

THE UTTARAKHAND VALUE ADDED TAX ACT, 2005

Sec. 39: Power to Withhold Refund in certain cases:

(1) Where an order giving rise to a refund is the subject matter of an appeal or further proceeding or where any other proceeding under this Act is pending, and the assessing authority is of the opinion that grant of such refund is likely to adversely affect the revenue and that it may not be possible to recover the amount later, the assessing authority may, with the permission of the Commissioner or any officer authorized by him, withhold the refund till such time as he may determine.

(2) Where a refund is withheld under sub-section (1) and as a result of the appeal or further proceeding or any other proceeding, dealer becomes entitled to any refund, the dealer shall be entitled to interest as provided under sub-section (1) of section 41 on the refundable amount:

Provided that if any refund has been withheld under this section, and if any amount out of the refundable amount is adjusted towards any tax liability of the dealer, the dealer shall not be entitled for any amount of interest for the relevant period on the amount so adjusted.