

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1015  
ANSWERED ON:28.11.2014  
IT REFUND  
Singh Dr. Nepal

**Will the Minister of FINANCE be pleased to state:**

- (a) the number of income tax refund cases pending with the Income Tax (IT) department at present;
- (b) the reasons for delay in income tax refunds, if any;
- (c) whether the Government is formulating any scheme to expedite the refunds to tax payers; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (JAYANT SINHA)

- (a) As on 20.11.2014, 35,24,980 refund cases entered in Systems of the Income-tax Department are pending.
- (b) The processing of returns and issuance of refunds arising thereon is an on-going and continuous process. As per the Income-tax Act 1961, a Return can be processed upto one year from the end of the financial year in which it is received. Majority of cases that are pending processing relate to A.Y. 2014-15. The other major reasons for refunds remaining pending are as under:
  - i. Delayed submission of ITR-V by taxpayer to CPC Bangalore.
  - ii. Challenges in verification of taxes paid or deducted, due to data mismatch.
  - iii. Submission of incorrect particulars such as incomplete address, incorrect bank account particulars etc. in the Return of Income by the taxpayer.
  - iv. Wrong quoting of PAN by the taxpayer.
  - v. Challenges faced in migration of PAN due to change of jurisdiction of the assessee.
  - vi. 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.
  - vii. In cases where proceedings are pending under sections 143(3)/148 of the Income tax Act, the refund is determined on completion of proceedings.
- (c) & (d) Various steps taken by the Government to improve efficiency and ensure speedy payment of income tax refunds are enumerated below:
  - (i) E-filed Returns are bulk processed in CPC Bangalore 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 returns 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 has been created to ensure prompt disposal of tax payer grievances.

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