

GOVERNMENT OF NCT OF DELHI  
DEPARTMENT OF TRADE & TAXES  
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI – 110002  
(POLICY BRANCH)

F. 3(659)/GST/P&R/2026/125

Dated: 13/3/2026

**Instruction**

**Subject: Compliance of instructions regarding timely disposal of refund claims.**

It has been observed that despite issuance of various orders and circulars by this Department from time to time regarding the timely processing and disposal of refund claims, a number of matters relating to delay in grant of refunds are still being brought before the Hon'ble Courts.

1. In this regard, attention of all concerned officers is invited to the instructions issued earlier by the Department, including circulars/orders dated 04.05.2022, 13.05.2022, 20.07.2022 and other related instructions, copies of which are enclosed herewith. These instructions clearly prescribe the procedure and timelines for processing and sanction of refund claims and for redressal of grievances relating to pending refunds.
2. It is reiterated that all refund applications must be examined and disposed of strictly within the prescribed statutory timelines and in accordance with the guidelines issued by the Department.
3. The Zonal Incharges and Ward Officers shall personally monitor the pendency of refund claims in their respective jurisdictions and ensure strict compliance with the aforesaid instructions.
4. Any deviation from the prescribed procedures or undue delay in processing refund claims shall be viewed seriously and may invite appropriate action.
5. These instructions may be circulated to all concerned officers for strict compliance.

This is issued with the prior approval of Commissioner, Trade & Taxes.

Encl.: As above.



(Santosh Kumar Rai, IAS)  
Special Commissioner (Policy)

**Copy for information:-**

1. All SCTTs/ACTTs/JCTTs/ Trade and Taxes Department.
2. All ACs/GSTOs through the Zonal In charge, Trade and Taxes Department.
3. PS to Commissioner, Trade and Taxes Department.
4. In charge EDP Cell with the request to upload on Department's portal.

(Santosh Kumar Rai, IAS)  
Special Commissioner (Policy)

MAOAR  
13/03/26  
324/26  
18/3/26  
Sh. Mohit  
Rishabh

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI  
DEPARTMENT OF TRADE & TAXES, I.P. ESTATE  
VYPAR BHAWAN, NEW DELHI-110002.  
(POLICY BRANCH)

No. F.3(433)/GST/Policy/2022/1407-13  
ORDER

Dated 20.7.2022

Sub: Disposal of refunds within stipulated time framework and payment of interest amount on delayed refunds.

1. In a recent matter, Hon'ble Delhi High Court issued directions, dated 20-5-2022 in the matter of WP(C) 7110/2022 (Lord Krishna Traders Private Limited V/s Commissioner of Delhi Goods & Services Tax), that the Commissioner, DGST, will convene a formal meeting with Petitioner's counsel and other practitioners, so that a robust mechanism is put in place for timely disposal of refund claims. The minutes of meeting held on 16.06.2022 in compliance to aforesaid directions, has already been issued and circulated to all stakeholders.
2. The disposal of refund applications in a time bound manner is an integral part of the VAT/GST mechanism. In this regard, attention is drawn to Section-38 of Delhi Value Added Tax Act, 2004 and Section 56 of the DGST Act as per which, if any tax is to be refunded under sub-section 5 of Section 54 but is not refunded **within 60 days** from the receipt of application under sub-section (1) of that section, interest at such rates not exceeding six percent as may be specified in the notification issued by the Government, shall be payable in respect of such refunds from the next day of the sixtieth day of the receipt of application. Similarly, under Section-42 of Delhi Value Added Tax Act, 2004, interest is liable to be paid on delayed refunds. Therefore, it becomes imperative upon the concerned refund sanctioning authority/proper officer that all refund applications are processed and decided within the prescribed time frame in order to avoid undue interest liability on the department.
3. In this regard, departmental instructions/orders/circulars were issued from time to time and a grievance redressal mechanism has already been circulated vide Circular No. F.3(433)/GST/Policy/2022/1268-77, dated 13-5-2022
3. All Ward Incharges/Proper Officers/Zonal Incharges are hereby directed to adhere to departmental guidelines issued by the department for timely disposal of all types of refunds and take utmost care to dispose off the refund application within stipulated time period.
4. Non-compliance will invite stringent action.



(Dr. S.B. Deepak Kumar)  
Commissioner (State Tax)

750/IT  
20/07/2022

SSA/EDP

SA-II

MR 20/7/2022

urgent

May Wp/2022 on 20/07/22

20/7/2022

No. F. 3(433)/GST/Policy/2022/1107-13

Dated 10.7.2022

- 1 All SCITs/ACTTs/JCTTs, Trade and Taxes Department.
- 2 All Ward Incharges/Proper Officers through the Zonal Incharge, Trade and Taxes Department.
- 3 The President, Sales Tax Bar Association(Regd.), 2<sup>nd</sup> Floor, Vyapar Bhawan, I.P. Estate, New Delhi-110002
- 4 Sh Rajesh Jain, Advocate, A2/142, (GF) Safdurjung Enclave, New Delhi-110029
- 5 P.S. to Commissioner (GST), Deptt. of Trade & Taxes, GNCTD
- 6 Guard File.



