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AMENDMENTS

APPLICABLE FOR SEP 25 EXAM

Index

Sr. No.	Chapter Name	Page No.
1	Concept of Supply	1
2	Reverse Charge Mechanism & ECO	5
3	Composition scheme	21
4	Time of Supply	6
5	Place of Supply	7
6	Exemption under GST	8
7	Input Tax Credit	11
8	Payment of Tax & TDS-TCS	12
9	Registration	12
10	Tax Invoice	13
11	Accounts, Records & E-Way Bill	14
12	Returns	14
13	Refund	15
14	Audit & Assessment	22
15	Inspection, Search, Seizure & Arrest	15
16	Advace Ruling	20
17	Demand & Recovery	15
18	Appeal & Revision	18
19	Offences and Penalties	20

Customs

20	Foreign trade policy	29
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CONCEPT OF SUPPLY

Sec 9(1) of CGST Act & Sec 5(1) of IGST Act

Inserted by F.A. 2024

Subject to the provisions of sub-section (2), there shall be levied a tax (called the central goods and services tax) on all intra-State supplies of goods or services or both, except

- on the supply of alcoholic liquor for human consumption **and**
- **un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption**

Q.1: ABC Liquors Ltd. is a well-known liquor manufacturer in India. It uses Extra Neutral Alcohol (ENA) & rectified spirit as raw materials to manufacture alcoholic liquor for human consumption, primarily whisky and vodka. It also supplies ENA to some industrial manufacturers for use in making perfumes & other industrial chemicals. Discuss the taxability on purchase of ENA & rectified spirit as well as on supply of ENA for other industrial uses by ABC Liquors Ltd.

Answer :-

1. ENA & Rectified Spirit for Alcoholic Liquor:

- As per **section 9(1)**, **alcoholic liquor for human consumption** and **ENA/rectified spirit** used to manufacture it are outside GST.
- Thus, **purchase** of ENA and rectified spirit by **ABC Liquors Ltd.** for making whisky/vodka is **not taxable** under GST.

2. ENA for Industrial Use:

- **Industrial use of ENA** (not for human consumption) falls **within GST under sec 9(1)**.
- So, **GST is payable** when ABC Liquors Ltd. supplies ENA for **industrial purposes**.

SCHEDULE III

Para 9: Apportionment of co-insurance premium

Inserted by F.A. 2024

Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to the condition that the lead insurer pays the CGST, SGST, UGST & IGST on the entire amount of premium paid by the insured.

Para 10: Services by insurer to the reinsurer

Inserted by F.A. 2024

Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the CGST, SGST, UGST & IGST is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.

Q.2: Go-Solar Pvt. Ltd. (Go-Solar) has 2 comprehensive insurance policies with Safal Ltd. for its operations. To manage its risk exposure, Safal Ltd. decides to reinsure part of risk of policy 1 with Weefal Re Ltd., a reinsurance co. For policy 2, Safal Ltd. opts for a co-insurance agreement with Success Ltd.
Details of Reinsurance Agreement between Safal Ltd. & Weefal Re Ltd.:

- i. Gross Reinsurance Premium to be paid by Safal Ltd. to Weefal Re Ltd.: ₹78,00,000.
- ii. Ceding Commission allowed by Weefal Re Ltd: ₹8,00,000.
- iii. Net Reinsurance Premium Paid to Weefal Re Ltd: ₹70,00,000 (after deducting ceding commission).

Details of Co-insurance Agreement between Safal Ltd. & Success Ltd.:

- i. Lead Insurer: Safal Ltd. (70% share) who is liable to pay GST on entire premium.
- ii. Co-Insurer: Success Ltd. (30% share).
- iii. Total Premium: ₹80,00,000 paid by Go-Solar to Safal Ltd. who issued invoice for full premium & GST.
- iv. Safal Ltd. retains ₹56,00,000 & Success Ltd. receives ₹24,00,000 from Safal Ltd. as per agreement.

Discuss the tax implications (gross basis) & person liable to pay the tax in all the above cases.

Answer:

1.	<p>Legal Provision: Services provided by an insurer to a reinsurer, where a ceding or reinsurance commission is deducted from the reinsurance premium, are not considered a supply of goods or services, provided the reinsurer pays GST on the gross reinsurance premium, inclusive of the commission. Tax Portal [Para 10 of Schedule III,]</p> <p>Conclusion: In this case, Weefal Re Ltd. (the reinsurer) is liable to pay GST on the gross reinsurance premium of ₹78,00,000. The ceding commission of ₹8,00,000 received by Safal Ltd. (the insurer) is not subject to additional GST, as this service is not treated as a supply under Para 10 of Schedule III.</p>
2.	<p>Legal Provision: The apportionment of co-insurance premium by the lead insurer to the co-insurer is not considered a supply of goods or services, provided the lead insurer pays GST on the entire premium received from the insured. [Para 9 of Schedule III]</p> <p>Conclusion:- Safal Ltd., as the lead insurer, is responsible for paying GST on the full premium of ₹80,00,000 received from GoSolar. The subsequent apportionment of ₹24,00,000 to Success Ltd. (co-insurer) is not treated as a supply under Para 9 of Schedule III, and thus, Success Ltd. has no additional GST liability on this amount.</p>

GST implications on vouchers [Cir.No. 243/37/2024]

1.	<p>Issue - Whether transactions in vouchers are supply of goods or services under GST?</p> <p>Clarification:</p> <p>RBI-recognized vouchers prepaid instruments (PPIs) like gift cards are treated as money, which is not taxable under GST.</p> <p>Non-RBI recognized vouchers are usually actionable claims, which are not supply as per Schedule III, and hence not taxable.</p> <p>Conclusion: Vouchers themselves are not taxable, as they are either money or actionable claims. However, the goods/services redeemed using the voucher are taxable at the time of redemption.</p>
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2.	<p>Issue – GST treatment of voucher transactions by distributors/ agents</p> <p>Clarification:</p> <ul style="list-style-type: none"> ➤ Principal-to-Principal (P2P) Basis: <ul style="list-style-type: none"> ➤ Distributors buy vouchers at a discount and resell them (the margin is their revenue). ➤ This activity is treated as trading in money/ actionable claims. ➤ Hence, No GST applicable on such transactions. ➤ Commission/ Fee Basis (Agency Model): <ul style="list-style-type: none"> ➤ Distributors act on behalf of the issuer (do not own vouchers). ➤ GST is applicable on commission or fee received as it is a supply of service. ➤ Summary: GST applies only when service is provided (like promotion or distribution), not on trading of vouchers themselves.
3.	<p>Issue – GST Applicability on Additional Services Related to Vouchers</p> <p>Clarification:</p> <ul style="list-style-type: none"> ➤ Distributors, sub-distributors, or third parties may provide additional services to the voucher issuer such as advertisement, co-branding, customization, technology support, customer support, etc. ➤ These services are rendered as per contractual agreements with the voucher issuer, for a service fee, affiliate charge, or similar consideration. ➤ Such services are considered as independent taxable supplies, and the service provider is liable to pay GST.
4.	<p>Issue – GST treatment of unredeemed vouchers (breakage)</p> <p>Clarification:</p> <ul style="list-style-type: none"> ➤ Breakage is the value of vouchers remaining unredeemed after expiry. ➤ In the case of breakage, there is no redemption of voucher and no supply of underlying goods and/or services. Thus, there is no supply. ➤ Circular No. 178/10/2022 states that An agreement to do or refrain from an act requires explicit or implied consent. ➤ In the case of breakage, there is no such agreement between the voucher issuer and redeemer. ➤ Therefore, breakage cannot be considered as a service or act of forbearance. ➤ Thus, unredeemed voucher value (breakage) is not a taxable supply under GST & no GST is payable.

