

GIB/GJ/REAL PRINCE/04.03.2020/HC-212

High Court Category : REFUND OF IGST

State : Gujarat

Order No.: GIB/GJ/REAL PRINCE/04.03.2020/HC-212

Name of Entry :
REAL PRINCE SPINTEX PVT. LTD.

Date : 04-03-2020

Breif Issue :

FACTS OF THE CASE:

The petitioner named M/s Prince Spintex Pvt. Ltd. was engaged in the business of manufacturing of cotton yarn through the spinning process, after processing the finished goods are supplied to India as well as exported outside India. As per the Export Promotion Capital Goods (EPCG) Scheme import of capital goods for pre-production, production and post-production are allowed at zero customs duty subject to a specified condition. The petitioner as per the Export Promotion Capital Goods (EPCG) Scheme entered into a contract with the M/s Iteima, Italy. However, the machine for which the contact was made is taxable @5%, which is the basic tax rate under the Customs Tariff Act. The petitioner was authorized and on the basis of this, he claimed the exemption of Integrated Goods and Service Tax (IGST) on which the exemption was not granted.

The issue raised in this case was whether the petitioner is liable for the exemption or not

Decision of Advance Ruling Authority :

DECISION:

In view of the aforesaid, no further adjudication is necessary in the present case.

The respondents are directed to immediately sanction the refund of the IGST paid with regard to the exported goods, i.e. "zero rated supplies", with 7% simple interest from the date of shipping bill till the date of actual refund. The refund shall be granted after deducting the differential amount of the duty drawback for the period between July and September, 2017 - application allowed.