

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION**

**WRIT PETITION NO. 5312 OF 2024**

Altisource Business Solutions India Pvt Ltd      ...Petitioner  
Versus  
Union Of India      ...Respondent

**WITH  
WRIT PETITION(ST) NO. 1807 OF 2025**

Altisources Business Solutions India Pvt Ltd      ...Petitioner  
Versus  
Union Of India      ...Respondent

**WITH  
WRIT PETITION(ST) NO. 37613 OF 2024**

Altisource Business Solutions India Pvt Ltd      ...Petitioner  
Versus  
Union Of India      ...Respondent

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**Mr. Tushar Jarwal**, Rahul Sateja, Daliya Singh, for Petitioners.  
**Ms. Shruti Vyas**, a/w Adv. Abhishek R. Mishra, for Respondent  
No. 1.  
**Mr. Amar Mishra, AGP** for Respondent Nos. 2 and 3 in WP No.  
5312 of 2024.  
**Ms. Jyoti Chavan, Addl. G.P.** for Respondent Nos. 2 and 3 in  
WP No. 1807 of 2025.  
**Mr. Himanshu Takke**, AGP for Respondent Nos. 2 and 3.

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**CORAM : M.S. Sonak &  
Advait M. Sethna, JJ.**

**DATED : 30 September 2025**

**ORAL JUDGMENT** (*Per M.S. Sonak, J*) :-

1. Heard Mr Tushar Jarwal, who appears with Mr Rahul Sateja and Ms Daliya Singh, learned counsel for the petitioner, Ms Vyas, who appears with Mr Abhishek Mishra, learned counsel for the Respondent No. 1, and Ms Chavan, learned counsel for the Respondent Nos. 2 and 3.
2. Rule. The Rule is made returnable immediately at the request of and with the consent of the learned counsel for the parties.
3. Learned counsel for the parties agree that a common order can be passed in these writ petitions, as they involve substantially similar issues of law and fact. They request that Writ Petition No. 5312 of 2024 be taken up as the lead petition.
4. In the lead petition, the petitioners, through their application dated April 23, 2020, sought a refund of Rs. 2,85,63,804 for the export of software development services, which, according to the petitioners, were not subject to GST. By order dated September 14, 2020, the adjudicating authority rejected the petitioners' application for a refund. The petitioners then filed an appeal on 14<sup>th</sup> December 2020, which the Appellate Authority allowed by its order dated 27<sup>th</sup> October 2023 and directed a refund. Based on this order, the petitioners applied for a refund on November 28, 2023, which was sanctioned on January 15, 2024, and the amounts were refunded on February 5, 2024. However, no interest was paid on such a refund.

5. The petitioner contended that there was a delay of 1232 days from the expiry of 60 days from the date of the original refund application dated 23<sup>rd</sup> April 2020, and therefore, interest at the rate of 6% per annum as is statutorily provided should have been paid from the refund amount.

6. By the impugned order dated 09<sup>th</sup> September 2024, this claim for interest was rejected by reasoning that since the refund was made within 60 days of the petitioner's refund application dated 28<sup>th</sup> November 2023, pursuant to Appellate Authority order's dated 27<sup>th</sup> October 2023, there was no question of any interest payable under the provisions of Section 54 read with Section 56 of the CGST Act.

7. Mr. Jarwal, learned counsel for the petitioner, submitted that the reasoning in the impugned order is entirely contrary to the law laid down by the Hon'ble Supreme Court and High Courts in the following decisions: -

*i) Ranbaxy Laboratories Ltd vs. Union of India and Others ;<sup>1</sup>*

*ii) Lupin Limited vs. Union of India & Ors; <sup>2</sup>*

*iii) Bansal International vs. Commissioner of DGST; <sup>3</sup>*

*iv) SBI Cards & payment Services Ltd. vs. Union of India;<sup>4</sup>*

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<sup>1</sup>. (2011) 273 E.L.T. (S.C.).

