

**IN THE INCOME TAX APPELLATE TRIBUNAL DELHI
(DELHI BENCH 'DEHRADUN'/ NEW DELHI)
BEFORE YOGESH KUMAR U.S., JUDICIAL MEMBER
AND
SHRI MANISH AGARWAL, ACCOUNTANT MEMBER**

ITA No. 51/DDN/2024 (A.Y. 2017-18)

Deputy Commissioner of Income Tax, 13-A, Subhash Road, Uttarakhand	Vs	Expro Gulf Limited AERC Makarioi/111284, Fortuna Court Block B, 2 & 3 Floor Limassol Larnaca, Cyprus,248001 PAN:AAACE5272B
Appellant		Respondent
Assessee by	Sh. Amit Arora, CA & Sh. Vishal Mishra, CA	
Revenue by	Sh. Mohan Lal Joshi, Sr. DR	
Date of Hearing	14/11/2025	
Date of Pronouncement	19/11/2025	

ORDER

PER YOGESH KUMAR, U.S. JM:

The captioned appeal is filed by the Revenue against the order of Commissioner of Income Tax (Appeals)-, Noida-2 [‘Ld. CIT(A)’ for short] dated 31/10/2023 pertaining to Assessment Year 2017-18.

2. The solitary issue involved in the captioned Appeal is as to whether interest income on income tax refund earned u/s 244A of the Income Tax Act, 1961 ('Act' for short) deserves to be chargeable to tax on maximum marginal rate of 40% or not.

3. The above issue involved in the present Appeal is no more res-integra. The Co-ordinate Bench of the Tribunal in the case of Schlumberger Asia Services Ltd, Vs. DCIT in ITA No. 5223/Del/2018

vide order dated 15/09/2023 relying on the Judgment of Jurisdictional High Court, held as under:-

“10.9. The ld. AR had stated that the decision of Delhi Tribunal in the case of B J Services Co. Middle East reported in [200] 29 SOT 312 (Delhi) has decided the issue in favour of the revenue. But this decision has been considered by the Special Bench of Delhi Tribunal in the case of ACIT vs Clough Engineering Ltd reported in 138 TTJ 385 (Delhi)(SB). We have gone through the decision of Special Bench and we find in that case, the issue was concerned with taxability under treaty provisions and particularly interpreting the expression ‘in connection with PE’. Whereas in the instant case before us, the assessee had admittedly offered the income under the domestic provisions and had not even disputed the same. Hence the decision of Special Bench of Delhi Tribunal relied upon by the ld. AR does not come to the rescue of the assessee in the instant case.

10.10. Moreover, we find that the decision of Delhi Tribunal relied by ld. DR in the case of B J Services Co. Middle East has been approved by the Hon’ble Jurisdictional High Court reported in 380 ITR 138 (Uttarakhand) wherein it was held that interest on refund u/s 244A of the Act arising to a foreign company would be taxed at Maximum Marginal Rate.

10.11. In view of the aforesaid observations and respectfully following the judicial precedents relied upon hereinabove, the Ground No. 5 raised by the assessee for the Asst Year 2015-16 is dismissed.”

4. By respectfully following the order of the Tribunal in the case of Schlumberger Asia Services Ltd. (supra), we hold that interest refund under Section 244A of the Act arising to foreign company would be taxed at maximum marginal rate. Accordingly, we allow the Revenue’s Appeal in ITA No. 51/DDN/2024.

Order pronounced in the open court on 19th November, 2025

Sd/-
(MANISH AGARWAL)
ACCOUNTANT MEMBER

Date:- 19 .11.2025
R.N, Sr.P.S*

Sd/-
(YOGESH KUMAR U.S.)
JUDICIAL MEMBER

Copy forwarded to:

1. Appellant
2. Respondent
3. CIT
4. CIT(Appeals)
5. DR: ITAT

ASSISTANT REGISTRAR
ITAT, NEW DELHI