

TR-6 challan is not a valid document for availing input tax credit

Becton Dickinson India Private Limited¹

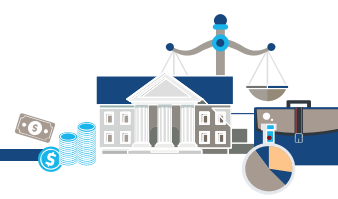
The Tamil Nadu Authority for Advance Ruling ('AAR') has held that a TR-6 challan is not a prescribed document in terms of Section 16(2) of the Central Goods and Services Tax Act, 2017 ('CGST Act') read with Rule 36 of the Central Goods and Services Tax Rules 2017 ('CGST Rules') for availing input tax credit ('ITC').

Background of the case

- The Applicant imported goods from related foreign group companies at ports viz. Chennai Sea, Chennai Air Cargo, and Chennai FTWZ. The imports were subject to review by Special Valuation Branch (SVB) authorities. The SVB order was issued without any adjustment, but it was mentioned that if there was any upward revision in import prices on account of true-up, then the differential customs duty would be payable.
- For FY 2022-23 and FY 2023-24 there being upward revision in prices, the differential customs duty became payable for which the Applicant approached the respective port authorities for payment of additional duty.

- Chennai Sea authority permitted reassessment of Bills of Entry ('BoEs') and payment of differential customs duty including IGST. However, the Chennai Air Cargo and Chennai FTWZ directed that the amounts be paid using TR-6 challans which were accordingly paid.
- The Applicant has filed an advance ruling in respect of the below questions:
 - a) Whether ITC can be availed of the IGST paid through TR-6 challan
 - b) Whether the time limit prescribed under section 16(4) of the CGST Act for availment of credit shall apply to IGST paid through TR-6 challan
 - c) Whether the limit prescribed under section 16(4) of the CGST Act for availment of credit shall apply to IGST paid through re-assessed BoE
 - d) If answer to (c) above is in affirmative, whether the time limit under section 16(4) of the CGST Act shall be applicable from the date of the original BoE or from the date of re-assessed BoE

¹ TS-538-AAR(TN)-2025-GST



Submissions by the Applicant

- As per section 16(2)(a) of the CGST Act read with Rule 36(1)(d) of the CGST Rules, the ITC can be availed on *a bill of entry or any other similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports*. The term other document would mean any document which resembles the particulars of BoE.
- TR-6 challan is generally accepted document for payment of customs duty where there is difficulty in amendment of BoE.
- Payment was made based on the direction of the Customs authorities.
- TR-6 was an accepted document for availing CENVAT credit in terms of CENVAT Credit Rules, 2004 (CCR, 2004).
- Circular no. 16/2023-Cus dated June 7, 2023, should not be applicable in the present case.
- Restriction of time limit under section 16(4) of the CGST Act should not be applicable to TR-6 challan or BoE as the restriction only applies to an invoice or debit note.
- The right to claim ITC in case of import of goods can get crystalised only when the IGST has been paid. Therefore, the time limit to avail ITC shall be applicable only from the date of re-assessed BoE.

Discussions and Findings

- Under the CCR, 2004, the challans were identified as documents for availment of CENVAT credit, whereas under GST law, the same is conspicuously absent in the notified list of documents.
- Different practices being followed by the different port authorities cannot be commented upon by the AAR as the same is outside the

purview of AAR. BoE wise re-assessment shall be done by the Applicant.

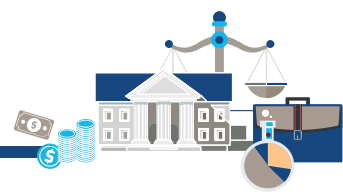
- In terms of Circular no. 16/2023, TR-6 challan is not a prescribed document for availment of ITC. Accordingly, the ITC on IGST paid through TR-6 challan shall not be eligible.
- Since TR-6 challan is not an eligible document for availment of ITC, the question of applicability of time limit for availment of credit need not be answered.
- Time limit under section 16(4) only applies to an invoice and debit notes. Section 16(2) of the CGST Act states that credit shall be eligible on any other document as may be prescribed. BoE is an eligible document for availment of IGST credit as per Rule 36(1)(d) of the CGST Rules.
- The provisions of the CGST Act become applicable *mutatis mutandis* to the IGST Act, by virtue of section 20 of the IGST Act. Thereby, time limit shall be applicable to BoE.
- The payment of differential duty is due to the SVB order and letter issued by the tax authorities. The time limit to avail the credit shall begin from the re-assessment of the BoE, as the payment of differential duty is necessitated only when the upward price revision takes place on a later date.

Dhruva Comments

The Madras High Court in the case of Data Patterns India Ltd.² has granted stay on recovery proceedings where the payment of IGST on imports was made through TR-6 challan which was not recognized by the department.

Given the far-reaching impact of an adverse interpretation, a suitable clarification is the need of the hour to avoid any further litigations.

² WP No. 18161 of 2025



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