IN THE HIGH COURT OF KARNATAKA, BENGALURU

DATED THIS THE 2ND DAY OF SEPTEMBER, 2022

BEFORE

THE HON'BLE MR.JUSTICE S.R.KRISHNA KUMAR

WRIT PETITION NO.14924 OF 2022 (T-IT)

BETWEEN:

M.TECH HOLDINGS PTE LIMITED
C/O NO.201, 2ND FLOOR
PLOT NO.23, INDRAPRASTHA
EQUINOX, 100 FT
INNER RING ROAD
KORAMANGALA
BENGALURU-560 095
KARNATAKA, (A PRIVATE LIMITED
COMPANY INCORPORATED UNDER
COMPANIES ACT) AUTHORIZED
REP. MRS PALAYIL BINDU ANOOP
W/O MR ANOOP CHANDRAN A
AGED ABOUT 44 YEARS ... PETITIONER

(BY SRI.NARENDRA KUMAR J. JAIN, ADV. FOR
SMT. GEETHA RANI K., ADV.)

AND:

THE ASSISTANT DIRECTOR OF INCOME TAX
CENTRAL PROCESSING UNIT (CPC)
INCOME TAX DEPARTMENT
BENGALURU-560 500 ... RESPONDENT

(BY SRI.K. V. ARAVIND, ADV.)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE WRIT TO THE LEARNED RESPONDENT TO GRANT THE REFUND AS DETERMINED

IN THE INTIMATION FOR AY 2020-21 VIDE CPC/2021/A6/173193172 PASSED BY THE LEARNED RESPONDENT ON 25.11.2021, ENCLOSED AS ANNEXURE-A ETC.

THIS WRIT PETITION COMING ON FOR ORDERS THIS DAY, THE COURT MADE THE FOLLOWING:-

ORDER

In this petition, the petitioner has sought for the following reliefs:

A. Issue as far as Petitioner is concerned by an appropriate writ or Order in the nature of Mandamus or otherwise, to the learned Respondent to grant the refund as determined in the Intimation for AY 2020-21 vide CPC/2021/A6/173193172 passed by the Learned Respondent on 25.11.2021, enclosed as Annexure A.

B. Issue as far as Petitioner is concerned by an appropriate writ or Order in the nature of Mandamus or otherwise, directing the learned Respondent to grant interest as stipulated under section 244A(1) till the date of grant of refund.

C. Grant such other reliefs as this Honourable High Court may think fit including the cost of this writ petition.

2. Heard the learned counsel appearing for the petitioner and learned counsel for the respondent and perused the material on record.

3. In addition to reiterating various contentions urged in the petition and referring to the material on record, the learned counsel for the petitioner submits that despite issuing the communication dated 25.11.2021 determining refund of Rs.21,48,370/- payable by the respondent to the petitioner and the subsequent request being made by the petitioner in this regard, the respondent did not take any steps to refund the aforesaid demand back to the petitioner who is before this Court by way of present petition.

4. Per contra, the learned counsel for the respondent submits that there is no merit in the petition and the same is liable to be dismissed.

5. Before adverting to the rival contentions, it is relevant to note that this Court has passed the following order on 18.08.2022:

"Learned Counsel for the respondent seeks time to take steps to refund the amount back to the petitioner in terms of the intimation dated 25.11.2021 produced as Annexure-A.

Re-list on 02.09.2022 under the caption 'orders'."

6. Subsequently, on 22.08.2022, the respondent has addressed an email communication to the petitioner which reads as under:

"Please refer to the W.P. filed before High Court of Karnataka in W.P.No.14924/2022 in the case of M.Tech Holdings Private Limited PAN AAICM7139B for A.Y.2020-21. The main issue raised in the W.P. is that refund of Rs.21,48,370/- determined as per intimation u/s.143(1) for A.Y. 2020-1 has not been credited to assessee's bank account. Reasons for non-crediting of refund is that assessee is not able to validate bank account on e-filing portal, so that refund due could be credited to assessee's bank account. In this regard, assessee has stated in W.P.No. that it has overseas bank account with Citibank N.A., Singapore Branch which could not be validated on e-filing portal.

2. In this regard, I am directed by Director of Income-tax, CPC, Bengaluru to communicate as under:- The functionality to validate foreign bank

> account is still not deployed by Income-tax Department on e-filing portal. In these circumstances, assessee may open a virtual bank account in Citibank in India and inform the details of virtual bank account to the A.O. is DCIT, International Taxation-1(1)(1), New Delhi, whose mail id is provided above. Once the details of virtual bank account is informed to the A.O., he will validate said bank account through ITBA portal and also send confirmation mail to cit.cpc.bangalore@incometax.gov.in in and copy to this mail id that refund can be issued to said virtual bank account. Once this process is completed, CPC will issue the refund to said virtual bank account."

7. The material on record and the aforesaid facts and circumstances of the case clearly indicate that the respondent is liable to refund the aforesaid amount of Rs.21,48,370/- back to the petitioner together with applicable interest in accordance with law. Under these circumstances, I am of the considered opinion that the present petition deserves to be allowed by issuing necessary directions to the respondent to refund the amount together with applicable interest back to the petitioner in accordance with law.

8. In the result, I pass the following:

ORDER

(i) The writ petition is hereby allowed;

(ii) The respondent is directed to refund the amount of Rs.21,48,370/- together with applicable interest back to the petitioner in accordance with law;

(iii) To facilitate refund of the aforesaid amount by the respondent, the petitioner is hereby directed to open virtual bank account within a period of two weeks from today.

(iv) Immediately upon the petitioner intimating the respondent that the aforesaid virtual bank account has been opened by it, the respondent shall take necessary steps to validate the said account within a period of two weeks thereafter.

(v) Immediately upon validation of bank account by the respondent, the respondent shall ensure that the aforesaid amount of Rs.21,48,370/- is refunded forthwith together with applicable interest back to the petitioner in accordance with law as expeditiously and at any rate, within a period of two weeks from the date the respondent validates the virtual bank account of the petitioner.

Sd/-
JUDGE

hkh.