Taxability of Penal Charges by Banks etc.[Cir. No. 245/02/2025]

Issue:- Applicability of GST on penal charges levied by the banks/NBFC or other Regulated Entities (REs) directing such Regulated Entities (REs) to levy penal charges in place of penal interest.

Clarification:-

- The RBI has **instructed** REs that instead of penal interest, they should charge penal charges for non-compliance with loan terms. (Not applicable to credit cards, external commercial borrowings, etc.)
- It was clarified that payments such as liquidated damages for breach of contract are not a consideration for tolerating an act or situation.
- Thus, it is now clarified that **no GST is required to be paid** on the penal charges imposed by banks and NBFCs for non-compliance with important loan terms by the borrower.



REVERSE CHARGE & ECO

Amendment in CGST Act, 2017

4. Sponsorship Services

Substituted by
N/n 07/2025

Reverse Charge

In relation to Sponsorship Service	By Any person other than a body corporate	To Any body corporate or partnership firm located in TT (Liable to pay tax)
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Determination of Taxability for Sponsorship Services

S.No.	Supplier of Services	Recipient of Services	Forward / Reverse Charge	Who will pay tax to govt.
1	XYZ. Ltd. in India	PQR Ltd. in India	Forward Charge	Supplier
2	Mr. X [Individual]	ZQ [partnership firm in India]	Reverse Charge	Recipient
3	XYZ Ltd.	Mr. X [Individual]	Forward Charge	Supplier
4	XYZ Ltd	ABC Ltd. [USA]	Forward Charge	Supplier

5AB. Renting of any immovable property other than residential dwelling

Reverse Charge

Service by way of Renting of any immovable property other than residential dwelling	By Any unregistered person Substituted by N/n 07/2025	To Any registered person other than a person who has opted to pay tax under composition levy (Liable to pay tax)
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Q.3: Mr. Arun Kumar, an individual based in Delhi, owns a commercial office space in Connaught Place. He is not registered under GST, as his total turnover falls below the prescribed threshold. Mr. Arun rents out this commercial property to M/s TechNova Pvt. Ltd., a GST-registered private limited IT company that uses the premises for business purposes. Determine who is liable to pay tax.

Would your answer, differ if M/s TechNova Pvt. Ltd. opt for Composition Scheme.

Answer:

Legal Provision: If an unregistered person provides a service by way of renting of immovable property other than a residential dwelling to a registered person other than one paying tax under the composition scheme, the GST liability falls under the **Reverse Charge Mechanism**. [Sec 9(3)]

Conclusion:

➔ In the first case, M/s TechNova Pvt. Ltd. is liable to pay tax under RCM

➔ In the Second case, No tax is payable as M/s TechNova Pvt. Ltd. opts for Composition scheme.

Issue: Whether Delhi Development Authority (DDA) can be treated as local authority under GST law.

Clarification:

- Local authority means an authority which is similar to the elected self-governing body such as Municipal Committee, and which is entrusted with the control and management of municipal or local fund can be termed as local authority.
- Thus, it has been clarified that **DDA cannot be treated** as local authority under GST law as DDA does not meet the requirement of local authority as per section 2(69) of the CGST Act, 2017.



Time of Supply

Sec 13(3) TOS of services under Reverse Charge

The TOS of services on which GST is payable on reverse charge basis u/s 9(3) & 9(4), shall be determined **earliest** of the following date:

a) Payment Recording Date:

- Either when the **payment is recorded** in the recipient's books of account or
- when it's debited in the bank account, **whichever is earlier or**

b) 61th day from the supplier's invoice issue date or its equivalent documents **by the supplier, in cases where invoice is required to be issued by the supplier or.**

← **Newly inserted by F.A. 2024**

c) the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient.

Proviso 1

Provided that where it is not possible to determine the TOS under clause (a) or clause (b) **or clause (c)**, the TOS shall be the date of entry in the books of account of the recipient of supply

← **Newly inserted by F.A. 2024**

Q.1: XYZ Pvt. Ltd. received legal services from ABC Consultants who is not registered under GST on March 1, 20XX. The legal services are subject to GST under the RCM. XYZ Pvt. Ltd. issued an invoice for the services on March 10, 20XX & supplier has not issued the invoice as it is unregistered. XYZ Pvt. Ltd. made the payment for the legal services on May 02, 20XX. Determine Time of Supply.

What would be your answer if ABC Consultants is registered under GST & invoice is issued by it only & not by XYZ Pvt. Ltd. on March 5, 20XX.

Answer: Legal Provision: If supply of services is liable under reverse charge, then time of supply of services shall be **the earliest** of the following dates: **[Sec 13(3)]**

- a) Date of payment by recipient (i.e., earlier of book entry or debit to bank)
- b) 61st day from supplier's invoice, in cases where invoice is required to be issued by the supplier or
- c) Date of issue of invoice by the Recipient, in cases where invoice is to be issued by the recipient.

Discussion & Conclusion:

- In given case, ABC Consultants is **not registered** under GST, so it is not required to issue invoice, so condition of 61st day from issuance of invoice by supplier is **not relevant here**.
- Thus, Time of Supply will be **earlier** of following:
 - a) Date of payment is May 02, 20XX.

b) Date of issue of invoice by XYZ Pvt. Ltd. (recipient) is March 10, 20XX.

➡ Therefore, TOS will be **March 10, 20XX**.

➡ In the second case, invoice is issued by ABC Consultants, So TOS will be **earlier** of:

a) Date of payment is May 02, 20XX

b) 61st date from the invoice issuance date by the supplier i.e May 5, 20XX

➡ Thus, TOS will be **May 02, 20XX**.



Place of Supply

Sec 5(1) of IGST Act:- Levy & Collection

Inserted by F.A. 2024

Subject to the provisions of sub-section (2), there shall be levied a tax (called the central goods and services tax) on all intra-State supplies of goods or services or both, except

- on the supply of alcoholic liquor for human consumption **and**
- **un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption,**
- on the value determined u/s 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.

POS of Online Services supplied to unregistered recipients. [Cir. No. 242/36/2024]

Issue	Suppliers who provide online services either directly or through e-commerce platforms to unregistered recipient under GST, are not following the correct rules for mentioning the place of supply on their invoices.
Legal Provision	Refer Sec 12(2)(b) of IGST Act
Clarification	<ul style="list-style-type: none">➤ The name of the State of the unregistered recipient must be recorded on the Tax invoice, irrespective of the Value of supply.➤ Suppliers must implement mechanisms to collect and record the Recipient's State name before making supplies. The recorded state name serves as the deemed address of the recipient for GST Compliance.➤ Thus, POS for such services shall be considered as location of the recipient u/s 12(2)(b)(i).

