

## HC - The order was liable to be quashed as it was issued after the limitation period for the financial year 2017–18

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### REFER THE DECISION OF THE HON'BLE ALLAHABAD HIGH COURT IN THE CASE OF

Amrish Chandra Arya V/s State of U.P., decided on 25-3-2025 (WRIT TAX No. 242 of 2025)

### Case Background:

The petitioner, Amrish Chandra Arya, contested two specific actions by the tax authorities:

- A show-cause notice dated September 21, 2023
- An ex-parte demand order dated December 14, 2023

He argued that both actions were issued beyond the permissible time frame stipulated under Section 73 of the UP GST Act, which governs the determination of tax not paid or short paid without any fraud or willful misstatement.

### Court's Findings:

The Division Bench, comprising Hon'ble Justices Rajan Roy and Om Prakash Shukla, ruled in favor of the petitioner. The court determined that the tax authorities had failed to adhere to the statutory timelines outlined in Section 73 of the UP GST Act. Consequently, the show-cause notice and the subsequent demand order were deemed time-barred and invalid. The court allowed the writ petition, effectively quashing the impugned orders.

### Legal Significance:

This judgment underscores the imperative for tax authorities to strictly comply with procedural timelines under the GST framework. It reinforces the principle that any deviation from statutory deadlines can render enforcement actions void, thereby safeguarding taxpayers' rights against arbitrary or delayed administrative measures.

### Relevant Legal Provisions:

- **Section 73 of the UP GST Act:** Addresses the determination of tax not paid or short paid without any fraud or willful misstatement.
- **Section 44(1):** Pertains to the annual return to be filed by registered persons.
- **Section 73(9):** Specifies the time limit for issuing orders under Section 73.

- **Section 73(10):** Outlines the consequences of not issuing an order within the stipulated time.

### **Conclusion:**

The *Ambrish Chandra Arya* case serves as a pivotal reference for ensuring procedural fidelity in tax administration. It highlights the judiciary's role in upholding statutory mandates and protecting individuals from administrative overreach.

### **Note:**

This judgement may be useful wherein the Order under section 73 of GST Act, 2017 has been passed beyond the following dates:

<b><u>For Financial Year</u></b>	<b><u>If date of Order is beyond</u></b>
<b>2017-18</b>	<b>5<sup>th</sup> Feb 2023</b>
<b>2018-19</b>	<b>31<sup>st</sup> Dec 2023</b>
<b>2019-20</b>	<b>31<sup>st</sup> March 2024</b>

It may also be noted that in a different case such matter is sub judice in Apex Court also for a final verdict.

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