

**Government of India
Ministry of Finance
Department of Revenue**

**LOK SABHA
UNSTARRED QUESTION NO. 217
TO BE ANSWERED ON MONDAY, FEBRUARY 3, 2025/MAGHA 14, 1946 (SAKA)**

RECOVERY OF TAX ARREARS

217. DR. C M RAMESH:

Will the Minister of FINANCE be please to state:

- (a) whether it is a fact that the tax arrears of the country has been reached to Rs. 47 lakh crores which constitutes 14 per cent of the GDP;
- (b) if so, the details thereof; and
- (c) the efforts being made by the CBDT, CBIC and legal cells of the Government to recover tax arrears?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

- (a) & (b) : The quantum of direct tax arrears is Rs.41,63,435 crore and indirect tax arrears is Rs.1,01,332 crore as on 31/12/2024.
- (c): Following steps have been undertaken by CBDT for tackling the direct tax arrears:
 - (i) Demand Facilitation Centre (DFC) for facilitation of arrear demand management has been set up.
 - (ii) Monitoring the arrear demand reduction in respect of top 5000 cases of arrear demand in all the jurisdictions.
 - (iii) Targets have been given to field formations for annual cash collection and reduction of the demand.
 - (iv) Specific steps have been outlined such as litigation management, appeal/ rectification effects, demand segregation, etc.
 - (v) Efforts of the assessing officer to collect/recover the outstanding demand are regularly reviewed/monitored by the superior authorities.
 - (vi) Databases like Individual Transaction Statement and 360-degree profile generated by the Department and those maintained by other agencies like FIU-IND have been made available to the field units for identification of assets for recovery.

- (vii) Guidelines for Tax Recovery Officers for recovery and guidelines to filed authorities for dealing with stay petitions have been issued.

CBIC has issued Master Circular No. 1081/02/2022-CX dated 19.01.2022 for recovery of tax arrears. As per the said circular “There should be a dedicated 'Tax Recovery Cell' headed by a Joint/ Additional Commissioner level officer in each Commissionerate. The monitoring of arrear recovery shall be done by the Jurisdictional Pr. Commissioners/ Commissioners on monthly basis and the progress shall be monitored by the Zonal Principal Chief Commissioner/ Chief Commissioner.”

Some of the tools of recovery adopted by CBIC are as under:

- (i) Detain and auction movable/immovable properties of defaulters under Customs and Central Excise Acts.
- (ii) Utilize guarantees provided for duty-free imports to offset arrears.
- (iii) Publication of Defaulter Names:
- (iv) Guidelines for publishing names under Section 37E of the Central Excise Act, 1944
- (v) Incentives for officials and informers aiding recovery efforts.
