

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:907
ANSWERED ON:25.07.2003
INTEREST ON TAXES AND DUTIES
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are considering a proposal to benchmark interest rates on delayed payments of taxes and duties; and
- (b) if so, the details and reasons for this proposal?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) & (b) As far as Direct Taxes are concerned, the Government rationalizes the interest rates payable or chargeable, as are considered necessary from time to time. In respect of Indirect Taxes, the Government is reviewing the issue. The existing rates of interest under different provisions of Central Excise Act, 1944, Customs Act, 1962, Chapter V of the Finance Act, 1994 and the Rules framed thereunder are being reviewed keeping in mind the change in the rates of interest offered and charged by the RBI and other Commercial Banks on different kind of loans.