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* **IN THE HIGH COURT OF DELHI AT NEW DELHI*****Date of Decision: 13.07.2026***

+ W.P.(C) 9189/2026 and CM APPL. 43124/2026
M/S KARAMSAR POULTRY APPLIANCESPetitioner
Through: Mr. Antik Majumder, Adv.
versus
ASSISTANT COMMISSIONER, JANAKPURI DIVISION,
CGST DELHI WEST & ORS.Respondents
Through: Mr. Akash Panwar, JSC along
with Mr. Abhimanyu Kapoor,
Adv. for R-1 and 2.
Mr. Kshitij Chhabra, SPC along
with Mr. Rahul Morya, GP for
R-3.

CORAM:**HON'BLE MR. JUSTICE ANIL KSHETARPAL****HON'BLE MR. JUSTICE SHAIL JAIN****ORDER (ORAL)****ANIL KSHETARPAL, J.:**

1. The present Petition has been filed seeking issuance of an appropriate writ setting aside the Rejection Order dated 20.02.2026 [hereinafter referred to as 'Impugned Order'], passed by the Assistant Commissioner, CGST Delhi (West), *vide* which the Petitioner was denied the consequential refund of an amount of Rs. 3,44,469/- arising pursuant to the Order-in-Appeal (OIA) dated 27.09.2025 passed by the Joint Commissioner, CGST Appeals-II, Delhi.

2. Pithily put, the Petitioner filed an application seeking refund of unutilized Input Tax credit for the tax period from July 2019 to September 2019, claiming a refund of Rs. 6,49,667/-. Pursuant thereto, the Assistant Commissioner, Janakpur Division, issued a Show Cause Notice proposing rejection of the refund claim to the extent of Rs. 3,44,469/-, to which the Petitioner submitted a detailed



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reply.

3. Upon consideration thereof, the Assistant Commissioner, Janakpuri, *vide* Order-in-Original (OIO) dated 08.10.2021, partially sanctioned the refund to the extent of Rs. 3,05,198/- and rejected the balance amount of Rs. 3,44,469/-. Aggrieved thereby, the Petitioner preferred an appeal before the Appellate Authority, which, *vide* OIA dated 27.09.2025, set aside the OIO. Thereafter, the Petitioner's refund application in respect of the aforesaid amount was once again rejected by way of the Impugned Order. Aggrieved thereby, the Petitioner has approached this Court.

4. Learned counsel representing the Petitioner claims that the OIA dated 27.09.2025 finalized the issue pertaining to refund and as such the Petitioner is required to be refunded an amount of Rs.3,44,469/- along with the statutory interest thereon. He submits that the Petitioner cannot be relegated to the statutory remedy of Appeal, particularly when the OIA dated 27.09.2025 has attained finality.

5. *Per contra*, learned counsel representing the Respondent, while referring to the observations made under Paragraph No.9.2 onwards of the Impugned Order, submits that the Assistant Commissioner while adjudicating the Petitioner's request for refund, has provided detailed reasons for refusing the refund and therefore, the appropriate alternative remedy available to the Petitioner is to file an Appeal against the Impugned Order.

6. This Court has considered the submissions made by the Parties. Undisputedly the Appeal filed by the Petitioner came to be allowed by way of the OIA dated 27.09.2025, wherein the Joint Commissioner, in



the concluding paragraph recorded as under:

“6. The appeal filed by M/sKARAMSAR POULTRY APPLIANCES. GSTIN: 07AAAFK2704M1ZG, BASEMENT, GF, 1ST FLOOR, HOUSE NO 3, BLOCK I SECTOR 3 BAWANA DSIDC. Bawana. New Delhi, North Delhi. Delhi. 110039 against Order-In-Original No. ZD070125032348L dated 08.10.2021 is hereby allowed. The impugned order dated 08.10.2021 is set aside to the extent of the refund amount wrongly rejected on ground discussed supra. The instant appeal is disposed of in terms of Section 107(11) of CGST Act, 2017.”