(Sunita)

Asstt. Commissioner(Policy)

**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI**  
**DEPARTMENT OF TRADE & TAXES, I.P.ESTATE**  
**VYPAR BHAWAN: NEW DELHI-110002.**  
**(POLICY BRANCH)**

No. F.3(433)/GST/Policy/2022/ 1250-60

Dated: 04/05/2022

**ORDER**

**Subject: Refund of Tax-time bound processing and disposal thereof.**

1. Disposal of the refund applications in a time bound manner is an integral part of the GST mechanism. In this regard, attention is drawn to Section 56 of the DGST Act as per which, if any tax to be refunded under sub-section 5 of Section 54 but is not refunded within 60 days from the receipt of application under sub-section (1) of that section, interest at such rates not exceeding six percent as may be specified in the notification issued by the Government, shall be payable in respect of such refunds ~~from the next day of the sixtieth day of the receipt of application.~~ Therefore, it becomes imperative upon the proper officer that all refund applications are processed and decided within the prescribed time frame in order to avoid undue interest liability on the department.
2. Similarly, it is important that while granting refund the genuineness of the tax payer is ascertained for which physical verification of the registered premises of the tax payer is important.
3. It is accordingly directed that all Proper Officers shall ensure that the refund applications are decided within the prescribed timelines and no refund shall be granted without ensuring the genuineness of the firm through a field verification of the registered premises of the applicant, for which documentary records will also be maintained by the Proper officer.
4. A consolidated Fortnightly Report duly signed by Zonal Incharges along with back-up sheets containing ward level information, starting from 1<sup>st</sup> fortnight of April, 2022 be submitted to the Nodal Officer (Refunds) within two days after the end of each fortnight, in the format annexed with this order
5. Nodal Officer (Refunds) will consolidate these Fortnightly Reports and submit to the Commissioner, State Tax for his perusal.
6. Non - compliance will invite action.

214/IT  
04/05/2022

Pl. upload on website -  
4.5.22  
Mr. Chhaya

ANKUR GARG  
COMMISSIONER (STATE TAX)

uploaded  
3706

No. F.3(433)/GST/Policy/2022/

Dated: 04/05/2022

- 1. All SCTTs/ACTTs/JCTTs, Trade and Taxes Department.
- 2. All ACs/GSTOs through the Zonal Incharge, Trade and Taxes Department.
- 3. PS to Commissioner, Trade and Taxes Department.
- 4. Guard File.
- 5. Incharge EOP cell with the request to upload on Department portal.

*Vivek Mittal*  
4/5/22  
(VIVEK MITTAL)

ASSISTANT COMMISSIONER (POLICY)

—  
—  
50  
—  
nt  
ed  
—  
—  
—

## Annexure

Fortnightly Report of refunds for the 1<sup>st</sup>/2<sup>nd</sup> fortnight of \_\_\_\_\_ (month and year), Zone \_\_\_\_\_

Zone	No. of refund application decided (A)				Out of (A), No. of Refund application decided beyond 60 days (B)					No. of Refund applications Pending beyond 60 days.
	Accepted	Amount sanctioned	Rejected	Amount Rejected	Accepted	Amount sanctioned	Rejected	Amount Rejected	Interest paid (if any)	
1	2	3	4	5	6	7	8	9	10	11

(Signature of Zonal Incharge)

GOVERNMENT OF NCT OF DELHI  
DEPARTMENT OF TRADE & TAXES,  
VYAPAR BHAWAN, NEW DELHI - 110002.  
(POLICY BRANCH)

No.F.3(433)/GST/Policy/2022/ 1268-77

Dated: 13.05.2022

Circular

Subject: Grievance redressal mechanism in case of pending Refunds- reg.

1. In terms of the Section 38 of the DVAT Act, 2004 and the rules made there under, the refund applications are required to be disposed within a stipulated period of 2 months.
2. Similarly, under Section 54 of the DGST Act, 2017, taxpayer can claim the refund of any payment and interest before the expiry of two years from the relevant date. The proper officer shall issue the order within sixty days from the date of receipt of application, else interest at the rate not exceeding 6% shall be payable on such refund application.
3. It has been observed that many refund cases are still pending in the Wards beyond the permissible time limit. In this regard Department has been issuing Circulars from time to time for disposal of the refund application in a time bound manner. Some of the taxpayers have also approached the Hon'ble High Court with their grievances and the Hon'ble Court has highlighted the need to decide the applications within statutory timelines. It is therefore incumbent upon the concerned officers to ensure that the refund applications are disposed strictly in accordance with the statutory timelines. A circular regarding time bound disposal of GST refunds has again been issued on 04.05.2022 which needs to be complied with strictly. Similarly the pending VAT refund applications which may have remained pending due to various reasons, have to be disposed in a mission mode.
4. In order to further streamline the process of disposal of refund applications and to provide a platform for the dealers/taxpayers to register their grievances related to the pending refund applications, a mechanism is being put in place, wherein, such dealers/taxpayers can file their grievances with the department through the DVAT Portal by filling a simple Refund Grievances Redressal Form. Grievances received on the refund grievances redressal form shall be handled as per the process laid down as under:
  - (i) The dealer will submit an application in the Refund Grievances Form, which is available on the home page of DVAT Portal at <https://dvat.gov.in/GrievanceForms/Grievance-page.html>
  - (ii) EDP Branch will forward the details to the concerned Ward and Zonal incharge on the same day.

