

Indirect Tax Newsletter

Advisory: Time limit for Reporting Invoices on the IRP Portal



It has been decided by the Government to impose a time limit on reporting old invoices on the e-invoice IRP portals for taxpayers with AATO greater than or equal to 100 crores. To ensure timely compliance, taxpayers in this category will not be allowed to report invoices older than 7 days on the date of reporting.

This restriction will only apply to the document type invoice, and there will be no time restriction on reporting debit/credit notes.

There will be no reporting restriction on taxpayers with AATO less than 100 crores, as of now.

In order to provide sufficient time for taxpayers to comply with this requirement, GSTN propose to implement it from 01.05.2023 onwards.

Advisory: Bank Account Validation

The functionality for bank account validation is now integrated with the GST System.

This feature is introduced to ensure that the bank account details provided by the Tax Payer is correct.

The bank account validation status can be seen under the Dashboard→My Profile→Bank Account Status tab in the FO portal. Tax Payers will also receive the bank account status detail on registered email and mobile number immediately after the validation is performed for his declared bank account.



CASE LAW

Four Months Under Section 107 Can Be 121 Or 122 Days – Appeal Filed On 121st Day Restored – Allahabad High Court

Case Name : Shri Ram Ply Product Vs Addl. Commissioner (Allahabad High Court)

Appeal Number : Writ Tax No. 96 of 2023

Date of Judgement/Order : 21/04/2023

Facts- The Petitioner filed the writ petition before the Hon'ble High Court praying for setting aside the order dated 27.02.2023 passed by the Additional Commissioner Grade – 2(Appeal) Sitapur in Appeal no. 112 of 2022 for the year 2021-22 (tax period October and November 2021); that vide the impugned order the appeal filed by the petitioner was dismissed on the ground that it was beyond the maximum period prescribed under the statute/Act i.e., four

months. The prescribed authority had confirmed the demand of Rs. 49.74 Lakhs vide order dated 07.06.2022. The appellate authority has computed four months as each month would be of 30 days.

Held- The Hon'ble Court after considering the submissions made and facts of the case, took note of the Section 107 of the UP GST Act, 2017, which states that that an appeal, against any decision or order passed under this Act or the State Goods and Services Tax Act by the adjudicating authority, may be filed before appellate authority within the prescribed period of three months from the date on which the said order is communicated to the person concerned. Further, Sub-Section (4) of Section 107 of the Act, 2017 provides that the appellate authority may, if it is satisfied that the appeal was prevented by sufficient cause from presenting it within the period of three

months, may allow it to be presented within a further period of one month.

The Hon'ble Court on perusal of Section 107 found that from bare reading of the provisions of Section 107 of the Act, 2017 shows that it is not 120 days, but it is four months and, therefore, it would depend upon the date on which the adjudicating authority passes the order.

That four months may be of 121 or 122 days, and in the present matter four months period comes around 121 days, and the appeal was filed on 121st day.

It was found that the appellate authority should have entered into the merit of the application whether it disclosed sufficient cause for not filing the appeal within the period of three months, however, the appeal was summarily dismissed on the ground that it was beyond 120 days and not within 120 days.

The Hon'ble Court with the above findings, allowed the petition and restored the appeal to its original number. Further, quashing the impugned order, the Appellate Authority was also directed to proceed with the appeal and decide the same on merits in accordance with law.

RCM will applicable on royalty paid to Government on Mining Lease services

Case Name- Shree Basant Bhandar Int Udyog Chak vs. Union of India
Appeal Number : D.B. CIVIL WRIT PETITION NO. 5678 OF 2022 AND OTHS

Date of Judgement/Order : 29-09-2022

Fact- The issue pertains to the taxability of royalty paid by the petitioner-assessees to the Government on Mining Lease services under the Reverse Charge Mechanism (RCM). The issue has already been settled against the assesseees in a co-ordinate Bench's decision in Sudershan Lal Gupta Contractor v. Union of India [2022 (66) G.S.T.L. 4 (Raj.)]. The co-ordinate Bench relied on several other decisions of co-ordinate Benches and held that the royalty paid by a lease holder to the Government on Mining Lease services is taxable under RCM.

Held- The writ petitions filed by the assesseees on the issue were dismissed, but their statutory right to contest the show cause notice or to file an appeal against the adjudication orders was not affected. However, the hearing for the writ petitions pertaining to the demand of GST on contributions made to the District Mineral Foundation Trust (DMFT) was postponed.