Sec 16(4) of IGST Act:- Zero Rated Supply:-

The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify--

- (i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid **in accordance with the provisions of sec 54 of the CGST Act or the rules made thereunder;** Words inserted by F.A. 2024
- (ii) a class of goods or services ~~which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid~~ **or both, on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the CGST Act or the rules made thereunder.**

Sec 16(5):- Notwithstanding anything contained in sub-sections (3) & (4), no refund of unutilised ITC on account of zero rated supply of goods or of IGST paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods are subjected to export duty.

Newly inserted by F.A. 2024



EXEMPTIONS FROM GST

Sec 11A (Sec 6A of IGST Act)

Newly Inserted
by 2nd F.A. 2024

Power not to recover GST not levied or short-levied due to general practice:-

Government's Authority

Prevalent Practice: A practice must be generally prevalent regarding the levy or non-levy of GST on certain goods and services.

Incorrect Levy: The practice resulted in either:

- No GST being levied where it should have been, or
- A lower amount of GST being levied than what should have been charged.

Conditions for Intervention

The Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that GST payable on such supplies

- will not be required to be paid if it was not levied according to the practice.
- will relieve the excess amount of GST that was not required to be paid because of short levy.

Tax Relief

The Government has the power to address issues related to the levy of CGST based on prevalent practices.

CaseStudy :-

Case of hostel accommodation services provided by educational institutions and charitable trusts:

From the introduction of GST in July 2017 until Dec 2022, many schools, colleges, and NGOs provided hostel facilities to students and did not charge GST. They believed these services were exempt, as N/n. 12/2017 exempted services related to education, including boarding. This belief was commonly held across India, and most educational bodies followed this practice in good faith. However, during tax audits, authorities pointed

out that if the hostel was operated by a separate entity or trust, it did not fall under the exemption and GST should have been charged at 18%. Notices were issued for tax, interest, and penalty for the past years.

Thus, the Government used its powers under Section 11A. On the GST Council's recommendation, it issued a notification stating that no GST would be recovered on such hostel accommodation services for the period from July 1, 2017, to December 31, 2022, if the non-levy was due to the common practice. This gave relief to many institutions that were otherwise facing huge tax demands.

This case shows how Section 11A helps protect honest taxpayers from penalties when they follow a widely accepted but later-corrected interpretation of the law. It maintains fairness in tax administration and avoids punishing businesses for genuine misunderstandings.

Services to Government

SI.NO. 25A

Ancillary Services in Electricity Transmission & Distribution

Exemption :- Supply of services by way of

- providing metering equipment on rent, testing for meters / transformers / capacitor etc., releasing electricity connection,
 - shifting of meters/service lines, issuing duplicate bills etc.,
- Substituted by N/n 06/2025
- which are incidental or ancillary to the supply of transmission ~~and~~ or distribution of electricity provided by electricity transmission ~~and~~ or distribution utilities to their consumers.

Miscellaneous Sector

SI.NO. 36B

Re-Insurance Services

Newly Inserted by N/n 06/2025

Exemption: Services of insurance provided by the Motor Vehicle Accident Fund, constituted under section 164B of the Motor Vehicles Act, 1988, against contributions made by insurers out of the premiums collected for third party insurance of motor vehicles.

Training Sector

SI.NO. 69

Service by NSDC etc.

Exemption:- Any services provided by –

- a. the National Skill Development Corporation set up by the Government of India;
- b. the National Council for Vocational Education and Training;
- c. an Awarding Body recognized by the National Council for Vocational Education & Training;
- d. an Assessment Agency recognized by the National Council for Vocational Education and Training;
- e. a Training Body accredited with an Awarding Body that is recognized by the National Council for Vocational Education and Training,

f. a training partner approved by the National Skill Development Corporation

Newly inserted
by N/n 06/2025

in relation to–

- i) the National Skill Development Programme or any other scheme implemented by the National Skill Development Corporation; or
- ii) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or
- iii) any National Skill Qualification Framework aligned qualification or skill in respect of which the National Council for Vocational Education and Training has approved a qualification package.



Sl.NO. 3A	Service to Govt. by way of any Activity in relation to article 243G or 243W
Exemption	Composite supply of goods and services in which the value of supply of goods constitutes not more than 25 % of the value of the said composite supply

- provided to the CG, SG, UT or LA
- a Government or Union territory or local authority or
by way of any activity in relation to any function entrusted to a Municipality under article 243W of the Constitution or Panchayats under article 243G of the Constitution.

Circular No. 245/02/2025:

Issue: GST on Facility Management Services to MCD.

Clarification:

- Municipal Corporation of Delhi (MCD) is receiving the services of facility management such as housekeeping, civil maintenance, furniture maintenance and horticulture agency for the upkeep of their office.
- These services are not supplied in relation to performing any functions entrusted to a Municipality under Article 243W of The Constitution of India. Such services are **not covered** under the scope of entry at Sl. No 3A.
- Thus, these services are **taxable** under GST.

Sl.NO. 34

Services by Acquiring Bank to any person for Card transaction settlement upto ₹ 2,000 (Services by Payment Aggregators's are exempt but not for Payment Gateways)

Circular No. 245/02/2025:-

Issue: Whether GST exemption is available to payment aggregators (PAs) in relation to settlement of an amount, up to ₹ 2,000 in a single transaction, transacted through credit card, debit card, charge card or other payment card services?

Clarification:

- **Payment Aggregators (PAs)** are entities that **facilitate** e-commerce sites and merchants to accept various payment instruments from their customers **without the need** for the e-commerce sites and merchants to create a separate payment integration system of their own.
- **Payment Gateways (PGs)** are defined as entities that provide technology infrastructure to route and facilitate processing of an online payment transaction without any involvement in handling of funds.
- It is clarified that PAs are **exempt** from GST, for settling amounts **up to ₹ 2,000 in a single transaction** made through credit cards, debit cards, charge cards, or other payment card services. This exemption applies because PAs are considered "acquiring banks" under the exemption rules.
- However, this exemption only applies to the payment settlement function (handling money) and does not cover Payment Gateway (PG) services.



Input Tax Credit

Sec 17(5) :- Blocked Credit

- i) any tax paid in accordance with the provisions of ~~sections 74, 129 and 130.~~ **Section 74 in respect of any period upto FY 2023-24.** **Substituted by F.A. 2024**

Sec 140(7) : Transitional arrangements for input tax credit:-

Notwithstanding anything to the contrary contained in this Act, the input tax credit on account of any services received prior to the appointed day by an Input Service Distributor shall be eligible for distribution as 7[credit under this Act, within such time and in such manner as may be prescribed, ~~even if the invoices relating to such services are received on or after the appointed day~~ **whether the invoices relating to such services are received prior to, on or after, the appointed day” shall be substituted.**

IMP CBIC Clarification

Clarification on availability of ITC as per Sec 16(2)(b) for goods which have been delivered by the supplier at his place of business under Ex-Works Contract. [Cir. No. 241/35/2024]

Issue	Dealers in the automobile sector avail ITC when vehicles are handed over to the transporter at the Original Equipment Manufacturer's (OEMs) factory gate under Ex-Works (EXW) contracts. However, some field officers argue that ITC should be claimed only after physical receipt, leading to SCN for alleged wrongful ITC availment.
Explanation	<ul style="list-style-type: none">➤ Under EXW contracts, when OEM hands over goods to a transporter at the factory gate (on behalf of dealer), it is deemed that the dealer has “received” the goods under explanation to Sec 16(2)(b).➤ Transport & insurance may be arranged by the supplier(OEMs) on behalf of the dealer. The dealer is liable for claims in case of loss during transit.
Clarification	<ul style="list-style-type: none">➤ It is now clarified that for ITC purposes, goods are deemed to be received when they are handed over to the transporter at the supplier's factory gate as per terms of contract.➤ Also, ITC is available only for goods used or intended to be used in the course or furtherance of business & if goods are diverted for non-business purposes or subsequently lost, stolen, destroyed or disposed as gifts/free samples, ITC on such goods is disallowed.➤ Dealers must ensure compliance with other conditions u/s 16 & 17 of the CGST Act.



