

Omega QMS v. Commissioner, CGST, Delhi West and Another

Case number: W.P.(C) 11815/2025 with CM APPL. 48226/2025

Citation: 2025:DHC:7118-DB

Decision date: 19 August 2025

An unimplemented intention to appeal did not displace the operative appellate refund entitlement

Court: Delhi High Court

Bench: Hon'ble Ms. Justice Prathiba M. Singh and Hon'ble Ms. Justice Shail Jain

Decision stage: Final High Court refund-enforcement decision, subject to any legally available departmental appeal. A separate demand challenge, W.P.(C) 17763/2024, remains pending for 23 November 2026; actual refund payment and comprehensive appellate status remain unverified.

01 Facts of case and issues

Omega QMS provided technical consultancy in management systems, quality assurance and product certification to Indian and foreign clients. Its Rs. 83,46,169 refund claim for FY 2019–20 was filed on 22 June 2021 and rejected on 24 August 2021. The appellate authority set aside that rejection on 20 June 2022 and allowed refund, rejecting the intermediary and physical-availability grounds. These were the appellate authority's findings.

The Department recorded an intention to challenge the appellate order on 16 December 2022. It subsequently withheld the refund by an order dated 4 March 2025 under Section 54(11). Omega challenged that withholding; Revenue said an appeal had not been filed because the tribunal was then unconstituted.

Pinpoint: Paragraphs 2–9, physical pp. 1–4; appellate operative extract: paragraph 5, p. 2; withholding extract: paragraph 7, p. 3.

02 Discussion by Hon'ble Court

The Court read Section 54(11) as requiring a pending appeal or other qualifying proceeding together with the Commissioner's opinion concerning revenue prejudice. It distinguished an actual order in review from the Department's recorded intention to seek one. On the position before it, the latter did not displace the operative appellate refund order.

Applying *G.S. Industries and Shalender Kumar*, the Court held that an appellate allowance could not simply be ignored because Revenue considered it erroneous and intended to appeal. The *G.S. Industries* passages reproduced in paragraph 14 have their own numbered facts; their electricity and brass-scrap dispute is not Omega's factual history.

This was enforcement of an existing appellate entitlement. The Court did not independently determine export classification, adjudicate the withholding order's malfeasance allegations or dispose of every tax proceeding involving Omega. The separate demand writ identified in the later-status check must remain distinct from this refund judgment.

02 Discussion by Hon'ble Court

Pinpoint: Paragraphs 8–15, physical pp. 3–7; Section 54(11) extract: paragraph 12, p. 4; nested G.S. Industries extract: paragraph 14, pp. 5–6.

03 Judicial decision and operative relief

The Court allowed refund in accordance with the appellate order and directed Section 56 interest. Paragraph 17 uses both “within a period of two months” and credit “by 30th September, 2025”; these are distinct timing formulations and neither is silently substituted for the other. Refund processing remained subject to any legally available departmental appeal’s result. The petition and pending applications were disposed of. No interest rate or computed interest sum was fixed.

Pinpoint: Paragraphs 16–19, physical p. 7; the appeal contingency appears in paragraphs 17 and 18.

04 In favour of

Taxpayer, on enforcement of the appellate refund with Section 56 interest, subject to any legally available departmental appeal’s result.

Affirmative refund relief was granted without an eligibility remand. It does not establish actual disbursement or resolve the separate demand challenge.

Pinpoint: Paragraphs 16–19, physical p. 7; separate W.P.(C) 17763/2024 orders are identified in Sources and limitations.

05 AKHB REVIEW POINT

AKHB analysis: Preserve the operative appellate order and complete withholding record, verify any actual pending proceeding and distinguish review authorisation from a substantive review decision. Section 54(11) also covers independently pending proceedings; Devi Electronics supplies later contextual guidance and is not an identified appeal from Omega.

Check compliance, the separate demand docket and any departmental appeal before treating the dispute as concluded. Obtain clarification of the two timing formulations if their difference matters; calculate lawful interest from the applicable provisions rather than assuming a rate.

Pinpoint: AKHB commentary based on paragraphs 8–19, Sections 54(11) and 56, the identified parallel-writ orders and Devi Electronics paragraphs 14–17 and 25–32. These are practical checks, not additional judicial directions.

Sources and limitations

Relevant provisions

CGST Act 2017 Sections 54(11) and 56; Section 107(12) in the quoted appellate disposition.

Statutory note

Section 54(11) includes an appeal or further proceedings concerning the refund order, or other pending proceedings under the Act, coupled with the Commissioner's reasoned opinion of revenue prejudice on account of malfeasance or fraud after an opportunity of hearing. It does not invariably require a separate judicial stay. Section 56 supplies the delayed-refund framework, a distinct final-order proviso and the appellate-order deeming explanation. Its principal computation wording changed from 1 October 2023; this note neither retroactively computes interest nor treats a particular rate as awarded. Section 107(12), reproduced in the appellate extract, concerns a written, reasoned appellate disposition. The appellate extract's statement that no interest order was made does not override the High Court's own Section 56 direction.

