

## Indirect Tax

### April 2023

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## Goods and Services Tax Network (GSTN) issues advisory in case of time limit for reporting invoices on Invoice Registration Portal (IRP) portal

The advisory details are as follows:

- Government has decided to impose a time limit on reporting old invoices on the e-invoice IRP portals for taxpayers with AATO greater than or equal to INR 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.
- Restriction will only apply to the document type invoice, and there will be no time restriction on reporting debit/credit notes.
- For example, if an invoice has a date of April 1, 2023, it cannot be reported after April 8, 2023. The validation system built into the invoice registration portal will disallow the user from reporting the invoice after the 7-day window. Hence, it is essential for taxpayers to ensure that they report the invoice within the 7-day window provided by the new time limit.
- It is further clarified by CBIC that there will be no such reporting restriction on taxpayers with AATO less than INR.100 crores, as of now.
- In order to provide sufficient time for taxpayers to comply with this requirement, which may require changes on taxpayer's systems, CBIC proposed to implement it from 01.05.2023 onwards.

**Source: Advisory dated April 12, 2023**

## Goods and Services Tax Network (GSTN) issues advisory on Bank Account Validation on the GST portal

GSTN issued advisory dated April 24, 2023 for validation of bank accounts uploaded on GST portal by the taxpayers.

This feature is introduced to ensure that the bank accounts 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.

**Source: Advisory dated April 24, 2023**





## Goods and Services Tax Network (GSTN) issues new facility to verify document Reference Number (RFN) mentioned on offline communications issued by State GST authorities

GSTN issued advisory dated April 28, 2023 verify document Reference Number (RFN) mentioned on offline communications issued by State GST authorities. The details of advisory are as follows:

- The GST portal (“System”) generates various documents, such as notices/ orders, etc which are communicated to the taxpayer. Most such documents have a system-generated unique identifier DIN (Document Identification Number)/ RFN (Reference Number). These documents, by virtue of being generated by the System, are already traceable in the portal, mostly on the taxpayer’s dashboard. Still, a facility for taxpayers to verify such documents through such auto-generated RFN is under development and will be provided shortly.
- In addition, in order to enable the taxpayers to ascertain that an offline communication (i.e. one which is not system-generated) was indeed sent by the State GST tax officer or not, a new facility for Reference Number (RFN) generation by State tax officer and verification by taxpayer has been provided. Under this feature, the State Tax office can generate a RFN for the physically generated correspondence sent to the taxpayer, which can be validated by the taxpayer (both pre-login and post-login). The facility to verify RFN of System-generated documents, once deployed, shall also be available in a seamless manner using the same link.

- To verify a Reference Number mentioned on the offline communications sent by State GST officers that are being sent to you, navigate to Services > User Services > Verify RFN option and provide the RFN to be verified.
- In case the RFN is of an offline communication generated by the State GST officer, the details with the valid RFN will be displayed. The limited details will be provided pre-login also for verification, while greater details will be provided when the taxpayer logs in and verifies RFN mentioned on an offline communication issued to him/her.
- This facility is for offline correspondence issued by State GST authorities. For documents issued by Central GST officers, CBIC DIN facility may be used.

**Source: Advisory dated April 28,2023**





## Chhattisgarh High court orders to consider the representation to refund additional GST

Honb'le High Court of Chhattisgarh in case of CG Associates VS State of Chhattisgarh vide its judgement dated January 01,2023, ordered to consider the representation to refund additional GST charged.

### Facts

The company CG Associates has filed a writ petition to request reimbursement of the extra tax paid to the Water Resources Department. The petitioner argues that they were issued a work order on April 25, 2022, with a specified GST rate of 12%. However, on July 18, 2022, the GST rate was increased to 18%, which meant that the petitioner had to pay the enhanced rate. The petitioner's claim is based on the fact that they should not have to bear the additional cost resulting from the change in GST rates.

The Petitioner has argued that they are entitled to a refund, based on the amended Clause 2.17.1 of the Agreement. This clause was amended by the Department itself on September 30, 2022, and provides that any new tax or levy or cess imposed by statute or any change in the existing royalty/tax/levy/GST after the last stipulated date for the receipt of the tender, including extensions, would be considered a new tax. The Petitioner is required to pay such new tax, but the Engineer in Charge of the Department would reimburse the Petitioner upon submission of proof. Furthermore, if there is a reduction in the tax rate, the Petitioner is obliged to reimburse the said amount to the State Government. According to the Petitioner, as there was an increase in the GST rate, the Department must reimburse the extra tax paid, as per the terms of Clause 2.17.1 of the Agreement.

