

Landmark Judgements of Supreme Court on Section 243 [Interest on delayed refunds]

SLP dismissed against High Court ruling that where assessee's claim for refund of excess tax collected was withheld and refunded by department after a huge delay merely on ground of pendency of appeal filed by revenue, since there was no stay granted by Appellate Authorities, assessee would be entitled to compensation by way of interest for such delay but assessee would not be entitled to interest on interest which was awarded as compensation

High Court by impugned order held that where assessee's claim for refund of excess tax collected was withheld and refunded by department after a huge delay merely on ground of pendency of appeal filed by revenue, since there was no stay granted by Appellate Authorities, assessee would be entitled to compensation by way of interest for such delay but assessee would not be entitled to interest on interest which was awarded as compensation. Special leave petition filed against impugned order was to be dismissed. [Partly in favour of assessee] (Related Assessment year : 2002-03) - *[Nima Specific Family Trust v. ACIT (2019) 262 Taxman 304 : 104 taxmann.com 56 (SC)]*