IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT PETITION Nos.12047, 12052, 12127, 12128, 12130, 12132, 12133 and 12134 of 2026

DATED :30. 07.2026

Between:

M/s. Synchrony International Service Private limited and another

… Petitioners

AND

Assistant Commissioner (ST), STU-1,
Abids Circle, Hyderabad and four others

… Respondents

COMMON ORDER:

Mr. Karan Talwar, learned counsel appears for the petitioners.

Mr. Swaroop Oorilla, learned Special Government Pleader for State Tax appears for respondent Department.

2. All these writ petitions relate to the same petitioners covering the period July, 2018 to March, 2021 with regard to the 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, the petitioner company 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 its refund application, Deficiency Memos have been raised. The petitioner company has been compelled to approach

this Court on issuance of the third Deficiency Memo which did not contain any particulars.

3. Learned counsel for the petitioners 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.

4. Learned counsel for the petitioners submits that neither the 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.

5. Pursuant to the order passed by this Court on 14.07.2026, Mr. S. Ravi Chandra, Deputy Commissioner (ST) STU-1, Abids Circle Office, Hyderabad, appeared today.

6. Learned Special Government Pleader for State Tax, on instructions, has referred to circular No.125/44/2019-GST dated 18.11.2019 issued by the Central Board of Indirect Taxes and Customs on the subject of electronic refund process. The said circular stands adopted by the State

Tax Department. As per the said circular, the refund application has to conform to certain requirements. The refund application was made on 'any other ground' as per Deficiency Memo in FORM-GST-RFD-03. He has also drawn the attention of this Court to Annexure-A to Circular No.125/44/2019-GST, which prescribes the list of all statements/ declarations/undertakings/certificates and other supporting documents to be provided along with the refund application. Under Serial No.11, if the refund is claimed on account of 'any other ground', an undertaking in relation to Section 16(2)(c) and Section 42(2) of the CGST Act has to be given with supporting documents. Further, a self declaration under Rule 89(2)(l) of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as 'the CGST Rules') if the amount claimed does not exceed Rs.2,00,000/-, otherwise, certification under Rule 89(2)(m) of the CGST Rules has to be given. The deficiencies pointed out to the refund application have only enumerated these documents to be supplied. Since the petitioner company has not supplied those documents, the refund claim could not be processed.

7. Learned counsel for the petitioner company has pointed out that in the case of refund of interest over the principal amount like this, certification under Rule 89(2)(m) of the CGST Rules would not be applicable.

8. Rule 89 (2)(m) of the CGST Rules reads as under:

> **"89.** (2) The application under sub-rule (1) shall be accompanied by any of the following documentary evidences in Annexure 1 in **FORM GST RFD-01**, as applicable, to establish that a refund is due to the applicant, namely:-
>
> > (m) a Certificate in Annexure 2 of **FORM GST RFD-01** issued by a chartered accountant or a cost accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees:"

9. It requires the certificate in Annexure 2 of FORM GST RFD-01 by a Chartered Accountant or a Cost Accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person in a case where the amount of refund claimed exceeds two lakh rupees.

10. It is the case of the petitioner company that the entire refund amount has been disbursed for the relevant periods pursuant to the order-in-original and the order-in-appeal passed for the respective years as per the summary sheet furnished by the learned counsel for the petitioners. He submits that the interest in such a case after sanction of refund could not have been passed on to any end consumer. The refund sanctioned should have computed the interest component till the date of disbursement in terms of Section 56 of the CGST Act. Therefore, insistence upon Rule 89(2)(m) of the CGST Rules is unnecessary.

11. However upon consideration of the rival submissions, in the facts and circumstances and the relevant provision of the Act and Rules referred

to above, we are of the view that the summary sheet containing the details of the refund claims allowed as per the order-in-original/order-in-appeal for relevant tax periods covered in the respective writ petitions and the claim for refund of interest thereupon furnished by the learned counsel for the petitioners be produced before the Proper Officer for scrutiny and sanction of the interest over the refund of principal amount claimed by the petitioners. The petitioner company or its authorized representative shall appear before the Proper Officer to facilitate this exercise on 06.08.2026 along with relevant details. The Proper Officer shall, after scrutiny of the claim without insisting upon certification as required under Rule 89(2)(m) of the CGST Rules as the claim relates only to the interest component over the refund already sanctioned in its favour, take a decision in accordance with law within a period of two weeks thereafter.

12. All these Writ Petitions are disposed of in the aforesaid manner. There shall be no order as to costs.

Miscellaneous applications, if any pending, shall stand closed.

APARESH KUMAR SINGH, CJ

G.M.MOHIUDDIN, J

30th July, 2026

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