### Rulings

In Writ Petition (T) No. 288 of 2022, the Chhattisgarh High Court said the following:

- The Respondents did not disagree with the Petitioner's request that the filed Representation be taken into account.
- Told the Respondents to think about the Petitioner's Representation and decide what to do with it within 90 days.
- Allowed the petitioner to make a new presentation to the respondents with proof of the additional tax liability the petitioner had to pay to help make a decision.
- Told the Respondents to take steps to get back the extra tax money they had to pay.

**Source: CG Associates Vs State of Chhattisgarh Writ Petition No 288 of 2022**

# TAX REFUND



## Supreme Court removes High Court bail restriction of Rs. 70 lakhs for alleged incorrect input tax credit availment

Honb'le High Court of Chhattisgarh in case of CG Associates VS State of Chhattisgarh vide its judgement dated January 01,2023, ordered to consider the representation to refund additional GST charged.

### Facts

The High Court had granted bail to the Appellant, subject to the condition of depositing Rs. 70 lakhs. However, the Appellant argued that this condition was not sustainable, as the FIR was related to the wrongly availed ITC of Rs. 6.95 crore, and the final assessment had not been made yet. Therefore, the Appellant claimed that the condition of depositing Rs. 70 lakhs within 45 days from the date of release as a prerequisite for bail was not justified.

### Rulings

The Government counsel had admitted that the condition of depositing Rs. 70 lakhs could not be imposed while granting bail. Therefore, the condition directing the Appellant to deposit a sum of Rs. 70 lakhs were not valid and was to be set aside. However, the rest of the conditions mentioned in the challenged order were deemed to be valid and would be upheld.

**Source: Subhash Chouhan Vs Union of India Criminal Appeal No. 186 /2023**

## Jharkhand High Court set aside the summary order without providing a hearing chance

Honb'le Jharkhand High Court in case of M/s Chitra Automobile VS State of Jharkhand vide its judgement dated January 24, 2023 set aside the summary order without providing a hearing chance.

### Facts

The Show Cause Notice (SCN) was issued to the concerned party in a format that did not strike out irrelevant particulars. Additionally, a summary of the order was issued within five days, without giving any opportunity of hearing to the concerned party.

### Rulings

The Show Cause Notice (SCN) issued to the taxpayer was found to be vague in nature, as it did not clearly spell out the contraventions against them. It was deemed necessary that the summary of the SCN, which provides for the contraventions, should be issued along with the SCN. The term 'along with' indicates that both the SCN and its summary should be issued together. While the summary of the SCN had to be issued electronically to keep track of the proceeding initiated against the registered person, the SCN itself need not necessarily be issued electronically. Since the SCN issued was vague, the foundation of proceedings suffered from a material irregularity. As a result, the summary of the order could not sanctify the same. The summary of the order issued within five days of issuing the summary of the SCN was found to be in violation of the principles of natural justice. The SCN, summary of SCN, and summary of order issued were to be set aside.

**Source: Chitra Automobiles Vs State of Jharkhand Writ Petition No 4784 of 2022**



## Rajasthan high court held that some of online gaming are game of skills rather than that of betting or gambling

Honb'le Rajasthan High Court in case of Myteam11 Fantasy Sports Private Limited VS Union of India vide its judgement dated January 18, 2023 held that some of online gaming are game of skills rather than that of betting or gambling.

### Facts

On their websites MyTeam11.in, the petitioner-Company offers online gaming services such as rummy, poker, fantasy sports, and casual games (Cricket, Candy Crush, Carrom, Solitaire, etc.). Under Section 74(1) of the Central Goods & Services Tax, 2017 (commonly known as "CGST, 2017"), the petitioners claim that the petitioner-Company has avoided tax by classifying its supply as a service rather than as actionable claims, which are goods, and by engaging in activities such as betting, and ask why the demands of GST, interest on those demands, and penalty as referred to in the notice may not be confirmed.

### Rulings

Some of the games that the petitioners provide online have already been determined to be skill of games as opposed to games of chance or betting/gambling. The issuance of the contested show cause notice is thus nothing more than a misuse of the legal system when the case has been so decided by numerous Courts.

The petitioners must respond to the contested show cause notice dated 09.12.2022, if they haven't already, within a month of today until the respondents make a final decision in the matter, which would be subject

to the outcome of this petition. Otherwise, the respondents may not take any coercive measures to recover any money from the petitioners until further orders of the Court.

