

# Chapter 09 - SEC 49 : Payment of Tax



CA Vishal Bhattar

Debit	Sec 49(1): E-Cash Ledger	Credit
<b>49(3) Utilization of E-Cash Ledger</b>	<b>Deposit of Amount in E-Cash Ledger</b>	
It may be utilised for making payment of <b>[Liability Register]</b>	<ul style="list-style-type: none"> <li>Internet banking /UPI/IMPS</li> <li>By using credit or debit cards</li> <li>NEFT or RTGS</li> </ul>	
<ul style="list-style-type: none"> <li>Tax (output/RCM)</li> <li>Interest</li> <li>Penalty</li> <li>Fees (late fee)</li> <li>Any other dues</li> </ul>	Payment (PMT-06) by above mode only through authorised bank.	
Balance if any in E- cash ledger will be carry forward or refunded	<ul style="list-style-type: none"> <li>Amount of TDS u/s 51</li> <li>Amount of TCS u/s 52</li> </ul>	
1) Over the Counter(OTC) cash Payment - ₹ 10,000 per challan per tax period		
<b>Exception : Cash payment (OTC) without limit:-</b>		
a) Payment by Govt. Department or person notified by Comm.		
b) P.O. authorised to recovery dues from person including recovery through sale of property/during investigation etc.		
2) <b>Special Payment mode for OIDAR or Online money gaming:-</b> International money transfer system of SWIFT network.		

## Rule 87 :- Tax Payment Challan

E-Challan	PMT- 06	Other Aspects relating to challan
<b>Validity</b>	for 15 days from generation on CP	<b>CPIN :-</b> 1. <b>Common portal Identification Number.</b>
<b>Date of payment</b>	When amount is successfully credited in government A/C. & CIN generated by Bank.	2. It is created for every Challan successfully generated by the taxpayer.
<b>Credit to E-cash Led.</b>	On receipt of CIN the same amt. is credited into the E-cash ledger	3. <b>It is a 14-digit unique number to identify the challan.</b>
<b>RBI's e-Scroll</b>	If CIN is not generated after payment, the ledger can be updated based on RBI's e-Scroll,	4. CPIN remains valid for a period of 15 days.
<b>Non-Generation of CIN</b>	If CIN isn't generated or reflected on the portal, use PMT-07 to make a representation.	<b>CIN:-</b> 1. <b>Challan Identification number</b>
<b>Reporting Discrepancies</b>	Report any discrepancies on the CP in prescribed form.	2. It is when payment is actually received by authorised banks or RBI & credited in the Govt. A/c
<b>Payment by URP</b>	URP must pay through the E-cash ledger using a temporary ID generated on CP. eg. CTP, NRTP	3. It is indication of successful payment of account.
		4. CIN is communicated by authorised bank to taxpayer as well as to CP.
		5. <b>It is 18 digit number that is 14 digit CPIN plus 4 digit Bank code.</b>

Debit		E-Credit Ledger		Credit
49(4) Utilization of E-Credit		49(2) Amount assessed in E-credit Ledger		
It may be used for making payment of output tax only		The IC as self assessed in the return of a R.P. shall be credited to his E-Credit ledger		
Balance if any in E-credit ledger will be carry forward (without time limit)				
Analysis:-				
Tax dues	Utilisation of cash ledger	Utilisation of Credit ledger	Manner of utilization of ITC [Sec 49(5) + Sec 49(A) + Sec 49(B)]	
GST	✓	✓	INWARD SUPPLY      OUTWARD SUPPLY	
Other Dues			First      Any      Any	
Interest	✓	✗	IGST      CGST      SGST	
Penalty	✓	✗	First      Second	
Fees	✓	✗	CGST      IGST	
Other Amt.	✓	✗	First      Second	
			SGST      IGST	
			Note: Cross credit of CGST & SGST/UTGST are not allowed.	

## Imp Points - E-Credit Ledger (Cir.No. 172/04/2022)

- Used for Payment of Output Tax
  - Cannot be used for RCM
  - Cannot be used for payment of other liabilities
- Note:-** Cannot be used to repay erroneous refunds sanctioned in cash

## Sec 49(6) Refund :- E-cash & E-Credit Ledger

- Refund of excess balance:-
- E-cash ledger:-** Immediately allowed on filing application of refund in FORM RFD - 01
  - E-Credit Ledger :-** Refund of excess balance of ITC is not allowed except in following cases
    - i) ITC of ZRS
    - ii) Inverted duty rate (Output tax is less than Input tax)
- Detailed discussion in chapter refund**

E- Liability Register					
<b>Discharge of Tax Liability Sec 49(7) &amp; (8) (IMP)</b>	<p>1. All liabilities(tax, interest, penalty etc.) shall be recorded and maintained in an Electronic Liability Register</p> <p>2. Order of Discharge of liability -</p> <ol style="list-style-type: none"> <li>Self-assessed tax, and other dues related to <b>Returns of Previous Tax Period</b></li> <li>Self-assessed tax, and other dues related to the Return of the <b>Current Tax Period</b></li> <li>Any other amt payable under this Act including the demand for recovery of tax u/s <b>73/74/74A</b></li> </ol> <p><b>*Other dues : Interest, Penalty, Late fee</b></p>				
<b>Utilization of E-Liability Register</b>	<table> <tr> <th>Debit Amount (DR)</th><th>Credit Amount (CR)</th></tr> <tr> <td> <ul style="list-style-type: none"> <li>Amount payable towards tax, interest, fees penalty or any other dues.</li> <li>Amount payable on demand order u/s <b>73/74/74A</b></li> </ul> </td><td> <ul style="list-style-type: none"> <li>Electronic cash ledger</li> <li>Electronic Credit ledger</li> </ul> </td></tr> </table>	Debit Amount (DR)	Credit Amount (CR)	<ul style="list-style-type: none"> <li>Amount payable towards tax, interest, fees penalty or any other dues.</li> <li>Amount payable on demand order u/s <b>73/74/74A</b></li> </ul>	<ul style="list-style-type: none"> <li>Electronic cash ledger</li> <li>Electronic Credit ledger</li> </ul>
Debit Amount (DR)	Credit Amount (CR)				
<ul style="list-style-type: none"> <li>Amount payable towards tax, interest, fees penalty or any other dues.</li> <li>Amount payable on demand order u/s <b>73/74/74A</b></li> </ul>	<ul style="list-style-type: none"> <li>Electronic cash ledger</li> <li>Electronic Credit ledger</li> </ul>				
<b>Certain liability only to be discharge through cash ledger</b>	<ul style="list-style-type: none"> <li>TDS u/s 51 or TCS u/s 52</li> <li>Amount payable under RCM</li> <li>Amount payable u/s 10 (C.L.)</li> <li>Any amount payable towards interest, penalty, fees.</li> </ul>				
<b>Reduction in penalty</b>	If tax get reduced after payment of tax , interest or penalty as mentioned in SCN/DO u/s <b>73/74/74A</b> the E-Liability regiser shall be credited accordingly.				

## Special Discussion- Transfer of balance of E-Cash Ledger (all following amounts are assumed)

Major Head				20th of next month			Transfer between own E-cash ledger		Transfer bet <sup>n</sup> E-Cash Ledger of DDP (PMT - 09)	
Minor Head	IGST (₹)	CGST (₹)	SGST (₹)		IGST	CGST	SGST			
Tax	50,000	10,000	10,000	Output Tax	60,000	30,000	30,000	R.P. can transfer (through PMT-09) amount between different major & minor heads within their E-cash Ledger for payment	R.P. can also trasfer any amount available in major & minor heads of IGST/CGST in E-cash ledger to the E-Cash Ledger for IGST/CGST of <b>DDP (u/s 25(4)/25(5))</b>	
Interest	1,000	500	500	Less: ITC	(30,000)	(5,000)	(5,000)	IGST/CGST/SGST/UTGST/Cess	Provided there is no unpaid liability in his (first DDP who is transferring amount) E-Liability register.	
Fee	-	-	-	<b>Net liability</b>	<b>30,000</b>	<b>25,000</b>	<b>25,000</b>	<b>Note :-</b> Any transfer between any head-allowed	<b>Note:-</b> Transfer major & minor head of SGST/UTGST between DDP is not allowed.	
Penalty		2,000	2,000	<b>Existing Bal.</b>	<b>(50,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>			
Other	-	-	-	<b>Shifting</b>	<b>IGST</b>	<b>10,000</b>	<b>10,000</b>			
					<b>Interest</b>	<b>1,000</b>	<b>1,000</b>			
					<b>Penalty</b>	<b>2,000</b>	<b>2,000</b>			





Sec 51- TDS	
Who is liable (i.e who will deduct TDS)	<ul style="list-style-type: none"> <li>Specified persons like <b>CG, SG, LA, Govt Agencies.</b></li> <li>Public Sector Undertakings (PSU).</li> <li><b>Society</b> established by CG/SG under Society Act.</li> <li>An <b>authority/Board</b> or Other body established by Any act or Govt. with 51% or more equity concern with Govt.</li> <li><b>Any RP receiving supplies of metal scrap from other RP.</b></li> </ul>
TDS rate	1% CGST, 1% SGST or 2% IGST
Threshold limit	TDS is applicable only when <b>taxable value of contract exceeds ₹2.5 lakh</b> (excluding GST). TDS is deducted at the time of credit or payment, whichever is earlier.
Payment	
Due date	Deductor shall deposited TDS deducted by <b>10th of succeeding month.</b>
TDS Certificate	<b>GSTR-7A</b> to be provided to deductee.
TDS Return	<b>GSTR-7 (to be filed on or before the 10th day of the next month.)</b>
Non-Compliance	Failure to deposit TDS: Interest @ 18% u/s 50(1) & Penalty u/s Sec 73 or 74/ <b>74A/122</b>
E-cash ledger	TDS deducted shall <b>reflect in Cash ledger</b> of Deductee.
Excess or erroneous deduction of TDS	<b>Refund</b> as per Sec 54, <b>but no refund, if TDS is credited to E-cash ledger of deductee.</b>
Non-Applicability	<ul style="list-style-type: none"> <li>Value of taxable supply in a Contract value <math>\leq</math> ₹ 2,50,000</li> <li>Exempt supplies</li> <li>Supplies under RCM.</li> <li>Supplier is URP.</li> <li>LOS &amp; POS are in same state, but LOR is in different state.</li> <li><b>SOG/SOS</b> between all notified persons u/s 51(1)(a) to (d), <b>excluding metal scrap received by RPs.</b></li> </ul>

#### CBIC Clarification:

1)	<b>1) TCS by Tea Board of India (Cir. no 74/48/2018)</b>
2)	<b>Multiple ECOs :</b> In a scenario involving multiple ECOs where a customer orders through ECO-1, which is linked to ECO-2 (the one with a supplier agreement), TCS will be collected by ECO-2, the ECO making payment to the supplier. ECO-1 will not have the GST information of the supplier.

Sec 52- TCS	
Who is liable	Every ECO not being an agent is required to collect tax on <b>Net value of Taxable supplies.</b>
TCS Rate	<b>0.25 % CGST, 0.25% SGST &amp; 0.50% IGST</b>
Net Value of Taxable supplies:	Aggregate value of taxable supplies <b>other than</b> notifies services u/s 9(5)      XX Less: Aggregate value of taxable supplies returned to supplier      (XX) Net value of taxable supplies      XX <b>Note:</b> Above value is calculated for each supplier on <b>monthly basis</b> . No TCS if net value is Nil or Negative.
TCS in case of services notified u/s 9(5)	Notified services u/s 9(5) where TCS provisions are applicable: a) Renting of accommodation by hotel who is liable to register u/s 22(1). b) Housekeeping services by supplier who is liable to register u/s 22(1). c) Restaurant services at specified premises where tariff $\geq$ ₹7,500 p.u per day. <div>In this cases Sec 9(5) is not applicable</div>
Monthly Statement	<b>GSTR-8 by 10th of next month</b> but maximum within 3 years from its due date. <b>Note:</b> After filing of GSTR-8 by ECO, supplier can claim TCS in their E-cash ledger.
Annual Statement	<b>GSTR-9B before 31st Dec following the end of FY.</b>
Rectification of errors:	Any omission or incorrect particulars (other than in scrutiny, audit, inspection), ECO can rectify in the statement along with interest. <b>Time limit:</b> Earlier of 30th Nov of next FY or date of filing Annual statement.
Late Fee	<b>Lower of:</b> ₹ 200 [ ₹100 each for CGST & SGST] for every day during which such failure continues or ₹ 10,000 [ ₹5,000 each for CGST & SGST]
Penalty	U/s 122 & Penalty upto ₹ 25,000
Registration:	<ul style="list-style-type: none"> <li>If ECO required to collect TCS u/s 52 &amp; Supplier supplying goods through ECO liable to TCS are <b>compulsorily</b> register under GST (subject to exception covered in sec 24).</li> <li>Supplier supplying services through ECO liable to TCS               <ul style="list-style-type: none"> <li><b>Services u/s 9(5):</b> TCS is not applicable if ECO is liable to pay tax.</li> <li><b>Services other than Sec 9(5):</b> Threshold is available u/s 22.</li> </ul> </li> <li>ECO has to obtain separate registration for TCS though already register for GST.</li> <li>ECO is required to register for TCS in <b>each</b> state/UT in which suppliers listed on their platform are located,</li> </ul>
Foreign ECO:	Foreign ECO not having place of business in India would be liable to TCS where supplier & customers are in India & shall register in each state/UT.
Non-Applicability	<ul style="list-style-type: none"> <li>If supplier is not liable for registration, ECO is not required to collect TCS.</li> <li>Exempt supplies.</li> <li>Composition taxpayers cannot make SOS through ECO.</li> <li>Import of goods or services as it is covered under RCM.</li> <li>Supplies own product through his own website.</li> <li>Goods purchased from different Vendors &amp; then sold under own billing.</li> </ul>



# Chapter 10:- REGISTRATION



CA Vishal Bhattar

## Sec 22 Persons liable for registration

Every supplier liable to be registered in the State or UT from where he makes a taxable supply, if his **Agg. T/O** in a F.Y. **exceeds following limits.**

**Analysis:-** Limit for Threshold

State/UT	If exclusively engaged in SOG	If engaged in SOS or SOG + SOS
⇨ Manipur ⇨ Mizoram ⇨ Nagaland ⇨ Tripura	10 lakhs	10 lakhs
⇨ Pondicherry ⇨ Uttarakhand ⇨ Meghalaya ⇨ Arunachal Pradesh ⇨ Telangana ⇨ Sikkim	20 lakhs	20 lakhs
All the other States incl. following Sp. category state - Assam, J& K, H.P.	<b>40 lakhs</b>	20 lakhs

In following cases extended limit 40 Lakh is not applicable

a)	Required to take compulsory registration	General threshold also not available
b)	Person who taken voluntary registration.	
c)	Supply of i) Ice-cream or edible ice ii) Pan Masala iii) All Tobacco & Tobacco product iv) Fly ash bricks v) Fly ash aggregates vi) Fly ash blocks vii) Building Bricks viii) Bricks of fossils ix) Earthen or ruffing tiles	10L/20L threshold is available

**Interest or Discounting :-** For Calculation of threshold limit, Interest or Discount on loan, advances & deposits is includible, but for determining extended limit, it shall not be considered.

