

SC Directs CBIC to Revisit Rules to Fix Errors in GST Filings

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New Delhi: In a significant ruling that reinforces the businesses' right to rectify human or arithmetical errors in GST filings, the Supreme Court has asked the Central Board of Indirect Taxes and Customs (CBIC) to revisit the provisions and fix timelines for correcting such bonafide mistakes in tax filings.

A bench comprising Chief Justice Sanjiv Khanna and Justice Sanjay Kumar while refusing to interfere with the Bombay High Court's judgment that ruled in favour of an assessee (in the case CBIC vs M/S Aberdare Technologies), it said that HC order is "in fact, just and fair, as there is no loss of revenue." The HC had allowed the rectification of GST returns either electronically or manually for the company. "The CBIC must re-examine the provisions/timelines fixed for correcting the bonafide errors. Timelines should be realist as lapse/defect invariably is realised when input tax credit is denied to the purchaser when benefit of tax paid is denied. Purchaser is not at fault, having paid the tax amount. He suffers because he is denied benefit of tax paid by him. Consequently, he has to make double benefit of tax paid by him," the apex court said.

"Human errors and mistakes are normal, and errors are also made by the Revenue. Right to correct mistakes in the nature of clerical or arithmetical error is a right that flows from right to do business and should not be denied unless there is a good justification and reason to deny benefit of correction. Software limitation itself cannot be a

good justification, as software are meant ease compliance and can be configured. Therefore, we exercise our discretion and dismiss the special leave petition" filed by the CBIC, the order stated.

The court noted that un-ir denial of ITC due to such errors places an unnecessary on businesses and purchasers. say that the decision not only ease of compliance to taxpayers GST Act as it will provide signifi- to businesses facing ITC-related due to minor errors and it also the stand that buyers should not for the inadvertent errors of the-



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