

## Sri Shanmuga Hardwares Electricals vs The State Tax Officer

Court: Madras High Court

Citation: Writ Petition Nos. 3804, 3808 & 3813 of 2024 and W.M.P.Nos. 4105, 4107, 4110, 4111, 4116 & 4119 of 2024

Dated: 20-Feb-2024

The Madras High Court, in a landmark judgment, ruled that ITC claims should not be rejected solely due to their absence in GSTR-3B, mandating a comprehensive review of GSTR-2A and GSTR-9 for a thorough assessment.

This citation can be Used where the dealer had claimed ITC in GSTR-9 and missed the itc claim in Gst 3Bs

The petitioner challenged assessment orders for 2017-2020 based on claiming Input Tax Credit ITC using GSTR-2A despite filing "NIL" returns in GSTR-3B.

The State Tax Officer rejected claims, leading to a legal challenge.

Issue:

Whether the petitioner was entitled to claim ITC, which was not claimed in the GSTR-3B returns but was reflected in the GSTR-2A and subsequently in the GSTR-9 annual returns?

HELD:

The High Court of Madras quashed the assessment orders and remanded the case for reconsideration. It held that the assessing officer should not reject the ITC claim solely because it was not claimed in the GSTR-3B returns.

Instead, the officer should examine all relevant documents to assess the validity of the ITC claim.

The petitioner has to submit all relevant documents and the assessing officer was instructed to issue fresh assessment orders after a reasonable opportunity for a personal hearing.

This judgment underscores the importance of substantiating ITC claims with comprehensive documentation and not merely relying on the filings in GSTR-3B

It emphasizes the need for tax authorities to consider all relevant returns and documents before making a decision on ITC claims

This could lead, potentially benefiting many taxpayers who may have made similar errors in their filings.