HIGH COURT FOR THE STATE OF TELANGANA

2026:TSHC:15426-DB

MAIN CASE No: W.P.Nos.12047, 12052, 12127, 12128, 12130, 12132, 12133 and 12134 of 2026

PROCEEDING SHEET

Sl. No.	Date	ORDER	OFFICE NOTE
4.	14.07.2026	**HCJ (AKrS,J) & GMM,J** Mr. Karan Talwar, learned counsel appears for the petitioners. Mr. Sai Akarsh, learned Assistant Government Pleader representing Mr. Swaroop Oorilla, learned Special Government Pleader appears for State Tax. All these writ petitions relate to the same petitioner covering the period July, 2018 to March, 2021. All these writ petitions relate to claim of interest over the amount already refunded. In respect of some tax period, the refund was made by the Refund Sanctioning Authority and in some cases, after the order of the appellate authority. Since the refunds were delayed, petitioner claimed interest in terms of Section 56 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as 'the CGST Act'). Such claims for interest have been pending before the Proper Officer since 03.06.2025. On his refund application, Deficiency Memos have been raised. Petitioner has been compelled to approach this Court on issuance of the third Deficiency Memo which did not contain any particulars. Learned counsel for the petitioner submits that once refund has been sanctioned, interest would be automatic for the period of delay beyond 60 days from the date of first application. Insistence upon furnishing of particulars which are not relevant or germane to the issue is only causing further interest to accrue upon the revenue. The matter was earlier taken up on 21.04.2026 when one week time was allowed to learned Special Government Pleader for State Tax to obtain instructions. It is only today	

that a Memo has been filed once again indicating the deficiencies while referring to Section 16(2)(c) of the CGST Act and Rule 89(2)(m) of the Central Goods and Services Tax Rules, 2017.

Learned counsel for the petitioner submits that neither the said provision under Section 16(2)(c) of the CGST Act would apply after the refund has already been sanctioned and paid nor there would arise a case of passing of the refund claim to any other person as it is only interest on the refund already sanctioned. It is submitted that the Proper Officer without appreciating the legal position by delaying the refund of the interest is acting contrary to the interest of the Department.

Upon hearing learned counsel for the parties, in the aforesaid circumstances, let respondent No.1-Assistant Commissioner (ST), STU-1, Abids Circle Office, Room No.104, 1st Floor, Hermitage Office Complex, Hill Fort Road, Adarsh Nagar, Hyderabad, appear on the next date.

Let a copy of the order be communicated to respondent No.1 by the Registry forthwith.

Let the matter appear on 30.07.2026.

In the meantime, if there are no legal impediments in processing the claim of interest on the refund already sanctioned, the Proper Officer is at liberty to sanction the admissible interest in accordance with law.

HCJ (AKrS,J)

GMM,J

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