

## HC: Refund of GST Paid on Exempt Residential Rent Not Time-Barred, as Tax Collected Without Authority of Law.

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**REFER THE DECISION OF THE HON'BLE ANDHRA PRADESH HIGH COURT IN THE CASE OF**

**Nspira Management Services Pvt. Ltd. vs. Assistant/ Deputy Commissioner of Central Tax Citation: (2025) 35 Centax 239 (A.P)**

In *Nspira Management Services Pvt. Ltd. v. Assistant/Deputy Commissioner of Central Tax – (2025) 35 Centax 239 (A.P.)*, the Andhra Pradesh High Court held that where the registrant had paid GST on renting of **residential dwellings**, which was **exempt under GST**, such payment was **without authority of law**. Consequently, the **limitation period prescribed for refund under Section 54** of the CGST Act would **not apply**, since the tax was never legally due.

The Court emphasized that **any tax collected without the authority of law must be refunded**, as retention of such amount by the State would violate **Article 265 of the Constitution of India**, which prohibits levy or collection of tax except by authority of law.

Therefore, rejection of refund applications as **time-barred** was held to be unsustainable. The authorities were directed to **examine and decide the refund claims on merits**, without regard to limitation.

**Held: Refund of tax paid on exempt residential rent cannot be denied on limitation grounds; tax collected without authority must be refunded in accordance with Article 265.**

**// भगवान महावीर का संदेश //**

**"जीवो और जीने दो" — यही हो हमारा संकल्प।**

**🙏 जय जिनेन्द्र 🙏**