**Other aspects:-**

Agent	Supply made by agent on the behalf of principals to be <b>added</b> in agg. t/o of agent (if agent issues own invoice = compulsory reg. u/s 24)
Job-worker	Supply made by job worker on the behalf of principals <b>not to be added</b> in agg. t/o of JW
Transfer of business	When business is transferred, whether on account of succession or otherwise then Transferee/Successors shall take new reg.

## Sec 23: Persons not liable for Registration (even if agg. t/o exceeds threshold)

- Engaged in exclusive supply of
  - ⇨ not liable to tax or
  - ⇨ wholly exempt from tax.
- An **Agriculturist**, to the extent of supply of produce out of cultivation of land.
- Person who are only engaged in making supplies on which is tax **liable to be paid on reverse charge** basis by the recipient u/s 9(3)

**Note:** This notification doesn't apply to suppliers of metal scrap.

**Sec 2(7) of "agriculturist"** means an individual or a HUF who undertakes cultivation of land -

- by own labour, or
- by the labour of family, or
- by servants on wages under own or family supervision

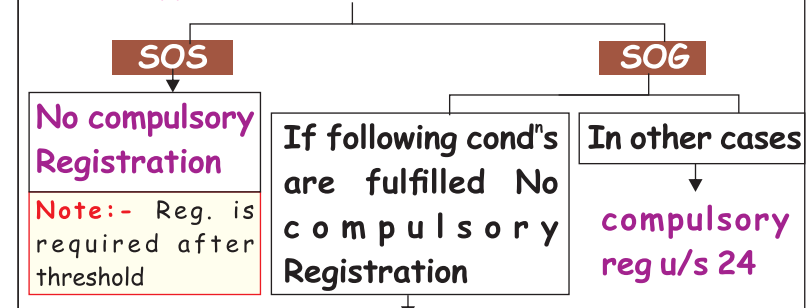
## Sec 24:- Compulsory Registration

- Persons making any inter-State taxable supply**  
**Exceptions :** Following category of person not required to register till threshold of 20/10L even though making Inter-State taxable supply  
 (a) Persons making inter-State **supplies of taxable services**  
 (b) Person making inter-state taxable supplies of **handicraft goods**.  
**Conditions:** Person holding PAN & generate E way bill
- Casual taxable persons making taxable supply**  
**Exceptions :** CTP making taxable supplies of handicraft goods. (eligible for 10L/20L/40L threshold)
- Persons who are required to pay tax under **reverse charge**
- Person who are required to pay tax under **Sec 9(5) -ECO**
- Non-resident taxable persons** making taxable supply
- Persons who are required to **deduct TDS u/s 51**. (Separate Registration for TDS is required)
- Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an **agent or otherwise (agent issuing own invoice)**

(viii) **Input Service Distributor**, (Separate Registration for ISD is required)

(ix) **every ECO who is required to collect TCS u/s 51.** ((Separate Registration for TCS is required)

(x) **Person supplies goods or services through ECO u/s 52**



- ⇨ No inter State Supply for such supplier by ECO
- ⇨ Declared on portal PAN & address of POB & State
- ⇨ Portal will grant enrollment no. after validation of PAN
- ⇨ ECO shall not allow supply unless enrolment no. provided to it.
- ⇨ Supplier after crossing threshold apply for Reg. & enrollment no. shall be ceases

**Note:-** Registration is required after threshold

(xi) **every person supplying OIDAR** services from a place outside India to a person in India, other than a RP.

(xii) **every person supplying online money gaming** from a place outside India to a person in India; and

(xiii) Any other person **notified by C.G.**

## Sec 25:- Timeline for application for Registration & other procedure

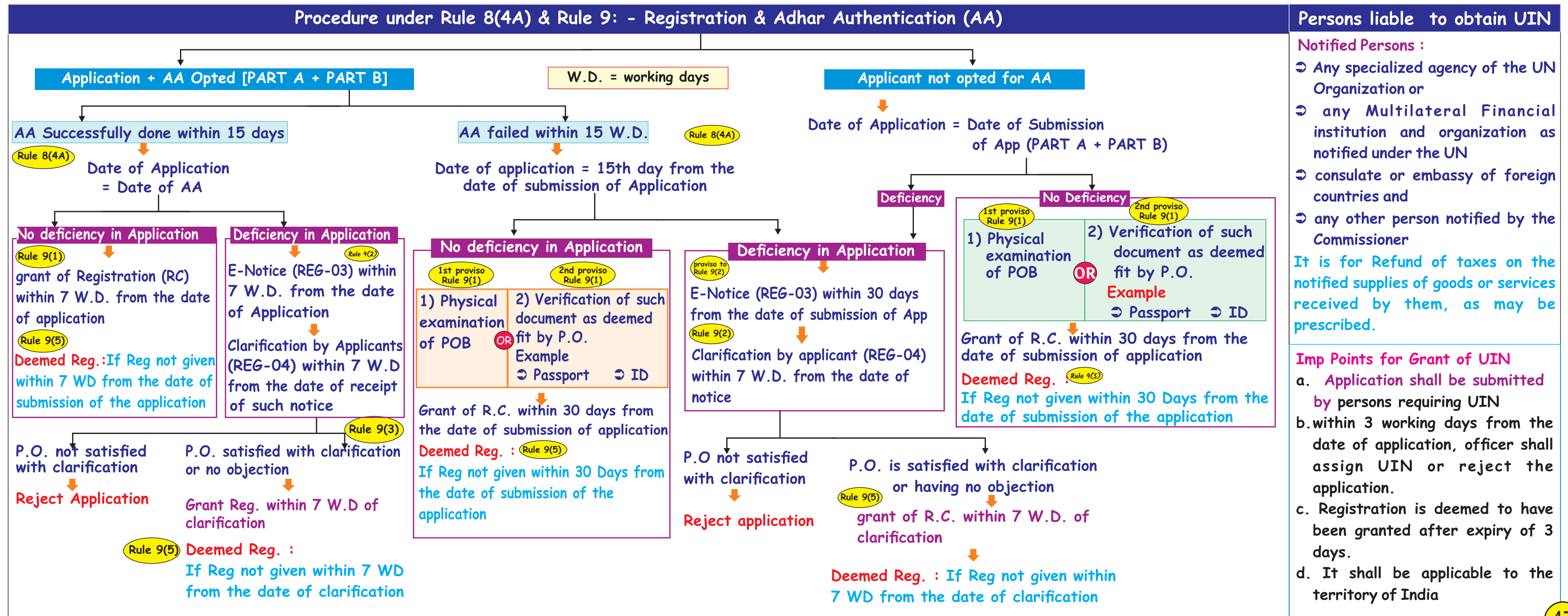
Particulars	Where	When
<b>Person who is liable to be register u/s 22/24</b>	In every such ST/UT in which he is so liable	within <b>30 days</b> from the date on which he becomes liable to registration
<b>Units in SEZ or SEZ Developer</b>	shall apply for a separate registration for unit in SEZ & outside the SEZ in a same ST or UT.	
<b>Person making supply in Territory Water</b>	in the coastal State or UT where the nearest point of the appropriate baseline is located.	
<b>A CTP or a NRTP</b>	in every such State/UT in which he is so liable	at least <b>5 days</b> prior to the commencement of business
<b>PAN</b>	1. Person shall have a PAN in order to be eligible for grant of registration 2. <b>Exceptions :</b> (a) A Person required to deduct TDS (b) A NRTP (Passport basis)	
<b>Registration in State</b>	Normally single registration in a state shall be allowed but Separate registration if multiple place of business within a State/UT may be granted at the option of supplier.	

<b>Voluntary Registration</b>	A person who is not liable to be registered under section 22 or section 24 may get himself registered voluntarily. All the provision of this act is applicable.						
<b>DDP</b>	Already discussed in sec 25(4) and 25(5)						
<b>Bank Details</b>	<b>Rule 10A :-</b> RP (except person liable to TDS/TCS) shall furnished Bank A/c details on common portal after obtaining certificate of registration & a GSTIN but <b>earlier of :</b> <ul style="list-style-type: none"> <li>⇨ within 30 days from date of grant of registration, or</li> <li>⇨ before furnishing GSTR-1 or IFF.</li> </ul> <b>Note:-</b> In case of TDS/TCS, Bank details are mandatory at the time of Registration.						
<b>Issue of Registration Certificate [Rule 10]</b>	1. <b>Certificate of registration in GST REG-06</b> and GSTIN of 15 digit . 2. Display of RC and GSTIN on the name board at the entry and in a prominent location at his Principal POB and additional POB. 3. Effective date of registration :						
	<table> <tr> <th>Application files from Liability date</th><th>Registration Effective from</th></tr> <tr> <td>within 30 days</td><td>Date on which the person becomes liable to registration</td></tr> <tr> <td>Not within 30 days</td><td>date of grant of registration</td></tr> </table>	Application files from Liability date	Registration Effective from	within 30 days	Date on which the person becomes liable to registration	Not within 30 days	date of grant of registration
Application files from Liability date	Registration Effective from						
within 30 days	Date on which the person becomes liable to registration						
Not within 30 days	date of grant of registration						



## Sec 25 - Authentication (Aadhar) Process under GST

Object	To control fake invoices, dummy address registration & multiple registration at same place.		AA not applicable to 25(6D)	(a) not a citizen of India (b) a Department or establishment of the CG or SG (c) a Local Authority (d) a Statutory Body (e) a Public Sector Undertaking (f) a person applying for registration u/s 25(9)(UIN)
Sec 25 (6A) read with Rule 10B	Person Applying for fresh Registration			
RP shall undergo authentication of Addhar no.(if addhar is not authenticated earlier) for following purposes 1) application for revocation of cancellation of registration 2) For filing of refund application 3) refund for export goods	Sec 25 (6B): Individual  1) Authentication: Individual shall undergo ⇒ Authentication or ⇒ Furnish proof of possession of Aadhar no. with Reg. application in order to eligible for grant of reg.	Sec 25 (6C) : Every person other than individual  1) Authentication: Such person shall undergo Authentication or Furnish proof of possession of Aadhar no. of ⇒ Karta (HUF) ⇒ M.D. (Company) ⇒ Whole time director (Company) ⇒ Member of managing committee (AOP) ⇒ Board of trustees (Trust) ⇒ Authorised representative ⇒ Authorised Signatory ⇒ Notified person by C.G.	Physical verification of business premises	(1) If physical verification of POB is needed after grant of registration:- PO may get it done & verification report & other documents with photos, shall be uploaded in REG-30 within 15 working days following date of such verification.  (2) If physical verification of POB is needed before grant of registration:- PO shall get it done & verification report & other documents with photos shall be uploaded in REG-30 at least 5 working days prior to completion of time period to grant reg.
The consequences for failure to undergo authentication or Aadhar No. is not assigned : Reg. shall be granted only after physical verification of the place of business in the presence of the said person				



### Persons liable to obtain UIN

- Notified Persons :**
- ⇒ Any specialized agency of the UN Organization or
  - ⇒ any Multilateral Financial institution and organization as notified under the UN
  - ⇒ consulate or embassy of foreign countries and
  - ⇒ any other person notified by the Commissioner

It is for Refund of taxes on the notified supplies of goods or services received by them, as may be prescribed.

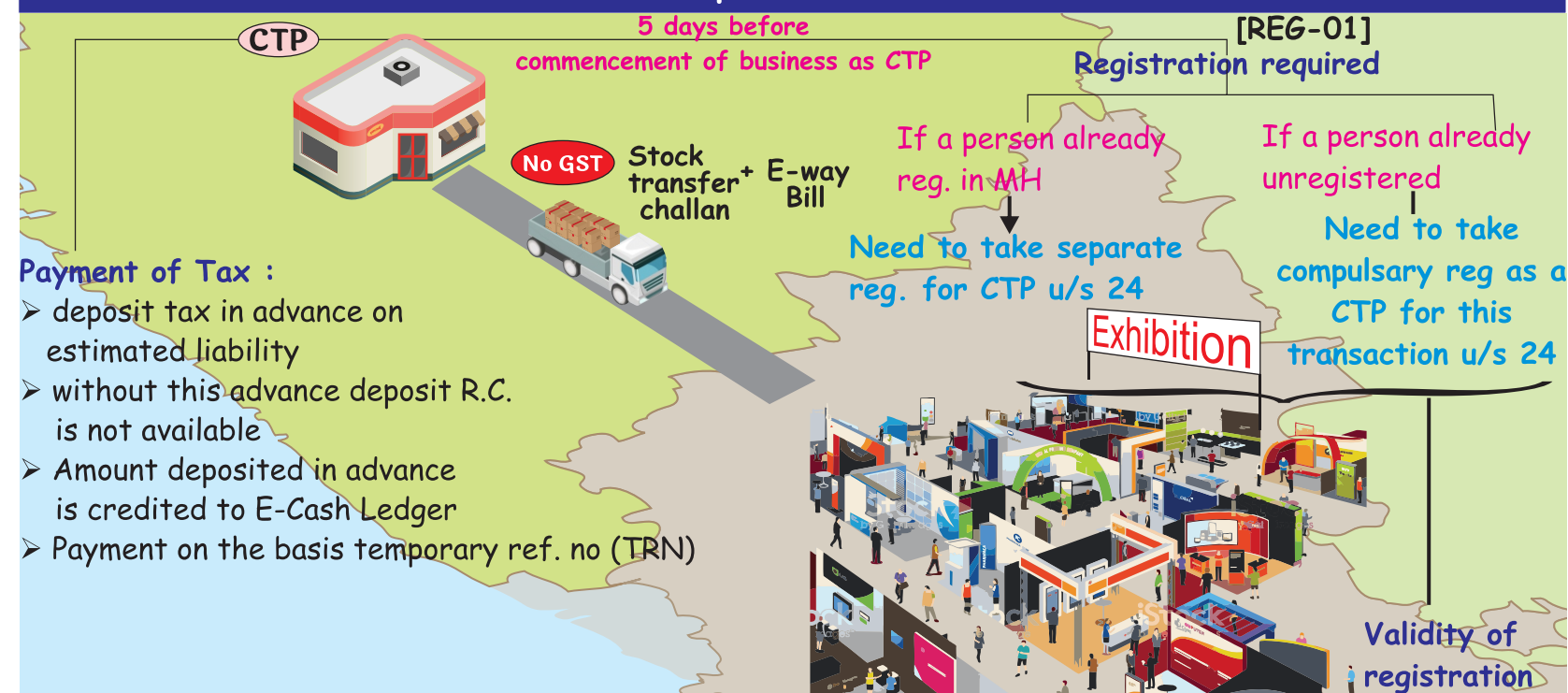
### Imp Points for Grant of UIN

- Application shall be submitted by persons requiring UIN
- within 3 working days from the date of application, officer shall assign UIN or reject the application.
- Registration is deemed to have been granted after expiry of 3 days.
- It shall be applicable to the territory of India

## Sec 26 - Deemed Registration

Grant of registration/UIN under any SGST Act/ UTGST Act is deemed to be registration/UIN granted under CGST Act/ IGST Act