7. Thereafter, the Petitioner's application seeking refund was considered by the Assistant Commissioner, who passed the Impugned Order undertaking a detailed examination of the matter and recording reasons in support of the decision in the following manner:

9.2 I find that the contention of the claimant regarding the binding nature of an appellate order under Section 107(16) of the CGST Act, 2017 is correct to the extent that the findings recorded therein are required to be given due effect. However, it is equally settled that while processing a refund claim under Section 54 of the CGST Act, 2017 read with Rule 89 of the CGST Rules, 2017, the Proper Officer is duty-bound to verify the admissibility, correctness, and quantification of the refund amount on the basis of documentary evidence and statutory returns. The provisions governing refund do not dispense with verification merely because the claim arises consequent to an appellate order. The appellate order has allowed relief on the issue of calculation of adjusted total turnover, but it does not provide a specific and verifiable mapping of tax periods in which under-reporting and subsequent rectification occurred. Therefore, independent verification of the factual correlation between GSTR-1 and GSTR-3B remains necessary for sanction of refund under Rule 92 of the CGST Rules, 2017. In this regard, as per para 8.2 above, taxpayer has furnished certain month-wise details indicating the period during which short/excess reporting allegedly occurred and has stated that rectification was reflected in GSTR-3B of August 2019.

10.1 In view of the above and upon perusal of the GSTR-1 and GSTR-3B returns pertaining to the relevant months wherein the export turnover was allegedly short reported and the local turnover was reported in excess, the details as observed from the scrutiny of the said returns are as under-

GSTR-1 Returns			
Months	B2B SALE and B2C/B2C(L) SALE	EXPORT SALE	TOTAL SALE
April'2018	1,12,95,955	33,35,280	1,05,62,320
July'2018	60,24,875	20,87,370	81,12,245
September'2018	80,36,730	11,42,600	91,79,330
February'2019	95,22,115	17,21,340	1,12,43,455
August'2019	91,53,590.60	13,20,970	1,04,74,560.60

GSTR-3B Returns			
Months	Outward taxable suppliers (other than zero rated, nil rated and exempted)	Outward Taxable Suppliers (zero-rated)	Total Sale
April'2018	72,27,040	0	72,27,040
July'2018	60,24,875	23,99,120	84,23,995
September'2018	91,79,330	0	91,79,330
February'2019	1,12,43,455	0	1,12,43,455
August'2019	54,53,200	72,08,440	1,26,61,640

Difference between above GSTR-1 and GSTR-3B reporting's

Months	Outward taxable suppliers (other than zero rated, nil rated and exempted)	Outward Taxable Suppliers (zero-rated)	Difference
April'2018	40,68,915 (Short Reporting in GSTR-1)	Rs.33,35,280/- (Short reporting of sale in GSTR-3B)	Rs.74,04,195/-



July'2018	-	Rs.3,11,750/- (Excess reporting of sale in GSTR-3B)	Rs.3,11,750/-
September'2018	11,42,600 (Excess reporting of sale in GSTR-1)	11,42,600/- (Short reporting of sale in GSTR-3B)	0
February'2019	17,21,340/- (Excess reporting of sale in GSTR-1)	17,21,340/- (Short reporting of sale in GSTR-3B)	0
August'2019	37,00,390.60/- (Short Reporting in GSTR-1)	58,87,470/- (Excess reporting of sale in GSTR-3B)	Rs.21,87,079.40/-

10.2 On careful scrutiny of the GSTR-1 and GSTR-3B returns for the months of April'2018, July'2018, September'2018, February'2019 and August'2019, it is observed that the reconciliation table furnished by the claimant does not fully corroborate with the figures actually reported in the statutory returns. The data reveals multiple inconsistencies, including excess reporting of export turnover in certain months, variation in outward taxable supplies beyond the figures claimed, and a mismatch of ₹21,87,079.40/- even in the alleged rectification period of August'2019. These discrepancies indicate that the claimed rectification of ₹58,87,470/- (export turnover) and ₹28,63,940/- (local turnover) cannot be clearly verified from the returns on record. Therefore, the explanation furnished by the claimant remains unsupported by conclusive documentary evidence, and the contention raised in their reply against Point No. 1 of the Show Cause Notice is found to be unsatisfactory.

