

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4823
ANSWERED ON:07.08.2009
INTEREST ON IT REFUND
Jindal Shri Naveen

Will the Minister of FINANCE be pleased to state:

- (a) whether the IT Department pays crores of rupees as interest on refund every year;
- (b) if so, the details thereof for the last three years, year-wise;
- (c) the details of cases in which interest of more than rupees ten lakh has been paid during the said period;
- (d) the circumstances leading to payment of huge sums as interest; and
- (e) the steps being taken / considered in this regard?

Answer

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

- (a) Yes, Madam.
- (b) The details of interest paid on refunds during the last three years is as under:-

F.Y. Interest paid (in Rs crores)

2005-06 4553

2006-07 3693

2007-08 4410

2008-09 Data under compilation

- (c) The details of cases in which interest paid of more than rupees ten lakh is not maintained separately.
- (d) Refund and Interest thereon is paid to the assessee in accordance with statutory provisions of the Income Tax Act, 1961.
- (e) The Department has taken following steps to ensure timely refund to reduce interest paid thereon
 - (i) Computerized processing of returns.
 - (ii) Guidelines have been issued by the CBDT to process all returns and issue refunds within six months of filing of the return.
 - (iii) Introduction of e-filing of TDS returns.
 - (iv) Introduction of e-filing of return for speedy processing.
 - (v) The Department is in the process of setting up a Centralized Processing Centre at Bangaluru.It will provide speedy processing of returns and issuance of refunds for all the tax payers of Karnataka region and for all the returns e-filed throughout the country.