29/11  
13/5/22

*(Signature)*

- (iii) The Ward in-charge will dispose of the application on merit within 10 working days of receiving the information.
- (iv) Zonal incharges will supervise the progress of disposal on daily basis and furnish an action taken report to the EDP Branch on weekly basis in the following format.

Name of Zone:

S. No	Date (From to )	Number of Application Received during Week	Number of applications pending (Previous week)	Total number of applications	Number of applications Dispose off	Total number of pending applications

- (v) Special Commissioner-I, shall be the Nodal Officer for monitoring the disposal of grievances in time bound manner and may issue necessary direction to the Zonal as well as Ward incharges wherever required. EDP Branch will submit a consolidated report to the Special Commissioner -I every week. Special Commissioner-I will submit a weekly report to Commissioner every Monday regarding cases which continue to remain pending even after the lapse of 10 days despite his directions to the Zone/ward.
- (vi) In case the ward officer doesn't report compliance to the nodal officer within 10 days, the nodal officer will bring it to the notice of the zonal incharge for appropriate entry in the APAR of the responsible officer.
- 6) EDP branch shall inform about this facility to the registered taxpayers by SMS and email. This issues with the approval of Commissioner, State Tax.

*Anand Kumar Tiwari*  
(ANAND KUMAR TIWARI)  
Special Commissioner (Policy)

No.F.3(433)/GST/Policy/2022/ 1268-77

Dated 13/05/2022

Copy forwarded for information and necessary action to:

1. All Spl./Addl./Joint Commissioners, Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan I.P. Estate, New Delhi-02.
2. Special Commissioner (PR), Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan I.P. Estate, New Delhi-02 for wide publicity of the contents of this circular.
3. Joint Director (IT), Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan I.P. Estate, New Delhi-02 for uploading the circular on the website of the department.
5. The President/General Secretary, Sales Tax Bar Association (Regd.), Vyapar Bhawan, I.P. Estate, New Delhi-02

12-03-2026, 15:33

7. All Assistant Commissioner/AVATOs Department of Trade & Taxes, GNCT of Delhi,
8. Vyapar Bhawan I.P. Estate, New Delhi-02
9. PS to the Commissioner, VAT Department of Trade & Taxes, GNCT of Delhi, Vyapar
10. Bhawan I.P. Estate, New Delhi-02
11. Guard File.

  
(VIVEK MITTAL)  
Assistant Commissioner (Policy)



\$~34

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

+ **W.P.(C) 17449/2024**

**MAHANAGAR TELEPHONE NIGAM LTD. ....Petitioner**

Through: **Mr. Ruchir Bhatia and Ms. Lopamudra Mahapatra, Advs.**

versus

**COMMISSIONER, VAT & ANR. ....Respondents**

Through: **Mr. K.G. Gopalakrishnan, Mr. Girish Kaul, Ms. Aishwarya Singh Rana, Mr. Abhiram Venugopal, Advs.**

**CORAM:**

**HON'BLE MR. JUSTICE NITIN WASUDEO SAMBRE**

**HON'BLE MR. JUSTICE AJAY DIGPAUL**

**ORDER**

**25.02.2026**

%

1. We have come across a number of matters against the respondent-VAT, wherein, though the refund was ordered and paid, intentionally the interest calculation and its refund was not made, despite Section 42 of the DVAT, Act mandates the same.
2. As a sequel of above, numbers of litigations have given rise before this Court.
3. There is reason to believe that such conduct on the part of officer who are ordering refund without interest had an intention to conduct themselves contrary to the statutory provision of DVAT Act.
4. In that view of the matter, we direct the Commissioner, VAT, to file an affidavit explaining the same and also explain further as to why, despite

*This is a digitally signed order.*

*The authenticity of the order can be re-verified from Delhi High Court Order Portal by scanning the QR code shown above.*

*The Order is downloaded from the DHC Server on 09/03/2026 at 13:08:45*



chances having been given, the affidavit has not been filed in the matter.

5. Let the affidavit be filed within a period of three weeks from today.
6. We saddle cost of Rs.25,000/- on the officer who is responsible for not filing this affidavit.
7. Let the cost be deposited within a period of three weeks from today positively with the registry of this Court. The apportionment of the same shall be decided on the next date of hearing *i.e.* 01<sup>st</sup> April 2026.
8. Order be uploaded on the website of this Court.

**NITIN WASUDEO SAMBRE, J**

**AJAY DIGPAUL, J**

**FEBRUARY 25, 2026/sky/sk**