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GST Newsletter

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Additional information furnished after passing of recovery order shall be considered and further examined for passing order afresh-Sikkim HC

As per Circular No 178/10/2022 amounts paid for early termination of lease as contemplated by contract as part of commercial terms agreed to by parties, constitute consideration for supply of facility, therefore damages received by assessee for tolerating breach of lease agreement by client is a consideration for supply of facility and is liable to GST at 18 percent-AAR Karnataka

Where GST audit revealed discrepancies and revenue authorities issued summary order without uploading detailed order, and later produced detailed order with signing date after summary order date, impugned order was to be set aside and matter was to be remitted for re-adjudication-Madras HC



Where appeal was filed manually and, hence, rejected for not being filed electronically, relying on rule 108 of Haryana GST Rules, 2017, appeal was to be restored-Punjab and Haryana HC

Cancellation of registration of a deceased assessee was just even if no personal hearings were being conducted to legal heir; however, cancellation should take effect from date of issuance of SCN, and not retrospectively-Delhi HC

SC upheld tax demand imposed on assessee for transporting goods with expired e-way bill; reduced penalty to 50%-SC

HC set aside provisional attachment order issued to protect interest of revenue which didn't contain any reasons-AP HC

Where assessee had filed rectification application challenging revenue authority's assessment order alleging tax liability based on seigniorage fee details, revenue authority was directed to dispose of rectification application within three months-Madras HC

IT services firm LTIMindtree Ltd said it has received a tax demand of ₹206 crore, inclusive of a penalty of ₹9.1 crore and applicable interest.

More than 100 power loom weavers in Tamil Nadu, mainly in Erode and nearby areas, have demanded payment of GST refunds for the tax paid for nearly 13 months in 2017-2018.

ITC claim denied on supplier's failure to upload bills in GSTR-1; HC directed to approach Appellate Authority for reconsideration-High Court of J & K and Ladakh

Dept. erred in denying ITC transited from pre-GST regime as Section 174(2)(e) preserves pre-GST legal actions: Jharkhand HC

Where a notice was issued by GST department to pay amount of interest within two days, since notice was issued all of sudden and assessee was not in position to pay amount; assessee was granted 3 months' time to pay amount interest demanded by GST department-Madras HC

1. High Court of Madras in the case of Jey Tech Moulds Dies Vs Deputy Commissioner (GST)-II[W.P. NO. 33523 OF 2023 Dated 30.11.2023]

The petitioner had filed his GST Returns. However, the supplier of the petitioner had failed to make the payment of GST. Since the supplier had failed to make the deposit, the respondents had proceeded against the petitioner and passed an order. Further, the respondents had also frozen the bank account of the petitioner. Therefore, the petitioner made a representation dated 18-10-2023 to de-freeze their bank account, wherein they had undertook to deposit the pending ITC to the respondents.

The learned counsel for the petitioner would also submit that the petitioner had filed an appeal before the Appellate Authority, whereby, they had paid a sum of Rs. 83,000/- for accepting the appeal, which is yet to be numbered by the respondent.

Considering the submissions, it appears that the respondent directed the petitioner to pay a sum of Rs. 4,34,522/-. According to the provision of Section 107 of Goods and Services Tax Act, 2017, (hereinafter called as "GST Act"), if the petitioner paid 10% of the outstanding tax dues along with penalty, the respondent proceedings will be automatically stayed. The said legal position was also confirmed by the learned counsel for the respondents.

In such view of the matter, in the present case, since the petitioner had paid a sum of Rs. 83,000/-, the respondent is supposed to have de-freeze the bank account of the petitioner as per Section 107 of the Act.

In view of the above, the respondents are directed to consider the representation of the petitioner dated 18-10-2023 and de-freeze the petitioner's bank account, upon the production of proof of deposit of Rs. 83,000/- or 10% of the total demand made by the respondent. The said exercise shall be completed within a period of one week from the date of receipt of copy of this order.

2. High Court of Gujarat in the case of Akshar Enterprise Vs State of Gujarat[R/SPECIAL CIVIL APPLICATION NO. 14538 OF 2023 Dated 30.11.2023]

Assessee applied for amendment in place of business which was allowed and amended certificate was issued.

Later, SCN was issued to assessee under section 29 which lacks details about allegations and supporting documents, preventing a meaningful response.

IT was held that it was well settled that Non-communication of reasons denies reasonable opportunity of hearing, violating principles of natural justice.

Therefore in view of above settled law impugned show cause notice was to be

Indirect Tax Updates

quashed and set aside and revenue was directed to issue a fresh notice with specific reasons, providing a reasonable opportunity of hearing.[Section 29 of Central Goods and Services Tax Act, 2017/Gujarat Goods and Services Tax Act 2017 - Rule 22 of Central Goods and Services Tax Rules, 2017/Gujarat Goods and Services Tax Rules, 2017]