

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1574

ANSWERED ON:27.11.2009

TH AGRAHAYANA SAKA INTEREST ON IT REFUND

Jagannath Dr. M.

Will the Minister of FINANCE be pleased to state:

(a) the amount of refunds and interest thereon paid by the Income Tax Department during the financial year 2008-09; and

(b) the justification for incurring huge expenditures in charging interest on IT refunds? ANSWER

Answer

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

(a) The Income Tax Department has paid Rs 5785 crores interest on refund of Rs 41,122 crores during the financial year 2008-09.

(b) Interest on refund is paid to the assesseees as per the statutory provisions of the section 244A of the Income Tax, 1961. Interest under this section 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 atleast for the period from 1st April of the Assessment Year to the date of filing of return and thereafter, till the return of income is processed.