

(c) The proposed GST, which will have two components viz. Central GST and State GST, is likely to subsume multiple taxes and will help in moving towards achieving the objective of having a common national market.

(d) The proposed GST is likely to remove cascading of tax and thus likely to reduce cost of most of the goods.

PPF scheme by Andhra Bank

1245. SHRI VARINDER SINGH BAJWA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Public Sector Banks like Andhra Bank, which were nationalized in 1980 have not so far been allowed to operate PPF scheme, 1968, where as many private banks have been allowed to operate the scheme;

(b) if so, the reasons for neglecting Public Sector Banks nationalized over three decades ago, which have since expanded their operations manifold in the country;

(c) whether representations have been received for including such banks to operate the scheme;

(d) if so, by when all such banks are proposed to be included under PPF scheme, 1968; and

(e) if not, the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) and (e) Authorization of banks to handle Government transactions comes within the purview of Controller General of Accounts (CGA). Once the decision in principle is taken to authorize the bank for handling the PPF Scheme, the specific number and location (depending upon existing coverage, volume of transactions, etc.) of branches are decided by the Chief Controller of Accounts (Finance). The PPF Scheme, 1968 is being operated through Post Offices as well as Public Sector Banks. The scheme was initially available through State Bank of India (SBI) and its subsidiaries. In 1987, the scheme was extended to branches of 14 nationalized banks that were engaged in the collection of direct taxes. In 2003, branches of Corporation Bank and in 2005 branches of HDFC Bank, IDBI and UTI Bank were authorized in consultation with Chief Controller of Accounts (Finance) and the CGA to operate the scheme. With regard to authorizing the Andhra Bank to handle PPF Scheme, this Ministry has not received any proposal either from Andhra Bank or CCA (Finance).

Refund of IT

1246. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether any time-frame has been fixed for settlement of refund of Income Tax (IT) cases;

(b) whether it is a fact that people are not getting their refund order within the prescribed/reasonable time limit and therefor Income tax Department has to pay huge amount as interest; and

(c) how many cases are still pending with the Income Tax Department where refund orders have not been received as yet by the assesseees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Processing of return and issuance of refund is a continuous process in the Income Tax Department. Statutory time limit to process the return of income is with reference to their receipt in the Financial Year. According to the provisions of Income Tax Act, 1961, the return received during the Financial Year 2008-09 can be processed upto 31st March, 2010. Guidelines have been issued by CBDT to process all returns and issue refunds expeditiously.

(b) Normally, after receipt of returns, processing of returns and issuance of refund (if due) are done in due course. However, in some cases, difficulties are encountered in the processing of returns and issuance of refund due to following reasons:—

- (i) Wrong quoting of PAN by the assessee in the return of income;
- (ii) Illegible recording of address in the return of income by the assessee;
- (iii) Non-reporting of new/alterd address by the assessee to the Assessing Officer;
- (iv) Incorrect particulars about bank account;
- (v) Difficulty in verification of taxes paid or deducted, due to data mismatch;
- (vi) Technical constraints like link failure, system overload; etc.

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.

(c) Total number of pending refund returns (upto January, 2010) is 49 lakh (approx.). The statutory time limit to process the return and issue refund for returns received in Financial Year 2009-10 is 31.3.2011.

Impact of Dubai and European economic crisis

1247. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

- (a) whether Dubai and European economic crisis have had any impact on Indian economy;
- (b) if so, the details thereof; and
- (c) the measures/strategies being contemplated by Government to counter adverse effect of these crisis on different sectors of Indian economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) In a globalized world, ripple/crisis in any part of the global economy at times get transmitted to other parts of the world through, *inter alia*, changes in investor perception