

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4301
ANSWERED ON:22.03.2013
WITHHOLDING IT REFUND
Gowda Shri D.B. Chandre

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has withheld Income Tax Refunds of a large number of Income Tax Payees;
- (b) if so, the details thereof for the last three years along with the reasons therefor;
- (c) the average annual income from interest earned there by; and
- (d) the steps taken/being taken by the Government to clear the outstanding refund cases at the earliest?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) No, there is no withholding of Income Tax refunds by the Government. Refunds arise mainly on account of processing of Return of Income (ROI) or on account of giving effect to the appellate orders. ROI can be processed up to one year from the end of the financial year in which Return is received, and the refund so generated, is issued in due course. Also, the refunds arising as a result of giving effect to appellate orders are issued after due verification of the same.

(b) Nil, in view of reply to (a) above.

(c) Not applicable in view of reply to (a) & (b) above.

(d) Various steps taken by the Government to expedite refunds are as under:

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

ii) Centralized Processing Centre (CPC) at Bengaluru has been set up to process e-returns of the entire country.

iii) To expedite faster issue, dispatch and delivery of refunds, issuance of refunds through Refund Banker.

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.

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

vi) Quoting of PAN by deductors in their return has been made mandatory. For improved compliance, failure to provide PAN number to deductor now results in higher rate of TDS.

vii) Online viewing of 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) Online viewing of status of taxpayers refund is available for better information dissemination.