## Sec 27 Concept of CTP and NRTP



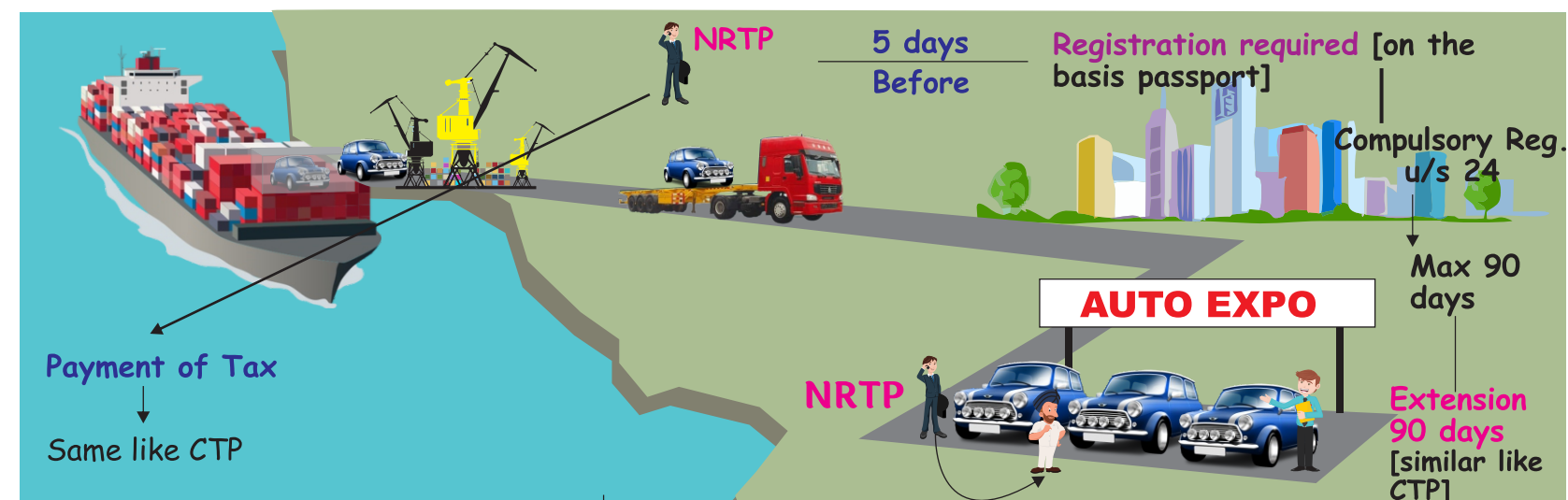
### Eligibility of ITC

- CTP can take ITC of Input/CG/IS while making payment of tax in advance
- If reg. extended for further 90 days then he again deposit tax on estimate liability

### Return filing [CTP]

- 1) He will submit GSTR -1 on 11th of next month [during CTP period]
- 2) He will submit GSTR -3B on due date [during CTP period]
- 3) a) If final tax is more than adv. tax paid then differential amt. is payable  
b) If final tax is less than adv. tax paid then he can claim Refund

- 1) For a period as mentioned in application
- 2) but max for 90 days [which can be further extended for 90 days]



### Eligible of ITC

No ITC except Imported goods

### Return

Special Return (GSTR-5)

### Sale - Tax invoice

value 1,00,000  
IGST  
%18% 18,000

## Concept of CTP and NRTP

**CTP= a person who occasionally undertakes transactions**

- involving supply of SOG &/or SOS
- in the course or furtherance of business,
- whether as principal, agent or in any other capacity,
- in a ST/UT where he has no fixed POB

**NRTP= any person who occasionally undertakes transactions**

- involving supply of SOG &/or SOS
- whether as principal or agent or in any other capacity,
- but who has no fixed place of business or residence in India.

### Registration provisions

- Compulsory registration u/s 24
- Registration before commencement of business and with advance POT
- Registration REG-01
- PAN required

- Compulsory registration u/s 24
- Registration before commencement of business and with advance POT
- Registration REG-09
- Valid passport required

### Threshold Exemption

Not available

Not available

### Composition Scheme

Not available

Not available

### Return provisions

GSTR-1, GSTR-3B

GSTR-5

### ITC provisions

ITC of all I/CG/IS is available

ITC only on imported goods is available

### Important Comment

- 1) CTP or NRTP will apply for Registration at least 5 days prior to commencement of business
- 2) Advance deposit of tax at the time of Submitting the registration application.
- 3) Registration is valid for 90 days (further extension for 90 days)
- 4) Annual Return is not required for CTP & NRTP

## Sec 28 :- Amendment of Registration

1. Intimation of any changes in the information furnished to be made to proper officer **within 15 days**.
2. Amendments in non core field can be made directly on common portal but approval is required for Amendments in core fields.

Core Field

Legal name of business

Address of PPoB/ APoB - Principal place of Business

Non Core Field

Addition, deletion or retirement of partners or directors, Karta, Managing Committee, Board of Trustees, Chief Executive Officer or equivalent, responsible for day to day affairs of the business

Mobile no./e-mail address of authorised signatory can be amended only after online verification through GST Portal.



Sec 29:- Cancellation of Registration			
Suo Moto Cancellation [Section 29 (1) & (2)]	➡ Business discontinued      ➡ Transferred including death      ➡ Demerged ➡ Amalgamated with others   ➡ Otherwise disposed of		
	➡ Change in the constitution of the business		
	➡ The TP is no longer liable to be registered u/s 22 or 24 or ➡ intends to optout of the registration voluntarily		
Cancellation of registration by PO on his own motion only	Following are the circumstances where the PO may cancel the registration of a person from such date, including any retrospective date, as he may deem fit:-		
	a)	A RP has contravened following provisions (Rule 21):-	
	b) & c)	Dummy POB or invoice	➡ He does not conduct any business from the declared POB or ➡ He issues invoice/bill without supply in violation of GST law.
		Violation of Specified provision	➡ He violates the provisions of Anti-Profeetering measure ➡ He violates the provision of furnishing of bank account details ➡ He avails ITC in violation of sec 16 oread with rules ➡ He violates the provision of rule 86B [restriction of 99% ITC]
		Mismatch of GSTR-1/1A & 3B	Outward supply declared in <b>GSTR-1/1A</b> for one or more tax period is in excess of supplies declared in return.
	Non-filing of return	Normal scheme	RP has not furnished monthly returns for a continuous period of <b>6 months</b>
		QRMP scheme	RP has not furnished returns under QRMP for a continuous period of <b>2 tax periods</b> (i.e. 2 quarters).
		Composi- tion Levy	A person paying tax under Composition Scheme (Sec 10) has not furnished return for a F.Y. beyond <b>3 months</b> from the due date of furnishing the said return
		fails to file return after revocation order	➡ failed to file returns due between the order of cancellation and revocation of registration within 30 days of the revocation order. ➡ If the cancellation was retrospective, failed to file all returns from the date of order of cancellation date to the revocation order within 30 days.
	d)	No start of business	Voluntary <b>RP</b> u/s 25(3)(Voluntary registration) has not commenced business within <b>6 months</b> from the date of registration.
	e)	Fraudulent Activity	Registration has been obtained by means of fraud, wilful misstatement or suppression of facts.
	Proviso	PO shall not cancel registration without giving the person an <b>opportunity of being heard</b> .	
	Proviso	During pendency of proceedings relating to cancellation of registration, PO may suspend the registration for the period & in the manner prescribed.	

Suspension of Registration

Applied for cancellation

OR

Suspend the Registration

While pendency of cancellation proceeding

Scenerio	Effective Date of Suspension
Registered Person applied for cancellation of registration.	Date of Submission of application or Date from which cancellation is sort } <b>Later</b>
Cancellation initiation by Department	Date Determination by Proper Office

➤ While Registration suspended -

- ➡ shall not make taxable supply (i.e. shall not issue a tax invoice & shall not charge the tax on supplies paid not him )
- ➡ Shall not furnish any return

➤ Suspension shall be revoked with effect from suspension Date [Provision of revised tax invoice & first return applicable]

Procedure for Cancellation

Where the RP applies for cancellation

Where the PO cancels the registration

1) RP shall apply within 30 days of occurrence of the event warranting cancellation,

2) furnishing the details of

- ➡ inputs held in stock or
- ➡ inputs contained in semi-finished/ finished goods held in stock and of
- ➡ capital goods held in stock

on the date from which cancellation of registration is sought, liability thereon, payment, if any made & relevant documents.

Proper officer (PO) shall issue the order of cancellation within 30 days of submission of application for the same.

PO shall issue a SCN to the registered person who has to reply to said notice within 7 days.

Proceedings shall be dropped

If reply to SCN is satisfactory

Where instead of replying to SCN, person furnishes all pending returns & makes full payment of tax along with interest & late fee.

Cancellation order shall be issued within 30days of reply to SCN where registration is liable to be cancelled

Sec 30:- Revocation of Cancellation of Registration

1) RP whose reg. is cancelled by P.O. apply for revocation [subject to rule 10B] of cancellation **within 90 Days** from date of service of order of cancellation.

2) **Extension :-** by Commissioner or an authorised officer- not below the rank of AC or JC for further upto 180 days

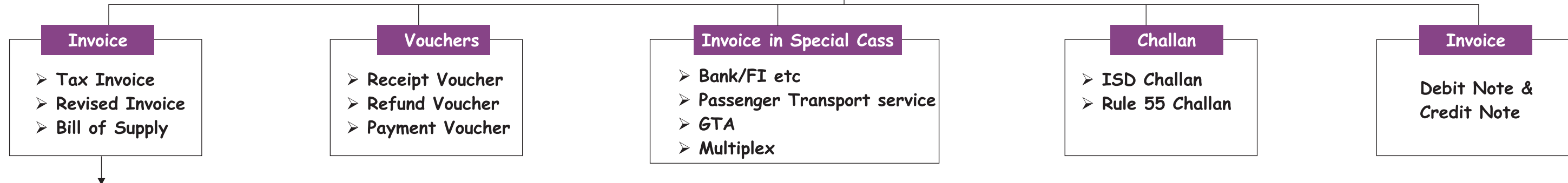
3) On application P.O. may revoke cancellation or reject application

4) Revocation under SGST/UTGST act shall deemed to revocation under CGST/ IGST Act.

V'smart Academy

49

# CHAPTER 11 - TAX INVOICE, DEBIT NOTE & CREDIT NOTE

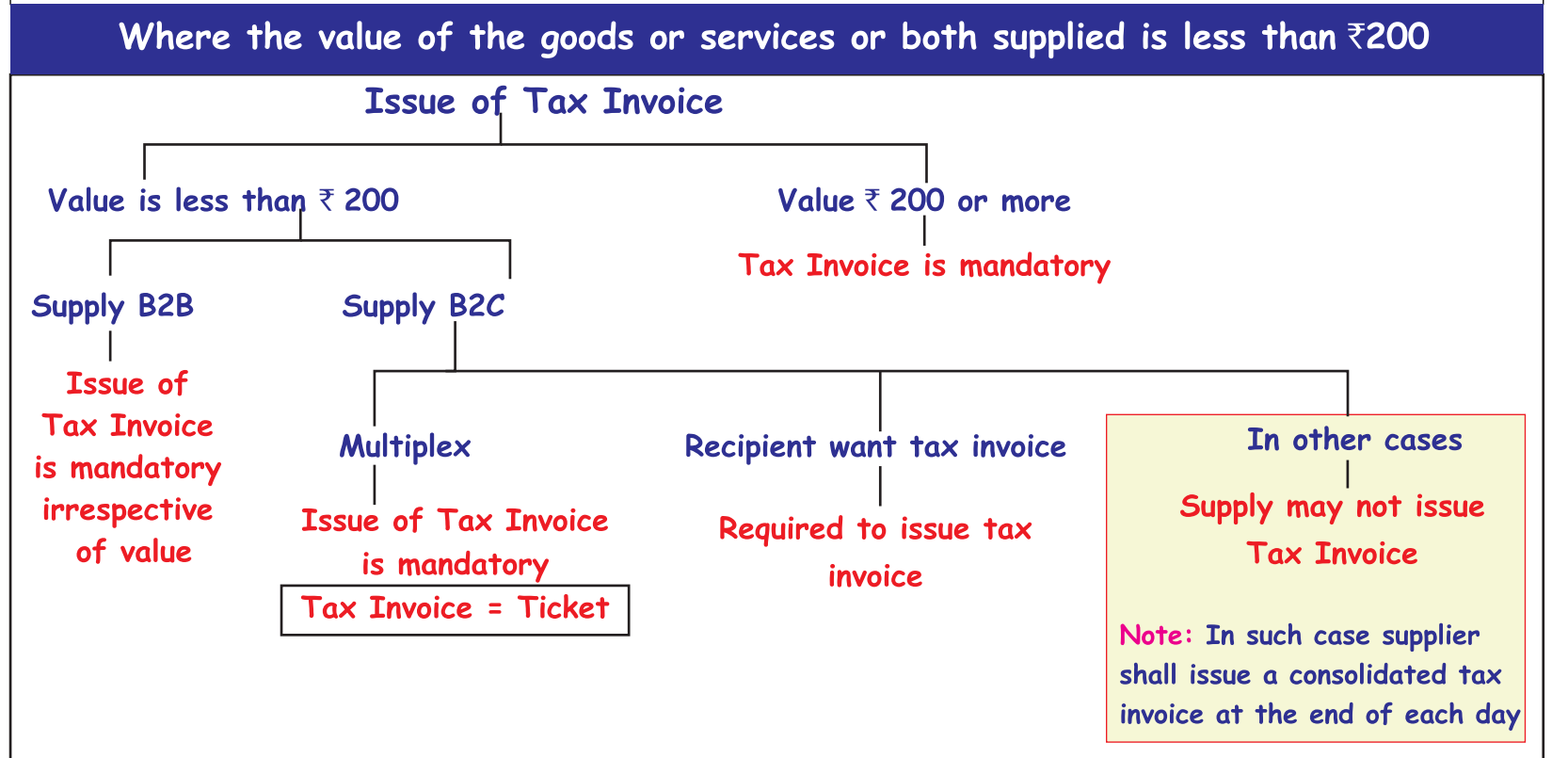


Particular	Tax Invoice : Supply of goods		Tax Invoice : Supply of Service	
Normal case	Invoice shall be issued - On or before		Invoice shall be issued - On or before	
	a) If movement involved-	At the time of removal for supply	a) Provision of services	within 30 days from Completion
	b) In other case-	At the time of delivery or made available	b) Bank/FI/NBFC/ Insurer	within 45 days from Completion
			Insurer/ Bank/ FI/ NBFC/ Telecom/ other notified person	where service to DDP, i) When Supplier records in books of A/c ii) Last date of qtr. whichever is earlier
	Government may (a) specify the categories of services or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed. (b) subject to the condition mentioned therein, specify the categories of services in respect of which— (i) any other document deemed to be a tax invoice or (ii) tax invoice may not be issued.			
Continuous Supply of goods / services	Invoice shall be issued before or at the time ➤ each such successive statement or ➤ each such successive payment is received Whichever is earlier		Invoice shall be issued on or before a) Due date of payment by recipient ascertainable in contract-on such date b) If due date not ascertainable - date of payment received c) If completion of event are fixed in contract-Last date of completion of such event	
Supply on sale or return/ Approval basis	Invoice shall be issued a) Before/at the time of supply [i.e. approval given by recipient] b) 6 months from the date of removal, } whichever is earlier		—	
Cessation of SOS	—		Invoice shall be issued at the time when supply ceases & such invoice only to the extent supply made before such cessation	

Content of Invoice [Rule 46]			
a) Name, Address and GSTIN	f) HSN code	i) Total value	n) Address of delivery
b) Consecutive Number Series	g) Description of SOG/SOS	j) Taxable value	o) If reverse charge applicable
c) Date of Issue	h) Quantity of goods	k) Rate of tax	p) Signature of digital Signature
d) Name of address & GSTIN or UIN of recipient	l) Amount of tax charged	q) Nature of document	
e) Other details of Unregistered recipient	m) Place of supply	r) Quick Response(QR) Code	

s) Declaration that not required to prepare an invoice as per rule 48(4)

