



GST UPDATE

25th JULY 2023

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While best efforts have been made to summarise the Judgement for educational purposes, this is not a legal opinion. It is suggested that Judgement passed by the Hon'ble Court must be referred to before making any decisions. In case of any query, please feel free to get in touch with us at gst@cbcandco.com.

Citation:	M/S SHREE RENUKA SUGARS LTD. - 2023 (7) TMI 938		
Court:	Hon'ble Gujarat High Court	Date of Judgement:	13 th July 2023
Law:	Goods and Service Tax		
Topic:	Refund		
Facts of the Case:	<p>Petitioner is a company engaged in the business of manufacturing, trading and selling sugar and allied products. within the country and also exporting substantial quantities of goods to foreign countries.</p> <p>By virtue of Section 54(3) of the CGST Act and also Section 16(3) of the IGST Act, the petitioner is entitled to claim refund of such unutilized ITC on account of such exports.</p> <p>Petitioner was legally entitled to refund of a sum aggregating to Rs. 1,10,67,67,172/-, however, the petitioner erroneously lodged claims for a lower amount of Rs. 1,00,47,38,439/- due to inadvertent arithmetical error of the employee of the petitioner.</p> <p>Subsequently, the petitioner filed a supplementary claim for refund for the left-out amount under the category of "Any Other Refund" because the system did not accept the supplementary refund application under the same category in which the previous refund application was made.</p> <p>Department refused to sanction and pay such refund on a ground that the category under which such supplementary claims were lodged was not applicable in the case of the petitioner.</p>		
Held:	<p>In the present case, the respondents have not disputed that the maximum refund that is admissible is Rs. 1,00,47,38,439 and not the amount of Rs. 1,10,67,67,172/-. However, the stand of the respondent is that the petitioner is responsible for the error committed by the employee of the petitioner in claiming the refund of lower amount than the maximum admissible amount.</p>		

	<p>Having filed the first refund application under the “Unutilised ITC on Exports without payment of tax” category, the petitioner did not have the option to file a refund claim under the same category for the same period and hence had to file the supplementary refund claim under “Any Other” category.</p> <p>Thus, this is nothing but technical error and for such technical error, the claim of the petitioner cannot be rejected without examining the same by the respondent authority on its own merits and in accordance with law.</p> <p>It is settled law that the benefit which otherwise a person is entitled to once the substantive conditions are satisfied cannot be denied due to a technical error or lacunae in the electronic system.</p> <p>Claim of the petitioner for refund of the left-out amount of Rs. 10,20,28,733/- cannot be rejected outright merely on technicality and that too when the substantive conditions are satisfied without scrutiny by the respondent in accordance with law. Thus, the petition deserves to be allowed.</p>
<p>Judgements Relied upon</p>	<ul style="list-style-type: none"> ➤ Bombardier Transportation India Pvt. Ltd. v. DGFT - 2021 (377) ELT 489 (Guj.); ➤ M/s. Bodal Chemicals Ltd. v. UOI – SCA No. 9151 of 2021 ➤ M/s. Stitchwell Garments v. UOI. – SCA No. 17424 of 2021