PAYMENT OF TAX & TDS-TCS

TDS-TCS

Form and manner of submission of return by a person required to deduct tax at source [Rule 66 (1)]:-

Inserted by N/No. 20/2024

Every registered person required to deduct tax at source under section 51 (hereafter in this rule referred to as deductor) shall furnish a return in FORM GSTR-7, **on or before the tenth day of the month succeeding the calendar month**, electronically through the common portal either directly or from a Facilitation Centre notified by the Commissioner.

Clarification on ITC Availment by ECO for Services notified u/s 9(5) [Cir. No. 240/34/2024]:

Issue:- Whether an ECO who is liable to pay GST u/s 9(5) is also required to reverse proportionate ITC on inputs and input services used to the supplies made u/s 9(5) other than Restaurant services?

Clarification:-

- ➔ ECOs are **not required** to reverse proportionate ITC u/s 17(1)/ (2) for **inputs or input services** used for 9(5) notified services like **Passenger transport, Accommodation services & Housekeeping**.
- ➔ Although **ITC can be availed** on inputs/input services, but it cannot be used to discharge tax liability u/s 9(5). However, such ITC can be used to discharge tax liability on ECO's **own taxable supplies** (e.g. platform fees, commissions, etc.)
- ➔ Tax liability u/s 9(5) must be discharged in cash through E-cash ledger by ECO.



Registration

Sec 23 : Person not liable for registration

Clarification regarding GST rates & Classification of goods [Cir. No. 247/04/2025]

- ➔ Agriculturist supplying dried pepper to the extent of supply of produce out of cultivation of land is **not liable to get registered u/s 23(1)** as it is **exempt** from GST.
- ➔ Agriculturist supplying raisins is **not liable to get registered u/s 23(1)** as it is **exempt** from GST.

Rule 8:- Procedure for Application for Registration

8(4A):- Aadhaar Authentication

- For applicants who don't choose Aadhaar authentication (**except those under Sec 25(6D)**):
 - **Photographs** of the applicant (individual) or specified individuals (non-individual entities) will be taken.
 - **Original documents** uploaded in **Form GST REG-01** will be verified at a **Facilitation Centre**.
- Application is deemed **complete** post successful verification.

Newly Inserted by N/n 09/2025



Section 30 :- Revocation of cancellation of Registration

The **PO** may either revoke cancellation of the registration or reject the application within the prescribed time and manner.

- **1st Proviso:** Before rejecting the application, the officer must give the applicant a chance to be heard.
- **2nd Proviso:** The revocation of cancellation will be allowed only if certain conditions and restrictions are followed.

Newly inserted F.A. 2024

Rule 16A: Grant of temporary identification number.

Newly Inserted by
N/n 07/2025

Where a person is not liable to registration under the Act but is required to make any payment under the provisions of the Act, the proper officer may grant the said person a temporary identification number and issue an order in Part B of FORM GST REG-12.



TAX INVOICE, DEBIT NOTE & CREDIT NOTE

Particulars of a tax invoice [Sections 31(1) & (2) read with rule 46]

(s)	A taxpayer whose turnover in any previous year since 2017-18 is above the notified limit can declare that they are not required to issue invoices in the special manner specified under Rule 48(4), even if an invoice is issued differently.
2nd Proviso (omitted)	Where an invoice is required to be issued u/s 31(3)(f), a registered person may issue a consolidated invoice at the end of a month for supplies covered u/s 9(4), the aggregate value of such supplies exceeds 5000 in a day from any or all suppliers:
3rd Proviso (Words inserted)	For exports of goods or services, the invoice must have a special endorsement indicating the supply is for export or for a SEZ unit/developer, either on payment of integrated tax or under bond/letter of undertaking without payment of integrated tax. Inserted by N/No. 20/2024

Self Invoice and Payment Voucher in Case of RCM [Section 31(3)(f) & (g) read with second proviso to rule 46 and rule 52]

- **Payment Voucher:** At the time of making payment to the supplier under reverse charge (Section 9(3)/(4)), the recipient must issue a payment voucher (Rule 52).
- **Self Invoice:** When goods or services are received from an unregistered supplier (**including those registered only for TDS u/s 51**) and the recipient is liable to pay tax under reverse charge (Section 9(3)/(4)), the recipient must issue a self-invoice (Sec31(3)(f) read with second proviso to Rule 46).
 - **Time Limit:** As per Rule 47A, the recipient must issue the self-invoice **within 30 days from the date of receipt** of goods or services.

Newly Inserted by N/No. 20/2024



Accounts, Records & E-Way Bill

Generation of unique enrolment number [Rule 138(3)]

Process to generate e-way bill by an URP

Newly Inserted by N/n no. 09/2025

Following persons required to generate the e-way bill shall submit the details electronically on the common portal in prescribed form and, upon validation of the details so furnished, a **unique enrolment number** shall be generated and communicated to the said person:-

- (i) An unregistered person making inter-State transport of handicraft goods **exempted** from obtaining compulsory registration and required to generate e-way bill irrespective of the value of the consignment.
- (ii) An unregistered person opting to generate e-way bill



RETURNS

Sec 39(3) : Furnishing of returns by TDS deductor

Old Provision	Every registered person required to deduct tax at source under the provisions of section 51 shall furnish, in such form and manner as may be prescribed, a return, electronically, for the month in which such deductions have been made within ten days after the end of such month.
Amendment	<p>Every RP who is required to deduct tax at source (TDS) u/s 51 must file a return every month in the prescribed form, even if no tax was deducted in that month.</p> <p>Note: As per Rule 66(1), the return must be filed in Form GSTR-7 on or before 10th of the following month, electronically on the GST portal, either directly or through a Facilitation Centre notified by the Commissioner.</p>

Substituted by F.A. 2024





REFUND

Sec 54(3): Refund of Tax

Subject to the provisions of sub-section (10), a RP may claim refund of any unutilised ITC at the end of any tax period

Proviso ~~No refund of unutilised ITC shall be allowed in cases where the goods exported out of India are subjected to export duty~~

Omitted by F.A. 2024

Sec 54(15): Refund of Tax

Notwithstanding anything contained in this section, no refund of unutilised ITC on account of zero-rated supply of goods or of IGST paid on account of zero-rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.

Newly Inserted by F.A. 2024



Inspection, Search, Seizure & Arrest

Sec 70(1A) : Power to summon persons to give evidence and produce documents:-

- All persons summoned under sub-section (1) shall be bound to attend, **either in person or by an authorised representative**, as such officer may direct, and
- the person so appearing shall **state the truth** during examination or make statements or **produce** such documents and other things as may be required.

