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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**
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\+ **W.P.(C) 6938/2014**

S.K. INDUSTRIES PVT LTD. ...... Petitioner
Through: Mr Mukesh Gupta, Advocate.

versus

DEPUTY COMMISSIONER OF INCOME TAX & ANR. ..... Respondents
Through: Mr Ashok K. Manchanda, Senior Standing Counsel with Ms Vibhooti Malhotra, Junior Standing Counsel and Mr Aamir Aziz, Advocate.

CORAM:
JUSTICE S. MURALIDHAR
JUSTICE VIBHU BAKHRU

O R D E R

% **11.02.2016**

1. The short question involved in this writ petition concerns the failure of the Income Tax Department to pay interest on the amount of refund due to the Assessee for the period of delay in releasing the refund in terms of Section 244A of the Income Tax Act, 1961 ('Act').

2. The admitted facts are that in respect of the return of income for the Assessment Year (AY) 2011-12 filed by the Petitioner-Assessee on 28th September 2011, a claim for refund of a sum of Rs.20,60,160/- was made.

The return was processed under Section 143(1) of the Act on 13th January, 2012 resulting in a refund of Rs. 14,65,090/-. A perusal of the intimation/order dated 13th January, 2012 reveals that the reason for non-processing of the refund was that "the bank account number/MICR/address is incorrect/not mentioned". The Assessee was required to furnish the details as per enclosed response sheet and send it to CPC at the above mentioned address along with a cancelled cheque of the Assessee's Bank account as sample, to enable the processing of the refund.

3. On 22nd November 2012, the Assessee wrote to the Department furnishing the complete bank details. In addition, the learned counsel for the Petitioner points out that the same MICR number had been furnished in Schedule BA of the income tax return. After the letter dated 22nd November, 2012, the Petitioner on 20th December 2012 furnished the response sheet in which the Petitioner gave the details of another bank account maintained by the State Bank of India, New Rajinder Nagar, New Delhi. The fact of the matter was that the refund cheque was in fact issued only on 27th May, 2014.

4. It is seen therefore that the Assessee did furnish the complete details on 20th December 2012 and, therefore, for the period of delay (i.e. 20th

December 2012 to 27th May 2014), interest is payable by the Department. Also, the Petitioner would be entitled to further interest for the period till the actual date of payment since for no fault of the Petitioner, it was made to wait for an unreasonably long period for the refund and had to approach this Court for relief. On the other hand, there was a failure by the Department to act in accordance with law.

5. Accordingly, it is directed that the Respondent-Department will within a period of two weeks from today in any event not later than 14th March, 2016 refund to the Petitioner the following amounts:

a) Interest on the refund amount from 20th December 2012 to the date of issue of the refund cheque i.e. 27th May 2014 in terms of Section 244A of the Act.

b) Further interest at the same rate as at (i) above, on the amount of interest due to the Petitioner as aforesaid, from 27th May 2014 till the date of payment of the interest in terms of this order.

6. If the above direction is not complied with, it will be open to the Petitioner to seek appropriate remedies in accordance with law.

7. The petition is disposed of in the above terms.

S.MURALIDHAR, J

VIBHU BAKHRU, J

FEBRUARY 11, 2016
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