

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:777
ANSWERED ON:25.02.2011
DISPOSAL OF IT REFUND CASES
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Will the Minister of FINANCE be pleased to state:

- (a) the number of cases for refund of income tax for the financial year 2010-11 received by the Income Tax Department during June to December, 2010 and the number out of these disposed of so far till date;
- (b) whether these cases are being disposed of quickly and timely by the Department;
- (c) if not, the reasons therefor and the steps taken/being taken by the Government for their early disposal; and
- (d) the time by which all such cases are likely to be disposed of?

Answer

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

(a) Information in the format as asked for is not centrally maintained and therefore, information about pending refund cases received during June to December, 2010 cannot be submitted.

(b) & (c) It is the endeavour of the Department to issue the refunds on priority basis. Returns filed are processed sequentially and refund computed (if any) is issued immediately. However, at times delays may be caused due to following reasons:-

- i) Difficulty in verification of taxes paid or deducted, due to data mismatch,
- ii) wrong quoting of PAN by the assessee in the return of income,
- iii) illegible recording of address in the return of income by the assessee,
- iv) non-reporting of the new/ altered address by the assessee to the AO,
- v) incorrect particulars about the bank account.

For the prompt issuance of pending refund claims, the Income Tax Department has 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) Steps to set up two more such CPCs at Manesar and Pune are underway.
- (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 formations to process refund cases on priority basis.
- (ix) To expedite faster issue of refunds, Refund Banker Scheme has been extended to whole of India.

(d) Statutory time limit to process the return of income is with reference to their receipt in the Financial Year. According to the

provisions of the Income Tax Act, 1961, the return received during the Financial Year 2010-11 can be processed upto 31st March 2012. Guidelines have been issued by CBDT to process all returns and issue refunds expeditiously.