**Source: Myteam11 Fantasy Sports Private Limited VS Union of India D.B. Civil Writ Petition No. 1100/2023**





## High court allows to rectification in GSTR-1 on the portal

Honb'le Karnataka High Court in case M/S Wipro India Limited VS Assistant commissioner of Central taxes allowed to rectify GSTR-1 of the portal.

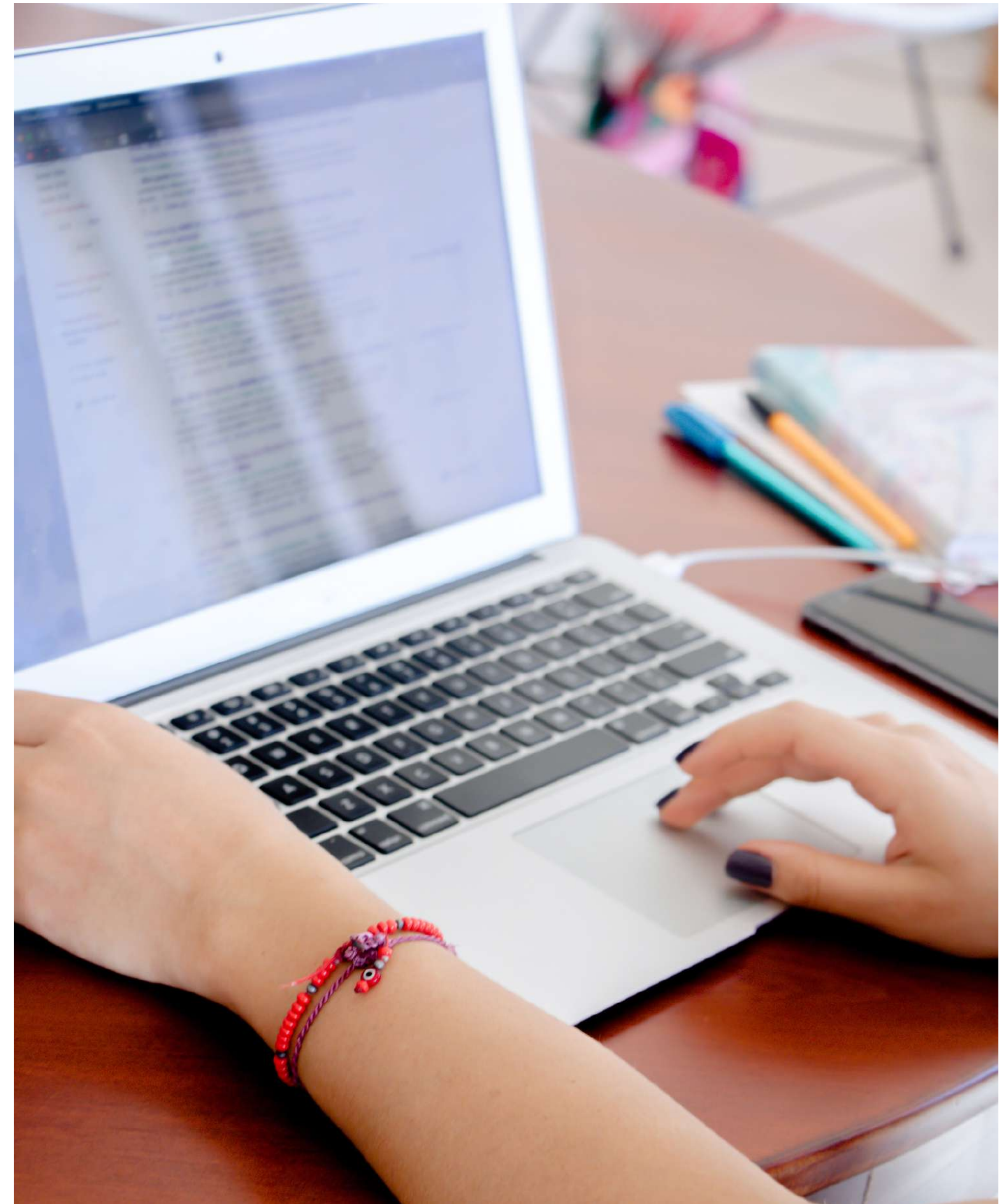
### Facts

The petitioner has filed a petition seeking permission to rectify the Form GSTR-1 by correcting the GSTIN recorded in the invoices issued to the recipient, in order to enable the recipient of the supply to claim Input Tax Credit (ITC).