Inserted by F.A. 2024



Demand & Recovery

Section 73:- Non-payment/ short payment etc. on account of reasons other than fraud, wilful misstatement or suppression of facts , **pertaining to the period upto F.Y. 2023-24**

words Inserted by F.A. 2024

Applicability of Sec 73 [Sec 73 (12)],

Provisions of this section shall be applicable for determination of tax pertaining to period upto F.Y. 2023-24.

Newly Inserted by F.A. 2024

Section 74:- Non-payment/ short payment etc. on account of fraud, wilful misstatement or suppression of facts , pertaining to the period upto F.Y. 2023-24 Inserted by F.A. 2024

Applicability of Sec 74 [Sec 74 (12)],

Provisions of this section shall be applicable for determination of tax pertaining to period upto F.Y. 2023-24. Newly Inserted by F.A. 2024

For the purposes of section 73 and section 74:-

- (i) the expression **“all proceedings in respect of the said notice”** shall not include proceedings under section 132;
- (ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under sections 122, 125, are deemed to be concluded.
- ~~(iii) **Explanation 2:- For the purposes of this Act, the expression “suppression” shall mean**~~ Omitted by F.A. 2024
 - ~~⇒ **non-declaration** of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or~~
 - ~~⇒ **failure to furnish any information** on being asked for, in writing, by the proper officer.~~

Section 74A: Determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilised (“such amounts”) for any reason pertaining to FY 2024-25 onwards Newly Inserted by F.A. 2024

1	Serving of SCN:- [Section 74A(1)] <ul style="list-style-type: none">⇒ If it appears to PO that any tax has not been paid or short paid or erroneously refunded, or ITC has been wrongly availed/ utilised, he shall serve notice on such person.⇒ Such person shall be required to show cause as to why he should not pay the amount specified in notice with interest payable u/s 50 & a penalty leviable under GST law.⇒ No notice shall be issued, if such amount in a FY is less than 1000.
2	Time limit to issue SCN:- <p>PO shall issue SCN within 42 months (i.e. 3 years & 6 months)</p> <ul style="list-style-type: none">⇒ from the due date for furnishing of annual return for the FY to which such amount relates to or⇒ from the date of erroneous refund.
3	Serving of a statement:- <p>If SCN is issued for any period, PO may serve a statement on person chargeable with tax containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under SCN.</p>
4	Statement deemed to be SCN:- <p>Service of such statement shall be deemed to be service of notice on such person under this sec, if grounds relied upon for such other tax periods are same as mentioned in earlier notice.</p>

5	Penalty:-	
	If such amounts are payable for any reason	Penalty shall be equivalent to
i)	other than fraud or wilful-misstatement or suppression of facts to evade tax:-	- 10% of tax due from such person or - ₹10,000, whichever is higher .
ii)	of fraud or any wilful-misstatement or suppression of facts to evade tax:-	tax due from such person.
6	Determination of amounts due:-	
	After considering the representation made by such person, PO shall determine tax , interest & penalty due from such person & issue an order.	
7	Time limit to issue order & extension:-	
	<p>⇒ PO shall issue order u/s 74A(6) within 12 months from date of issue of notice u/s 74A(2).</p> <p>⇒ If PO is not able to issue order within specified period, then before expiry of specified period, Commissioner or an officer authorised by him senior in rank to PO but not below rank of Joint Commissioner of CGST may extend said period further by a maximum of 6 months.</p> <p>⇒ for delay in issuance of Reasons order is to be recorded in writing.</p>	
8	Options to avoid penalty & proceedings in cases other than fraud, etc.:-	
	<p>If person is chargeable with such amounts for any reason other than fraud or wilful-misstatement or suppression of facts to evade tax, then he may:-</p> <p>i) on his own pay tax with interest payable u/s 50 on it, before the service SCN.</p> <ul style="list-style-type: none"> - The tax may be ascertained by him on his own or by PO also. - He shall inform PO in writing of such payment. - On receipt of such information, PO shall not serve any notice/statement under this sec for the tax so paid or any penalty payable under GST law. <p>ii) pay the said tax with interest payable u/s 50 within 60 days of issue of SCN,</p> <ul style="list-style-type: none"> - on doing so, no penalty shall be payable & - all proceedings in respect of the said notice shall be deemed to be concluded. 	
9	Options to avoid penalty & proceedings in cases of fraud, etc.:-	
	<p>If person is chargeable with by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, then he may,--</p> <p>i) on his own pay tax with interest payable u/s 50 on it & penalty of 15% of such tax, before the service SCN.</p> <ul style="list-style-type: none"> - The tax may be ascertained by him on his own or by PO also. - He shall inform PO in writing of such payment. - On receipt of such information, PO shall not serve any notice under this sec for the tax so paid or any penalty payable under GST law. <p>ii) pay the said tax with interest payable u/s 50 on it & penalty of 25% of such tax within 60 days of issue of SCN,</p> <ul style="list-style-type: none"> - on doing so, all proceedings in respect of said notice shall be deemed to be concluded. <p>iii) pay the tax with interest payable u/s 50 on it & penalty of 50% of such tax within 60 days of communication of order, &</p> <ul style="list-style-type: none"> - on doing so, all proceedings in respect of said notice shall be deemed to be concluded. 	

10	SCN for shortfall:-
	If PO is of opinion that amount paid u/s 74A(8)(l) or u/s 74A(9)(i) falls short of amount actually payable, he shall proceed to issue notice under this sec for such shortfall in amount.
11	SCN for shortfall:-
	Overriding sec 74A(8), penalty u/s 74A(5)(i) shall be payable if any amount of self-assessed tax or any amount collected as tax has not been paid within 30 days from the due date of payment of such tax
12	Applicability:-
	<p>This sec shall be applicable for determination of tax pertaining to FY 2024- 25 onwards.</p> <p>Explanation 1: Proceedings & its conclusion:-</p> <ul style="list-style-type: none"> ➤ Here, ‘all proceedings in respect of the said notice” shall not include proceedings u/s 132. ➤ If notice under same proceedings is issued to main person liable to pay tax & some other persons, & such proceedings against the main person have been concluded, the proceedings against all the persons liable to pay penalty u/s 122 & 125 are deemed to be concluded. <p>Explanation 2: Meaning of suppression:-</p> <p>Under GST, ‘suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under GST law, or failure to furnish any information on being asked for, in writing, by PO.</p>



Appeals and Revision

Sec 112:- Appeals to Appellate Tribunal

Appeal by aggrieved Person	Person aggrieved by order passed by AA/RA may appeal to AT against such order
Time limit for filing appeal	<p>Appeal shall be filed within 3 months (further extendible upto 3 months on sufficient cause) from the</p> <ul style="list-style-type: none"> ➤ date on which the order sought to be appealed against is communicated to person preferring the appeal or ➤ the date, as may be notified by Govt., on recommendations of Council, for filing appeal before the Appellate Tribunal under this Act, <p>whichever is later.</p>