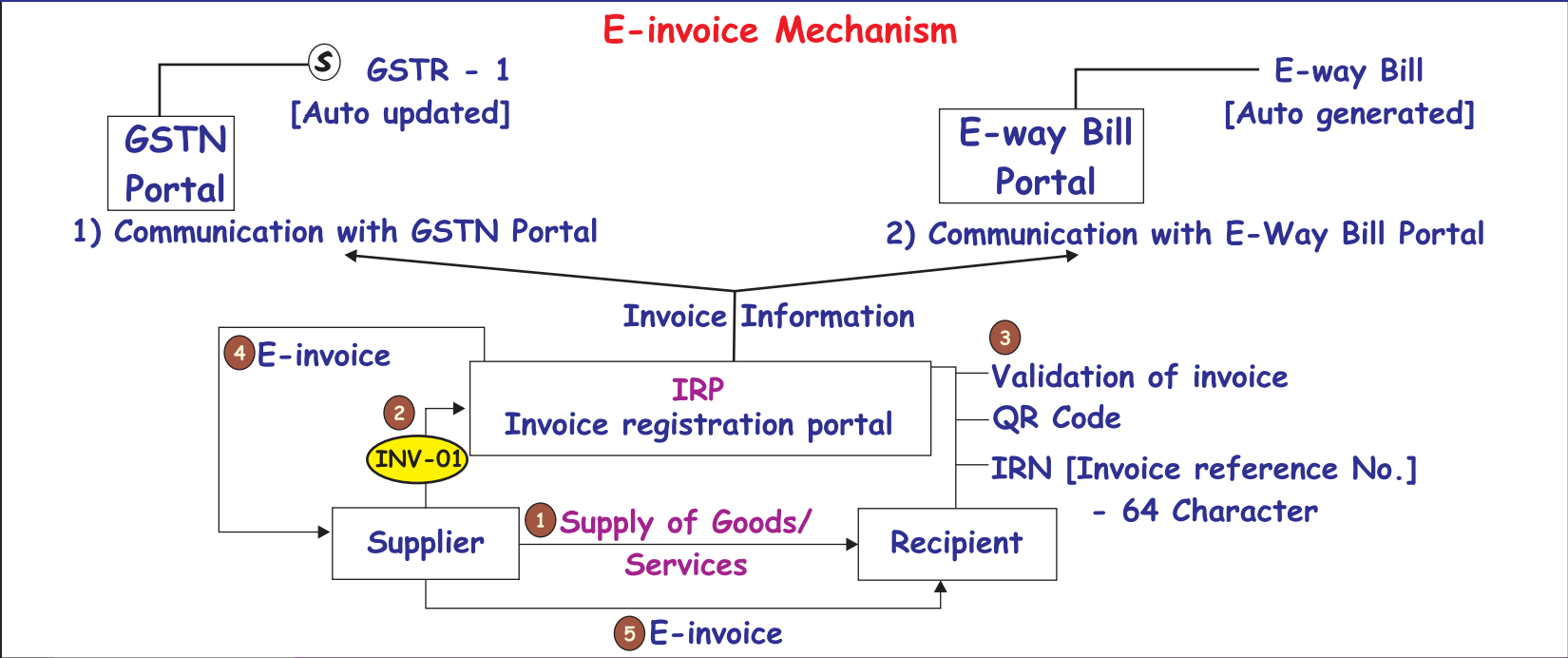
Notes : 1)Consecutive serial number shall not exceed 16 characters for tax Invoice in one/multiple series shall be maintained same for a F.Y.



Manner of issuing Tax Invoice Rule 48:-	
Normal Invoice	1) In case of taxable SOG Invoice shall be prepared in <b>Triplicate</b> 2) In case of taxable SOS Invoice shall be prepared in <b>Duplicate</b> 3) Serial number of invoices issued during a tax period shall be furnished electronically in GSTR - 1/ <b>1A</b>
E-Invoice	1)Notified classes of person obtaining invoice reference no. from E-invoice portal 2) Invoice void, if invoice reference no. not quoted 3) Does not require to issue Duplicate or Triplicate copy



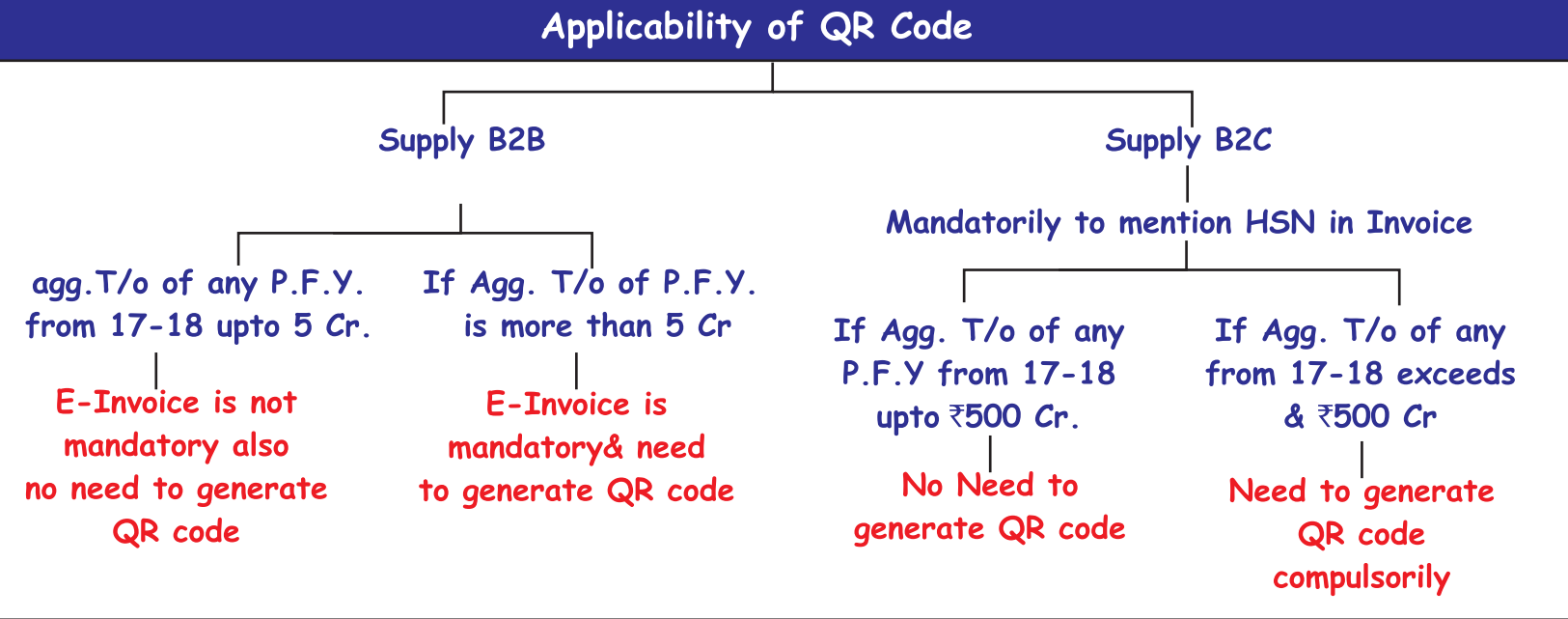
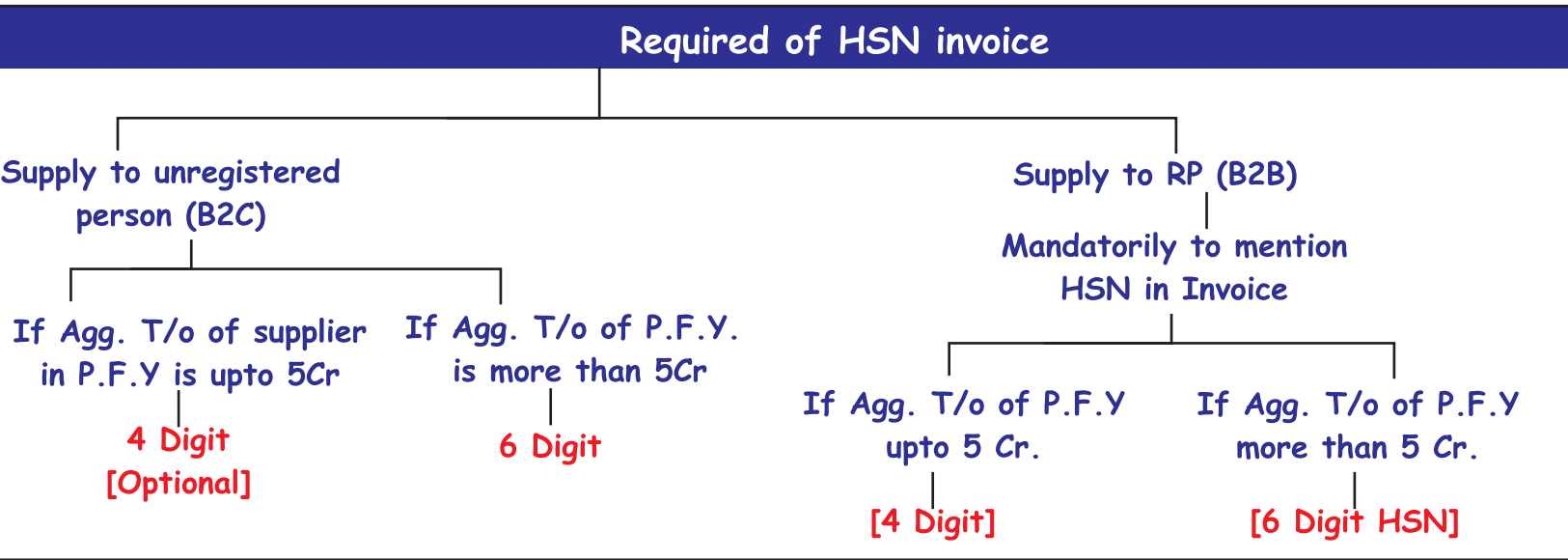
Rule 48(4) : E-invoicing



1	What is E-Invoicing?	An E-invoice refers to the requirement for businesses to generate and issue invoices electronically through the government's IRP (Invoice registration portal).
2	Applicability	RP with an Agg. T/o exceeds ₹5 crores in Any P.F.Y. from 2017-18 onwards are required to issue e-invoices for ➤ B2B transactions ➤ exports Supply ➤ Debit Note & Credit note.
3	Non-Applicability	<div>1) for B2C invoices</div> <div>2) RP with an Agg. T/o below / upto ₹5 crores in all F.Y. from 2017-18,</div> <div>3) Input Service Distributors (ISD),</div> <div>4) Import of goods,</div> <div>5) Government, LA, SEZ units, insurers, banks, NBFCs, GTA, suppliers of passenger transportation &amp; Multiplexes.</div> <div>6) Certain reverse charge scenarios (explain later).</div> <div>7) Exempt Supply (nil rate + wholly exempt + non-taxable)</div>
4	Advantages of E-Invoicing	<div>➤ <b>Efficiency:</b> Automates reporting of invoices in GST returns and e-way bill generation.</div> <div>➤ <b>Accuracy:</b> Reduces transcription errors &amp; facilitates reconciliation with purchase orders.</div> <div>➤ <b>Tax Compliance:</b> Helps in matching ITC with output tax, reducing tax evasion.</div> <div>➤ <b>Fraud Prevention:</b> Curbs fake invoicing and fraudulent ITC claims.</div>
5	Important Notes for SEZ	<div>➤ <b>SEZ Units vs. Developers:</b> Only SEZ units are exempt from E-invoicing &amp; not SEZ developers i.e. provision of E-invoice applicable to SEZ Developer.</div> <div>➤ <b>Entity-Wide Exemption:</b> The exemption applies to the entire entity of SEZ unit, regardless of the nature of the supply.</div>
6	E-Invoice incase of Reverse Charge	<div>E-invoicing mandates are primarily directed at suppliers based on their annual turnover thresholds</div> <div>➤ <b>If supplier is RP (u/s 9(3))</b> :- Supplier required to generate an E-invoice for taxable supplies (for B2B), regardless of whether the transaction is under RCM or not.</div> <div>➤ <b>If supply from URP to RP (u/s 9(3)/(4))</b>:- Since the supplier is unregistered, they are not required to generate an e-invoice.</div> <div>Note:- Although the recipient is responsible for paying GST under RCM, they are not required to generate an e-invoice as the responsibility of e-invoicing rests solely with the registered suppliers who meet the turnover criteria, and this does not extend to recipients under RCM.</div>

7	Non-applicability of provision of normal invoice	<div>➤ Normal Invoice or computer generated invoice applies in any manner shall not be treated as an invoice (if provision of E-invoice is applicable).</div> <div>➤ 3 copies of invoices is not required in case of E-invoice.</div> <div>➤ Digital signature also not required in case of E-invoice.</div>
8	Amendment/cancellation of e-invoices	<div>➤ Cancellation need to be reported into the IRN Portal within 24 hours.</div> <div>➤ After 24 hrs should be manually cancelled on the GST portal before the returns are filed.</div> <div>➤ Once an IRN is cancelled, the same invoice number cannot be used again.</div> <div>➤ Any amendments to an e-invoice can be made only on the GST Portal.</div>
9	Circular No. 198/10/2023	E-invoices must be issued for supplies to registered Government Departments / agencies / LA by RP surpassing the turnover threshold of ₹5 CR.

HSN & QR Code in Invoice

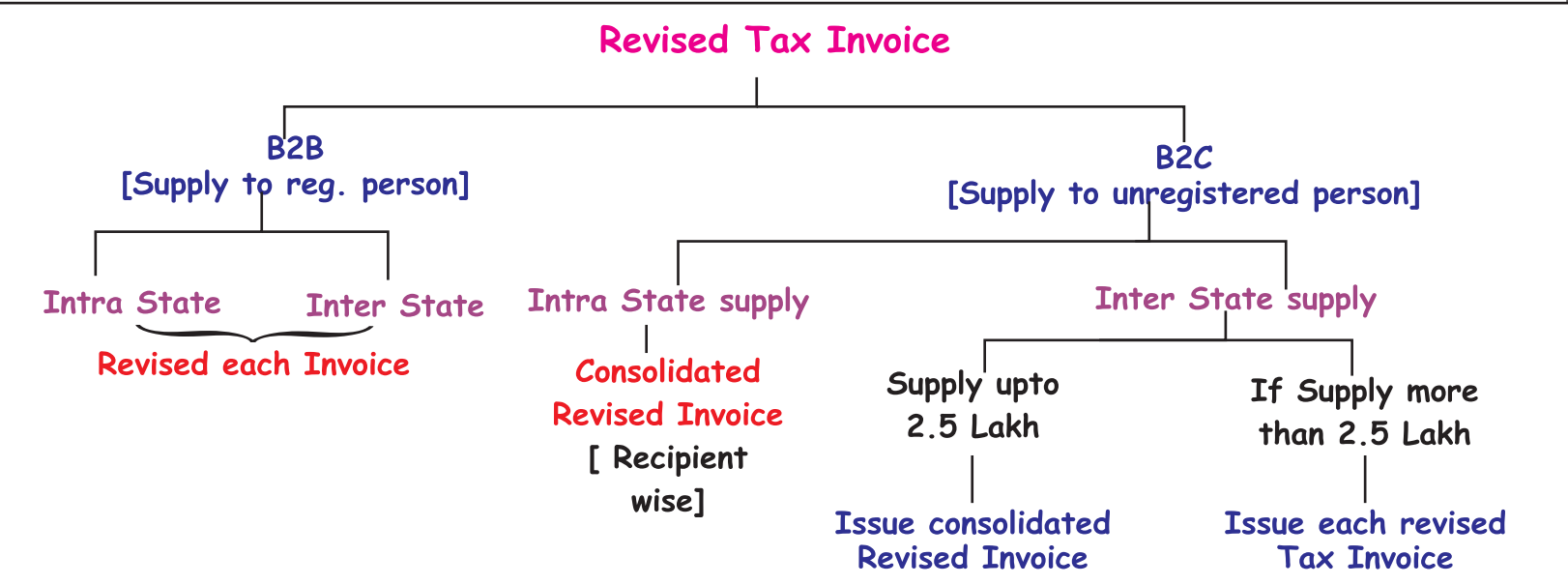


Student Notes:-

**Revised Invoice:-**  
Revised Invoice to be issued from effective date of registration till the date of issuance of RC within 1 month from the date of issuance of RC.

