  
Under Secretary (ITA.II)

Copy to:

1. Chairman, CBDT & All Board Members
2. All Joint Secretaries/CsIT in CBDT
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*J. Rajarajeswari*  
(Rajarajeswari R.)  
Under Secretary (ITA.II)  
25/6/19