



**MAJESTY LEGAL
Advocates & Solicitors**

**DUE TO TECHNICAL ERROR REFUND OF EXCESS TAX DEPOSITION COULD
NOT BE DENIED**

(TAGROS CHEMICALS INDIA PVT. LTD. v/s UNION OF INDIA¹)

HIGHLIGHTS OF THE CASE:

In the present case Hon'ble Court is presented with a case involving the delay in the refund of excess Integrated Goods and Service Tax (IGST) paid by the petitioner for supplying goods at a concessional rate of 0.1% to a registered exporter for the purpose of export. The petitioner claims that they mistakenly paid the full rate of 18% IGST instead of the concessional rate. Subsequently credit note was issued and filed a refund claim for the excess amount. However, the respondent authority rejected the refund claim citing non-compliance with certain conditions mentioned in **Notification No. 41/2017 - Integrated Tax (Rate)**².

RULING:

The Hon'ble Court observes that the conditions mentioned in Notification No. 41/2017 primarily require compliance by the exporter, not the petitioner. The Learned Court cited a relevant Hon'ble Supreme Court decision, **Bonanzo Engineering & Chemical Pvt. Ltd. v. Commissioner of Central Excise**³, wherein it was established that mere technical or procedural lapses should not be used to deny substantial benefits. Additionally, the Learned Court placed reliance on the decision rendered by Hon'ble Supreme Court **Share Medical Care v. Union of India**⁴, which states that an applicant is not prohibited from claiming benefits under a specific notification at a later stage, even if not claimed initially. The Hon'ble court ruled in favor of the petitioner and quashed the order dated 22-6-2021 and directed the respondent to refund the excess amount of Rs. 23,09,100/- with interest.

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¹ R/SPECIAL CIVIL APPLICATION NO. 647 of 2022 , Dated 13/07/2023

² Notification No. 41/2017--Integrated Tax (Rate), Dated 23/10/2017

³ 2012(4) SCC 771

⁴ 2007(4) SCC 573

⁵ Majesty legal is a LAW FIRM established in 2013 by Ms. Mahi Yadav. Objective of this legal update is to provide insights on law, statutes and is personal in nature, not to be deemed as legal advice.