

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:643  
ANSWERED ON:03.12.2004  
IT ARREARS  
Barman Shri Hiten

**Will the Minister of FINANCE be pleased to state:**

- (a) the total income tax arrears as on 31 October 2004;
- (b) whether the Government had made a task force for recovery of income tax arrears;
- (c) if so, the details thereof;
- (d) the total amount recovered by this task force as on 31 October 2004; and
- (e) by when the Government will be able to recover the full arrears?

**Answer**

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

(a) The total income tax dues outstanding as on 31st October 2004 were Rs.81,892 Crore.

(b) Yes Sir.

(c) The Task Force on Recovery is constituted of Member (Revenue), CBDT, Director General (Admn), Director of Recovery and others and has the responsibility of evolving and implementing a multi-pronged strategy, specially a case-by-case strategy for collection of tax arrears including:

#Identification of worthwhile cases where recovery of arrears can be made during the course of the financial year through special efforts.

#Identification of high-demand cases pending at various stages of litigation and taking of steps for their early disposal.

# Monitoring the progress of hearings in larger cases before the ITAT and regulating the adjournments taken by the Departmental Representatives.

# Liaising with the Settlement Commission for early disposal of cases involving high demand and monitoring collection of resultant demand during the financial year itself.

#Associating Investigation Wings at the important centers to aid the recovery process by way of conducting surveys and/ or secret enquiries to identify the assets for recovery in difficult cases.

(d) The Task Force on Recovery of tax Arrears is a monitoring and co-ordinating body and is not directly involved in recovery of tax dues.

The Task Force has examined more than 5,500 cases where arrears in each case exceed Rs.1 Crore involving total tax arrears of Rs.85,000 crore. Out of this, 2,420 live cases involving total arrears of Rs.21,800 Crore have been identified for intensive efforts for recovery of arrears.

(e) Recovery from tax arrears is a continuous process under which fresh tax demands are added and outstanding dues are liquidated on a continuous basis. Quite a large amount of arrears is in different stages of multifarious litigation. Therefore, it is not feasible to set a time-frame within which the arrears outstanding at present would be fully recovered.