



# Gujarat HC- Jupiter Comtex Pvt Ltd Refund of IGST paid on import ocean freight



## Facts of the Case

- The case involves Jupiter Comtex Pvt Ltd, a company engaged in the manufacturing and sale of textile machinery.
- When the company imports goods into the country, it files a bill of entry for home consumption and pays customs duty and tax under the IGST Act, along with other duties payable on the total value of goods (CIF value).
- The company claimed that its services fall under Entry No.10 of the IGST Reverse Charge Notification, which imposes IGST on ocean freight for transportation of goods by vessel from a place outside India to a place in India.
- The company argued that the levy of IGST on ocean freight was declared unconstitutional by the Supreme Court in the case of Mohit Minerals, and therefore, it was entitled to a refund.
- The company also produced CA certificate stating that burden of tax was not passed on and hence refund cannot be rejected on grounds of unjust enrichment.



## Ruling by Hon'ble High Court

- The Gujarat High Court ruled in favor of Jupiter Comtex Pvt Ltd, allowing the refund of IGST (Integrated Goods and Services Tax) paid on ocean freight.
- The ruling was based on the Supreme Court's decision that struck down the levy of IGST on ocean freight as unconstitutional.
- The court clarified that when a notification is declared ultra vires and unconstitutional by the Supreme Court, it becomes the law of the land and must be followed by the revenue authorities without objection.
- The court directed the revenue authorities to verify and grant the refund of IGST on ocean freight paid by Jupiter Comtex Pvt Ltd within 8 weeks.
- The court also highlighted that the refund cannot be denied on the principle of unjust enrichment, as the petitioner had provided a certificate from a Chartered Accountant stating that the tax burden had not been passed on.

# THANK YOU

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