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Index

LEGAL PRECEDENTS	3
PART A: WRIT PETITIONS	3
Issue 1: Refund of IGST on export goods on account of subsequent price increase.....	3
Issue 2: Cross-charge of ITC to other Units in absence of support service	3
RECENT NEWS.....	4
1. Centre working on GST dispute resolution system.....	4
2. GST: Small online retailers may soon be exempted from Indirect Tax registration.....	4

LEGAL PRECEDENTS

PART A: WRIT PETITIONS

Issue 1: Refund of IGST on export goods on account of subsequent price increase

Ruling: In this case, exporter initially exported goods on payment of IGST and claimed refund thereof. Subsequently, exporter affected price increase and paid additional IGST thereon. The High Court observed that the revenue should have visualized peculiar circumstances like instant case while introducing fully automated system of refund which does not permit any manual intervention. Accordingly, the Court directed the revenue to grant refund of additional IGST.

Vedanta Limited v. CC, 2019-VIL-563-MAD

NITYA Comments: This ruling is correct. Retrospective price increase is a common phenomenon in trade including exports. Currently, no procedure is available for IGST refund on export of goods where differential IGST is paid on debit notes.

Issue 2: Cross-charge of ITC to other Units in absence of support service

Ruling: In this case, JSW Odisha was granted mining lease, paid GST on reverse charge basis, took ITC thereof and thereafter made cross-charge to JSW Maharashtra. The High Court *prima-facie* noted that no support service was provided by Odisha unit to Maharashtra unit and cross-charge is invalid. The Court refrained from staying recovery of demand. The matter will be listed for further hearing in due course.

JSW Steel Limited v. UOI, 2022-VIL-348-ORI

NITYA Comments: This dispute assumes importance for all taxpayers undertaking cross charge. Taxpayers must ensure that they have proper records and adequate backup justifying support provided by one unit to another. Notably, there was no dispute in this case on valuation of cross-charge.

RECENT NEWS

1. Centre working on GST dispute resolution system

<https://economictimes.indiatimes.com/news/economy/finance/centre-working-on-gst-dispute-resolution-system/articleshow/92047666.cms>.

2. GST: Small online retailers may soon be exempted from Indirect Tax registration

<https://www.news18.com/news/business/gst-small-online-retailers-may-soon-be-exempted-from-indirect-tax-registration-5281027.html>.

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