

From 1st November 2023, 30 Days' time for IRN – Issues and Pointers

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As the unscrupulous elements find out new ways of gaming the system, so do the GST Authorities keep on tightening the loopholes. The genuine taxpayers have to bear the brunt of these stringent measures. A case in point is where it is understood that some unscrupulous element had taken fake ITC and when asked about the invoice generated a back dated tax invoice through a different entity, paid the tax with interest vide DRC-03 and on the current date generated an IRN, thus regularizing the transaction and getting away Scot free. Thus, earlier The GSTN had released advisory in April by which It had prescribed that that taxpayers with an Aggregate Turnover of Rs.100 Crs or more must report invoices and credit-debit notes on the Invoice Registration Portal (IRP) within 7 days. However, in this case the GST Council took cognizance and found out a middle way to curb unfair practises and also to not burden taxpayers largely. Hence, the implementation of the advisory was deferred due to the issues raised by taxpayers. Now they have revised the time limit from 7 days to 30 days, which shall be applicable on and from 1st November 2023. Hence in case if an invoice has a date of Nov. 1, 2023, it cannot be reported after Nov. 30, 2023. The following Issues and points in this regard must be noted –

1. It is already clarified that this restriction will apply to the all-document types for which IRNs are to be generated. Thus, Tax Invoice/Credit / Debit note; Export Invoice/ CN/ DN; SEZ Invoice/ CN/DN/ & Deemed Export Invoice/CN/DN will be covered under this Advisory.
2. Even in case the IRN date of a document is due, yet in case the GSTR-1 or GSTR-3B Date has fallen due, the tax has to be paid. For E.g. In case if an invoice has a date of Nov. 25 IRN due date is Dec. 24, 2023; however, the invoice has to be reported in GSTR-1/ 3B to be filed on 11th December and 20th December respectively; IRN regarding this invoice can be generated on 24th December 2023. It must be noted that as per rule 48 of The CGST Rules, the recipient can take the ITC of the Invoice only in December 2023 after the IRN is generated.

Similar is the situation in case of a debit note.

3. In certain cases it was seen that the credit notes were prepared at the end of the month. However, sometimes certain changes were made post preparation of the credit notes but before filing GSTR-1, i.e., within a span of 10 days. Hence the time limit of 7 days was an issue. Now with the time limit of generation of IRN becoming 30 days, this issue is resolved.

Ultimately, while this is another compliance under the GST Law from November 2023, yet for genuine taxpayers it may not be much of a hardship, especially when this new Rule is applicable only for those taxpayers with an Aggregate turnover of more than Rs.100 Crs.

BRIEF ABOUT THE AUTHOR:

Vivek Jalan is a Chartered Accountant & a qualified L. LM & LL.B. He is the Founder & Partner of Tax Connect Advisory Services LLP. He is the Chairman of The Indirect Tax Core Group of The Confederation of Indian Industries – Economic Affairs and Taxation Committee (ER). He is the Chairman of The Fiscal Affairs and Taxation Committee of The Bengal Chamber of Commerce and Industry. He is the Member of The Managing Committee of The Bengal Chamber of Commerce and Industry.

He is a regular Columnist and guest expert in Economic Times, Business Standard, Times of India, Dalal Street Journal, Money Control, Live mint, CNBC, Hindustan Times, Zee Business, Financial Express, other dailies and business magazines like Business Today, etc. He is also a guest expert on Taxation matters in All India Radio and other media platforms. He is the Editor of Weekly Bulletin TAX CONNECT, a publication on Direct and Indirect Taxes which reaches more than 70000 professionals.

He is also a visiting faculty in The Confederation of Indian Industries (CII), The Institute of Chartered Accountants of India, Institute of Cost Accountants of India, Indian Institute of Foreign Trade, The Bengal Chamber of Commerce and Industry, The Indian Chamber of Commerce, The Merchant Chamber of Commerce and other Business Forums. He has also delivered Lectures at various Government Taxation Forums including the CGST & SGST Departments across the country.

He has worked as a Finance Manager in ITC Ltd. and Chief Compliance Officer with IntraSoft Technologies Ltd. He has more than 18 years of experience in the field of Information Technology, Finance, Taxation and Logistics. He was also an All-India Rank holder in CA Final Examination conducted by the Institute of Chartered Accountants of India.

His Books include the following –

- COMMENTARY ON UNION BUDGET 2023 – February 2023
- HOW TO HANDLE GST LITIGATION– September 2022
- HANDBOOK ON GST– June 2022
- GST PLEADING & PRACTISE – August 2021 – **India's Bestseller**
- UNION BUDGET 2021 – February 2021
- SECTIONWISE COMPENDIUM ON GST – October 2020
- INTEGRATED APPROACH TO E-INVOICING E-WAYBILL & RETURN FILING – October 2020
- COMMENTARY ON UNION BUDGET 2020– Feb 2020
- COMMENTARY ON UNION BUDGET 2019 – July 2019
- WITHDRAWAL OF LEGAL TENDER 2016
- COMMENTARY ON UNION BUDGET 2017
- SECTION-WISE COMPENDIUM ON GST – Oct 2020
- INTEGRATED APPROACH TO GST E-INVOICE, E-WAYBILL & RETURN E-FILING – Oct 2020
- **SECTION-WISE COMMENTARY ON GST – SEPTEMBER 2018**
- HOW TO HANDLE GST-TDS, GST-TCS, GST AUDIT & GST ANNUAL RETURN – NOVEMBER 2018
- A COMPENDIUM ON GST W.E.F. 1ST JULY 2017
- GST MODEL LAW (NOVEMBER 2016) & BUSINESS PROCESSES – A TECHNICAL COMMENTARY
- GST MODEL LAW (JUNE 2016) & BUSINESS PROCESSES – A TECHNICAL COMMENTARY
- "SERVICE TAX AND VAT IN WORKS CONTRACT: A COMPREHENSIVE TECHNICAL GUIDE".

He is a regular speaker at various professional forums on the various key areas in Finance and has delivered more than 300 lectures on various topics under Information Technology, Finance, GST, Customs, Foreign Trade Policy of India, Income Tax, etc.