Treatment note

Checked 13 October 2026. The official W.P.(C) 11815/2025 result showed DISPOSED, Next Date NA and two orders, 7 and 19 August 2025; no later order appeared in that exact docket. The separate W.P.(C) 17763/2024 concerns a show-cause notice dated 2 August 2024, initially recording a demand of Rs. 7,09,70,968. Its 8 May 2025 order allowed amendment to challenge the 1 February 2025 Order-in-Original, leaving respondents' objections open. All eleven returned orders, ending 15 September 2026, were reviewed. The latest order and status result show that writ pending for 23 November 2026. The early order records counsel's reliance on the same 20 June 2022 appellate order, not a determination of that submission. Interim protection was expressly continued on 28 February and 8 May 2025; silent later adjournments are not certified as uninterrupted current protection. This separate writ is not an appeal or review of the refund judgment, and the reviewed orders establish neither refund compliance nor a reversal. *Devi Electronics*, 2026:DHC:8551-DB, decided 1 October 2026, sustained Section 54(11) withholding supported by an independently pending investigation and requisite material; it does not cite *Omega* and is contextual authority only. Bounded official-domain searches found no identified later appellate decision in this refund case. Payment and comprehensive Supreme Court/GSTAT or separate-proceeding clearance remain unverified.

Scope of source review

All seven original *Omega* pages were fully read and individually viewed. The 7 August 2025 initial order in the same writ was fully read and individually viewed on both pages. An additional AI researcher fully read and individually viewed all fourteen pages of the eleven official orders in W.P.(C) 17763/2024; the chronological report, exact order-list/status captures and page-specific hashes are retained. The historical official CBIC CGST compilation was targeted at physical pp. 92, 94–95 and 133, all individually read and viewed. Current India Code compilation text as at 11 June 2026 was checked at physical pp. 59, 61 and 86; no full-document visual review is claimed. *Devi Electronics* was targeted at physical pp. 1, 8–11 and 17–20, all individually read and viewed; no complete twenty-page visual review is claimed. These checks are bounded source research, not a comprehensive citator or payment audit.

Source notes

The neutral citation is visible in the page image although absent from extracted body text. The decision date is 19 August 2025, distinct from the signature artwork dated 22 August. The Court's paragraph 8 distinguishes a recorded intention to challenge from an actual review decision despite use of "Review

Order” elsewhere. Both paragraph 17 timing formulations are preserved. The facts in the nested G.S. Industries quotation are not imported. The original refund application and appellate/refund-withholding orders were not separately obtained. The parallel-writ records expose a distinct demand dispute; this note does not infer that no other proceeding existed when the refund judgment was given, or resolve any tension beyond the Court’s stated reasoning. Fresh official Omega and retained Devi PDFs byte-match their archived copies. Cryptographic signature validation was not performed.

Primary source

Source description: Complete seven-page official Delhi High Court judgment; retained original unchanged and fresh official PDF byte-matched.

Official source: [Open source document](#)

Source pages: 7

Judgment author: Prathiba M. Singh, J.

Outcome type: final high court merits

Additional source

CGST Act, official CBIC compilation as at 1 January 2022

Official source: [Open source document](#)

Pinpoint: Physical p. 92 (printed 91): Section 54(11)/(12); pp. 94–95 (printed 93–94): historical Section 56; p. 133 (printed 132): Section 107(12). Targeted historical check.

India Code: CGST Act, official compilation as at 11 June 2026

Official source: [Open source document](#)

Pinpoint: Physical pp. 59, 61 and 86: Sections 54(11), 56 and 107(12); Section 56 amendment footnote effective 1 October 2023. Targeted extracted-text check, not complete visual review.

Delhi High Court official case-number order search

Official source: [Open source document](#)

Pinpoint: W.P.(C) 11815/2025: disposed, two orders ending 19 August 2025. W.P.(C) 17763/2024: pending, next 23 November 2026, eleven orders ending 15 September 2026. Checked 13 October 2026.

Delhi High Court: Omega QMS, W.P.(C) 17763/2024, 23 December 2024

Official source: [Open source document](#)

Pinpoint: Both pages, paragraphs 3–9: separate SCN challenge, counsel’s reliance on the 20 June 2022 appellate order and initial interim directions. These are not a merits adjudication or refund-compliance finding.

Delhi High Court: Omega QMS, W.P.(C) 17763/2024, 8 May 2025

Official source: [Open source document](#)

Pinpoint: Both pages: amendment to challenge the 1 February 2025 Order-in-Original allowed, respondents’ objections open, interim orders continued. Procedural order in a separate demand writ.

Delhi High Court: Omega QMS, W.P.(C) 17763/2024, 15 September 2026

Official source: [Open source document](#)

Pinpoint: Sole page: adjournment to 23 November 2026; no merits ruling or refund-compliance determination.

Delhi High Court: Devi Electronics, W.P.(C) 15557/2024, 1 October 2026

Official source: [Open source document](#)

Pinpoint: 2026:DHC:8551-DB; paragraphs 13–17, pp. 10–11, and 25–32, pp. 17–20. Targeted later contextual authority on independently justified withholding, not direct treatment or reversal of Omega.

Disclosures and source rights

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

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Source checked: 13 October 2026