Inserted by F.A. 2024

Application by Department	<ul style="list-style-type: none"> ➤ Commissioner may call for and examine the record of any order passed by AA/RA to satisfy himself about the legality or propriety of the said order - <ul style="list-style-type: none"> ➤ on his own motion, or ➤ on request from the SGST/ UTGST Commissioner. ➤ To determine specified point arising out of the said order, Commissioner may direct any subordinate officer to apply to AT within 6 months from date on which order has been passed or the date, as may be notified by Govt., on recommendations of Council, for the purpose of filing application before the Appellate Tribunal under this Act, whichever is later ➤ Such application made by authorised officer shall be dealt with by AT as if it were an appeal made against the order of AA/RA & provisions of GST Act shall apply accordingly. ➤ No pre-deposit is required for departmental appeal. <div style="text-align: right;">Inserted by F.A. 2024</div>
Memorandum of cross objections	<ul style="list-style-type: none"> ➤ The Appellate Tribunal may admit an appeal within 3 months after the expiry of the period referred to in sub-section (1) or permit the filing of an application within 3 months after the expiry of the period referred to in sub-section (3), or permit the filing of a memorandum of cross-objections within 45 days after the expiry of the period referred to in sub-section (5) if it is satisfied that there was sufficient cause for not presenting it within that period. ➤ Party against whom appeal/application is preferred may file a memorandum of cross-objections electronically in APL-06 against any part of order appealed against within 45 days (further extendible upto 45 days on sufficient cause) of receipt of notice of appeal. ➤ It may be filed manually in APL-06, only if Registrar allows the same by issuing a special or general order to that effect, subject to such conditions & restrictions as specified in said order. ➤ It shall be disposed of by AT like an appeal made within specified time for filing initial appeal. <div style="text-align: left;">Inserted by F.A. 2024</div>

MANDATORY PRE-DEPOSIT

As per Section 107(6)(b): Appeals to AA	As per Sec 112(8): Appeals to AT
<ul style="list-style-type: none"> ➤ Appeal can be filed by appellant only when he pays the following as pre-deposit:- <ul style="list-style-type: none"> ➤ full amount of tax, interest, fine, fee & penalty arising from impugned order as is admitted by him & ➤ 10% of disputed tax arising from said order, subject to maximum of ₹25 Crore ₹20 Crore (₹ 40 Crore in case of IGST). ➤ Further, no appeal shall be filed to AA against an order u/s 129(3), unless a sum equal to 25% of penalty has been paid by appellant. ➤ Payment of pre-deposit ensures staying of recovery proceedings for the balance amount of demand in dispute. 	<ul style="list-style-type: none"> ➤ Appeal can be filed by appellant only when he pays the following as pre-deposit:- <ul style="list-style-type: none"> ➤ full amount of tax, interest, fine, fee & penalty arising from impugned order as is admitted by him & ➤ 20% 10% of disputed tax arising from said order, in addition to amount deposited before AA as pre-deposit, subject to maximum of ₹50 Crore ₹ 20 Crore (₹ 40 Crore in case of IGST). ➤ On payment of this pre-deposit, recovery proceedings for balance amount shall be deemed to be stayed till the disposal of appeal. <div style="text-align: right;">Substituted by F.A. 2024</div>

Sec 20 of IGST Act : Application of provisions of Central Goods and Services Tax Act:-

Old 5th Proviso	Where appeal is to be filed before Appellate Authority or Appellate Tribunal, the maximum amount payable shall be 50 Crore and 100 Crore respectively.
Amendment	Maximum ₹40 Crore shall be payable for each appeal to be filed before the Appellate Authority or the Appellate Tribunal. Substituted by F.A. 2024



OFFENCES AND PENALTIES

Sec 122 (1B) : Penalty in case of ECO

~~Any ECO who~~ **Any ECO, who is liable to collect tax at source u/s 52,—** **Substituted by F.A. 2024**

- allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;
- allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or
- fails to furnish the correct details in the statement to be furnished u/s 52(4) of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act, shall be liable to pay a **penalty of**
- 10,000, or
- an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax u/s 10,
whichever is higher.

Sec 128A : Waiver of interest or penalty or both relating to demands raised u/s 73, for certain tax periods:-

Inserted by F.A. 2024

- Overriding entire act, if any tax is payable by a person chargeable with tax for period from 01/07/17 to 31/03/20, or a part thereof, as per,—
 - a notice issued u/s 73(1) or a statement issued u/s 73(3), & where no order u/s 73(9) has been issued; or
 - an order passed u/s 73(9), & where no order u/s 107(11) or u/s 108(1) has been passed; or
 - an order passed u/s 107(11) or u/s 108(1), & no order u/s 113(1) has been passed, & the said person pays full tax payable as per notice / statement / order referred above, on or before the date that may be notified by Govt., then
 - person shall not be liable to pay interest u/s 50 & penalty** under this act &
 - all proceedings** for the said notice/order/statement shall be **deemed to be concluded**, subject to prescribed conditions.

Proviso

1

If a notice has been issued u/s 74(1), & an order is passed or required to be passed by PO as per direction of Appellate Authority (AA) or Appellate Tribunal (AT) or court as per sec 75(2), **said notice or order shall be considered to be notice/order referred to in (a)/(b) above.**



	Proviso 2	If application is filed u/s 107(3) or u/s 112(3) or an appeal is filed by an officer of CGST u/s 117(1) or u/s 118(1) or where any proceedings are initiated u/s 108(1), against an order in (b) or (c) above or against the directions of AA or AT or court referred above, the said conclusion of proceedings shall be subject to condition that the said person pays additional tax payable, if any, as per order of AA or AT or court or Revisional Authority, within 3 months from date of said order.
(2)	Above provision shall not apply to any amount payable by person due to erroneous refund .	
(3)	Above provision shall not apply in cases where an appeal or writ petition filed by the said person is pending before AA or AT or court & has not been withdrawn by him on or before the date notified above.	
(4)	Overriding entire act, if above specified amount is paid & proceedings are deemed to be concluded, no appeal u/s 107(1) or u/s 112(1) shall lie against an order referred to in (b) or (c).	

Notification issued u/s 128A(1) - N/No. 21/2024

S I . No.	Class of registered person	Date upto which payment for tax payable as per notice/statement/order referred to in sec 128A(a)/(b)/(c), can be made for waiver of interest &/or penalty.
1.	RPs to whom a notice/ statement/ order referred to in sec 128A(a)/(b)/(c) has been issued	31.03.2025
2.	RPs to whom a notice has been issued u/s 74(1), for period referred to in sec 128A(1), & an order is passed or required to be passed by PO in pursuance of the direction of Appellate Authority, or Appellate Tribunal, or a court, as per sec 75(2), for determination of tax payable by such person, deeming as if notice were issued u/s.73(1)	Date ending on completion of 6 months from date of issuance of order by PO redetermining tax u/s 73.

Sections 73 and 74 are no longer applicable, having been superseded by the provisions of Section 74A, which is now in effect from 1st November 2024.

