(c) if so, the details thereof;

(d) the total amount recovered by this task force as on 31 December, 2012; and

(e) by when Government will be able to recover the full arrears?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The total income tax arrears outstanding as on 31.12.2012 is Rs. 4,18,696 crore. This includes major defaulters of Income tax namely Shri Hassan Ali Khan involving tax arrears of Rs. 1,16,773.77crore, Smt. Chandrika Tapuriah involving tax arrears of Rs. 47,040.99 crore and (Late) Shri Harshad S Mehta involving tax arrears of Rs. 17,050.56 crore.

(b) and (c) Yes, Sir. A Special Cell has been constituted to exclusively deal with recovery of arrears classified as "Assessee not traceable" and "Assessee with no assets/inadequate assets for recovery". This cell coordinates as a nodal agency with the field formations in the Income Tax Department and the FIU-IND on a regular basis for identifying the bank accounts of such assessees. Results of data mining by FIU-IND are shared with the field formations to effect recovery of arrears.

(d) As a result of recovery measures undertaken by the Income Tax Department, total amount of Rs.16,686 crore has been collected during 01.04.2012 to 31,12.2012, which includes Rs. 4.65 crores due to the efforts of Special Cell.

(e) The raising of demand and collection of outstanding taxes is a continuous process and all-out efforts are made by the Income Tax Department to collect the outstanding taxes. As tax arrear is not a static concept, it is not possible to recover arrears in full at any given point of time.

Case of cheating in GIC

*215. SHRI SALIM ANSARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that M/s K.M. Dastur in connivance with Berkshire Group has cheated the General Insurance Corporation of India (GIC) to the tune of 500 crore;

(b) if so, the details thereof including the amount of loss suffered by GIC due to cheating by the above firms;

(c) whether the matter has been handed over to CBI for a thorough probe; and

(d) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (d) The General Insurance Corporation of India (GIC) is engaged in doing reinsurance business both within and outside India. The business from outside India comprise of obtaining reinsurance business from direct insurance companies located overseas and accepting reinsurance business from the global reinsurance companies which is termed as pure retrocession business.

GIC has informed that the unprecedented catastrophes in 2011 contributed to huge losses of GIC. It was accordingly decided by GIC to accept pure retrocession business from international reinsurance companies only after obtaining adequate protection cover. The product intended to be purchased was a product being sought by GIC for the first time. For procuring the specialized product it was decided to engage brokers based on their global presence, experience in pure retrocession line of business, and ability to bring international quotations for such a highly technical cover. Consequently two brokers, namely M/S KM Dastur and M/S JB Boda, were tasked to approach the global reinsurance market. Looking into the very limited market for such a cover, only one offer from M/S National Indemnity (Berkshire Hathaway), USA, could be arranged through M/S KM Dastur and the same was accepted w.e.f. 13th August 2012.

GIC has informed that they revisited the arrangement in December 2012 due to its likely cost implications and hence a conscious decision was taken to cancel the arrangement *w.e.f.* 5th December 2012. Till cancellation of the arrangement GIC had made payment of premium for two quarters amounting to USD15.2 Million with coverage of risk for the same period. There were no losses during this period. GIC has informed that it has not suffered any loss to the tune of Rs.500 crore by procuring this cover from Berkshire group through M/S K.M. Dastur.

The process of short listing the brokers, the manner in which the process was carried out, and the cancellation thereof within a short period are being examined further.

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*216. SHRI NAND KUMAR SAI: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state: