Commercial Tax Tribunal

UTTARAKHAND, Haldwani Bench

Hon'ble Shri Gurubaksh Singh, H.J.S. — Chairman

Hon'ble Shri Rakesh Verma, Member

Second Appeal Nos. 82/2025, 83/2025, 84/2025 and 85/2025

Assessment Years: 2006–07, 2007–08, 2008–09 and 2009–10

(Under Section 25(7) of the Uttarakhand Value Added Tax Act, 2005)

Commissioner, Commercial Tax, Uttarakhand, Dehradun

... Appellant / Department

VERSUS

M/s Lalkuan Stone Crusher Pvt. Ltd., Rudrapur

... Respondent / Dealer

For the Appellant: Smt. Shailja Pathak, Dy. Commissioner & State Representative, Commercial Tax

For the Respondent: Shri D. P. Yadav, Ld. Advocate

JUDGEMENT

Rakesh Verma, Member

1. Introduction

1. These connected second appeals have been filed by the Department against the orders passed by the Joint Commissioner (Appeals), Commercial Tax, Haldwani, in First Appeal No. 1004 for the assessment year 2006–07, First Appeal No. 406 for 2007–08, First Appeal No. 113 for 2008–09, and First Appeal No. 1037 for 2009–10. Because all the appeals involve the same parties and the same issue, they are decided by this common judgment.The main question is whether the First Appellate Authority was right in allowing input tax credit (ITC) based on official records showing that tax had been collected by government departments or related government bodies, even though sale invoices in the exact form required by Section 60 of the Uttarakhand Value Added Tax Act, 2005, were not produced.

2. Facts of the Case

2. The respondent dealer, M/s Lalkuan Stone Crusher Pvt. Ltd., Rudrapur, is engaged in the business of crushing stone grit, sand, and gravel. For the assessment years 2006–07, 2007–08, 2008–09, and 2009–10, the Assessing Authority passed separate orders under Section 25(7) of the Uttarakhand Value Added Tax Act, 2005, and raised tax demands after allowing only such credits as were found admissible. The dealer challenged the disallowance of ITC on purchases made from the Forest Department and other related government bodies by filing first appeals before the Joint Commissioner (Appeals), Commercial Tax, Haldwani. The First Appellate Authority partly allowed those appeals and granted ITC of Rs. 26,94,182/- for 2006–07, Rs. 32,93,705/- for 2007–08, Rs. 33,04,887/- for 2008–09, and Rs. 22,40,715/- for 2009–10, after finding that tax had, in fact, been collected from the dealer by those authorities. The Department has now filed these second appeals against that relief.

3. Statutory Provisions

3. Section 6 of the Uttarakhand Value Added Tax Act, 2005, deals with the input tax credit. Under Section 6(9)(a), ITC is normally not allowed if the dealer does not have the original or duplicate sale invoice required under Section 60, or if the Assessing Authority believes that the invoice was not actually issued by the selling dealer. However, Section 6(9)(b) gives the Assessing Authority limited discretion to allow ITC even without the original or duplicate invoice if reasons are recorded in writing, the dealer took reasonable steps to obtain the invoice, and the claim is otherwise proved to be correct. Section 60 sets out the details that a sale invoice should contain. Apart from these provisions, the case also involves the Government of Uttarakhand communication dated 03.01.2017, which explains how ITC claims of this kind may be examined when purchases are made from government departments or government-controlled bodies, and there is proof that tax was collected.

4. Submissions of the Appellant

4. The learned State Representative argued that the First Appellate Authority wrongly allowed ITC in these appeals, namely Rs. 26,94,182/- for 2006–07, Rs. 32,93,705/- for 2007–08, Rs. 33,04,887/- for 2008–09, and Rs. 22,40,715/- for 2009–10. According to the Department, the dealer did not produce valid sale invoices for the purchases said to have been made from the Forest Department and Forest Development Corporation. The Department submitted that the documents relied on by the dealer, described as "Exit cum Receipt Slips," are not sale invoices and do not contain all the details required under Section 60, including the registration particulars of the seller and the purchaser. On that basis, it was argued that the conditions under Section 6(9) were not satisfied and that the relief granted by the First Appellate Authority should be set aside.

5. Submissions of the Respondent

5. The counsel for the respondent dealer supported the appellate orders.He submitted that the purchases were made from the Forest Department and the Uttarakhand Van Vikas Nigam, both of which are government bodies, and that tax was collected from the dealer on those transactions. He also relied on the Government of Uttarakhand communication dated 03.01.2017 issued by Finance Section–8 to the Commissioner of Commercial Tax in relation to ITC for stone crushers for the period 2005–06 to 2009–10. According to him, this communication lays down how such claims should be considered.

6. The respondent further submitted that, under the Government communication, ITC can be allowed if the tax amount is separately shown in the Exit Cum Receipt Slip issued by the Forest Department or Uttarakhand Van Vikas Nigam, there is proof that the tax was deposited in the State Treasury, the original receipt slip is produced, the purchasing dealer can be identified from the document, and the claim is otherwise examined under Section 6 of the Act. It was argued that the Exit Cum Receipt Slips, together with certificates and letters issued by the concerned authorities, were enough to prove the purchases, the tax collected, and its deposit in the Government Treasury. On this basis, the respondent asked that the Department's appeals be dismissed.