Particulars	Provisions
Composition Scheme	<p>Sec 10(5): Recovery and Penalty</p> <p>If the PO has reasons to believe that a taxable person has paid tax u/s 10(1) or 10(2A), despite not being eligible, such person shall, in addition to any tax that may be payable by him under any other provisions of this Act, be liable to a penalty & the provisions of section 73 or section 74 or section 74A shall, mutatis mutandis, apply for determination of tax and penalty.</p>
Input Tax Credit	<p>Sec 21: Manner of recovery of credit distributed in excess:-</p> <p>Where the ISD distributes the credit in contravention of the provisions contained in section 20 resulting in excess distribution of credit to one or more recipients of credit, the excess credit so distributed shall be recovered from such recipients along with interest, and the provisions of section 73 or section 74 or section 74A, as the case may be, shall, mutatis mutandis, apply for determination of amount to be recovered.</p>
	<p>Rule 121: Recovery of credit wrongly availed:-</p> <p>The amount credited under sub-rule (3) of rule 117 may be verified and proceedings under section 73 or section 74 or section 74A, as the case may be, shall be initiated in respect of any credit wrongly availed, whether wholly or partly.</p>
Payment of Tax	<p>Sec 49(8)(c): Order of discharging liabilities:-</p> <p>Every taxable person shall discharge his tax and other dues under this Act, or the rules made thereunder in the following order, namely:-</p> <ol style="list-style-type: none"> self-assessed tax, and other dues related to returns of previous tax periods. self-assessed tax, and other dues related to the return of the current tax period. any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74 or section 74A.
	<p>Sec 50(1): Interest on delayed payment of tax:-</p> <p>The interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date as per sec 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 or section 74A in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.</p>
	<p>Rule 88B(1): Manner of calculating interest on delayed payment of tax:-</p> <p>In case, where the supplies made during a tax period are declared by the registered person in the return for the said period and the said return is furnished after the due date in accordance with provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 or section 74A in respect of the said period, the interest on tax payable in respect of such supplies shall be calculated on the portion of tax which is paid by debiting the electronic cash ledger, for the period of delay in filing the said return beyond the due date, at such rate as may be notified under sub-section (1) of section 50.</p>

TDS-TCS	<p>Sec 51(7): Tax deduction at source:- The determination of the amount in default under this section shall be made in the manner specified in section 73 or section 74 or section 74A.</p>
Accounts & Records	<p>Sec 35(6): Accounts and other records:- Subject to the provisions of section 17(5)(h), where the registered person fails to account for the goods or services or both as per sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such person and the provisions of section 73 or section 74 or section 74A, as the case may be, shall, mutatis mutandis, apply for determination of such tax.</p>
Assessment	<p>Sec 61(3): Scrutiny of returns:- In case no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under section 65 or section 66 or section 67, or proceed to determine the tax and other dues under section 73 or section 74 or section 74A.</p>
	<p>Sec 62(1): Assessment of non-filers of returns:- Notwithstanding anything to the contrary contained in section 73 or section 74 or section 74A, where a registered person fails to furnish the return under section 39 or section 45, even after the service of a notice under section 46, the proper officer may proceed to assess the tax liability of the said person to the best of his judgement taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.</p>
	<p>Sec 63: Assessment of unregistered persons:- Notwithstanding anything to the contrary contained in section 73 or section 74 or section 74A, where a taxable person fails to obtain registration even though liable to do so or whose registration has been cancelled under sub-section (2) of section 29 but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgment for the relevant tax periods and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relate.</p>
	<p>Sec 64(2): Summary assessment in certain special cases:- On an application made by the taxable person within thirty days from the date of receipt of order passed under sub-section (1) or on his own motion, if the Additional Commissioner or Joint Commissioner considers that such order is erroneous, he may withdraw such order and follow the procedure laid down in section 73 or section 74 or section 74A.</p>
	<p>Sec 65(7): Audit by tax authorities:- Where the audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74 or section 74A.</p>

	<p>Sec 66(6): Special Audit:- Where the special audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74 or section 74A.</p>				
Advance Ruling	<p>Sec 104(1): Advance ruling to be void in certain circumstances:- I</p> <p>If Authority/Appellate Authority finds that advance ruling pronounced by it u/s 98(4) or u/s 101(1) has been obtained by applicant/appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab-initio & all the GST law shall apply it as if such advance ruling had never been made.</p> <table border="1"> <tr> <td>Proviso</td><td>No order shall be passed unless an opportunity of being heard has been given to applicant or appellant.</td></tr> <tr> <td>Explanation</td><td>The period beginning with the date of such advance ruling and ending with the date of order under this sub-section shall be excluded while computing the period specified in section 73(2) & 73(10) or section 74(2) & 74(10) or section 74A(2) & 74A(7). Inserted by F.A. 2024</td></tr> </table>	Proviso	No order shall be passed unless an opportunity of being heard has been given to applicant or appellant.	Explanation	The period beginning with the date of such advance ruling and ending with the date of order under this sub-section shall be excluded while computing the period specified in section 73(2) & 73(10) or section 74(2) & 74(10) or section 74A(2) & 74A(7). Inserted by F.A. 2024
Proviso	No order shall be passed unless an opportunity of being heard has been given to applicant or appellant.				
Explanation	The period beginning with the date of such advance ruling and ending with the date of order under this sub-section shall be excluded while computing the period specified in section 73(2) & 73(10) or section 74(2) & 74(10) or section 74A(2) & 74A(7). Inserted by F.A. 2024				
Refund	<p>Rule 96B(1): Recovery of refund of unutilised ITC or IGST paid on export of goods where export proceeds not realised:-</p> <p>Where any refund of unutilised input tax credit on account of export of goods or of integrated tax paid on export of goods has been paid to an applicant but the sale proceeds in respect of such export goods have not been realised , in full or in part, in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period, the person to whom the refund has been made shall deposit the amount so refunded, to the extent of non- realisation of sale proceeds, along with applicable interest within thirty days of the expiry of the said period or, as the case may be, the extended period, failing which the amount refunded shall be recovered in accordance with the provisions of section 73 or section 74 or section 74A of the Act, as the case may be, as is applicable for recovery of erroneous refund, along with interest under section 50.</p>				
Demand & Recovery	<p>Sec 75:General provisions relating to determination of tax:-</p> <p>Sec 75(1): Where the service of notice or issuance of order is stayed by an order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74 or sub-sections (2) and (7) of section 74A, as the case may be.</p> <p>Sec 75(2A): Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty u/s 74A(5)(ii) is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, u/s 74A(5)(i).</p>				

Sec 75(10): The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sec 73(10) or in sec 74(10) or in sec 74A(7).

Sec 75(11): An issue on which the Appellate Authority or the Appellate Tribunal or the High Court has given its decision which is prejudicial to the interest of revenue in some other proceedings and an appeal to the Appellate Tribunal or the High Court or the Supreme Court against such decision of the Appellate Authority or the Appellate Tribunal or the High Court is pending, the period spent between the date of the decision of the Appellate Authority and that of the Appellate Tribunal or the date of decision of the Appellate Tribunal and that of the High Court or the date of the decision of the High Court and that of the Supreme Court shall be excluded in computing the period referred to in subsection (10) of section 73 or sub-section (10) of section 74 **or subsection (7) of section 74A** where proceedings are initiated by way of issue of a show cause notice under the said sections.

Sec 75(12): Notwithstanding anything contained in section 73 or section 74 **or section 74A**, where any amount of self-assessed tax in accordance with a return furnished under section 39 remains unpaid, either wholly or partly, or any amount of interest payable on such tax remains unpaid, the same shall be recovered under the provisions of section 79.

Sec 75(13): Where any penalty is imposed under section 73 or section 74 **or section 74A**, no penalty for the same act or omission shall be imposed on the same person under any other provision of this Act.