**Consolidated revised tax invoice:-** RP may issue a consolidated revised tax invoice

- in respect of all taxable supplies made to a recipient who is URP
- In the case of inter-State supplies, where the VOS does not exceed ₹ 2.5 Lakhs to URP



**Bill of Supply:-**

- On Supply of **Exempt** Goods or Services
- Paying tax under **Composition Scheme**.

Endorsement for Export Invoice:-		
Condition	Declaration in invoice	Required Details
Payment of Integrated Tax	"Supply meant for export/supply to SEZ unit or SEZ developer for authorised operations on payment of integrated tax"	(i) Name and address of the recipient (ii) Address of delivery (iii) Name of the country of destination
Without Payment of Integrated Tax	"Supply meant for export/supply to SEZ unit or SEZ developer for authorised operations under bond or letter of undertaking without payment of integrated tax"	(i) Name and address of the recipient (ii) Address of delivery (iii) Name of the country of destination

**Invoice-cum-bill of supply**

Person is supplying taxable as well as exempted supply a single "Invoice-cum-bill of supply" may be issued for all such supplies.

**Student notes**

**VOUCHERS**

**Receipt Voucher**  
**Sec 31 (3)(d)**

A RP shall, on receipt of advance payment with respect to any supply of goods or services , issue a Receipt Voucher evidencing receipt of such payment.

if, at the time of receipt of advance, rate of tax/nature of supply is not determinable

Where at the time of receipt of advance	Rule & Nature
(i)Rate of tax is not determinable	tax shall be paid at the rate of 18%
(ii) nature of supply is not determinable	Same shall be treated as inter-State supply

**Refund Voucher**  
**Sec 31 (3)(e)**

Where on receipt of advance payment with respect to any supply of goods or services the RP issues a Receipt Voucher, but subsequently

- no supply is made and
- no tax invoice is issued in pursuance thereof,

the said registered person may issue to the person who had made the payment, a Refund Voucher against such payment.

```
graph LR
    S[Supplier] -- "1) Advance  
2) Receipt Voucher  
3) No Supply &  
4) No Invoice  
5) Refund Voucher" --> R[Recipient]
```

**When to issue refund voucher**

**Analysis:-**

Supply is made but no Invoice is given	Invoice is made but no supply is done	Supply is not made & also no Invoice is issued
Refund voucher not allowed <b>Note:-</b> GST is payable on supply	Refund voucher not allowed <b>Note:-</b> In that case supplier can issue credit note & claim the adjustment in output tax	Refund voucher is allowed <b>Note:-</b> supplier can claim GST refund of advance [In case of refund voucher only refund is allowed]

**Payment Voucher & Self Invoice**  
**[Sec 31 (3)(f)/(g)]**

- Payment Voucher:** It is issued by recipient when making payment to supplier under RCM.
- Self-Invoice:** If goods/services are received from an unregistered supplier (including TDS-only registered), the recipient must issue a self-invoice under RCM.
- Time Limit:** Recipient must issue self-invoice within 30 days of receiving goods/services (Rule 47A).

```
graph LR
    URP((URP)) -- "RCM 9(3) / 9(4)  
Govt." --> RP((RP))
    URP -- "Supply G/S under RCM" --> RP
    RP -- "Invoice by Supplier value 1,00,000" --> URP
    RP -- "Payment to supplier for invoice value = 1,00,000" --> URP
    RP -- "Issue payment voucher by R" --> RP
    RP -- "Self tax Invoice by R" --> RP
```

**Payment under RCM = 12,000**



Tax invoices in Special Cases (Rule 54)		
Supplier of taxable service	Document in lieu of the tax invoice	
	Optional information	Mandatory information
Insurer/Banking/ FI/ NBFC	<ul style="list-style-type: none"> <li>Serial number</li> <li>Address of the recipient</li> </ul>	Information for a Tax Invoice, u/r 46
		Such document may be required
	The said supplier may issue a consolidated tax invoice for SOS made during a month at the end month.	
Supplier of passenger transportation service	<ul style="list-style-type: none"> <li>Serial number</li> <li>Address of the recipient</li> </ul>	Information for a tax invoice, u/r 46
		Tax invoice = ticket
Admission to Exhibition of cinematography films in multiplex screens	Tax Invoice = E-Ticket	
	Other information as prescribed for a tax invoice, u/r 46	

Delivery Challan/ Invoice for Transportation of Goods (Rule 55)
<p>Nature of supply</p> <p>(1) Supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,</p> <p>(2) Transportation of goods for job work,</p> <p>(3) Transportation of goods for reasons other than by way of supply, or</p> <p>(4) Such other supplies as may be notified by the Board</p>
Supply of goods in SKD/CKD/batches/lots:-
<p>Where the goods are being transported in a semi knocked down (SKD) or completely knocked down condition (CKD) or in batches or lots,</p> <p>(a) the supplier shall issue the complete invoice before dispatch of the first consignment;</p> <p>(b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;</p> <p>(c) Copies of the corresponding delivery challan shall accompany each consignment along with a duly certified copy of the invoice; and</p> <p>(d) the original copy of the invoice shall be sent along with the last consignment.</p>
<div> <div> </div> <div> <p><b>1st Shipment</b></p> <p>1) Generate Invoice</p> </div> <div> <p><b>2nd Shipment</b></p> <p>1) Generate challan with ref. of Invoice</p> <p>2) certified copy of invoice</p> </div> <div> <p><b>Last Shipment</b></p> <p>1) Generate challan with ref. of Invoice</p> <p>2) Original copy send along with consignment</p> </div> </div>

Sec 34 - Credit Note & Debit Note	
Credit Note :-	
Circumstances of Issuance of Credit Note	<ul style="list-style-type: none"> <li>the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply,</li> <li>the goods supplied are returned by recipient,</li> <li>the goods &amp;/or services supplied are found to be deficient,</li> <li>the goods or services don't meet the recipient's quality expectations.</li> <li>Any other similar reasons.</li> </ul>
Reducing Tax Liability	<ul style="list-style-type: none"> <li>Issuing a credit note decreases the supplier's tax liability.</li> <li>Correspondingly, the recipient's Input Tax Credit also reduces.</li> </ul>
Restrictions on Credit Notes	<p><b>Exceptions:</b> GST credit note can not be issued</p> <ul style="list-style-type: none"> <li>Not allowed for secondary discounts which is not agreed at the time of supply.</li> <li>Financial/commercial credit notes can be issued but won't affect Tax Liability.</li> </ul>

Debit Note:-	
Circumstances of Issuance of Debit Note	<ul style="list-style-type: none"> <li>the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply,</li> <li>the quantity received by recipient is more than what is declared in tax invoice, or</li> <li>any other similar reasons.</li> </ul>
Additional Tax Liability	<ul style="list-style-type: none"> <li>A debit note/supplementary invoice creates additional tax liability ( "Debit note" = supplementary invoice).</li> <li>Treatment of a debit note/ supplementary invoice is identical to that of a tax invoice for returns and payment purposes.</li> </ul>

Details of Debit Note/Credit Note to be declared in return	
Time limit to declare details of Credit note issued & other relevant pts.	<ul style="list-style-type: none"> <li><b>Declaration in Returns:</b> Must be declared in the tax return of the month when the credit note is issued.</li> <li><b>Deadline for Declaration:</b> Earlier of two dates: <ul style="list-style-type: none"> <li>30th November following the end of F.Y. in which such supply was made or</li> <li>Date of furnishing of the relevant annual return.</li> </ul> </li> <li><b>Adjustment of Tax Liability:</b> Tax liability to be reduced in the month in which credit note is issued.</li> <li><b>Restriction:</b> No reduction in output tax liability if incidence of tax and interest have been passed to another person or ITC is not reversed by recipient.</li> <li><b>Flexibility:</b> A single credit can address multiple invoices.</li> </ul>
Time limit to declare details of Debit note issued	<ul style="list-style-type: none"> <li><b>Declaration Timing:</b> In the tax return for the month when the debit note is issued.</li> <li><b>Tax Liability Adjustment:</b> added in tax liability in which debit is issued.</li> <li><b>Flexibility:</b> Single debit note can address multiple invoices</li> </ul> <p><b>Note:-</b> There is no time limit for issue of Debit note.</p>

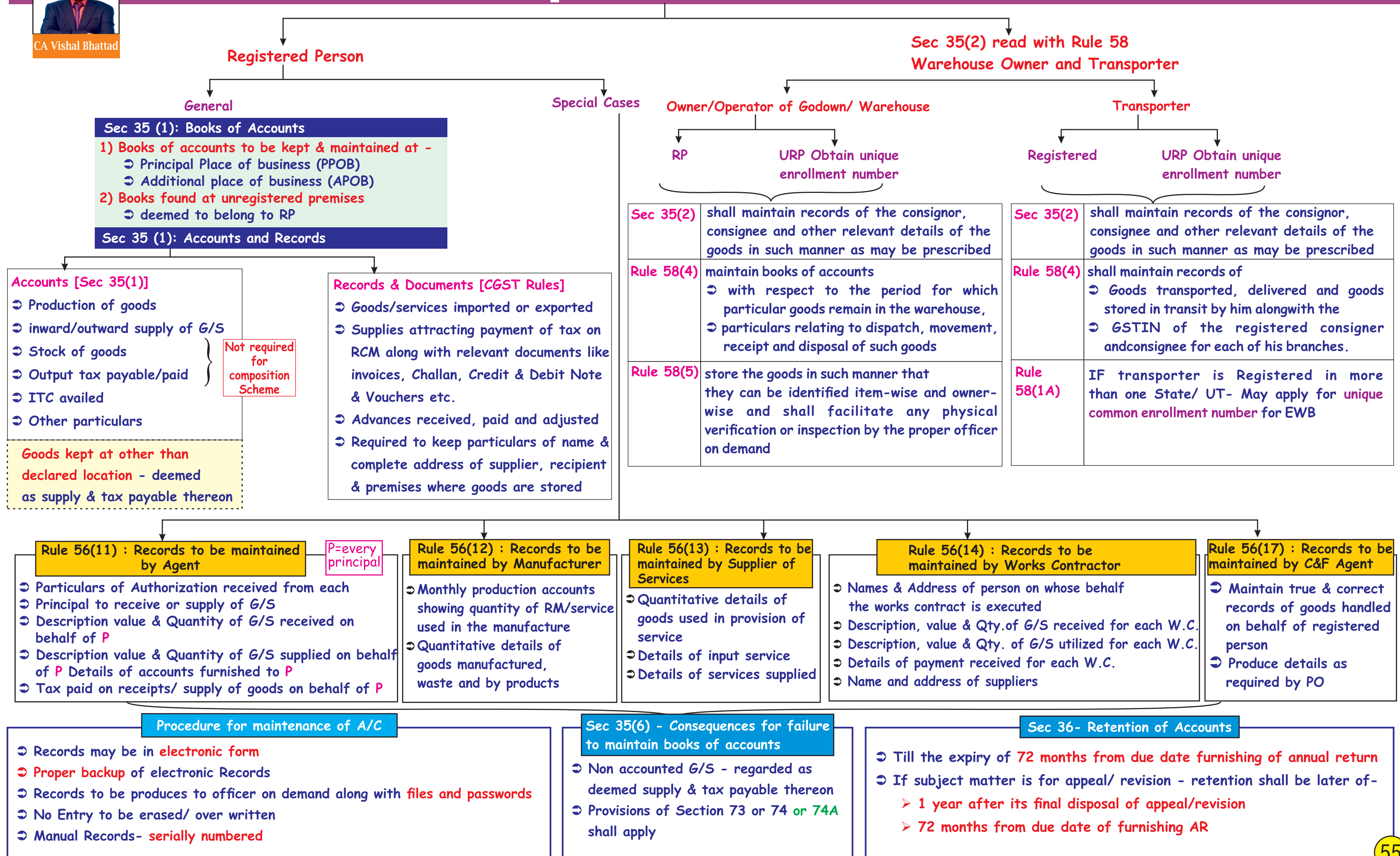
For Your Self Notes:-





CA Vishal Bhattad

# Chapter 12 : ACCOUNTS & RECORDS



# Chapter 12- Sec 68 & Rule 138 : E-Way Bill



CA Vishal Bhattad

## General Discussion

### What is an E-Way bill why is it required?

E-Way Bill is a compliance mechanism

- Where in by way of a digital interface
- The person causing the movement of goods
- upload the relevant information prior to commencement of movement of goods
- Generates E-Way Bill on GST Portal

**Relevance :-**

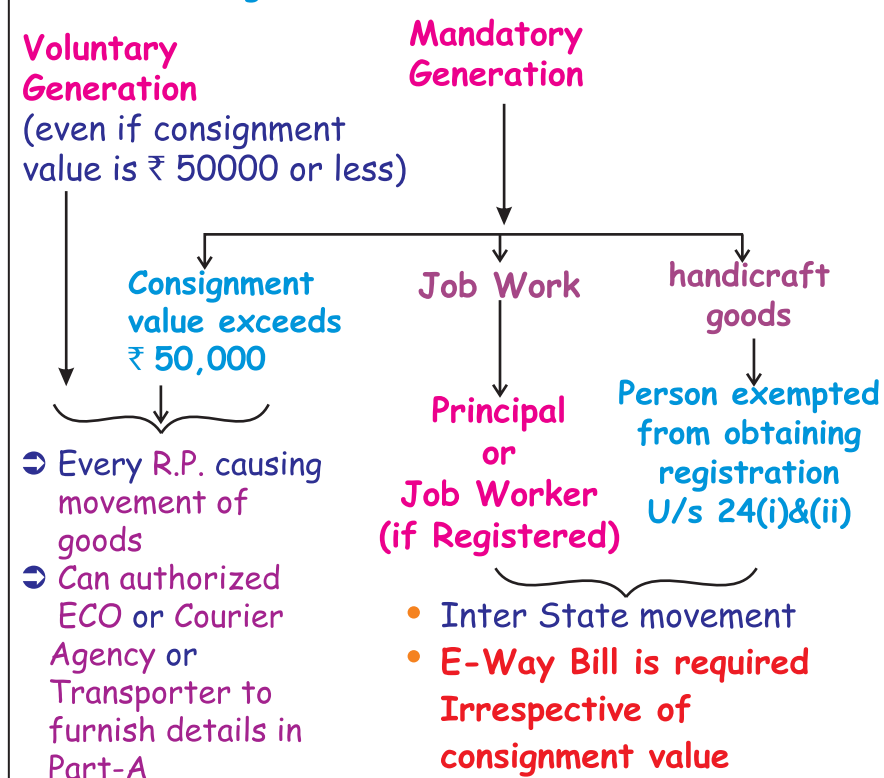
- Hassle free movement
- Track movement of goods
- Control tax evasion
- Eliminate State boundary check post

### Who & When E-way Bill is required to be generate?

**Who :-** Every R.P. (Supplier or recipient) who causes the movement of goods

- in relation to a supply or
- Reasons other than supply or
- Due to inward supply from an URP

**When :-** Consignment value exceeds ₹ 50,000



### Details in E-Way Bill

Part A		Part B
GSTIN of Supplier,		Vehicle Number for Road
Place of Dispatch <small>Indicate the PIN Code of place of dispatch.</small>	Bill To	Transporter document no. / Defense vehicle no./Temporary vehicle Registration no./Nepal or Bhutan Vehicle Registration no.)
	Ship To	
GSTIN of Recipient		
Place of Delivery (PIN Code also), <small>indicate the PIN Code of place of delivery.</small>		
Document Number <small>May be of Tax Invoice, Bill of Supply, Delivery Challan or Bill of Entry.</small>		
Document Date		
Value of Goods,		
HSN Code, <small>Annual T/O of preceding F.Y.</small>		
<small>Upto 5 Cr</small>	<small>HSN Code Digit 4 Digit</small>	
<small>Above 5 Cr</small>	<small>6 Digit</small>	
Reason for Transportation, etc.		
Information in part B is optional		
If Distance up to 50 Km within State or UT in case of transportation from POB to transporter's Place or vice-versa		

### Determination of Value

Mandatory generation of E-Way bill if Value exceeds ₹50,000

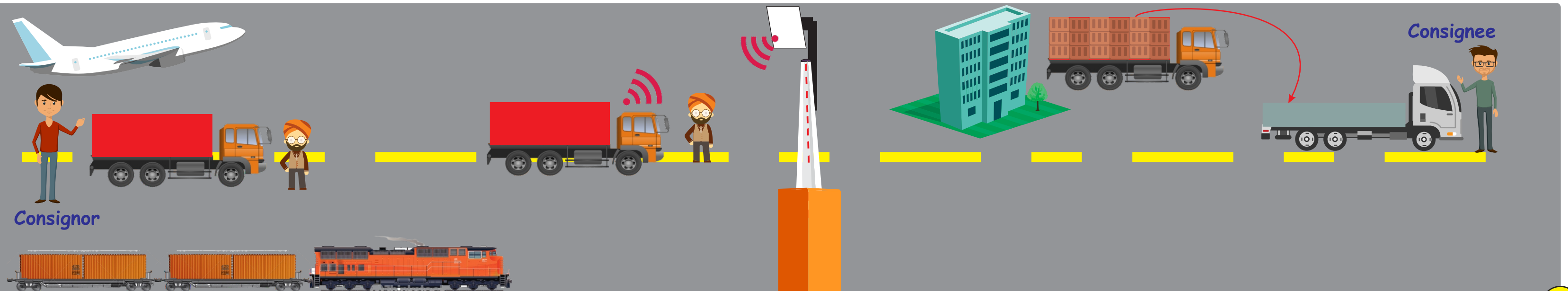
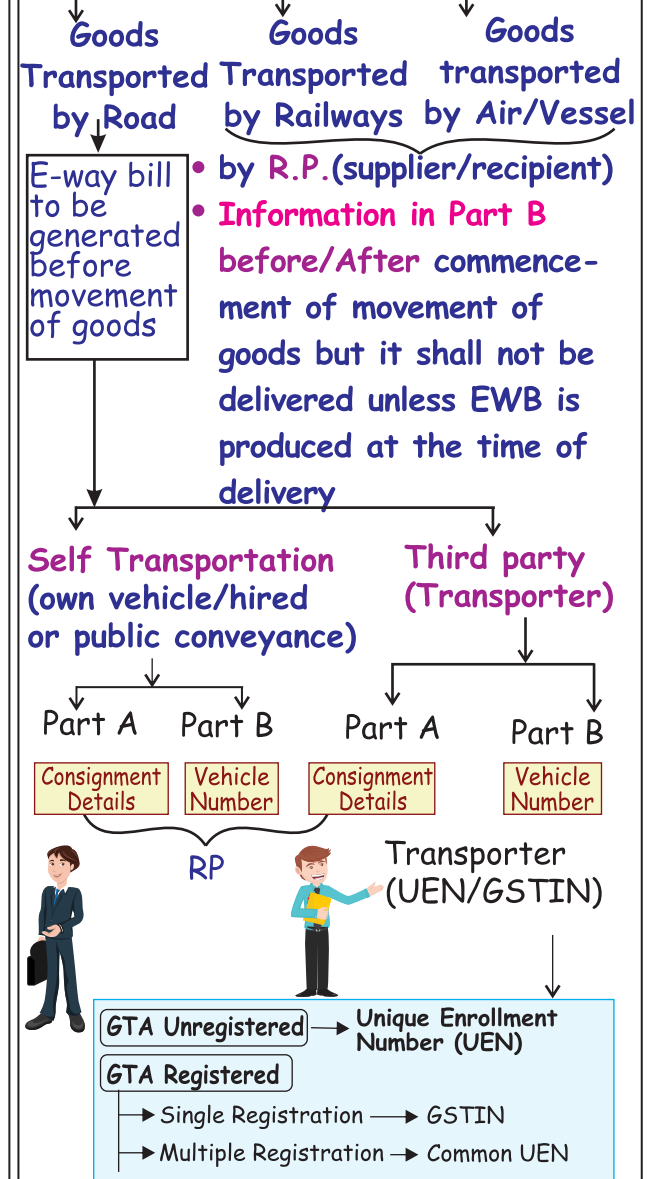
Determined as per Section 15 Declared in invoice/ Bill of Supply/ Delivery Challan Issued in respect of said consignment

Includes CGST SGST/ UTGST IGST Cess

Excludes Value of Exempt Supply of goods

**Note:-** Specially for E-Way Bill value includes GST

### When E-Way Bill is required to be generated?





<p><b>Validity of E-Way Bill</b></p> <div> <div>Other than over dimensional cargo</div> <div>In case of Over Dimensional Cargo</div> </div> <div> <div>upto 200km ↓ 1 day</div> <div>for every additional 200 km or part ↓ 1 additional day</div> <div>upto 20km ↓ 1 day</div> <div>for every additional 20 km or part ↓ 1 additional day</div> </div> <p><b>Note :-</b> Multi modal shipment where one leg in ship the above both options are available</p> <p><b>Other Points:-</b></p> <ul style="list-style-type: none"> <li>➤ Validity period shall be counted from time at which E-Way bill has been generated (after completion of info in part B by transporter)</li> <li>➤ Validity of E-way bill may be extended within 8 hrs from the time of its expiry</li> <li>➤ First day shall be expired on mid night of succeeding day</li> </ul> <div> <div>14th April 10 am EWB</div> <div>15th -16th 12 am Midnight</div> <div>16th-17th 12 am Midnight</div> </div>	<p><b>Non-Requirement of E-Way Bill</b></p> <ul style="list-style-type: none"> <li>➤ Transportation of <ul style="list-style-type: none"> <li>➢ Non Taxable Goods</li> <li>➢ Jewellery/ precious stone <b>excepting Imitation Jewellery</b></li> <li>➢ Currency</li> <li>➢ Postal, Baggage</li> <li>➢ Personal effect</li> <li>➢ Empty cargo container</li> </ul> </li> <li>➤ Transported by non motorised vehicles</li> <li>➤ Movement of goods under-ministry of defense</li> <li>➤ Supply under Schedule-III</li> <li>➤ Supply under Custom supervision</li> <li>➤ Transport of exempt goods (except de-oiled cake) etc.</li> </ul> <p><b>Note- there are more cases of non requirement of EWB for that refer notes.</b></p>	<p><b>Documents to be carried by Person in Charge</b></p> <p>The person in charge of a conveyance shall carry—</p> <p>(a) the invoice or bill of supply or delivery challan, Bill of Entry etc. and</p> <p>(b) a copy of the e-way bill in</p> <ul style="list-style-type: none"> <li>➤ physical form or</li> <li>➤ EWB no. in electronic form or</li> <li>➤ mapped to a RFI Device embedded on to the conveyance</li> </ul> <p><b>Clause (b) Not Applicable :-</b> for movement of goods by rail or by air or vessel.</p> <p><b>Inspection of E-Way Bill</b></p> <div> <div>Rights of Commissioner</div> <div>Rights of person</div> </div> <ul style="list-style-type: none"> <li>➤ Right to intercept any conveyance verify E-way bill</li> <li>➤ Right to install Radio Frequency</li> <li>➤ Identification device</li> <li>➤ Right to physical verification of conveyance</li> </ul> <p>If vehicle detained for more than 30 mins transporter may upload the information in EWB-04 on common portal</p> <p><b>Summary Report &amp; final Report</b> -to be recorded online in EWB-03  <b>Part A(summary)-</b> within 24 hrs of inspection  <b>Part B (Final)-</b> within 3 days of inspection [Extension available for further 3 days]</p>	<p><b>Non Compliance of E-Way Bill</b></p> <div> <div>Sec 122</div> <div>Sec 129</div> </div> <p>Taxable person Transporting the goods liable to penalty of ₹ 10,000 or Tax evaded (whichever is higher)</p> <p>Confiscation of Goods &amp; conveyance</p>	<p><b>Acceptance/Rejection/cancellation of E-Way Bill</b></p> <p>1) <b>Acceptance/Rejection</b> by the Recipient (if registered) or supplier within</p> <ul style="list-style-type: none"> <li>➢ 72 hours</li> <li>➢ Before delivery of goods (whichever is earlier) or else Deemed Acceptance</li> </ul> <p>or</p> <p>2) <b>Cancellation of E-Way bill</b></p> <p>a) Goods not transported</p> <p>b) Goods not transported as per details furnished</p> <ul style="list-style-type: none"> <li>➢ Cancellation to be done within 24 hours.</li> <li>➢ Cannot be cancelled if verified in transit</li> </ul>
---	---	---	--	---

Special Discussion

<p><b>Transshipment of Goods</b></p> <ul style="list-style-type: none"> <li>➤ Consignor / Recipient (who has furnished Part A) or</li> <li>➤ Transporter</li> </ul> <p>can assign the E-Way Bill to another registered transporter to update Part B of E-Way bill for further movement of goods.</p> <p><b>Note- only 1 EWB is required</b></p>	<p><b>Bill to Ship to Transportation</b></p> <p>Part A of E-Way Bill shall contain :</p> <ul style="list-style-type: none"> <li>➤ Place of Dispatch(address of Place)</li> <li>➤ Bill to (Details of "Bill to"party)</li> <li>➤ Ship to (Address of "Ship to" party)</li> </ul> <p><b>Note- only 1 EWB is required</b></p> <p><b>Invoice Reference Number</b></p> <p>Reduces burden of carrying physical copy of Invoice</p> <p>Auto populates part A of E-way Bill</p>	<p><b>Multiple Consignment</b></p> <p>Transporter will generate the E-Way Bill in following cases</p> <p>1. If consignor &amp; Consignee has not generated E-Way Bill and Value of Goods carried in the conveyance is more than ₹ 50000 -Generation of E-Way bill in EWB-01.</p> <p>2. May also generate a consolidated e-way bill in EWB-02.</p> <p><b>Note -</b> Applicable only for transportation by Road</p>	<p><b>Important Clarification</b></p> <p>1. Transit of goods in a same state through another state - <b>EWB required</b></p> <p>2. Movement of goods from DTA to SEZ for vice-versa in a same state- <b>EWB not required</b></p>	<p><b>Rule 138E:-Restriction of furnishing of information in part A of EWB-01.</b></p> <p><b>in respect of any outward movement of goods of a registered person who -</b></p> <p>(a) composition dealer has not furnished the returns for two consecutive tax periods; or</p> <p>(b) Other Person has not furnished the returns for a consecutive period of <b>Two Tax Periods</b></p> <p>(c) Other person has not furnished the statement of outward supplies for any two months or quarters, as the case may be.</p> <p>(d) being a person, whose registration has been suspended under the provision of rule 21A(1) or 21A(2) or 21A(2A)</p>
---	---	---	--	---

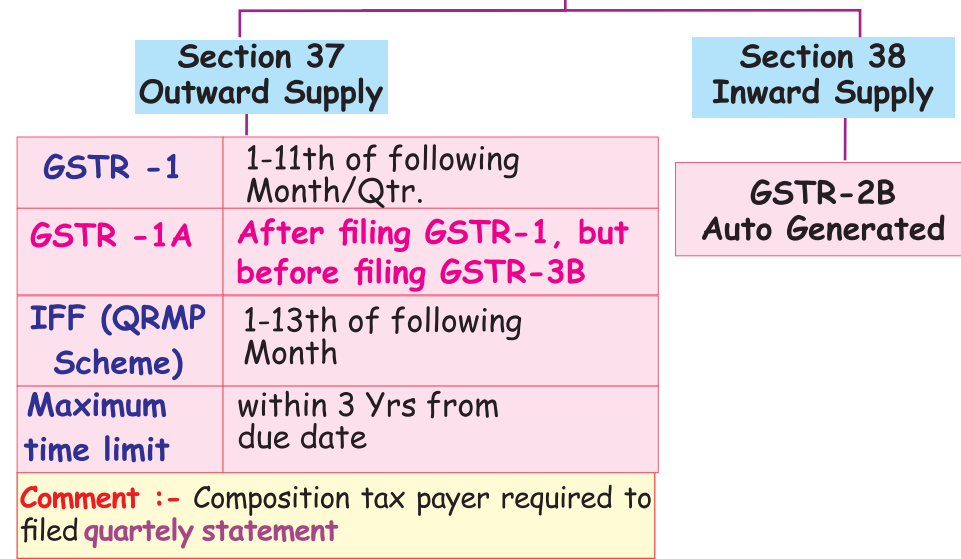
<p><b>Student Notes:-</b></p>
-------------------------------

