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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 7229/2024

M/S HCL INFOSYSTEMS LTD. .....Petitioner

Through: Mr. Yuvraj Singh and Mr. Chetan Kumar Shukla, Advs.

versus

COMMISSIONER OF STATE TAX & ORS. .....Respondents

Through: Mr. Rajeev Aggarwal, ASC for R-1 & R-2.

CORAM:
HON'BLE MR. JUSTICE YASHWANT VARMA
HON'BLE MR. JUSTICE RAVINDER DUDEJA

O R D E R

% **18.10.2024**

1. The writ petition has been preferred seeking the following reliefs:

> "i. Direct the respondents to grant interest/compensation in accordance with Section 56 of the CGST Act on the refund claims delayed by them;
>
> ii. Direct the Respondents to compensate for the delay made by them in sanctioning/issuance of interest/compensation in accordance with provisions of Section 56 of the CGST Act/SGST Act;
>
> iii. Direct Respondent No. 1 to issue instruction to dispose of refund applications within the time specified under Section 54(7); and wherever still the authorities do not do so, to also mandate the authorities to order for sanctioning of statutory interest along with the refund order itself without any delay or in the alternative;
>
> iv. Direct the Appellate Authority to consider and decide the Appeals filed by the Petitioner expeditiously, on merits;
>
> v. Issue any other Writ, Order or Direction which this Hon'ble Court may deem fit and proper in the facts and circumstances of the case;
>
> vi. Allow the Petition with costs;"

2. The petitioner was constrained to approach this Court since its pending statutory appeals were not being decided and its claims for refunds were being inordinately delayed.

3. Pursuant to the directions issued in these proceedings, those pending appeals pertaining to the tax periods in question have come to be finally allowed in terms of an order dated 04 July 2024.

4. Insofar as the question of interest under Section 56 of the Central Goods and Services Tax Act, 2017 ["**CGST Act**"] is concerned, the appellate authority in its order dated 04 July 2024 has observed as follows:

> "**8.** The matter has been examined in the background of the provision of S. 56(1) of the CGST/DGST Act, 2017. Further the Ld. Departmental Representative has also agreed with the admissibility of interest since the refund amount is paid late as is stipulated in Section 56(1).
>
> ***CONCLUSION***
>
> **9.** In view of the above discussion and careful perusal of the above deliberations and the facts of the case along with other available records and provisions thereof all the eleven (11) appeals are disposed of in the following terms:-
>
> ***(i) All the above Eleven Appeals filed by the Appellant are hereby allowed in terms of sub-section (1) of section 56 of the CGST/DGST Act, 2017 for the reason stated herein above;***
>
> ***(ii) Consequently, all above the eleven impugned orders are set aside;***
>
> ***(iii) Interest on refund amount in all the eleven matters is to be computed as per law and paid accordingly; And***
>
> ***(iv) All the Eleven (11) appeals are disposed of in terms of sub-section 12 of section 107 of the CGST/DGST Act, 2017.*** "

5. It had accordingly proceeded to set aside the impugned orders and directed the respondents to grant interest in accordance with Section 56 of the CGST Act.

6. In view of the aforesaid and since nothing further would survive, we dispose of this writ petition by directing the respondents

to ensure that all refunds which have become due and payable pursuant to the order of the appellate authority dated 04 July 2024 are released in favour of the writ petitioner within a period of three weeks from today.

YASHWANT VARMA, J.

RAVINDER DUDEJA, J.

OCTOBER 18, 2024/RW