

Refund payable to assessee cannot be withheld on ground of technical difficulty of system

Summary – The High Court of Bombay in a recent case of Vodafone Idea Ltd., (the Assessee) held that refund payable to assessee cannot be withheld on ground of technical difficulty of system

Facts

- The assessee return was scrutinized and the assessment order gave rise to refund of certain sum.
- As the refund was not forthcoming, the assessee wrote several letters to the department but with no avail.

Held

- The HC stated that when material facts are not disputable, there is no reason why the assessee should not get the refund which flows from the order of assessment.
- The refund cannot be withheld on the ground of technical difficulty of the system not accepting such a declaration of stay of the demands and giving effect to such position.
- If for some reason the technical difficulty is not possible to be corrected the concerned authorized officer must manually issue the refund amount with statutory interest.