# Chapter 13 - RETURN

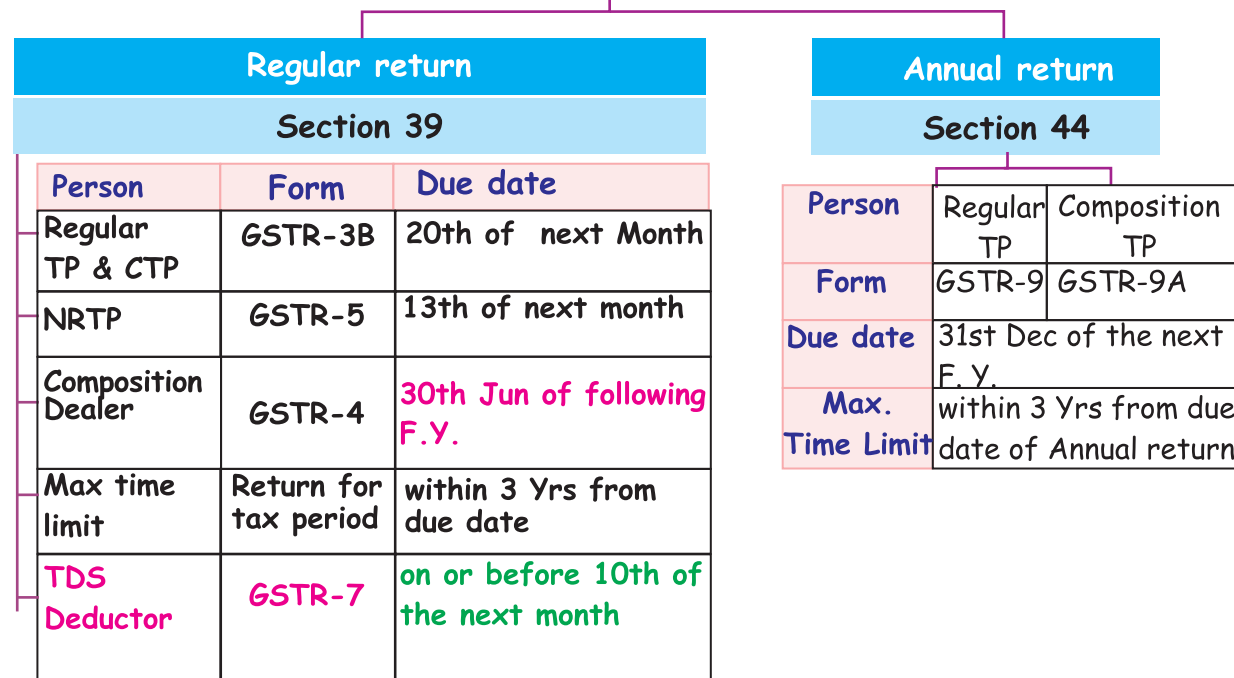


## Statement / Return

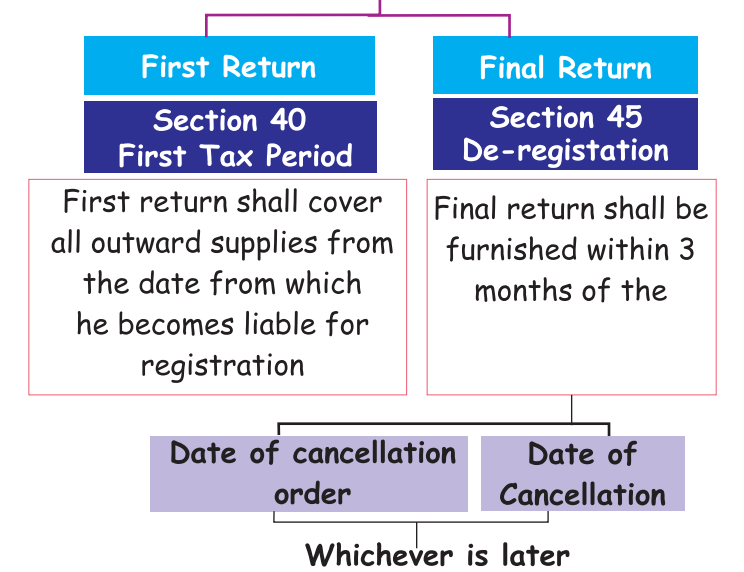
### Statement



### Normal Return



### Other Return



### Outward and Inward Supply Statement (Sec 37 & Sec 38)

Type of TP	Form No.	Periodicity	Due date	Not Applicable to
Every registered person (Incl. CTP)	GSTR-1	Monthly (Details of outward supplies)	11th of the next month	(a) Composition taxpayer (b) NRTP (c) ISD
	GSTR-1A	Amended or Additional details of Outward supply	Between 11th to 21st of next month	(d) Person liable to TDS & TCS (e) OIDAR

Details of Outward Supply		Rectification of Error:
Invoice wise details	⇒ Inter-State and Intra-State supplies made to RP, and ⇒ Inter-State supplies with invoice value more than ₹ 1L made to URP	RP can rectify error in GSTR 1 & GSTR 3B (other than scrutiny, Audit & Inspection)& time limit is Earlier of 30th Nov or Date of Annual return
Consolidated details	⇒ Intra-State supplies made to URP for each rate of tax, and ⇒ State wise Inter-State supplies with invoice value upto ₹ 1L made to URP for each rate of tax	

### 3) Annual Return

Type of TP	Form No.	Periodicity	Due date	
Registered Normal taxpayer	GSTR-9	Annual Return	31st Dec of next F.Y.	(a) Supplier of OIDAR services (b) Composition taxpayer (c) NRTP (d) ISD (e) Person deducting TDS&TCS f) CTP (g) those referred to in the proviso to sec 35(5),

⇒ a **self-certified reconciliation statement**, reconciling the value of supplies declared in the return furnished for the F.Y.,  
 ⇒ with the **audited annual financial statement** for every financial year electronically,

### 4) Final Return

Type of taxable person	Form No.	Periodicity	Due date
RP and whose registration has been cancelled	GSTR-10	Final Return	within 3 months of date of cancellation or date of order of cancellation (whichever is later)

### 5) OIDAR Services & Online money gaming from outside India

Type of taxable person	Form No.	Periodicity	Due date
OIDAR Services to NTOR or other RP & Online money gaming	GSTR-5A	Monthly Return	On or before 20 <sup>th</sup> day of succeeding month

### Furnishing of Returns [Sec 39]

Type of TP	Form No.	Periodicity	Due date	Not Applicable to
Every registered person	GSTR-3B	Monthly (or a part of the month)	20th of the next month	(a) Supplier of OIDAR services (b) Composition taxpayer (c) NRTP (d) ISD (e) Person deducting TDS & TCS
		Note:- In case of QRMP scheme refer next page)		

### 2) Return by Composition taxpayer (Sec. 39(2) and rule 62)

Type of TP	Form No.	Periodicity	Due date
Composition taxpayer	GSTR-4	Yearly (or part thereof) Note: Furnish a statement every quarter or, part thereof containing the details of payment of self-assessed tax in FORM GST CMP -08 till the 18th day of the month succeeding such quarter	30th June following the end of such F.Y

### First Return (Sec 40)

Every RP who has made outward supplies in the period between the date on which he became liable to registration till the date on which registration has been granted shall declare the same in the first return furnished by him after grant of registration.



## Rule 59(6) :- Restriction on furnishing GSTR -1 or IFF

**Restriction on furnishing GSTR -1 or IFF :- Notwithstanding anything contained in this rule,**

- (a) **RP (Monthly Scheme):** Can not furnished if he has not furnished the return in FORM GSTR-3B for preceding month
- (b) **RP (QRMP Scheme):** Can not furnished if he has not furnished the return in FORM GSTR-3B for preceding tax period
- (d) If intimation is issued under Rule 88C(1) :- RP cannot furnish GSTR-1 or using IFF for a subsequent tax period, unless he deposits intimated amount or furnishes a reply to explain it
- (e) If intimation is issued under rule 88D(1):- RP cannot file GSTR-1 or using IFF for subsequent tax period, unless he pays such excess ITC or furnishes a reply to explain it.
- (f) Bank details under rule 10A:- RP cannot file GSTR-1/using IFF, if he has not furnished details of bank account as per rule 10A.

## Late fee u/s 47 for delayed filing of GSTR-1 and/or GSTR-3B

1) RP - GSTR -1 = Nil or GSTR 3B =Nil	₹20 per day(i.e. ₹10 per day each under CGST & SGST) but max.=₹ 500 (i.e. 250 under CGST & SGST each)	
2) RP other than those covered in (1) above (i.e. there is outward supply in GSTR - 1 or tax payable as per GSTR-3B)	Agg. T/o of ≤ ₹1.5 cr. in PFY	⇒ ₹50 per day(i.e. ₹25 per day each under CGST & SGST) ⇒ max.= ₹2000 (i.e. 1000 under CGST & SGST each)
	Agg. T/o more than 1.5 Cr but ≤ 5 Cr. in PFY	⇒ ₹ 50 per day(i.e. ₹25 per day each under CGST & SGST) ⇒ max.=₹ 5000 (i.e. 2500 under CGST & SGST each)
3) RP having Agg. T/o > 5 Cr. in PFY	₹ 50 per day (i.e. ₹25 per day each under CGST & SGST) but max.=₹10,000 (i.e. 5000 under CGST & SGST each)	

## Late fee u/s 47 for delayed filing of GSTR - 4 under Composition scheme

1) If Total tax payable in GSTR-4 is Nil	⇒ ₹20 per day(i.e. ₹ 10 per day each under CGST & SGST/UTGST) but ⇒ maximum=₹ 500 (i.e. 250 under CGST & SGST/UTGST each)
2) If RP other than in (1) above	⇒ ₹ 50 per day(i.e. ₹25 per day each under CGST & SGST/UTGST) but ⇒ maximum=₹2000 (i.e. 1000 under CGST & SGST/UTGST each)

## Late fee u/s 47 for failure to furnish annual return by due date [N/No. 07/2023- CT]

1) RP having an aggregate turnover ≤ ₹5 Cr. in relevant F.Y.	⇒ ₹ 50 per day(i.e. ₹ 25 per day each under CGST & SGST/UTGST) but ⇒ maximum= 0.04% (i.e. 0.02 % under CGST & SGST/UTGST each) of T/o in State or UT
2) RP having an Agg. T/O of > ₹ 5 Cr & and ≤ ₹20 Cr in relevant F.Y.	⇒ ₹100 per day (i.e. ₹50 per day each under CGST & SGST/UTGST) but ⇒ maximum=0.04% (i.e. 0.02 % under CGST & SGST/UTGST each) of T/o in State or UT
3) RP having an Agg T/O of > ₹20 Crores in relevant F.Y.	⇒ ₹200 per day (i.e. ₹100 per day each under CGST & SGST/UTGST) but ⇒ 0.50% of the turnover in State/UT (0.25 % under CGST & SGST/UTGST each)

## Late fee u/s 47 for delayed filing of GSTR - 7 by person liable to deduct tax at source u/s 51

⇒ ₹50 per day(i.e. ₹25 per day each under CGST & SGST/UTGST) but maximum = ₹2000 (i.e. 1000 under CGST & SGST/UTGST each)

**N/n 23/2024:** The govt. has reduced the late fee for filing GSTR-7 (TDS return) late, from June 2021 onwards:

1. Late fee is limited to ₹25 per day of delay.
2. Maximum late fee is ₹1,000 total for each return.
3. No late fee if no TDS (CGST) was deducted for that month.

### Late Fee for Delay in GSTR-9C Filing (Cir no. 246/03/25)

- ⇒ Taxpayers with t/o > ₹5 cr must file GSTR-9 & GSTR-9C.
- ⇒ If GSTR-9C is delayed, the annual return is incomplete, and late fee u/s 47(2) applies until both are filed.
- ⇒ Late fees for FYs up to 2022-23 are waived if GSTR-9C is filed by 31st Mar 2025 (N/N 08/2025).
- ⇒ No refund of already paid late fees.

## Goods and Service Tax Practitioners

### Concept of GSTP

- ⇒ A RP may authorised an approved GSTP to furnish information, on his behalf, to the Government.
- ⇒ GSTN will provide separate user ID and Password to GSTP to enable him to work on behalf of his clients without asking for their user ID and passwords.
- ⇒ They can do all the work on behalf of taxpayers as allowed under GST Law.
- ⇒ A taxpayer may choose a different GSTP by simply unselecting the previous one and then choosing a new GSTP on the GST portal.

### Eligibility Criteria for GSTP

**Basic Conditions:-** 1) Citizen of India 2) Person of Sound Mind 3) Not adjudication as insolvent 4 ) not been convicted by court

**Other Conditions:-** 1) Retired officer of Govt. Not below lower the rank of group B gazetted officer for not less than 2 years

2) enrolled as a sales tax practitioner or tax return preparer under the existing law for a period of not less than five years

3) he has passed, (i) a graduate of postgraduate degree (ii) a degree of any Foreign University recognized by any Indian University or (iii) any other examination notified by the Government, or (iv) He has passed a) ICAI or b) ICAI (CMA); or c) ICSI.

### Activities which can be undertaken by a GSTP

- (a) furnish the details of outward supplies;
- (b) furnish monthly, quarterly, annual or final return;
- (c) make deposit for credit into the electronic cash ledger;
- (d) file a claim for refund;
- (e) file an application for amendment or cancellation of registration;
- (f) furnish information for generation of e-way bill;
- (g) furnish details of challan in FORM GST ITC-04;
- (h) file an application for amendment or cancellation of enrolment under rule 58; and
- (I) file an intimation to pay tax under the composition scheme or withdraw from the said scheme:
- ⇒ Provided that where any application relating to
- ⇒ a claim for refund or
- ⇒ an application for amendment or
- ⇒ cancellation of registration or
- ⇒ where an intimation to pay tax under composition scheme or to withdraw from such scheme has been submitted

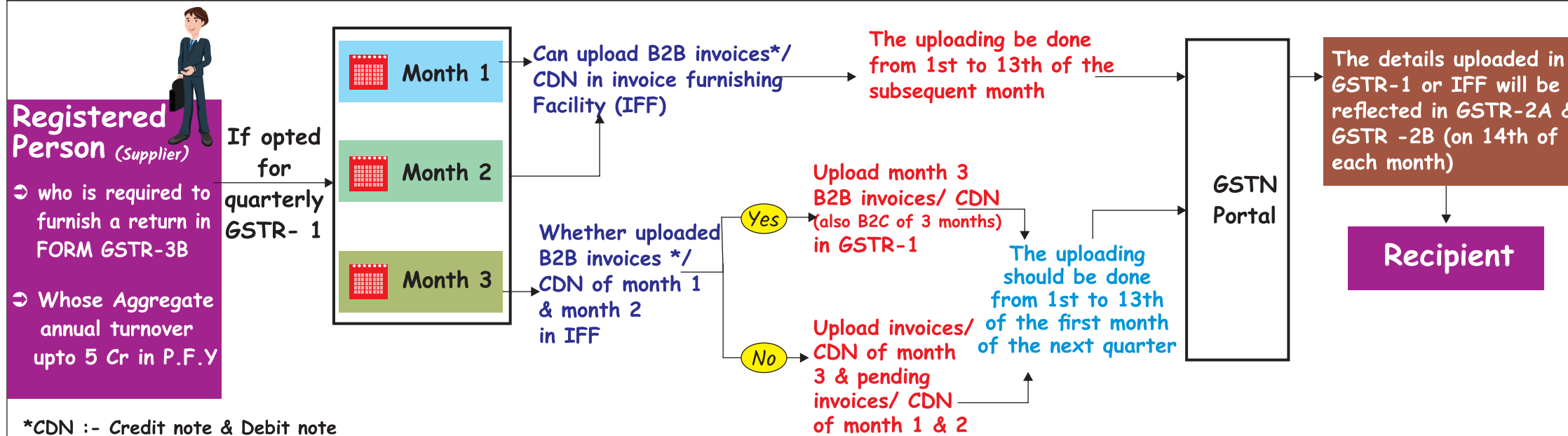
# QRMP SCHEME

(This new Scheme will be effective from 01.01.2021)



CA Vishal Bhattad

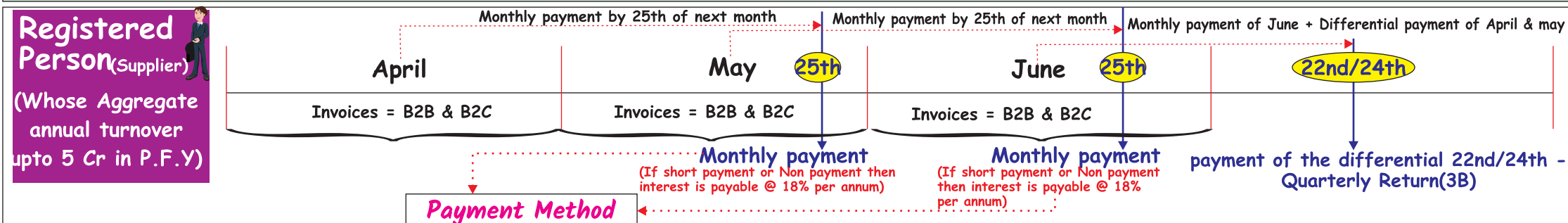
## Registered Person - Opting for QRMP Scheme (Submission of details of Outward supplies )



## Important Points

1. The aggregate annual turnover for the P.F.Y. shall be calculated in the common portal taking into account the details furnished in the returns by the taxpayer for the tax periods in the P.F.Y.
2. Value of supply in IFF shall not exceeds ₹ 50 lakhs for each month
3. After 13th of the month, this facility for furnishing IFF for previous month would not be available.
4. Details given in IFF not required to be given again in GSTR-1
5. Where QRMP option has been exercised once, they shall continue unless RP revise the said option.
6. It is further clarified that the option to avail the QRMP Scheme is GSTIN wise
7. Some GSTINs of same PAN can opt for the QRMP Scheme and remaining GSTINs may not opt for the Scheme.

