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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **W.P.(C) 11071/2019 and CM APPL. 49012/2019**

NOKIA SOLUTIONS AND NETWORKS INDIA PVT. LTD. .....Petitioner

Through: Mr Ankur Goyal and Mr Ashish Sarda, Advocates.

versus

ADDITIONAL COMMISSIONER OF INCOME TAX, & ORS. .....Respondents

Through: Mr Ruchir Bhatia, SSC with Mr Anant Mann and Mr Abhishek Anand, Advocates.

**CORAM:**
**HON'BLE MR. JUSTICE VIBHU BAKHRU**
**HON'BLE MS. JUSTICE SWARANA KANTA SHARMA**

**O R D E R**

% **30.09.2024**

1. The petitioner has filed the present petition, *inter alia,* praying as under:

> (a). Issue a writ of mandamus or any other appropriate writ directing the Respondent/s to manually release the refund of INR 1,81,06,76,400/- along with applicable interest, till the date of issuance of refund, for Assessment year 2017 - 18."

2. Admittedly, the refund due has been released to the petitioner. The only issue that survives for consideration is the interest on the amount of ₹1,81,06,76,395/-, which was the refund due to the petitioner in terms of the assessment under Section 143(1) of the Income Tax Act, 1961 (hereafter *the Act*) for the assessment year (AY) 2017-18.

3. The respondents have computed the interest payable to the petitioner

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at ₹5,65,83,638/- as on 30.03.2019. The petitioner disputes the computation of the said amount as the refund was remitted to the petitioner's bank account on 18.10.2019. The petitioner claims that the interest was required to be computed till the date of release of the payment – that is, till 18.10.2019 and not 30.03.2019.

4. Mr Bhatia, learned counsel appearing for the respondents submitted that the interest had been calculated on the date of grant of refund, that is, 30.03.2019 and therefore, the interest is not payable thereafter.

5. The contention that the date of grant of the interest must be construed as the interest due till the date of passing of the order and not the date on which the amount is released to the assessee, is insubstantial. The expression "refund is granted" would necessarily mean refund of payment of the amount.

6. It is well settled that the interest is paid to compensate the payee for time value of money. Bearing in mind the aforesaid principle, it is difficult for this Court to accept that "the date on which refund is granted" as used in Section 244A of the Act must be read as the date on which an order accepting the petitioner's claim for the grant of refund is passed and not the date on which the funds are released.

7. Accepting the Revenue's contention would imply that the Revenue could pass an order for the grant of refund, which would stop the clock for the payment of interest and yet continue to withhold the amount without the payment of interest. Clearly, the said contention is unacceptable.

8. In view of the above, we direct the concerned Assessing Officer to re-calculate the interest till 18.10.2019 and release the said amount to the petitioner as expeditiously as possible and preferably within a period of four

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weeks from date.

9. It is clarified that this Court has not examined the question regarding the validity of the action to adjust the amount of refund due against the dues allegedly payable by the assessee in respect of the other AY, as the same is the subject matter in another petition. Thus, the examination in this petition is confined to the question whether interest is payable till the date of the order directing the refund of amount due or till the date of payment.

10. The petition is disposed of in the aforesaid terms. The pending application is also disposed of.

**VIBHU BAKHRU, J**

**SWARANA KANTA SHARMA, J**

**SEPTEMBER 30, 2024**
**RK**

*Click here to check corrigendum, if any*

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