



JUDGEMENT

GST Not Payable on Concession Fees by Duty-Free Shops at Airports

Issued By:	Madras High Court
In Case Of:	M/s Flemingo Duty Free Shop Pvt Ltd
Order No:	W.A No. 674 of 2023
Order Date:	29 th April 2025

FACTS & OBSERVATIONS

- Flemingo operated duty-free shops at Chennai Airport under a concession agreement with the Airports Authority of India (AAI).
- AAI raised invoices including GST on concession fees; Flemingo argued supplies were zero-rated under Section 16 of the IGST Act.
- GST was paid under protest, and the company approached Madras High Court, securing an interim stay on further GST liability.
- A single judge held GST was not payable before April 2021; post-April 2021, payment was allowed with refund under Section 54 of the CGST Act, citing revenue neutrality. This was challenged by the government through a writ petition.

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- In the writ petition, the government argued that tax must be paid even for zero-rated supplies, followed by a refund claim as per statutory provisions.
- The respondent contended that refund procedures create unnecessary compliance burden without any gain to the exchequer and AAI had itself sought refund without recovering GST from the company.
- The division bench confirmed that the supplies were zero-rated and held there was no reason to interfere with the single judge's ruling.
- The appeal was dismissed; authorities were allowed to examine revenue neutrality for the pre-April 2021 period, and AAI's refund was directed to be processed within four weeks with interest.

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