

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1534  
ANSWERED ON:16.07.2004  
OUTSTANDING TAX ARREARS  
Jha Shri Raghunath

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

- (a) Whether it is a fact that C&AG in its report No.13 of 2003 (Direct Taxes) in para 1.7 on pages 6 and 7 revealed that Rs.39,631.50 crore was outstanding as arrears of tax demand in 3993 cases that were made available to the audit.
- (b) if so, the reasons therefor; (
- (c) the total tax demand outstanding – Commissionerat-wise as on date, since when it is out standing; and
- (d) the steps have been taken to recover the outstanding tax demand?

**Answer**

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

- (a) Yes, Sir.
- (b) The reasons for the tax demands remaining outstanding include stay granted by the Courts, ITAT and income-tax authorities; cases pending before BIFR and Settlement Commission and demands pertaining to the cases in which recovery is administered by the Special Courts.
- (c) The total outstanding demand as on 1-4-2004 is Rs.87,885.21 crore. Commissionerate-wise details are not centrally maintained at the Ministry level. The position of outstanding arrears of demand continuously changes with liquidation and fresh addition of demand.
- (d) The steps taken to liquidate arrears of taxes include steps towards speedy disposal of appeals, vacation of stay, monitoring of high arrear cases, reduction in litigation and setting up of special units for effecting recovery.