

# I-T to monitor firms' advance tax payments

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In a move to ensure companies do not defer their tax liabilities for the financial year, the income-tax department has decided to keep a close watch on advance tax payments by analysing India Inc's annual and quarterly balance sheets, as well as sectoral growth trends.

According to the I-T department's central action plan for 2023-24, financial statements of top 100 listed companies in their last published annual reports, and quarterly reports through the year, will be analysed. Based on this study, senior officials will monitor advance tax collections of their charges. The officials have also been asked to focus on "notes" and observations on financial accounts, if any.

The tax department, according to sources, will also review growth trends in some sectors like real estate, pharmaceuticals, steel, mining, financial institutions, and gems & jewellery. "It is pertinent to study the balance sheets of companies in each sector to know whether the payment made by them is in sync with their earnings outlook," said a tax official who did not wish to be named.



## REVENUE MAXIMISATION PLAN

- I-T to analyse companies' annual and quarterly financial statements
- To focus on any notes or observations on balance sheet
- Persuade companies to not defer payment of tax dues
- Review sectoral growth trends for better mapping

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Companies would pay the first advance tax instalment on June 15.

A strategy has also been made to focus on quality scrutiny of accounts before raising tax demand, and to pay special attention to the recovery of arrears. Turn to Page 6 ▶

