Choice Cashew Industries v. Commissioner of CGST, Thiruvananthapuram

Refund of IGST paid twice on exports due to a GSTR-3B reporting error; a clerical mistake cannot defeat refund.

Date of Order: September 17, 2026
Case Law No: GIB-GSTAT-2026-131
Source: GST INDIA Biz (www.gstindia.biz)

CASE DESCRIPTION / SUMMARY

Background

The appellant, an exporter of cashew kernels, exported goods on payment of IGST at 5% in November 2018, December 2018 and February 2019 and reported the shipping bills correctly in GSTR-1. In GSTR-3B, however, it showed the export turnover and IGST in Table 3.1(a) (other than zero-rated supplies) instead of Table 3.1(b) (zero-rated supplies). Because of this mismatch, the Customs EDI system did not process the automatic refund. To get the refund processed, the appellant paid the same IGST (about ₹18.27 lakh) a second time through the GSTR-3B for August 2019, this time correctly reported, and received the Customs refund for that second payment. It then claimed refund of the original, excess payments. The refund claims were rejected on the ground of discrepancies between GSTR-1 and GSTR-3B, and the Joint Commissioner (Appeals) dismissed the appeals on the footing that the appellant had already received a refund. The issue before the Tribunal was whether the original IGST payments, made in the wrong column by clerical error, were refundable.

3. Final Verdict

The Tribunal found that neither the refund-sanctioning authority nor the first appellate authority had tried to understand which amount was being claimed and which had already been refunded through Customs; the claim related only to the original payments, not the August 2019 payment. The returns showed that GSTR-1 was correct and the error was one of right entries at wrong places, explained through a reconciliation statement, and the Revenue produced no evidence that the amount was not an excess payment. The Tribunal held that tax cannot be collected or retained without authority of law and relied on the Orissa High Court and the Karnataka High Court (Article 265 of the Constitution; refund of tax paid by mistake). **It held that wrong entries in the returns, later corrected and resulting in an excess payment of IGST not otherwise due, are not a**

substantive infraction so as to deny the refund. The order of the Joint Commissioner (Appeals) was quashed and the appeals were allowed with consequential relief.

Referred cases :-

Case name	Court	Date of order
Rajendra Narayan Mohanty v. Joint Commissioner of State Tax, CT & GST Circle, Cuttack & Anr.	Orissa High Court	12.02.2026
M/s. Merck Life Science Private Limited v. Union of India & Ors.	Karnataka High Court	07.11.2025

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