

HC: No Wrongful ITC Availment for Utilizing IGST Credit Under CGST/SGST Heads

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REFER THE DECISION OF THE HON'BLE KERLA HIGH COURT IN THE CASE OF

Grand Hyundai vs. State Tax Officer Citation: (2025) 31 Centax 125 (Ker.)

FACTS:

The petitioner, Grand Hyundai, was issued a demand order by the GST authorities on the allegation of excess/wrongful availment of Input Tax Credit (ITC).

The core issue was that the taxpayer had availed IGST credit but utilized it under CGST and SGST heads, which the department treated as an improper claim.

The assessee argued that the credit was available in the electronic credit ledger under IGST and its utilization under other heads did not amount to fraudulent or wrongful availment.

The assessee had already filed an appeal against the demand order, which was pending before the Appellate Authority.

Hon'ble High Court Judgement:

The Kerala High Court observed that mere utilization of available IGST credit under CGST/SGST heads does not amount to wrongful availment of ITC.

The Court emphasized that such technical mismatches should not automatically lead to penal consequences, especially in absence of fraud, misrepresentation, or suppression.

It further directed the Appellate Authority to expeditiously dispose of the appeal, keeping in mind relevant judicial precedents and the nature of the issue.