

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2537

ANSWERED ON:09.12.2011

IT REFUND

Agarwal Shri Jai Prakash; Hazari Shri Maheshwar ; Saroj Smt. Sushila; Upadhyay Seema; Verma Smt. Usha

Will the Minister of FINANCE be pleased to state:

(a) the amount paid as Income Tax refund and that paid as interest due to delay during each of the last three years and current year till date along with the reasons for delay, region-wise;

(b) the details of claims vis-a-vis refund made thereon by the State Bank of India; and

(c) the details of refund claims pending and the steps taken or proposed to be taken to clear such pending cases at the earliest?

Answer

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

(a) Region wise data for refund is not maintained. However All India data for refunds and interest paid thereon is in the table below:

Sl. No	Financial Year	Refund (in Rs crores)	Interest paid on Refunds (in Rs crores)
--------	----------------	--------------------------	--

1	2008-09	39097-	5790
---	---------	--------	------

2	2009-10	57251	6876
---	---------	-------	------

3	2010-11	75160	9943#
---	---------	-------	-------

4	2011-12	68994#	Not Available (upto Nov. 2011)
---	---------	--------	-----------------------------------

#Provisional

Interest on refund is paid to assesseees as per the provisions of section 244A of Income Tax Act, 1961 which stipulates that interest is payable from 1st April of the Assessment Year to the date of processing of return of income. Thus, interest payment is inescapable in all cases, at least for the period from 1st April of the Assessment Year to the date of filing of return of income and thereafter, till the return of income is processed. Processing of return of income is completed within one year from the end of the Financial Year in which the same was tiled and refund along with interest, if found due, is issued. However, at times delays in processing 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 Assessing Officer,

iv) incorrect particulars about the bank account.

v) challenges in verification of taxes paid or deducted due to data mismatch.

(b) The relevant data is as below:

(In lacs)

The number of Returns of Income claiming Refund 45.42#
processed during April-Sept 2011

Refunds issued by State Bank of India through 45
Refund Banker Scheme

Provisional

(c) The number of Returns of Income claiming Refund pending for processing as on 01-10-2011 is 19.41 lakhs (provisional). The Income Tax Department has taken following steps for prompt issuance of refund claims:

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

(ii) Guidelines have been issued by CBDT to field formations to process Returns of income in # which refund is claimed on priority basis.

(iii) Centralized Processing Centre (CPC) at Bengaluru has been set up to process e-returns of the entire country and paper returns of Karnataka & Goa Region. Two more such CPCs to process paper returns for the Rest of the country are on the anvil.

(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 in part (a) above.

(v) TDS deductors are required to compulsorily e-file their TDS returns on quarterly basis.

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

(vii) Section 206AA requires deductees to furnish their PAN to the deductors, failing which rate of deduction of tax shall be higher.

(viii) 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.

(ix) To expedite faster issue, dispatch and delivery of refunds, Refund Banker Scheme was launched and is now operational for Non-corporate tax payers all over India.