IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION NO. 2159 OF 2025

Nath Industries Limited .. Petitioner

Versus

Union of India and Ors. .. Respondents

Adv. Rajendra*, for the Petitioner.*

Dr. Dhanlakshmi S. Krishna Iyer*, for the Respondent- Revenue.*

CORAM: B. P. COLABAWALLA &
FIRDOSH P. POONIWALLA, JJ.
DATE: SEPTEMBER 2, 2025

P. C.

1. The above Writ Petition is filed seeking the following reliefs:-

> *A. The Hon'ble Court be pleased to issue a writ of mandamus or any other writ, order or direction in the nature of writ of mandamus directing the revenue authorities to issue refund due to the Petitioner for the AY 2018-19 (Exh. II) amounting to Rs. 5,70,66,572/- and to pass rectification order for the AY 2020-21 giving credit of TDS Rs.2,07,584/- of the amalgamating company.*
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> *B. The Hon'ble Court be pleased to issue a writ of mandamus or a writ in the nature of mandamus or any other appropriate writ, order/ direction directing the Assessing Officer to pay interest on the Refunds for the above mentioned AY. 2018-19(Exh.II) within stipulated time frame."*

2. On, 11.06.2025, while submitting the praecipe, Advocate for the Petitioner brought to our notice that the Petitioner had received a refund of Rs.5.20 Crores and that balance amount of Rs.2.82 Crores was yet to be paid by the department. The Advocate for the Revenue, after seeking instructions from the Assessing Officer, submitted that a refund amounting to Rs.1.69 Crores is determined and sent to Central Processing Unit. She further stated there was an amalgamation of companies during the year under consideration and because of certain technical glitches there was delay in issuing the refund.

3. During the last hearing on 25th August 2025, the Advocate for the Petitioner stated that total amount due to it including the interest, after grant of refund of Rs.5.20 crores, was Rs.2.83 Crores (calculating the interest up to August 2025). However, the department has not granted even the undisputed refund of Rs.1.69 Crores till date. As regards the balance refund of Rs.1.14 Crores is concerned, the Advocate of the Petitioner stated that the Petitioner company would submit all necessary papers and supporting documents to the Assessing Officer within a period of one week from today. He further submitted that the Department should be directed to release the undisputed refund of Rs. 1.69 Crores within reasonable time, and that a timeline be fixed for release of the disputed refund of Rs.1.14 Crores after verification of the claim made by the Petitioner. In response, the Advocate for the Respondents submitted that the AO will examine the claims of the Petitioner (including for interest), in accordance with law.

4. Having considered the rival submissions, this Court is of the view that the claim of the Petitioner for refund cannot be kept pending indefinitely, particularly when part of the refund is undisputed. We are also of the opinion that refund matters should be settled as early as possible, as public money has to be paid as interest to the assessees. This court has taken a very serious view about payment of interest from the pockets of the taxpayers in the cases of ***UPS Freight Services India(P.) Ltd. Vs. Deputy Commissioner of Income-tax ([2023] 156 taxmann.com 489 (Bombay) 28.08.2023)***, ***Matrix Publicities and Media India (P.) Ltd. Vs. Deputy Commissioner of Income-tax ([2023] 155 taxmann.com 588 (Bombay) 25.10.2023)*** and ***Bloomberg Data Services (India) (P.) Ltd. Vs. Deputy Commissioner of Income-tax ([2024] 169 taxmann.com 468 (Bombay) 02.12.2024)***. We would like to reiterate that the department should streamline the process of issue of refund, so that public money is not spent unnecessarily towards payment of interest and precious judicial time can be gainfully utilised for other important cases rather than dealing with refund matters.

5. Accordingly, the following directions are issued:

(i) The undisputed refund of Rs.1.69 Crores shall be released by the CPC to the Petitioner within two weeks from the date of uploading of this order on the High Court website.

(ii) As regards the balance disputed refund of Rs.1.14 Crores the Petitioner shall submit all requisite documents and supporting papers within a period of one week from the date of uploading of this order on the High Court website.

(iii) Upon receipt of the said documents, the Assessing Officer shall examine the claim and pass a speaking order dealing with each of the claims of the Petitioner, including the issue of interest computation. The said exercise shall be completed within four weeks thereafter.

(iv) The refund, if found admissible, or any part thereof, together with statutory interest, shall be released to the Petitioner within four weeks of the Assessing Officer passing its order as mentioned in clause (iii) above.

6. Rule is made absolute in the aforesaid terms, and the Writ Petition is also disposed of in terms thereof. However, there shall be no order as to costs.

7. Place this above Writ Petition on board on 4th November 2025 for reporting compliance.

8. This order will be digitally signed by the Private Secretary/ Personal Assistant of this Court. All concerned will act on production by fax or email of a digitally signed copy of this order.

[FIRDOSH P. POONIWALLA, J.] **[B. P. COLABAWALLA, J.]**

Darshan Patil