11. Further, on perusal of the Order-in-Appeal dated 27.09.2025, it is observed that the Appellate Authority, in para 4.5 of the said order, has relied upon the annual returns in Form GSTR-9 and the consolidated figures reported in GSTR-3B by the taxpayer. The Appellate Authority noted that, for the Financial Year 2018-19, a total difference in turnover amounting to ₹30,23,530/- was reflected and that the same was subsequently adjusted through amendments reported in GSTR-9 for the Financial Year 2019-20. Accordingly, the Appellate Authority concluded that, after giving effect to the said adjustment, no discrepancy remained in the adjusted total turnover on account of the amendment. In view of the above facts and upon examination of the records, it is observed that the taxpayer has been consistently filing refund applications under the inverted duty structure since the implementation of the GST regime. As per **Rule 89(4) of the CGST Rules, 2017**, the maximum refund amount is determined by the following formula:

Maximum Refund Amount = $\{(Turnover\ of\ inverted\ rated\ supply\ of\ goods\ and\ services \div Net\ ITC \div Adjusted\ Total\ Turnover)\} - Tax\ payable\ on\ such\ inverted\ rated\ supply\ of\ goods\ and\ services.$

From the above formula, it is evident that the *Adjusted Total Turnover* forms part of the denominator and directly impacts the quantum of refund admissible. Any under-reporting of turnover in GSTR-1 or GSTR-3B reduces the denominator, thereby resulting in a higher refund amount than what is actually eligible. On scrutiny of the returns and the findings recorded in the Order-in-Appeal, it is observed that turnover differences amounting to ₹30,22,930/- pertaining to FY 2018-19 were subsequently adjusted through amendments



reported in GSTR-9 of FY 2019-20. This indicates that the turnover figures were not consistently reported during earlier periods. Therefore, if the adjusted total turnover was reported at a lower value during earlier quarters of FY 2018-19, the taxpayer would have become eligible for excess refund as compared to the actual admissible amount under Rule 89(4). In the present case, the higher adjusted turnover reflected during July'2019 to September'2019 suggests that earlier refund claims might have been computed on suppressed turnover figures. Since refund under Section 54 of the CGST Act, 2017 read with Rule 89(4) is strictly formula-based and dependent upon correct reporting of turnover, any discrepancy in adjusted total turnover affects the validity of the refund computation. Accordingly, in view of the inconsistencies noticed in reporting patterns and their direct bearing on the statutory formula, the refund claimed for the relevant period cannot be considered admissible as correctly determined under the provisions of the CGST Act, 2017 and the rules made thereunder.

12. Further, in response to the point no. 2 of SCN, their reply and on perusal of Form GSTR-9 for the F.Y. 2021-22, it has been observed that the taxpayer has availed excess ITC of amounting to Rs.1,46,806.48/- (IGST-1,46,806.48/-) and it also observed that the amount of Rs. 2,13,230/- has been paid through DRC-03 vide ARN: AD071220129300 dated 28.12.2022. The details of ITC for the F.Y. as per GSTR-9 mentioned below: -

As per Table -8 of GSTR-9 for F.Y. 2021-22	CGST	SGST	IGST
ITC as per GSTR-2A (A)	94,29,818.86	94,29,818.86	6,76,776.73
ITC availed in the said F.Y. (B)	94,23,427.52	94,23,427.52	8,23,583.21
Difference (C=A-B)	6,391.34	6,392.34	- 1,46,806.48

In view of above reconciliation and discussion the reply of the taxpayer in respect of point no. 2 of SCN appears to be satisfactory.

13. In response to the Point No. 03 of the SCN and reply submitted by the taxpayer, it has been observed that the tax liability pertaining to one B2C supply of March 2023 was duly discharged in the same month and that only the reporting of the said supply in GSTR-1 was done in April 2023, resulting in a timing difference. On verification of the tax liability report (Table-1) generated from the GST Portal, it is observed that the tax has already been paid and, in fact, an excess payment of Rs.9,919.04/- exists. Since GSTR-3B is the return for discharge of tax liability and the discrepancy has arisen only due to delayed reporting in GSTR-1, the alleged short payment is merely apparent in nature. Accordingly, the taxpayer's explanation is found to be satisfactory and no short payment of tax is established.

