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

\+ W.P.(C) 9605/2026

M/S YASHITA FINANCE PRIVATE LIMITED .....Petitioner

Through: Mr. Gopal Jain, Sr. Adv. with Mr. Rohit Tiwari, Ms. Tanya and Ms. Shivani, Advs.

versus

PRINCIPAL COMMISSIONER OF INCOME TAX -7, DELHI & ORS. .....Respondents

Through: Mr.Ruchir Bhatia, SSC, Mr.Anant Mann, and Mr. Pratyakash Gupta, JSCs.
Mr. Ayush Gaur, SPC with Ms. Shivranj, Ms.Ridhi Kapoor and Mr. Varun Parashar, Advs. Mr.Garvil Singh, GP for R4.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE MR. JUSTICE RAJNEESH KUMAR GUPTA

<u>O R D E R</u>

% 28.07.2026

<u>CM APPL. 44779/2026</u> *(Exemption)*

1. Allowed, subject to all just exceptions.

2. Application stands disposed of.

<u>W.P.(C) 9605/2026</u>

3. On the previous date of hearing i.e.,17.07.2026, we had passed the following order:-

> *1. Mr. Gopal Jain, learned Senior Counsel for the petitioner firstly navigated the court through the Form 4 (Annexure 6), issued by*

the respondents on 14.10.2025 and pointed out that a sum of Rs. 1,78,32,616/- was found payable to the petitioner and raised a grievance that the same has not been paid to the petitioner till today.

2. Learned Senior Counsel submitted that such an approach by the respondents is an antithesis to the very scheme known as the 'Vivad se Vishwas Scheme' and hits at the very 'Vishwas' over the scheme.

3. In this regard, he invited the court's attention towards Section 92(2) of the Direct Tax Vivad se Vishwas Scheme, 2024, and submitted that an applicant/assessee is bound to deposit the amount determined in Form 4 within a period of 15 days. On the same analogy, the respondents should equally feel bound to refund the amount within a period of 15 days or within a reasonable period.

4. Matter requires consideration.

5. The Jurisdictional Assessing Officer, who is responsible to pay the amount, is directed to file his affidavit, explaining the reasons for the inordinate delay in paying the amount to the petitioner/assessee.

6. He shall also show cause as to why the interest for the period interregnum may not be paid to the petitioner/assessee and why the same should not be recovered from him personally?

7. List this case on 28.07.2026."

4. Pursuant to the directions so issued, the Assistant Commissioner of Income Tax has filed an affidavit, which is re-produced herein extenso:-

AFFIDVAIT ON BEHALF OF THE RESPONDENTS

I, Munesh Sood, Dlo Sh. La1 Chand Gurjar, aged about 31 years, presently worlting as Assistant Commissioner of Income Tax in the Income Tax Department, New Delhi, do hereby solemnly affirm and state as under:

1. That I am the authorised officer of the Respondents and am duly competent to swear the present affidavit on the basis of official records maintained in the department.

2. That Form No. 4 under the Direct Tax Vivad Se Vishwas Scheme, 2024 was issued in favour of the Petitioner on 14.10.2025, determining a refund of Rs. 1,78,32,6 161-.

3. That it is respectfully submitted the refund determined under the <u>Scheme could only be processed through the Income Tax Business</u>

Application (ITBA) system. However, the requisite functionality for processing Order giving Effect under DTVSVS, 2024 was not available in the ITBA system during the period from October, 2025 to March, 2026 and became operational only in April, 2026.

4. That it is further respectfully submitted that there is no module available on the portal of the Assessing officer which reflects the refunds which are to be processed under DTVSV Scheme, 2024.

5. That it is further most respectfully submitted that during the period April to June, 2026, the Assessing Officer was engaged in completion of statutory time-barring proceedings under Sections 148 and 148A of the Income-tax Act, 1961, which were mandatorily required to be completed by 30.06.2026.

6. That it is respectfully submitted that after issuance of the Form No. 4, the Assessee filed letter dated 01.07.2026 for release of fund. The moment the Assessing Officer was made aware that the refund as determined under Form No. 4 was pending, the refund was immediately processed by the Assessing Officer on 06/07/2026.

7. That it is respectfully submitted the delay in issuance of the refund was occasioned due to non-availability of the ITBA module and, without any deliberate or intentional lapse on the part of the Respondents.

8. It is further submitted that the refund in the present case arises pursuant to Form No.4 issued under Sections 92(2) and 93 of the Direct Tax Vivad Se Vishwas Scheme, 2024. The Scheme expressly excludes the applicability of Section 244A of the Income-tax Act, 196 1 in respect of refunds arising under the Scheme. Accordingly, there is no statutory provision for payment of interest on the refund claimed by the Petitioner.

9. In view of the above facts and circumstances, it is respectfully submitted that the respondents have acted strictly in accordance with law and the delay, if any, was neither intentional nor attributable to any negligence. The present affidavit may kindly be taken on record".

5. On perusal of the affidavit, we find that the Assessing Officer has either taken the lame excuses or there is something seriously amiss in the system and working of the Income Tax Department. It is not a one-of case. Every week, we come across 3-4 such cases, where the assessee has to

approach High Court for refunds.

6. Maybe Section 94 of the Income Tax Act, 1961 (hereinafter referred to 'Act of 1961') excludes the applicability of provisions of Section 244A of the 1961, so far as excess payment or amount refundable to an assessee under the Direct Tax Vivad Se Vishwas Scheme, 2024 is concerned, but the same cannot give the revenue officials a reason to relax or sleep over the matter for months together.

7. Form No.4 in petitioner's case was issued on 14.10.2025 and hence, the requisite refund ought to have been made on or before 15.01.2026.

8. It is noteworthy that the Assessing Officer has stated that on 06.07.2026, he had processed the refund. And even as of today, the amount of Rs.1,78,00,000/- has not been credited in petitioners' account. The affidavit does not show anything about the status subsequent to 06.07.2026 though affidavit was filed on 24.07.2026.

9. On the request of Mr. Bhatia, learned Senior Standing counsel, a weeks' time is further granted.

10. List this case on 06.08.2026.

11. <u>Registry is directed to send a copy of this order be sent to the Chairman, Central Board of Direct Tax (in short 'CBDT')</u> for ascertaining as to whether the statements made by the Concerned Officer in the affidavit are correct or not as she has made assertions that the system were not in place. In case, what the Assessing Officer has stated, is found to be correct, then the CBDT will ensure that requisite modules are placed in order. Necessary direction to ensure that once Form No.4 is issued, the amount is credited with promptitude and preferably within a period of 90 days. It is all the more necessary when Section 94 of the Direct Tax Vivad Se Vishwas

Scheme, 2024 bars the applicability of Section 244(A) of the Act of 1961 over the payment/refund payable under the scheme.

12. It shall be required of Mr. Bhatia also to send a copy of this order on e-mail to the Principal Chief Commissioner of Income Tax, to be forwarded to the Chairman, Central Board of Direct Tax.

DINESH MEHTA, J.

RAJNEESH KUMAR GUPTA, J.

JULY 28, 2026
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