### Rulings

The error made in this case, which involved mentioning the GSTIN of another group company of the recipient, was made in good faith and due to unavoidable circumstances and sufficient cause. The Circular issued by the Central Board of Indirect Taxes and Customs (CBIC) provides for rectification of bona fide and inadvertent errors made at the time of filing returns, and it is applicable in this case. The Department has been directed to follow the procedure prescribed in the circular and allow the Input Tax Credit (ITC) subject to verification. Although the circular is applicable to the financial years 2017-18 and 2018-19, as the error committed in this case is identical, the circular is also applicable to the financial year 2019-20.

**Source: M/S Wipro Limited India Vs. The Assistant Commissioner of Central Taxes Writ Petition No WP 16175/2022**





## Orissa High court allows refund of Zero-rated supplies under Rule 89(4)

Honb'le Orissa High Court in case of Vedanta Limited VS Union of India vide its judgement dated January 01, 2023 allowed refund of Zero-rated supplies under Rule 89(4).

### Facts

The applicant had filed a consolidated claim for refund of unutilized ITC for three units which were registered under the same GSTIN, and the claim was granted. However, the quantum of refund claimed by each unit separately was much higher than the total amount claimed in the consolidated claim. Subsequently, the applicant filed a manual application for supplementary refund, but it was denied on the ground that since all units were registered under a common GSTIN, the refund cannot be claimed separately for each unit.

### Rulings

It is not possible to claim a supplementary refund based on unit-wise transactions when all three units are registered under a common GSTIN. Additionally, filing a supplementary refund application after the original refund application has been disposed of is not supported by the law. Refund based on unit-wise transactions cannot be claimed when returns are filed by disclosing consolidated figures. Furthermore, making a fresh claim for supplementary refund after the original application has been granted would be considered a review of the decision already taken by the concerned authority. Therefore, seeking a fresh consideration of the refund already granted on the basis of the claim made in the original refund application is not a viable recourse.

The CGST Act does not provide for filing a supplementary refund application, especially when a different approach was taken while filing the original refund application. If the refund under the original application was granted, considering all units together and accepted by the assessee, the application for a supplementary refund could not be entertained. The challenge to the circular stating that manual refund applications are not permitted was not sustainable.

The Court cannot exceed the boundaries or extend the provisions for refund beyond what the Legislature has provided, in accordance with the decision of the Supreme Court in the VKC Footsteps India Pvt. Ltd. case – Rule 89(4) is valid and in line with the provisions of the CGST Act – As Rule 89(4) is framed in accordance with the powers given to the Government under Section 164, there is no need to modify said rule – The petition has been dismissed.

**Source: M/s Vedanta Limited Vs. Union of India Writ Petition No 33278 of 2020 with 24499 of 2020 and 32166 of 2021**



## CBIC issues Notification No. 29/2023- Customs (N.T.) dated April 20, 2023 for rate of exchange of foreign currency equivalent to Indian Rupees