6. Points for Determination

1. Whether the respondent dealer was entitled to claim ITC for the assessment years 2006–07, 2007–08, 2008–09, and 2009–10, to the extent of Rs. 26,94,182/-, Rs. 32,93,705/-, Rs. 33,04,887/-, and Rs. 22,40,715/-, respectively, on purchases made from forest authorities and related government bodies.
2. Whether the documents described as "Exit cum Receipt Slips," along with the certificates and letters issued by the concerned authorities, were enough to support the ITC claims for those years.
3. Whether the First Appellate Authority was justified in allowing relief based on the material on record and the applicable government communication or administrative instruction regarding ITC.

7. Discussion and Findings

7. This Tribunal has heard the learned State Representative and the learned counsel for the dealer and has carefully gone through the records of all the connected appeals. The Department's main argument is that, because sale invoices strictly meeting the requirements of Section 60 were not produced, the ITC claims for the assessment years 2006–07, 2007–08, 2008–09, and 2009–10 must be rejected. However, that argument must be considered along with Section 6(9)(b), which allows some discretion to grant ITC if the claim is otherwise proved, and also in light of the Government communication that deals with such claims when the transactions involve government departments or government-controlled bodies.

8. The appellate orders show that certificates and letters issued by the Forest Department and other government authorities were placed on record to prove the purchases, their value, and the amount of tax collected from the dealer. This evidence must also be read along with the Government of Uttarakhand communication dated 03.01.2017 sent by Finance Section–8 to the Commissioner of Commercial Tax regarding ITC benefits for stone crushers for the years 2005–06 to 2009–10.In the view of this Tribunal, this communication is relevant to the present dispute because it explains the conditions under which ITC claims based on purchases from the Forest Department and Uttarakhand Van Vikas Nigam may be considered admissible. In substance, it says that ITC may be allowed if the tax amount is shown separately in the Exit Cum Receipt Slip, there is proof that the tax was deposited in the State Treasury, the original receipt slip is produced, the purchasing dealer can be identified from it, and the claim is examined under Section 6 of the Act. If these conditions are substantially met based on official records issued by the State authorities themselves, the mere absence of a sale invoice in a strict technical form is not, by itself, enough to deny ITC.

9. The purpose of the ITC system under VAT law is to avoid double taxation and tax cascading. That purpose would be defeated if credit were denied, even when tax collection by government authorities is proven. Therefore, this Tribunal finds that the First Appellate Authority did not commit any legal error in granting ITC to the respondent-dealer to the extent of Rs. 26,94,182/- for 2006–07, Rs. 32,93,705/- for 2007–08, Rs. 33,04,887/- for 2008–09, and Rs.

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22,40,715/- for 2009–10.The appellate authority correctly relied on the certificates and other government records and rightly took into account the Government communication dated 03.01.2017 while reading it together with Section 6 of the Act. Once the material on record showed substantial compliance with the conditions mentioned in that communication, it would be too technical to reject the claim only because the document was not in the exact form of a sales invoice. Therefore, this Tribunal does not accept the Department's objection. It is also important that relief is granted only to the extent supported by acceptable and verifiable material.

8. Conclusion

10. In short, if tax was actually collected from the dealer by government departments or government-controlled bodies, and that is proved by official records, ITC should not be refused only because the supporting document is not in the exact form of a sale invoice under Section 60. In these cases, the Government of Uttarakhand communication dated 03.01.2017 is relevant and must be read along with Section 6 of the Act. This helps explain how such claims should be checked when tax is collected through government agencies. Since the claims here were supported by records showing the collection and deposit of tax, this Tribunal finds that the First Appellate Authority was right to allow ITC to the extent proved. Therefore, its orders do not require any interference.

9. Order

11. The State's Second Appeal Nos. 82/2025, 83/2025, 84/2025, and 85/2025 are dismissed. The orders of the Joint Commissioner (Appeals), Commercial Tax, Haldwani, for the assessment years 2006–07, 2007–08, 2008–09, and 2009–10 are upheld to the extent that they allow ITC of Rs. 26,94,182/-, Rs. 32,93,705/-, Rs. 33,04,887/-, and Rs. 22,40,715/-, respectively, to the respondent dealer. Any remaining demand for each year shall be recalculated in line with those appellate orders. The disallowance of ITC on consumables, which the dealer has not challenged, will remain unchanged.

The office shall place a copy of this common judgement in each connected appeal file for reference and compliance.

Order accordingly.

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(Rakesh Verma)
Member
Commercial Tax Tribunal
Uttarakhand,

S/D-24-06-2026
(Gurubaksh Singh)
Chairman
Commercial Tax Tribunal
Uttarakhand,

Place—Haldwani

Dated-24-06-2026

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|Rakesh Verma|

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Gurubaksh Singh|