

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5195
ANSWERED ON:27.08.2010
CASES OF TAX REFUNDS
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Will the Minister of FINANCE be pleased to state:

- (a) whether a large number of income-tax payers in Delhi have not been given refund for the assessment year 2009-10;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether the Central Board of Direct Taxes (CBDT) has issued a circular to income-tax authorities to clear the refund below Rs. 3 lakhs; and
- (d) if so, the reasons for not processing the cases of refund by the income-tax authorities in Delhi so far?

Answer

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

(a) & (b): Processing of returns and issuance of refund is a continuous process in the Income Tax Department. Statutory time limit to process returns of income is with reference to the Financial Year of their receipt. As per the Income Tax Act, 1961, the returns for Assessment year 2009-10 filed during the Financial Year 2009-10 can be processed up to 31-03-2011.

Normally, after receipt of returns, processing of returns and issuance of refund (if due) are done in due course. However, in some cases, difficulties are encountered in the processing of returns and issuance of refund due to following reasons:

- i) Wrong quoting of PAN by the tax payer in the return of income,
- ii) Illegible recording of address in the return of income by the tax payer,
- iii) Non-reporting of new/altered address by the tax payer to the Assessing Officer,
- iv) Incorrect particulars about bank account,
- v) Verification of taxes paid/deducted,
- vi) Technical constraints like link failure, system overload, etc.

(c) & (d): For expeditious processing of returns and issuance of Refunds and overcome any bottlenecks, Circulars/ Instructions are issued to the Income Tax Authorities from time to time. Some of the challenges faced in processing the returns have been mentioned above. However, the returns of income are being regularly processed and refunds, wherever due, are issued.