

Pranav Mehta

The Hon'ble Karnataka High Court in the case of Way2Wealth Brokers (P.) Ltd. v. Commissioner of Central Tax, [2021] 133 taxmann.com 169 (Karnataka) has held that the Department cannot retain amount paid by assessee when there is lack of authority to collect such service tax which was not liable to be paid by assessee. Refund not hit by limitation for payment made by mistake not being 'duty'. Facts of the case: The appellant-assessee (assessee) is a private limited company engaged in rendering taxable services under the category of 'Stock broker' and 'Banking and other Financial Services'. The assessee inadvertently paid service tax on Late Payment Charges (LPC) collected from the customers for the period April 2009 to March 2011 for delay in payment of the amount beyond the stipulated time. Pursuant to a clarificatory C.....