

## CBIC extends the time limit for issuance of an order under Section 73 for FY18-19 and FY19-20

The Central Board of Indirect Taxes and Customs (CBIC), through Notification No. 56/2023-CT dated 28 December 2023, has extended the time limit required by a proper officer to pass an order for the recovery of tax or ineligible Input Tax Credit (ITC) under Section 73 for the financial years 2018-19 and 2019-20.

This extension entails consequential effects on the time limit for the issuance of show cause notices for the mentioned period, given that Section 73 mandates the issuance of a Show Cause Notice (SCN) at least 3 months prior to the issuance of the order.

The revised timelines are outlined below:

Financial Year	Time limit for issuance of order under Section 73(10)	Time limit for issuance of SCN under Section 73(2)
FY 18-19	30 April 2024	31 January 2024
FY 19-20	31 August 2024	31 May 2024

### Our Comments

Earlier, the CBIC, through Notification No. 09/2023-CT dated 31 March 2023, had extended the time limit for the issuance of orders on similar lines for the financial years 2017-18, 2018-19, and 2019-20, exercising the power enumerated under Section 168A. It is noteworthy to mention that this extension is being challenged before the Allahabad High Court in the case of M/s. Graziano Transmission [Writ Tax No. 1256/2023] and the Gujarat High Court in the case of M/s. New India Acid Baroda Pvt Ltd [C/SCA/21165/2023], on grounds of being arbitrary and violative of Article 14 of the Constitution of India. The matters are currently listed for hearing.