

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2107
ANSWERED ON:05.12.2014
PROCESSING OF IT
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Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware of the fact that various wards of income-tax in Delhi have not processed the refund orders of assesseees for the years 2012-13 and 2013-14;
- (b) if so, the details thereof and the reasons therefor;
- (c) the time by which the processing of income-tax refund to the assesseees is likely to be completed; and
- (d) the details of mechanism of reducing delays of income-tax refunds?

Answer

FINANCE MINISTER (ARUN JAITLEY)

(a) & (b) Bulk of the returns are e-filed and 86% of all returns (e-filed returns and paper returns) are processed centrally at CPC Bengaluru. Only paper returns and some of the e-filed returns transferred by CPC Bengaluru of assesseees falling in the jurisdiction of Delhi are processed by the field officers in circles/wards. As on 28.11.2014, out of such returns, 5250 refund claims pertaining to A.Y. 2012-13 & 20951 refund claims pertaining to A.Y. 2013-14 were pending for processing. Processing of returns and issuance of refunds is an ongoing process. As per the Income-tax Act 1961 (Act), a Return can be processed upto one year from the end of the financial year in which it is received. The other major reasons for refunds remaining pending in Delhi are as under:

- i. Challenges in verification of taxes paid or deducted, due to mismatch of data.
- ii. Submission of incorrect particulars such as; incomplete address, incorrect bank account particulars etc. in the Return of Income by the taxpayer.
- iii. Wrong quoting of PAN by the taxpayer.
- iv. Challenges faced in migration of PAN due to change of jurisdiction of the assessee.
- v. Before adjustment of past year arrears from refunds, an opportunity to the taxpayer is given and unless the outstanding arrears are confirmed the refund cannot be issued.
- vi. In cases where proceedings are pending under sections 143(3)/148 of the Act, the refund is determined on completion of proceedings.

(c) All pending refund claims for A.Y. 2012-13 and refund claims for A.Y. 2013-14 other than the cases where proceedings under Section 143(3) of the Act remain pending, are required to be processed by 31.3.2015.

(d) Mechanisms adopted to ensure speedy payment of income tax refunds are enumerated below:

- i. E-filed Returns are processed in bulk at CPC Bengaluru and thereby reducing the processing time substantially.
- ii. Issuance of refunds is done through Refund Banker.
- iii. TDS deductors are required to compulsorily e-file their TDS statements on quarterly basis. CPC (TDS) has been set up at Ghaziabad to expedite processing of the same.
- iv. Through Citizen's Charter and other press releases / advertisements issued by the Department, tax payers are requested to carefully mention the relevant particulars in return of income.
- v. Facility of viewing individual Tax Credit Statement in Form 26AS is made available to tax payers so that they can verify the TDS details before filing their return of income and take proper steps with the deductor(s) to rectify mistakes, if any.
- vi. Online viewing of status of taxpayers' refund is available for better information dissemination.

vii. Income Tax Ombudsman are posted to ensure prompt disposal of tax payer grievances.

viii. Aayakar Seva Kendras (ASK) have been set up at various locations in NCT of Delhi which promptly deal with the refund related grievance of the assesseees.