<sup>2</sup>. Order dated 5<sup>th</sup> August 2025 in WP No. 610 of 2024.

<sup>3</sup>. (2023 13 Centax 210 (Del.)

<sup>4</sup>. 2023 (72) G.S.T.L. 174 (P&H.).

***v) Qualcomm India Pvt. Ltd. vs. Deputy Commissioner (ST) (FAC),<sup>5</sup>***

8. Mr. Jarwal has laid emphasis on the decision of this Court in ***Lupin Limited*** (supra), where, in almost identical circumstances, the contention on behalf of the revenue was rejected, and interest was directed to be paid from the date of the expiry of 60 days from the original refund application

9. Mr Jarwal submitted that in the remaining two petitions, while the dates of the refund applications, orders, etc., may vary slightly, the issue involved is identical.

10. Ms. Chavan learned Addl. The GP submitted that the petitioner's initial application for a refund was rejected by an order dated 14<sup>th</sup> September 2020. Accordingly, there was no obligation to grant a refund, and consequently, no liability for payment on the interest of the refund. She submitted that the refund was allowed only by the order of the Appellate Authority dated 27<sup>th</sup> October 2023. Based on this order, the petitioner re-applied for a refund on 28 November 2023. This was sanctioned on January 15, 2024, and on February 5, 2024, the actual refund was credited to the petitioner's bank account. She therefore submitted that the refund was made within 60 days from the date of the petitioner's refund application dated 28<sup>th</sup> November 2023, and therefore, under the scheme of Sections 54 and 56 of the CGST Act, there was no obligation for payment of any interest.

11. We have considered the rival contentions.

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<sup>5</sup>. 2024 (86) G.S.T.L. 300 (Telangana).

12. The issue raised in this petition is no longer *res integra*, given this Court's decision in ***Lupin Limited*** (supra).

13. In almost similar facts and situations, the coordinate Bench of this Court in paragraphs 12 and 13 of the said order observed and held as follows: -

*“12. A conjoint and meaningful reading of Section 54 along with Section 56, as-we have stated, forms a Scheme for refund of tax along with the interest and make it evidently clear, that the interest is levied, on delay of the refund, with an object to compensate the person who has claimed a refund, as if refund is allowed, the same shall be immediately refunded, upon an order being passed by a proper officer within a period of 60 days. However, this period of 60 days is to be computed from the date of receipt of the application referred under subsection (1) of Section 54, and not as what has been argued before us by the Counsel for the Revenue, that it will be payable from the date of approval of refund. Similarly, when an Appellate Authority passes an order, either the Assessee or the Revenue going to the appellate forum, then a fresh application is to be filed for the purposes of convenience and bringing the refund order into the system, and the proviso clearly contemplates that within a period of 60 days from passing of the order by the Appellate Authority, the amount of refund shall be disbursed, if not, it shall carry an interest of 9%.*

*13. It is sought to be urged before us by Revenue, that a proviso operates only when an order is passed by an Appellate Tribunal or Appellate Authority and the interest shall run only from the date when an application is preferred for seeking refund and therefore according to Ms Desai after the appellate order was passed in favour of the petitioner, fresh application for refund was filed on 11.05.2023 and the interest would be payable from that date.*

*We must reject the said argument as this is not the scheme of the statute and it is trite position in law that when a statute specify or regulate the payment of interest, it must necessarily abide by all the stipulations therein and here when Section 56 contemplate two different contingencies; the first being the amount not being refunded in 60 days of filing of an application, under sub-*

*section (1) of Section 54, and the second contingency being that the amount not being refunded within 60 days from the date of the application filed consequent to an order passed by the adjudicating Authority or the Appellate Authority or the Appellate Tribunal or Court and it having attained finality.*

*However, the legislature was conscious of the two different situations, as it granted 9% interest in the proviso, when consequent to an order being passed by an Appellate Authority, a fresh application for refund has been made and the amount is not paid within 60 days.*

