

under surveillance of the RBI, Micro Finance Institution (other than NBFCs) besides other. The study recommended the need for a large scale survey by National Sample Survey Organization (NSSO) or other such agencies to estimate the size of the informal financial sector.

(c) RBI proposes to review the extant regulatory framework for NBFCs including aligning some of the prudential regulation of NBFCs with that of banks, enhancing corporate governance standards, consumer protection and strengthening the supervisory reporting requirements from a larger universe of NBFCs to address pockets of shadow banking activity in the formal financial sector.

GDP of country

1434. SHRI Y.S. CHOWDARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that growth of Gross Domestic Product (GDP) has been declining during the last three years;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken or being taken by Government to improve the GDP growth for the current year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) The rate of growth in the Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices was 6.7 per cent, 4.5 per cent and 4.7 per cent in 2011-12, 2012-13 and 2013-14 respectively. Factors that led to the recent slowdown in growth in the Indian economy, *inter alia*, include; bottlenecks in implementation of projects, subdued business sentiments, elevated levels of inflation and the resultant tight monetary policy and an unsupportive/uncertain global economic milieu.

(c) Several measures have been outlined in the Union Budget 2014-15 to improve growth in the economy that, *inter-alia*, include: (i) fiscal consolidation with emphasis on expenditure reforms *via* proposed constitution of an Expenditure Management Commission; (ii) initiatives for skill development including in rural areas; (iii) proposals to boost agriculture *via* emphasis on irrigation and long-term credit; (iv) impetus to rural roads; (v) fillip to industry and infrastructure, *inter-alia*, *via* incentives *viz.* extension of the ten-year tax holiday to undertakings that begin generation, distribution and transmission of power by 31.03.2017; (vi) measures to augment low cost long-term foreign borrowings by Indian companies; (vii) proposal for promotion of Foreign Direct

Investment in selected sectors; (viii) reduction in excise duty on specified food processing and packaging machinery, etc. alongwith proposed rationalization of duties relating to different types of coal, scrap and diamond items; (ix) scheme for development of new airports in tier I and tier II cities; (x) boost to savings *via* raising of investment limit under Section 80 C of Income Tax Act and the income tax exemption limit to ₹ 2.5 lakh from ₹ 2 lakh; and, (xi) emphasis on development of smart cities. Also, several steps being undertaken to contain inflation would help in raising growth.

IT refund cases

1435. SHRI SALIM ANSARI: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that a large number of income tax payers in Delhi have not received their income tax refunds for the fiscal 2012-13;
- (b) if so, the details thereof and reasons for delay;
- (c) whether Income Tax (IT) Department is loosing revenue by way of interest on account of non-payment of refunds for fiscal 2012-13;
- (d) if so, the estimated loss to IT Department on account of interest for delayed payments; and
- (e) the steps being taken to ensure speedy payment of refunds below ₹ 3 lakh to Income Tax payees from NCT of Delhi?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Income Tax Returns (ITRs) for the fiscal 2012-13 pertaining to Assessment Year 2013-14 are filed in F.Y. 2013-14 and can be filed belatedly upto 31.3.2015. As per Income Tax Act 1961, the ITR can be processed up to one year from the end of the financial year in which it is received. Therefore, ITRs for the fiscal 2012-13 (if filed during F.Y. 2013-14) can be processed upto 31.03.2015. The refunds so generated in processing are being issued in due course.

(c) The Income Tax Act 1961, stipulates that refund to a taxpayer shall include interest on excess collection of taxes, as under:

- (i) In case of processing of the return of income: From 1st April of the Assessment Year to the date of processing of return, provided that the refund is 10% or more of the tax determined, and
- (ii) In case of giving effect to appellate orders etc: From the dates/s of payment of excess tax to the date of giving effect to the appellate order.