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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR.

WRIT PETITION NO. 4344 OF 2025

(Modern Traders Vs. Deputy Commissioner/Joint Commissioner, CGST, Nagpur – II & Ors.)

Office Notes, Office Memoranda of Coram, appearances, Court's orders of directions and Registrar's Orders.	Court's or Judge's orders.

Mr. Kapil Hirani, Counsel for the petitioner.
Mr. K.N. Shukul, D.S.G.I. with Ms. Ketki Jaltare – Vaidya, Counsel for respondent nos. 1, 3 and 5 to 7.
Mr. S.A. Ashirgade, A.G.P. for respondent nos. 2 and 4/State.

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CORAM : ANIL L. PANSARE AND
NIVEDITA P. MEHTA, JJ.
NOVEMBER 5, 2026

In response to the order dated 2/11/2026, the learned A.G.P. submits that the necessary steps have been taken so as to credit the amount of refund in the account of the petitioner, and an e-mail to that effect has been sent to the petitioner. He submits that the amount will be credited to the account within three working days.

2] The statement is accepted as an undertaking to the Court. The petitioner is satisfied with this development. The petition is, accordingly, disposed of.

3] Thus, the purpose of filing the petition has been served. What is now left to be examined is the aspect of interest payable to the petitioner.

4] Section 56 of the Central Goods and Services Tax Act, 2017, which is *pari materia* Section 56 of the Maharashtra Goods and Services Tax Act, 2017, provides as under :

> *"**56. Interest on delayed refunds.**— If any tax ordered to be refunded under sub-section (5) of section 54 to any applicant is not refunded within sixty days from the date of receipt of application under sub- section (1) of that section, interest at such rate not exceeding six*

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> *per cent. as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax: Provided that where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or court which has attained finality and the same is not refunded within sixty days from the date of receipt of application filed consequent to such order, interest at such rate not exceeding nine per cent. as may be notified by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application till the date of refund."*

5] As could be seen, once an application seeking a refund is filed, the Officer concerned is under an obligation to pass an order. If the order so passed, directs a refund under sub-section (5) of Section 54, and the amount is not refunded within 60 days from the date of receipt of the application, interest at the rate notified by the Government upon the recommendation of the Council (which is 6%) is payable on such refund.

6] The above provision imposes certain obligation upon the Officer concerned. Once the refund application is made, the Officer concerned is under an obligation to pass an order as expeditiously as possible, and in any case, well within 60 days from the date of receipt of the application. It is so because delayed decision will attract interest. The more is the delay in passing order, more will be the interest payable to the applicant.

7] In the present case, the application was filed on 13/1/2025. The order rejecting the refund was passed on 23/1/2025, which was set aside by this Court on

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2/11/2026. The reasons for setting aside the order indicate apparent lapses on the part of the Officer, who rejected the request of refund. The end result is that interest amounting to Rs.3,15,240/- is payable to the petitioner. This amount, naturally, will be paid out of public money.

8] That being so, we direct the Goods and Services Tax Council to inquire into the matter and address the issue of delays in passing order. We further direct them to address the issues arising out of limitation/restriction in operating portal preventing Officer from assigning detailed reasons for rejecting/ accepting the requests of refund. We grant liberty to the State Government or the Goods and Services Tax Council, as the case may be, to recover the amount from the Officer responsible for the delay, subject, of course, the outcome of the inquiry indicating such lapses at the hands of the Officer concerned.

9] Let this exercise be done within six weeks from today.

10] The petition be listed in the week commencing from 14/12/2026 for further consideration on the report that will be filed in due course.

(NIVEDITA P. MEHTA, J.) (ANIL L. PANSARE, J.)

Sumit

Signed by: Mr. Sumit Agrawal
Designation: PS To Honourable Judge
Date: 05/11/2026 15:45:28