*In any case, a conjoint reading of Section 56, the first part along with the proviso and specifically read with the explanation, make it evidently clear that the legislature intended to give the status of an order in original as passed under Sub-section (5) by the proper officer, to the order passed by the Appellate Forum and therefore, the interest which is liable to be paid shall be governed by clause (1) as well as by the proviso and if from the date of the original order, if amount was not refunded within 60 days from the date of the first application, it shall carry an interest of 6% and also if upon the order being passed by the Appellate forum if the refund is not disbursed within a period of 60 days, it shall carry an interest at the rate of 9%.”*

14. This Court has aligned with the decisions of the Delhi High Court and Telangana High Court, which have similarly interpreted the provisions and scheme of Sections 54 and 56 of the CGST Act. Mr Jarwal submitted that the basis for such interpretation is to be found in ***Ranbaxy Laboratories Ltd*** (supra), where the Hon’ble Supreme Court considered the provisions of Section 11(BB) of the erstwhile Central Excise Act, 1944, which are in *pari materia* to Sections 54 and 56 of the CGST Act.

15. The arguments, which are almost identical to those raised by the revenue in ***Lupin Laboratories*** (supra) have

been raised before us today. Given the decision of the coordinate Bench of this Court in the case of ***Lupin Laboratories*** (supra), we are afraid we cannot accept them.

16. Ms. Chavan referred to paragraph 15 of *Lupin Laboratories* (supra) to once again suggest that this Court had held that under the scheme of sections 54 and 56 of the CGST Act, interest at 6% per annum becomes payable only when the amount is not refunded within 60 days of the order being made by the First Appellate Authority. She submitted that, in this case, since the refund was made within 60 days of the sanction for refund, as per the First Appellate Authority's order, no interest becomes payable.

17. Paragraph 15 of *Lupin Laboratories Ltd* (supra) reads thus: -

*“15. Since the two decisions above, of Delhi High Court and Telangana High Court fortify our view, and contain the reasoning, which we concur as even according to us reading of Section 56 together with the explanation, with reference to the application preferred under sub-section (1) of Section 54, clearly lead us to a conclusion that the interest shall be payable on the amount as contemplated under first part, i.e. when the amount is not refunded within 60 days from the date of the order passed by the First Authority, the proper officer and the interest at the rate of 9% from the date when the fresh application was made after the Appellate Authority allowed the appeals filed by the petitioner and revised the order in original, thereby allowing the entire claim of refund.”*

18. The contention now advanced confuses between the expressions “First Authority” and “First Appellate Authority”. Even paragraph 15 in terms states that interest at the rate of

6% per annum becomes payable when the amount is not refunded within 60 days from the date of the order passed by the First Authority. If no refund is made within 60 days from the date the order is passed by the Appellate Authority or, alternatively, within 60 days of the assessee applying for a refund based on the Appellate Authority's order, then the interest payable will be 9%. In this case, the petitioners have not claimed 9% interest, but rather 6% interest, as the amount was not refunded within 60 days from the date of the order passed by the First Authority or the adjudicating authority.

19. Although the refund application was rejected by the order dated 14 September 2020, it has been set aside by the Appellate Authority as of 27 October 2023. Therefore, based on the rejection order dated September 14, 2020, which was found to be illegal and unsustainable by the Appellate Authority, the respondents cannot resist paying statutory interest at the rate of 6% per annum.

20. For all the reasons above and following the reasoning in the case of *Lupin Laboratories* (supra), we allow these petitions. We set aside the impugned order dated 09 September 2024 and direct the respondents to pay the petitioner's interest at a rate of 6% per annum, calculated from the expiry of 60 days from the application date of 23 April 2020 (in the lead petition) and from the respective dates of the original refund applications in the other two petitions, within 6 weeks of this order being uploaded.



**21.** The Rule is made absolute in the above terms in all these petitions. No costs.

**22.** All concerned are to act upon an authenticated copy of this order.

**(Advait M. Sethna, J)**

**(M.S. Sonak, J.)**