

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5214
ANSWERED ON:10.12.2010
IT REFUND
Bhagora Shri Tarachand

Will the Minister of FINANCE be pleased to state:

- (a) whether various wards of income tax in Delhi have not processed the refund orders of assesseees for the year 2008-09 and 2009-10;
- (b) if so, the reasons therefor;
- (c) the time by when the process of income tax refund to the assesseees is likely to be completed; and
- (d) the mechanism of reducing delays of income tax refunds?

Answer

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

(a), (b) & (c) The returns of taxpayers assessed to tax in Delhi pertaining to F.Y. 2008-09, i.e. Assessment Year (A.Y.) 2009-10 are being processed. Returns for F.Y. 2009-10 i.e. A.Y. 2010-11 filed in the current F.Y. will be processed sequentially once returns for A.Y. 2009-10 are processed. 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 received during the financial year can be processed up to one year from the end of the financial year in which the return is received. Therefore, returns pertaining to F.Y. 2008-09 [if filed during F.Y. 2009-10] can be processed upto 31.03.2011 while returns pertaining to F.Y. 2009-10 [if filed during F.Y. 2010-11] can be processed upto 31.03.2012. Normally, after processing the return, the refund generated is issued in due course. However, at times delays may be caused due to following reasons:-

- i) wrong quoting of PAN by the assessee in the return of income,
- ii) illegible recording of address in the return of income by the assessee,
- iii) non-reporting of the new/ altered address by the assessee to the AO,
- iv) incorrect particulars about the bank account.

(d) For the prompt issuance of pending refund claims, the Income Tax Department has also taken the following measures:

(i) Promoting E-filing of the returns for speedy processing.

(ii) Centralized Processing Centre (CPC) at Bengaluru has been set up for processing of E-filed returns of the entire country and manually filed returns of Karnataka & Goa Region.

(iii) It is proposed to set up two more such CPCs.

(iv) Through Citizens` Charter and other press releases issued by the Department, tax payers are requested to carefully mention the relevant particulars in return of income, and especially to avoid the common deficiencies as mentioned above.

(v) Mandatory quoting of deductee PAN in the quarterly statement of TDS filed by the deductors.

(vi) To achieve compliance of the reporting of PAN, a new Section 206AA has been inserted by the Finance (No. 2) Act, 2009 w.e.f. 01.04.2010 requiring deductees to furnish their PAN to the deductors, failing which rate of deduction of tax shall be at higher rate.

(vii) Facility of viewing the Tax Credit Statement in Form 26AS is made available to tax payers so that they can verify the TDS details before filing the return of income and take proper steps with the deductor(s) to rectify mistakes, if any.

(viii) Guidelines have been issued by CBDT to field formation to process refund on priority basis.

(ix) To expedite faster issue of refunds, Refund Banker Scheme has been extended to whole of India in phased manner from 01.08.2010.