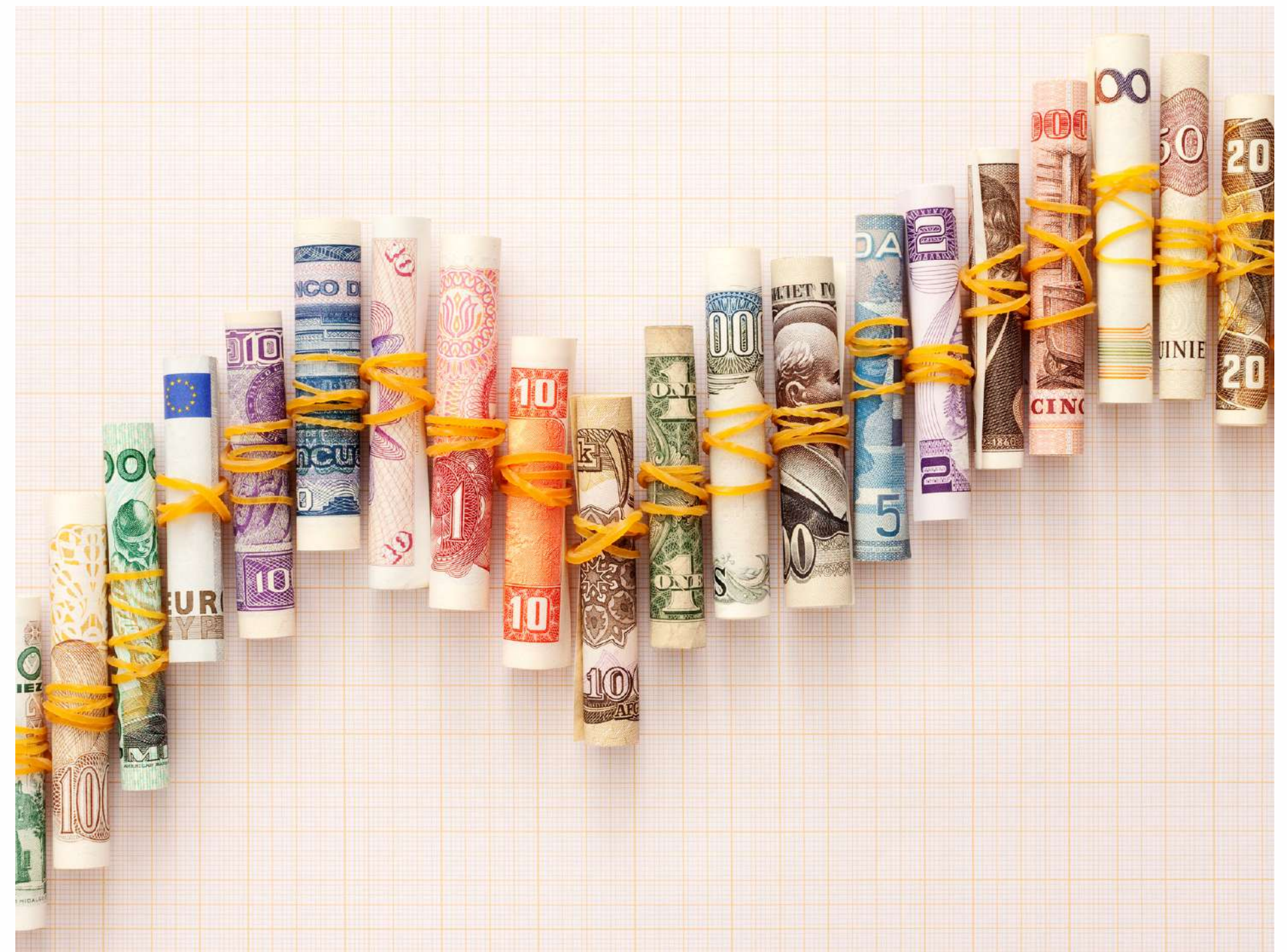
### SCHEDULE-I

Sl. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	56.45	54.05
2.	Bahraini Dinar	225.10	211.70
3.	Canadian Dollar	62.10	60.10
4.	Chinese Yuan	12.10	11.75
5.	Danish Kroner	12.30	11.90
6.	EURO	91.80	88.55
7.	Hong Kong Dollar	10.65	10.30
8.	Kuwaiti Dinar	276.85	260.25
9.	New Zealand Dollar	52.05	49.70
10.	Norwegian Kroner	7.90	7.65
11.	Pound Sterling	104.00	100.60
12.	Qatari Riyal	23.30	21.85
13.	Saudi Arabian Riyal	22.65	21.30
14.	Singapore Dollar	62.70	60.65
15.	South African Rand	4.65	4.40
16.	Swedish Kroner	8.05	7.80
17.	Swiss Franc	93.50	90.00
18.	Turkish Lira	4.35	4.10
19.	UAE Dirham	23.10	21.75
20.	US Dollar	83.15	81.40

### SCHEDULE-II

Sl. No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	62.10	60.10
2.	Korean Won	6.40	6.00

*Source: Notification No. 29/2023- Customs (N.T.) dated April 20, 2023*





## GST Revenue

The gross GST revenue collected in the month of April, 2023 is ₹ 1,87,035 crore of which CGST is ₹38,440 crore, SGST is ₹47,412 crore, IGST is ₹89,158 crore (including ₹34,972 crore collected on import of goods) and cess is ₹12,025 crore (including ₹901 crore collected on import of goods).

The government has settled ₹45,864 crore to CGST and ₹37,959 crore to SGST from IGST. The total revenue of Centre and the States in the month of April 2023 after regular settlement is ₹84,304 crore for CGST and ₹85,371 crore for the SGST.

**Source:** *pib.gov.in*





# Let's Connect

+91.135.2743283, +91.135.2747084

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3rd Floor, MJ Tower, 55, Rajpur Road, Dehradun - 248001

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E: [info@vkalra.com](mailto:info@vkalra.com) | W: [vkalra.com](http://vkalra.com)

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**For any further assistance contact  
our team at [kmt@vkalra.com](mailto:kmt@vkalra.com)**

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