HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Civil Writ Petition No. 13125/2021
URN: CW / 28977U / 2021

Shri Pawan Kumar Agrawal S/o Shri Gopal Lal Agarwal, Aged About 50 Years, R/o Kasera Bhawan, Opposite Government P.g. College, Karauli (Rajasthan) 322241

----Petitioner

Versus

1. Union of India, Through Principal Chief Commissioner of Income Tax, New Central Revenue Building, Statue Circle, Jaipur.
2. Principal Commissioner of Income Tax (Central), New Central Revenue Building, Statue Circle, Jaipur.
3. Principal Commissioner of Income Tax, Central Revenue Building, Rawat Bhata Road, Kota, Rajasthan.
4. Deputy Director of Income Tax (Investigation)-Ii, New Central Revenue Building, Statue Circle, Jaipur.
5. Income Tax officer, office of Income Tax Department, Plot No. 62-65, Adarsh Nagar Near Masalpur Chungi Naaka, Hindaun Road, Karauli, Rajasthan.

----Respondents

For Petitioner(s)	:	Mr. Naresh Kumar Gupta
For Respondent(s)	:	Mr. Siddharth Bapna Ms. Tanushka Saxena Mr. Parth Vashishtha for Mr. Shantanu Sharma Mr. Sarvesh Jain Mr. Jai Prakash

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HON'BLE MR. JUSTICE ARUN MONGA
HON'BLE MR. JUSTICE MANEESH SHARMA
Order (Oral)

17/07/2026

Per: Arun Monga, J.

1. Petitioner, *inter alia,* seeks issuance of a writ in the nature of mandamus and/or any other direction commanding the respondents to

grant him interest under Sections 132 and 244 of the Income Tax Act, 1961 on account of Rs.1,15,00,000/- which was deposited/ handed over by the petitioner to the officials of respondents in compliance of order dated 21.05.2014 passed by the learned Additional Civil Judge (Junior Division), Jaipur.

2. The brief facts, as stated in the petition, are as follows. The petitioner carries on retail trading under the name M/s Balaji Trading Company and has regularly filed returns under the Income-tax Act, 1961. On 26.04.2014, police officials at Kanauta seized a sum of Rs. 1,15,00,000/- from the petitioner’s possession while he was travelling to Jaipur.

2.1 By order dated 21.05.2014, the competent court directed the police to hand over the cash to the Income Tax Department, and further directed the Department to complete its investigation and, after adjusting the tax liability, refund the balance to the petitioner together with applicable interest.

2.2 On the very same day, the petitioner stated before the Deputy Director of Income Tax (Investigation)-II, Jaipur, that the seized cash represented his business income for Financial Year 2013-14, relevant to Assessment Year 2014-15, and offered it for taxation.

2.3 Be that as it may, the Income Tax Department thereupon initiated proceedings under Section 132A of the Act for requisition of the seized cash. Before the competent Magistrate, the petitioner prayed that his tax liability be adjusted out of the seized amount and the balance refunded to him.

2.4 The petitioner thereafter addressed a communication dated 21.06.2014 reiterating his request for adjustment of the tax liability from the seized cash and release of the balance.

2.5 Qua the notice issued under Section 153A of the Act, he filed his return of income on 28.07.2014, disclosing the seized amount as business income for the relevant assessment year. He discharged the resulting liability by paying Rs. 37,43,311/- towards tax and Rs. 2,88,229/- towards interest. In all, he thus paid Rs. 40,31,543/- as self-assessment tax under Section 140A of the Act.

2.6 The assessment for Assessment Year 2014-15 was completed on 30.06.2016 at Nil income, and the penalty subsequently imposed by the Assessing Officer was set aside by the Commissioner of Income Tax (Appeals) by order dated 14.07.2017.

2.7 In the premise, the requisitioned amount was in due course refunded to the petitioner. His grievance, however, is that the statutory interest on the refunded amount, contemplated under Sections 132B(4) and 244A(1)(b) of the Act, was not granted.

2.8 Despite several representations and reminders, including communications dated 07.01.2021, 27.01.2021 and 07.07.2021, the Revenue department as till date failed to extend that benefit.

2.9 Hence, the present writ petition.

3. Having heard the rival contentions and perused the record, we find that the position has materially changed during the pendency of the writ petition. By orders dated 27.12.2021 and 28.12.2021 (Annexures R-1 and R-2), the competent authority has dealt with the petitioner's claim of interest and has granted interest for the period for which it was found due as per him. As regards the remaining period for which the claim stood declined, the petitioner has neither sought amendment of the writ petition to challenge those orders, nor has he availed the statutory remedy of appeal available to him under Section 246A of the Act.

4. Learned counsel for the respondents further submits that the claim of interest for the declined period involves disputed questions of fact, which cannot be adjudicated upon the basis of the additional affidavit dated 13.07.2026 filed by the petitioner objecting to the denial.

5. Two considerations therefore weigh with us. First, the petition, as framed, contains no prayer to quash the orders at Annexures R-1 and R-2, *ibid*. which now hold the field. Secondly, the surviving grievance turns on disputed facts, which are more appropriately examined by the statutory authority than in writ jurisdiction. We accordingly decline to entertain the writ petition and dispose of it with liberty to the petitioner to file an appeal, if so advised. The time spent by the petitioner in *bona fide* pursuit of the present writ petition shall be reckoned in his favour while computing limitation for entertaining the appeal, and the appeal, if filed, shall be decided on merits by the competent authority, provided appeal is filed within 30 days of instant order being uploaded on the web portal of this court.

6. Accordingly, the writ petition stands disposed of.

7. All pending application(s) stands disposed of.

(MANEESH SHARMA),J **(ARUN MONGA),J**

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