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

\# **CNR No. DLHC010791012025**

\+ ITA 521/2025

COMMISSIONER OF INCOME TAX, INTERNATIONAL TAXATION-1, NEW DELHI .....Appellant

Through: Mr. Puneet Rai, SSC along with Mr. Ashvini Kumar, Mr. Rishabh Nangaia, JSCs and Mr. Nikhil Jain and Ms. Nancy Jain, Advocates.

versus

MARGUERITE LASUSA CHAWLA .....Respondent

Through: Ms. Deepti Gupta, Advocate.

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

O R D E R

% **21.08.2026**

CM APPL. 64858/2025 (for stay)

1. After hearing learned counsel for the parties, at some length, on 13.08.2026, we had passed the following order:

> *1. Mr. Puneet Rai, learned Senior Standing Counsel, submitted that the Tribunal's order may be said to have been passed to meet the ends of justice and on equitable consideration, but deciding an Appeal, the Tribunal has no power to grant such relief of adjustment of the tax paid in Financial Year 2015-16 against the income offered for Assessment Year 2018-19.*
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> *2. He submitted that the respondent-assessee ought to have been asked to file a return for Assessment Year 2016-17 and claim a refund, and she ought to have paid tax for the Assessment Year 2018-19, as per the returned income for Assessment Year 2018-19.*

3. Having regard to the facts and circumstances of the case and considering that the respondent is a foreign national in twilight of her life (92 years), we are of the view that, even if Mr. Puneet Rai, may be technically correct, but in the interest of justice, the order of the Tribunal is required to be affirmed. However, if the order of the Tribunal is to be given effect to, it may lead to substantial interest burden upon the Revenue as per Sections 244A and 244A (1A) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act of 1961').

4. We, therefore, request Mr. Puneet Rai, learned Senior Standing Counsel for the appellant, to complete their instructions as to whether, in case the amount in principal is ordered to be paid without any interest, the assessee would accept the same without any demur.

5. *If ordered, the Revenue shall give credit for the said amount to the assessee, process her return for Assessment Year 2018-19 and give refund of excess amount in accordance with law, however, without payment of any interest."*

2. The application is disposed of, accordingly.

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3. Mr. Puneet Rai, learned Senior Standing Counsel for the appellant-Department submitted that the officials of the Department are in the process of doing the needful and they have ensured that the assessment of the respondent-assessee shall soon be made and their refund, if any, shall be credited.

4. Ms. Deepti Gupta, learned counsel for the respondent, at this juncture, submitted that technically the appellant and the officials of the Department would not be in a position to do the same, in case the interim order which has

been granted by this Court on 15.10.2025 is not vacated, said interim order which we granted reads thus:

> *"…. In view of the above, status quo as of today, shall be maintained, till the next date of hearing."*

5. Since the Department is in the process of doing the needful as observed hereinabove, we hereby, vacated the interim order dated 15.10.2025 passed in the present appeal.

6. During the course of submissions, it transpired that the advance tax which was paid by the assessee-Mr. H.P.S. Chawla pertains to Assessment Year (AY) 2016-17, whereas the return filed by the present respondent has been and could have been filed only in AY 2018-19. There is, therefore, a natural lag between the two, which may give rise to be a practical and procedural difficulty for the Department in reconciling the two.

7. However, technically and legally, the advance tax which Mr. H.P.S. Chawla had deposited and the return furnished by the respondent pertains to the very same transaction and very same gain. Such being the position, in case the department's electronic system does not permit seamless processing of such situation, the Assessing Authority or the competent authority shall be free to do the needful exercise manually, by virtue of and at the strength of the instant order.

8. List this case on 01.10.2026.

DINESH MEHTA, J.

RAJNEESH KUMAR GUPTA, J.

AUGUST 21, 2026/v