

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5226  
ANSWERED ON:10.12.2010  
IT REFUND  
Jawale Shri Haribhau Madhav

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

- (a) the details of expenditure incurred by the Government on account of refund of income tax, region-wise;
- (b) the details of such refunds pending with Government for three months, six months, one year and more than one year;
- (c) whether Government proposes to reduce the same;
- (d) if so, the details thereof; and
- (e) the action initiated in this regard for direct receipt of refunds in banks account of the assessee?

**Answer**

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

(a) Activity-wise expenditure on various processes undertaken on the return of income is not maintained. Data regarding the cost of collection with respect to the Direct taxes for last two years is as under:

Financial year	Cost of Collection
(in Rs crores)	

2008-09	2247
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2009-10	2929 (Provisional)
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(b) Processing of returns and issuance of refund (if due) is a continuous process in the Income Tax Department. Any refund determined on processing of the return of income is issued within a week through Refund Banker. Hence no detail of refunds pending for 3 months, 6 months, one year or more than one year is available. However number of Returns (with refund claims), pending to be processed as on 31-10-2010, is about 49 lakhs.

(c) & (d) Yes. For prompt processing of returns in which refund is claimed and immediate issue of refunds, the Department has undertaken 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 Kamataka & Goa Region,

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

(iv) Through Citizens1 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,

(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 returns on priority basis

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

(e) Under Refund Banker Scheme, an assessee can get the refund directly to its bank account through ECS. To take advantage of this mode of receipt of refund, the assessee has to give full details like Bank Account Number, Bank Branch MICR Number and full correspondence address.