

M/s G.S. Industries v. Commissioner of Central Tax and GST Delhi West

Case number: W.P.(C) 7485/2024 with CM APPL. 31186/2024

Citation: 2025:DHC:4344-DB

Decision date: 20 May 2025

Delayed GST refund interest at staged rates with an applicant-delay exclusion

Court: Delhi High Court

Bench: Hon'ble Ms. Justice Prathiba M. Singh and Hon'ble Mr. Justice Rajneesh Kumar Gupta

Decision stage: Final determination of disputed delayed-refund interest; relief qualified by exclusion and set-off.

01 Facts of case and issues

The taxpayer filed two refund applications on 4 and 9 July 2019, claiming Rs. 23,10,333 and Rs. 14,46,417. Deficiency memos followed only on 29 November 2019. The judgment records a reply on 27 January 2020 and acknowledgments on 11 February 2020. Following rejection, the Commissioner (Appeals) allowed the refund appeals on 3 January 2022 without awarding interest; consequential applications were filed on 4 February 2022.

After a further writ direction, the Department sanctioned Rs. 37,54,306 on 9 June 2023, with only Rs. 45,669 interest. This writ challenged the appellate order dated 12 February 2024 and sought the missing delayed-refund interest.

Pinpoint: Official PDF pp. 1–5, paragraphs 3–9.

02 Discussion by Hon'ble Court

Reading Sections 54 and 56 and applying *Bansal International*, the Court distinguished ordinary interest from the enhanced rate following a qualifying final order and a consequential refund application remaining unpaid beyond the statutory period. The enhanced stage did not erase the earlier ordinary-interest entitlement.

The Department could not use its late deficiency memo to deny interest for delay it had caused. The Court nevertheless excluded an applicant-attributed interval, identified as 29 November 2019 to 11 February 2020 and described as 74 days. It therefore rejected an uninterrupted-interest claim for the whole span. The exclusion was made on the facts and equitable basis recorded.

Pinpoint: Official PDF pp. 5–13, paragraphs 10–18; *Bansal* extract at paragraph 11, findings at paragraphs 15–18.

03 Judicial decision and operative relief

Paragraph 17's table provides 6% per annum from the stated starts of 7 and 9 September 2019 to 28 November 2019; excludes the deficiency interval described as 74 days; resumes 6% from 12 February 2020 through 4 April 2022; and provides 9% from 5 April 2022 through 9 June 2023. Paragraph 18 summarizes the first stage using 7 September 2019 alone, less 74 days. These are the printed directions, subject to the calculation caution below.

Interest already paid must be deducted. The writ and pending applications were disposed of. No final additional rupee amount or express payment deadline was fixed, and refund eligibility was not remanded for fresh decision.

Pinpoint: Official PDF pp. 11–13, paragraphs 16–20; the full table is on p. 12.

04 In favour of

The taxpayer in part, on entitlement to additional interest.

The benefit is limited by the 74-day exclusion and set-off for interest already paid. This is a final interest determination in the writ, not a fresh award of the underlying refund principal.

Pinpoint: Official PDF pp. 12–13, paragraphs 17–20.

05 AKHB REVIEW POINT

AKHB analysis: Preserve both application histories, deficiency and reply records, acknowledgment dates, the appellate order, consequential application, sanction and bank-credit evidence. Separate the ordinary and enhanced interest stages. Neither 9% for the entire history nor a standard 74-day deduction follows for other cases.

Calculation caution: the September starts do not consistently reconcile with the July filing dates; paragraph 18 omits the second September start. The January reply, February acknowledgment, 74-day deduction and April 2022 transition also require checking against the applicable endpoint convention. Preserve the printed directions and obtain appropriate clarification before computing an enforceable sum. Do not substitute the initial Rs. 37,56,750 total claim for the Rs. 37,54,306 sanctioned principal.

The judgment ends interest at the identified sanction date. That fact-specific endpoint is not a universal rule that payment delay after sanction is irrelevant. Verify actual credit and the law applicable to the relevant period before using this decision for another refund.

Pinpoint: AKHB commentary based on official PDF paragraphs 4, 7–8 and 15–19; CBIC Circular 125/44/2019-GST, paragraph 34, addresses actual credit. Arithmetic cautions are analysis, not corrected judicial directions.

Sources and limitations

Relevant provisions

CGST Act: Sections 54 and 56; CGST Rules: Rule 90. Section 107(12) and Rule 92 appear in the background orders.

Statutory note

The disputed interest period ended on 9 June 2023. This note describes the historical statutory framework reproduced and applied by the Court; subsequent statutory and rules versions require separate verification.

Treatment note

Bounded title, docket and citation searches on 12 October 2026 did not conclusively establish later appellate, review or corrigendum status. No assertion is made that none exists.

Scope of source review

All 13 pages, paragraphs 1–20, the image-only calculation, flow chart and final interest table read and visually checked.

Source notes

The neutral citation was verified from the image header. The decision date is 20 May 2025, distinct from the later digital-signing date. No final rupee computation is supplied because the judgment's dates and conventions require reconciliation.

Primary source

Source description: Complete official Delhi High Court judgment PDF.

Official source: [Open source document](#)

Source pages: 13

Outcome type: final high court merits qualified

Additional source

CBIC Circular 125/44/2019-GST dated 18 November 2019

Official source: [Open source document](#)

Pinpoint: Paragraph 34, concerning delayed-refund interest and actual credit. Used only for the AKHB endpoint caution; not attributed as a separate holding in this judgment.

Disclosures and source rights

AI disclosure: Prepared with AI assistance from the complete official High Court judgment and identified additional sources. No human legal review is claimed.

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Source checked: 12 October 2026