IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 26.09.2023

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THE HONOURABLE MR.JUSTICE C.SARAVANAN

W.P.No.28044 of 2023

M/s Stanley Engineered Fastening India Pvt Ltd,
Represented by its Authorised Signatory,
Mr.Rahul, H.S.
55, Chennai – Bangalore Highway,
Thandalam Village, Sriperumbudur Taluk,
Kancheepuram District,
Tamil Nadu – 602 105. ... Petitioner

Vs

1.The State Tax Officer,
Poonamallee Assessment Circle,
Integrated CT Building,
No.4/109, Varadharajapuram,
Nazarathpet,
Poonamallee – 600 056.

2.The Goods and Service Tax Network,
Worldmark 1, Aerocity,
Indira Gandhi International Airport,
New Delhi – 110 037. ...Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Mandamus, to direct the respondent Nos.1 and 2 to ensure that the credit of Rs.7,72,158/- which was verified and approved in terms of Paragraph (B) verification report dated 23.02.2023 of the Superintendent of CGST, Thandalam Range and as reproduced in Page 4 of the impugned order dated 17.07.2023 issued in GSTIN 33AACCE072811ZT/2017-18 of the Respondent, is reflected in the electronic credit ledger of the petitioner company.

For Petitioner : Mr.Hari Radhakrihnan

For Respondents : Mr.T.N.C. Kaushik
Additional Government Pleader
for R1

Mr.B.Ramanakumar,
Senior Standing Counsel for R2

ORDER

Mr.TNC.Kaushik, learned Additional Government Pleader takes notice on behalf of the first respondent and Mr.B.Ramanakumar, learned Senior Standing Counsel takes notice on behalf of the second respondent.

2.This writ petition has been filed for a mandamus to direct the respondent Nos.1 and 2 and to allow the petitioner to utilize the input tax credit transitioned under Section 140 of the CGST Act, 2017 was allowed by the respondents. Order dated 17.07.2023, has been separately impugned in a connected Writ Petition in W.P.No.28039 of 2023.

3.The case of the petitioner is that although the respondents have allowed the above credit under Section 140 of the CGST Act, 2017, the amount is not reflected in their electronic credit ledger in the portal and therefore the petitioner was unable to utilize the same.

4.Pursuant to direction of the Hon'ble Supreme Court in ***Union of India*** Vs. ***Filco Trade Centre Pvt.Ltd*** reported in 2022 (6) GSTL 162 (SC). The petitioner filed a revised return in Form TRAN-1 claiming the following amounts:

Table No	***Revised Filed TRAN1 ITC on Nov 2022***	
	Central Tax	VAT
7(a)Input Held in stock-CTD	96,92,377	
7(b) Input held in stock-Duties	7,69,328	0

5.Being satisfied with the reasons stated in the affidavit, Court is inclined to direct the respondent Nos.1 and 2 to take steps to ensure the aforesaid amount is reflected in the electronic credit ledger in the web portal to enable the petitioner to utilize the same for discharging its tax liability under the provisions of the respective GST enactments. This exercise shall be carried out as expeditiously as possible.

6.A verification report appears to have been sent by the Superintendent of CGST, Thandalam Range, Poonamallee to the STO, Poonamallee, the respondent herein. The respondent has passed the impugned order dated 17.07.2023, without granting any personal hearing and has rejected the transitioned credit claimed by the petitioner except to the extent of Rs.7,27,158/-. Relevant portion of the impugned order dated 17.07.2023 bearing reference No.GSTIN 33AACCE072811ZT/2017-18 reads as under:

Sl. No	*Registration No. of supplier/input service distributor*	*Invoice No*	*Invoice date*	*Description*	*Value*	*Eligible Duties and Taxes*	*Reason for non-eligibility*
1	AAACM6750 CXM 002	81	20.06.2017	Screw CSK Hexagonal	19000	2,375/-	The entry in recipients books of account is on 01.08.2017
2	AAACE1795 KST002	E2C1144798	28.04.2017	Freight	43060	5,239/-	The invoice is issued to M/s.Stanley Engineered fastening India, Maharashra address
			Total			7,614/-	

In views of the above it is submitted that the ITC claimed as CGST for an amount of Rs.7,27,158/- may be considered as eligible ITC and Rs.7,614/- as ineligible ITC under table 7(b) of the revised TRAN-1 Return.

Further, under table 7(a)(7A) of the revised TRAN-1 Return, the eligible ITC is NIL.

Further, it is also informed that the taxpayer have filed W.P.Nos.8567, 8568 and 8569 of 2019 before the Hon'ble High Court of Madras for allowing them to take credit on closing stock on 01.07.2017 in respect of goods purchased/imported prior to June, 2016. The case is still pending before the Hon'ble Madras High Court.

In the above circumstances, based on the verification report received from the Superintendent of CGST and Central Excise, Thandalam Range, No.42, Trunk Road, Poonamallee, Chennai – 600 056 Range Office report vide letter O.C.No.42/2023, dated 23.02.2023 the claim of Rs.96,92,377/- as inadmissible

ITC under Table 7(a)(7A) and the claim of Rs.7,34,772/- as admissible as CGST for an amount of Rs.7,27,158/- and inadmissible of Rs.7,614/- under Table 7(b) of the revised TRAN-1 returns.

7.Therefore, this writ petition stands disposed of with the above observations. No Costs.

26.09.2023
(2/2)

Index : Yes/No
Internet : Yes/No
Speaking Order/Non-Speaking Order
Neutral Citation : Yes/No
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To

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Integrated CT Building,
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2.The Goods and Service Tax Network,
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C.SARAVANAN, J.

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