Rule 142:- Notice and order for demand of amounts payable under the Act

Rule 142(1): The proper officer shall serve, along with the

- (a) Notice issued under section 52 or section 73 or section 74 **or section 74A** or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130, a summary thereof electronically in FORM GST DRC-01,
- b) Statement under sub-section (3) of section 73 or sub-section (3) of section 74 **or section 74A(3)**, a summary thereof electronically in FORM GST DRC-02, specifying therein the details of the amount payable.

Rule 142(1A): The proper officer may, before service of Notice to the person chargeable with tax, interest and penalty, under sub-section (1) of Section 73 or sub-section (1) of Section 74 **or section 74A(1)**, as the case may be, communicate the details of any tax, interest and penalty as ascertained by the said officer, in Part A of FORM GST DRC-01A.

Rule 142(2): Where, before the service of Notice or statement, the person chargeable with tax makes payment of the tax and interest in accordance with the provisions of sub-section (5) of section 73 **or section 74A(8)(i), as the case may be, or tax, interest and penalty in accordance with the provisions of section 74(5) or section 74A(9)(i)**, or where any person makes payment of tax, interest,

penalty or any other amount due in accordance with the provisions of the Act whether on his own ascertainment or, as communicated by the proper officer under sub-rule (1A), he shall inform the proper officer of such payment in FORM GST DRC-03 and an acknowledgement, in FORM GST DRC-04 shall be made available to the person through the common portal electronically.

Rule 142(2B): Where an amount of tax, interest, penalty or any other amount payable by a person under section 52 or section 73 or section 74 or **section 74A** or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130, has been paid by the said person through an intimation in FORM GST DRC-03 under sub-rule (2), instead of crediting the said amount in the electronic liability register in FORM GST PMT -01 against the debit entry created for the said demand, the said person may file an application in FORM GST DRC-03A electronically on the common portal, and the amount so paid and intimated through FORM GST DRC-03 shall be credited in Electronic Liability Register in FORM GST PMT -01 against the debit entry created for the said demand, as if the said payment was made towards the said demand on the date of such intimation made through FORM GST DRC-03.

Rule 142(3): Where the person chargeable with tax makes payment of tax and interest u/s 73(8) or u/s 74A(8)(ii), as the case may be, or tax, interest and penalty u/s 74(8) or u/s 74A(9)(ii), as the case may be, within the period specified therein, or where the person concerned makes payment of the amount referred to in section 129(1) within 7 days of the notice issued under sub-section (3) of that Section but before the issuance of order under the said sub-section (3),

- he shall intimate the proper officer of such payment in FORM GST DRC-03 &
- the proper officer shall issue an intimation in FORM GST DRC-05 concluding the proceedings in respect of the said notice.

Rule 142(4): The representation referred to in sub-section (9) of section 73 or sub-section (9) of section 74 **or section 74A(6)** or sub-section (3) of section 76 or the reply to any Notice issued under any section whose summary has been uploaded electronically in FORM GST DRC-01 under sub-rule (1) shall be furnished in FORM GST DRC-06

Rule 142(5): A summary of the order issued under section 52 or section 62 or section 63 or section 64 or section 73 or section 74 **or section 74A** or section 75 or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130 shall be uploaded electronically in FORM GST DRC-07, specifying therein the amount of tax, interest and penalty, as the case may be, payable by the person concerned.

Rule 88D(3): Manner of dealing with difference in ITC available in auto-generated statement containing the details of input tax credit and that availed in return:- Where any amount specified in the intimation referred to in sub-rule (1) remains to be paid within the period specified in the said sub-rule and where no explanation or reason is furnished by the registered person in default or where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be liable to be demanded in accordance with the provisions of section 73 or section 74 **or section 74A**, as the case may be.

Offences & Penalties & Prosecution	<p>Sec 127: Power to impose penalty in certain cases:-</p> <p>Where the proper officer is of the view that a person is liable to a penalty and the same is not covered under any proceedings under section 62 or section 63 or section 64 or section 73 or section 74 or section 74A or section 129 or section 130, he may issue an order levying such penalty after giving a reasonable opportunity of being heard to such person.</p>		
Appeal & Revision	<p>Sec 107: Appeals to Appellate Authority</p> <p>Sec 107(11): The Appellate Authority shall, after making such further inquiry as may be necessary, pass such order, as it thinks just and proper, confirming, modifying or annulling the decision or order appealed against but shall not refer the case back to the adjudicating authority that passed the said decision or order.</p> <table border="1" data-bbox="391 697 1536 1005"> <tr> <td data-bbox="391 697 553 1005"> Proviso 2 </td><td data-bbox="553 697 1536 1005"> <p>Where Appellate Authority is of the opinion that any tax has not been paid or short-paid or erroneously refunded, or where ITC has been wrongly availed or utilised, no order requiring the appellant to pay such tax or ITC shall be passed unless the appellant is given notice to show cause against the proposed order and the order is passed within the time limit specified u/s 73 or sec 74 or section 74A.</p> </td></tr> </table>	Proviso 2	<p>Where Appellate Authority is of the opinion that any tax has not been paid or short-paid or erroneously refunded, or where ITC has been wrongly availed or utilised, no order requiring the appellant to pay such tax or ITC shall be passed unless the appellant is given notice to show cause against the proposed order and the order is passed within the time limit specified u/s 73 or sec 74 or section 74A.</p>
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CUSTOMS ACT 1962



Foreign Trade Policy (FTP)

1. Trade facilitation measures introduced with an option available to the Central Government for consultation with relevant stakeholders to seek their views and also providing the mechanism on best endeavour basis, to inform reasons for not accepting views concerning the formulation or amendment of the Foreign Trade Policy.

FTP 2023 has been amended by inclusion of Para 1.07A and Para 1.07B in Chapter 1 which provides as under:-

Consultation with Stakeholders

The Central Government, in the course of formulation of FTP, as and when it deems reasonable to do so, may seek views/ suggestions/ comments/ feedback from relevant stakeholders, including importers/ exporters/ industry experts with regard to formulation, incorporation of specific provision(s) or amendments in the FTP, and to the extent possible, 30 days' time-period may be provided to such relevant stakeholders for submission of their views/ suggestions/ comments/ feedback.

However, Central Government reserves the right to suo moto formulate, amend or incorporate any specific provisions, without seeking views, suggestions, comments, or feedback from stakeholders.

Soliciting of views, suggestions, comments or feedback

If the views, suggestions, comments or feedback are not incorporated in the FTP, the Central Government may to the extent possible and if deems reasonable to do so, provide, to the relevant stakeholders, including importers/exporters/industry experts the reasons for not considering their views etc. while formulating, amending or incorporating specific provisions in the FTP.

However, Central Government is not obliged or mandated to disclose reasons for not incorporating views etc., that

- (i) has the potential to or will adversely affect trade relations with any foreign country.
- (ii) would adversely affect food, economic or national security of India;
- (iii) is in conflict with any government policies, strategic programs, international obligations or commitments or long-term plans and would undermine the objectives of such policies or programs;
- (iv) addresses matters unrelated to trade or serve narrow, private or special interests to the detriment of or contrary to the broader public interest, good; or
- (v) would require the disclosure of confidential or classified information Nothing shall confer any legal right whatsoever on any person to seek reasons for his views comments, opinions or feedback, not being incorporated in the Foreign Trade Policy thereof.

Further, no legal right shall be conferred on any person to seek reasons for his views, comments, opinions or feedback, not being incorporated in the FTP thereof.