



ADMINISTRATIVE REFORMS COMMISSION

REPORT OF THE WORKING GROUP

CENTRAL DIRECT TAXES MINISTRATION

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JANUARY 1968



REPORT
OF THE
WORKING GROUP
ON
CENTRAL DIRECT TAXES ADMINISTRATION
ADMINISTRATIVE REFORMS COMMISSION
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PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, SIMLA
FOR THE MANAGER OF PUBLICATIONS, CIVIL LINES DELHI
1969

Price: —Inland Rs. 6.50p. Foreign 15sh 2d or 2 \$ 52 cents.

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ADMINISTRATIVE REFORMS COMMISSION

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WORKING GROUP ON CENTRAL DIRECT TAXES ADMINISTRATION

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Chairman

Shri Mahavir Tyagi.

Members

Shri S. N. Dwivedy.

Shri S. A. L. Narayana Row

Shri R. N. Jain.

Secretary

Shri V. Gauri Shanker.

Senior Analysts

Shri M. G. C. Goyal.

Shri P. P. Menon.

Personal Assistant

Shri R. L. Malik.

LETTER OF TRANSMITTAL

MAHAVIR TYAGI,
Chairman,
Working Group on Central Direct
Taxes Administration.

NEW DELHI
January 31, 1968

My dear Hanumanthaiya Ji,

I have pleasure in forwarding herewith the report of the Working Group on the Central Direct Taxes Administration. As you are aware, this Working Group was constituted on the 9th August, 1967 and was given fairly comprehensive terms of enquiry.

2. Taxation even as a purely revenue raising measure affects the people at large; but when it is made to subserve social and economic objectives, it affects the people in a most powerful way. The Administration, therefore, has to see that no avoidable irritation is caused to the tax-payers and inconvenience to them is minimised. At the same time, simplification of procedure should not be so over-done as to disturb the balance of the impact and incidence of taxation as between different sections of the public. An over-simplified tax structure might as well amount to denial of justice. Therefore, in framing our conclusions we have directed our attention to those areas of Tax Administration which cause avoidable inconvenience and irritations to assessees.

3. Revenues being the sinews of a Nation's peace and prosperity, the Tax collecting agency has to be efficient and diligent enough in the tasks entrusted to it. We have been witnessing for some time now an erosion of this efficiency which has led to widespread evil of tax evasion and uncollected arrears. In this Report, we have given prominence to those measures which, we think, are necessary to stop this erosion so that the officials of the Tax Department, freed from hampering procedures, will work for establishing an honest, efficient and dedicated tax collection service.

4. I personally wish to record here that the two official Members, Sarvashri S. A. L. Narayana Row and R. N. Jain have shown a commendable objectivity in examining the issues involved in our study and comments. The other Member, Shri S. N. Dwivedy, Member of Parliament, has not spared himself from attending to the exacting work of this Working Group in spite of a serious set-back to his health.

5. As already mentioned in the Preface to our Report, we are deeply indebted to Shri V. Gauri Shanker, our Secretary, who brought to bear

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on our study his vast knowledge of the history of the development of the Central Direct Taxes Laws in India and their administration. But for his mastery over the subject, it would not have been so easy for us to make such a detailed study of the vast subject entrusted to us within the short period at our disposal.

With kind regards,

Yours sincerely,
Sd. MAHAVIR TYAGI

Shri K. Hanumanthaiya,
Chairman,
Administrative Reforms Commission,
New Delhi.

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