14. In view of the foregoing facts, scrutiny of statutory returns, and the findings recorded hereinabove, it is observed that the discrepancies in reporting of turnover between GSTR-1, GSTR-3B, and annual returns have a direct bearing on the computation of refund under Section 54 of the CGST Act, 2017 read with Rule 89(4) of the CGST Rules, 2017. Since the refund under the inverted duty structure is formula-based and the *Adjusted Total Turnover* constitutes the denominator, any under-reporting or inconsistent declaration of turnover in earlier period's results in inflation of the refundable amount beyond what is legally admissible. The reconciliation furnished by the claimant has not



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satisfactorily established a clear and verifiable correlation of the alleged rectifications with the statutory returns, and the variations noticed indicate that the refund amount claimed is not computed on the basis of accurate turnover figures. Accordingly, I find that the claimant has failed to substantiate the eligibility of the refund to the extent claimed, and therefore the refund application amounting to ₹3,44,469/- is liable to be rejected under Section 54 of the CGST Act, 2017 read with Rule 92 of the CGST Rules, 2017.

ORDER

I hereby reject the consequential refund claim filed vide ARN No. AA070126039040T dated 10.01.2026 in respect of M/s Karamsar Poultry Appliances (GSTIN: 07AAAFK2704M1ZG), under the category “On account of Appeal Order”, amounting to ₹3,44,469/-, in terms of Section 54 of the CGST Act, 2017 read with Rule 92 of the CGST Rules, 2017, for the reasons discussed in the foregoing paras. It is observed that the claimant has failed to establish a clear and verifiable reconciliation of turnover and rectification in statutory returns, and the refund computation based on adjusted total turnover remains unsubstantiated. Accordingly, the entire refund amount claimed is held inadmissible and stands rejected.

Digitally signed by
Devender Singh
Assistant Commissioner
Date: 20-02-2026
Janakpuri Division
18:02:29
CGST, Delhi West

Disclaimer:- This order is limited only to the refund claim filed under ARN: AA070126039040T dated 10.01.2026. The party is also informed that this order is issued without prejudice to any other action or proceedings which may be initiated/already under process against them or any other person under the provision of CGST Act, 2017 and the said Rules made thereunder or any other law for the time being in force in India.

8. Upon perusal of the Impugned Order, it is evident that the Assistant Commissioner has independently examined the Petitioner's claim for refund and recorded detailed reasons in support of the conclusions arrived at therein.

9. Similarly, a reading of the OIA dated 27.09.2025 reveals that the Appellate Authority merely set aside the rejection of the Petitioner's refund claim on the grounds which formed the basis of the OIO dated 08.10.2021. Notably, the OIA neither directed unconditional release of the refund amount nor foreclosed



examination of the Petitioner's entitlement on any other legally permissible ground.

10. Consequently, the Assistant Commissioner cannot be said to have been precluded from examining the refund claim afresh on grounds distinct from those which stood negated by the Appellate Authority. Whether such exercise has been validly undertaken or otherwise would necessarily require an examination of the merits of the reasons recorded in the Impugned Order.

11. In the aforesaid backdrop, this Court is prima facie unable to accept that the Impugned Order is non est or wholly without jurisdiction so as to warrant interference in exercise of writ jurisdiction. Admittedly, an Appeal under Section 107 of the Central Goods and Services Tax Act, 2017 lies against the Impugned Order, wherein the legality and correctness of the reasons recorded by the Assistant Commissioner, as also the scope and effect of the OIA dated 27.09.2025, can be comprehensively examined.

12. In such circumstances and having regard to the peculiar facts of the present case, this Court is not inclined to interfere in exercise of its writ jurisdiction. Accordingly, the Petitioner, if so advised, may avail the statutory remedy of Appeal, wherein the Appellate Authority can examine the issues raised before this Court in a comprehensive manner.

13. In view of the aforesaid, the present Writ Petition, along with pending application, is dismissed.

14. Needless to observe that the Petitioner shall be entitled to file an application for exclusion of the time spent prosecuting the present



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Petition for the purpose of computing the period of limitation.

ANIL KSHETARPAL, J.

SHAIL JAIN, J.

JULY 13, 2026
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