

Case-choksi Exports vs Union of India order dated 3.2.2023

IGST refund

-None of the provision of CGST or IGST mandates the taxpayer to verify the genuineness of suppliers of the supplier.

IGST Refund of Rs.14.80crores of the taxpayer was withheld by marking him as Risky exporter on the instructions of RMCC.

Exporter submitted all documents as required by circular no131/1/2020-GST dated 23.1.2020, as required in case of risky exporters. Inspection was also carried of his business premises and was found in order. However refund not granted.

Exporter claimed in writ that department should have issued 90 percent of the refund within one week of issuing the acknowledgement of application for refund as per section 54 (6) of CGST Act

Department claimed that as one of the supplier of supplier is risky, hence ITC of Rs. 11,55,726 is not to be allowed and therefore petition be dismissed. The petitioner deposited the said amount with interest and penalty so that his refund is issued.

Gujarat High Court held that none of the provisions of CGST or IGST mandate the taxpayer to verify the genuineness of suppliers of the supplier.

Court directed the department to credit the refund amount within 3 weeks to the account of taxpayer.