

Credit should not be denied when ITC not reflected in GSTR -3B is claimable based on GSTR-2A and GSTR-9

The Hon'ble Madras High Court in the case of *Sri Shamunga Hardwares Electricals v. State Tax Officer [Writ Petition No. 3804 of 2024 dated February 20, 2024]* allowed the writ petition, thereby holding that, Credit should not be denied when ITC claim is not reflected in Form GSTR-3B return in case where the Assessee filed nil return erroneously in Form GSTR-3B, but claimed ITC by relying upon Form GSTR-2A and Form GSTR-9.

Facts:

Sri Shanmunga Hardwares Electricals ("**the Petitioner**") is engaged in the business of trade in electrical products and hardware. The Petitioner filed nil return erroneously in GSTR-3B. However, the Input Tax Credit ("**ITC**") was duly reflected in GSTR-2A, based on which GSTR-9 (annual returns) were filed duly reflecting the ITC as claimed by the Petitioner.

However, the Revenue Department ("**the Respondent**") rejected the ITC claim of the Petitioner solely on the ground that, the Petitioner has not claimed ITC in GSTR-3B returns vide Assessment Order dated September 30, 2023 ("**the Impugned Order**").

Aggrieved by the Impugned Order, the Petitioner filed a writ petition before the Hon'ble High Court.

Issue:

Whether Credit should be denied when ITC claim is not reflected in Form GSTR-3B return?

Held:

The Hon'ble Madras High Court in the case of *Writ Petition No. 3804 of 2024* held as under:

- Noted that, when the registered person contends that, he is eligible to claim ITC, by relying upon GSTR-2A and GSTR-9 returns, the Assessing Officer should examine whether the claim of ITC is valid by examining the required documents, further calling upon the registered person to provide the required documents.
- Opined that, the entire claim of ITC was rejected by the Respondent on the ground that, GSTR-3B did not reflect the ITC claim.
- Held that, the Impugned Orders are quashed and matter be remanded back for reconsideration.

For More details watch our video on “**Non-Availed in GSTR 3B: HC Permits GST ITC Claim on Basis of GSTR 9 & 2A**” || CA (Adv) Bimal Jain at: <https://youtu.be/ctII9sSUHaA>

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