## QRMP - Monthly Payment & Interest Liability



### 1. Fixed Sum Method (FSM)

Payment of tax in the 1st and the 2nd month of the quarter.

Sr. No.	Type of Taxpayer	Tax to be paid
1.	Who furnished GSTR-3B quarterly for the last quarter	35% of tax paid in cash(E-Cash Ledger) in the preceding quarter
2	Who furnished GSTR-3B monthly during the last quarter	100% of tax paid in cash in the last month of the immediately preceding quarter

The balancing amount of tax is to be paid in the 3rd month.

### 2. Self-Assessment Method (SAM)

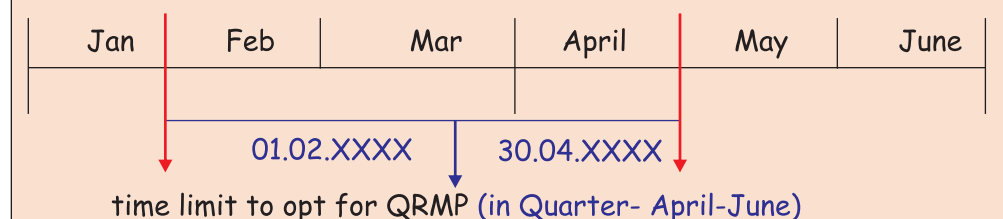
Here the taxpayer can pay the tax liability by considering the tax liabilities on inward and outward supplies and as per the ITC available.

There are certain conditions where no tax needs to be paid:

- > **1st Month of Quarter:** The tax liability is Nil. OR The balance in the electronic cash ledger is adequate for the tax liability for the same month.
- > **2nd Month of Quarter:** The tax liability is Nil. OR The balance in the electronic cash ledger is adequate for the cumulative tax liability for the IThst two months of the quarter.

## Rule 61A: Manner of opting Quarterly return

- Facility to avail the Scheme on the common portal would be available throughout the year.
- A registered person can opt in for any quarter from first day of second month of preceding quarter to the last day of the first month of the quarter.



## Student Notes :-

## Example

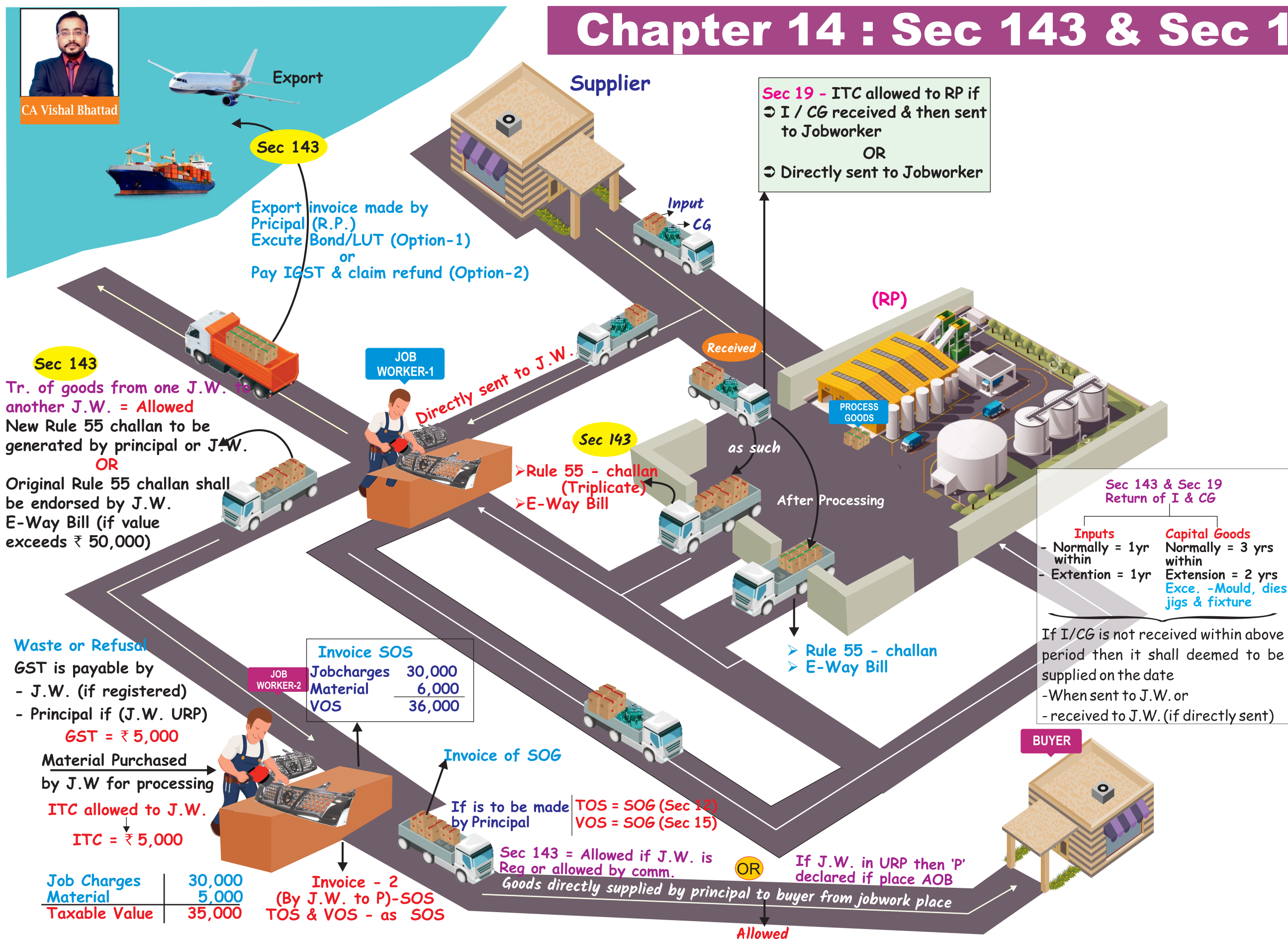
In case the last return filed was on quarterly basis for Quarter Ending March, 2021:				In case the last return filed was monthly for tax period March, 2021:			
Tax paid in Cash in Quarter (January -March, 2021)		Tax required to be paid in each of the months - April and May, 21		Tax paid in Cash in March,21		Tax required to be paid in each of the months - April and May, 21	
CGST	100	CGST	35	CGST	50	CGST	50
SGST	100	SGST	35	SGST	50	SGST	50
IGST	500	IGST	175	IGST	80	IGST	80
Cess	50	Cess	17.5	Cess	----	Cess	---





CA Vishal Bhattad

# Chapter 14 : Sec 143 & Sec 19 -JOBWORK



## Summary

Supply to Job worker without Payment of Tax (Sec 143)	A registered person ( "Principal") may send any input or capital goods , to a job worker, to any of his place of business for job-work and from there subsequently sent to another job worker without payment of tax. Goods shall be sent under Rule 55 challan.											
Continuity of ITC (Sec 19)	The principal shall, be allowed ITC on inputs/ capital goods sent to a job-worker for job-work. ITC Shall be allowed even if the inputs are directly sent to a job worker for job-work without being first brought to his place of business.											
Time limit for return by Jobworker	<table><tr><th>Item</th><th colspan="2">Time limit for return</th></tr><tr><td>Inputs</td><td colspan="2">Within 1 year (extension 1 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.</td></tr><tr><td>Capital Goods</td><td colspan="2">Within 3 year (extension 2 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.</td></tr></table>			Item	Time limit for return		Inputs	Within 1 year (extension 1 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.		Capital Goods	Within 3 year (extension 2 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.	
Item	Time limit for return											
Inputs	Within 1 year (extension 1 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.											
Capital Goods	Within 3 year (extension 2 Yr.) of being sent to J.W. or receipt if Direct supply to J.W.											
Direct Supply by the Principal from Job workers Premises	Within the above time limits, the principal shall effect supply Üwithin India (on payment of tax) and Üto exports (without payment of taxes)											
Restriction	Principal cannot supply the goods directly from the place of business of a job worker unless the principal declares the place of business of the job-worker as his additional place of business. [Above restriction is not applicable when - i) Jobworker is registered u/s 25, ii) Principal is engaged in the supply of notified goods]											
Failure to return goods within time limit-Deemed supply	Where the Inputs/Capital goods sent for Jobworker are not received back by the principal or not supplied from his place of business within a period of 1 year/3 years (or extended period) of being sent out, it is deemed that goods had supplied by the principal											
Proper Accounts to be kept	Principal is responsible for keeping proper accounts											
Waste/Scrap Generated	May be supplied by the jobworker directly from his place of business on payment of tax, or by the principal											
Details of Challan to be included in Returns - ITC 04	<table><tr><th>T/O</th><th>Period</th><th>Due Date</th></tr><tr><td>If Agg. T/O is exceeds 5Cr</td><td>a) April - Sep b) Oct - March</td><td>25th of Next Month</td></tr><tr><td>Other</td><td>Financial Year</td><td></td></tr></table>			T/O	Period	Due Date	If Agg. T/O is exceeds 5Cr	a) April - Sep b) Oct - March	25th of Next Month	Other	Financial Year	
T/O	Period	Due Date										
If Agg. T/O is exceeds 5Cr	a) April - Sep b) Oct - March	25th of Next Month										
Other	Financial Year											

Issue	Clarification
Is it compulsory to take registration for a P involved in J.W. transaction?	No. It is his choice whether or not to register. Sec 143 applicable only to a RP.
Registration J.W. is required ? i) J.W. and P in a same state. or ii) J.W. and P in a different state.	J.W. is required to obtain registration only in cases where his Agg.T/O in a F.Y. exceeds the threshold limit regardless of whether the P and the J.W. in the same or in different States.

Issue	Clarification
If P supplies goods directly from the J.W.'s premises to customer then who will be supplier of goods?	It will be regarded as supply by the P and not by the J.W.(provided it is an additional place to the principal).
Filing ITC-04 will be considered as a submission of intimation under sec 143 of CGST act, 2017?	Yes. It is the responsibility of the P to include the details of all the challans relating to goods sent by him to one or more J.W. from one J.W. to another and its return there from.

Issue	Clarification
Who will avail ITC i) in respect of inputs / capital goods that are directly received by the J.W.	ITC would be available to the P, irrespective of the fact whether the Inputs or Capital goods are received by the principal and then sent to the J.W. for processing or they are directly received at the job.
ii) J.W. in respect of inputs, etc. used by him in supplying J.W. services	Job worker is also eligible to avail ITC on inputs, etc. used by him in supplying the J.W. services if he is registered.



# Chapter 15: Assessment, Audit, Search & Seizure



CA Vishal Bhattad

## Department Power

**Administrative Power** (On the basis of Return/Statement/Documents/Records)

**Investigative Power**

### Assessment

**sec 2(11) "Assessment"** means determination of tax liability under this Act and includes ➤ self-assessment ➤ re-assessment, ➤ provisional assessment, ➤ summary assessment and ➤ best judgment assessment.

Registered person

**Sec 63 - Unregistered Person  
Best Judgement Assessment[BJA]**

- **BJA:** ➤ If assessee fails to obtain registration even though he is liable to do so or  
➤ Registration has been cancelled but liable to pay tax.  
PO assess tax liability by BJA.
- **Issue of notice:** PO issues a **notice & give 15 days** time to reply &  
➤ then issue BJA order & summary thereof shall be uploaded electronically. (No assessment order pass without giving an opportunity of being heard)
- **Time limit of order:** Assessment order shall be issued **within 5 years** from due date of filing annual return for the FY to which tax not paid pertains.

Filing the Return

**Sec 59 : Self Assessment**

Every **RP** shall **self assess the liability & tax payable** & then file return u/s 39 for each tax period

**Sec 62 - Assessment of non filers of returns  
(Best Judgement Assessment)**

- **BJA:** ➤ where R.P. fails to furnish returns u/s 39 (Periodical), or u/s 45 (Final returns) &  
➤ even after the service of **notice u/s 46**, taxable person fails to file return within 15 days
- **Time limit of order:** PO shall issue BJA order within 5 years from due date of annual return for the FY to which tax not paid relates.
- **Withdrawal of BJA order:** When assessee furnishes a valid return within **60 days** of service of BJA order, then such BJA order shall be deemed to have been withdrawn. But liability of interest (@18%pa) + late fee(200/-per day max 10,000/-) shall continues.
- **Extended period :** Extended period of upto 60 days is allowed on payment of additional late fee of ₹ 200 per day (CGST: ₹ 100 & SGST: ₹100) from 61st day till date of filing return.

### Audit

**sec 2(13) "Audit"** means the ➤ examination of records, returns and other documents maintained or furnished by the registered person as per law.  
➤ to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of law.

**Sec 65  
Departmental Audit**

1. **Audit Authority:** Commissioner/ Authorised officer undertake audit of RP under this section..
2. **Notice to R.P.** for audit to be given at least **15 working days** prior to the conduct of audit.
3. **Audit Period :** F.Y. or part thereof or multiples thereof.
4. **Place of Audit :** POB of RP or departmental office.
5. **Time Limit for Completion :** Within **3 months** from the date of commencement. (extension for further 6 months)
6. **Commencement of audit** shall be the Date  
➤ on which the records are made available or  
➤ the actual institution of audit at the POB, **whichever is later.**
7. **Conduct of Audit : R.P.** Shall  
➤ facilitate verification of accounts & records  
➤ provides information to authority as required  
➤ render assistance  
PO may inform **RP about** discrepancies notice & **R.P.** may file the reply for that.
8. **Audit Findings & Observations** to be intimated within 30 days from the completion of audit.
9. **Tax Avoidance or wrong ITC is detected,** Action u/s 73/74/74A for determination of Tax amount will be taken up.

**Sec 66  
Special Audit**

1. **Situations :** During scrutiny, inquiry, investigation or any other proceedings, in which PO is of opinion that  
➤ value has not been correctly declared or  
➤ wrong availment of ITC by **R.P.**
2. **Direction for Audit :** shall be made with prior approval of commissioner to get record (including books of account) examined by CA/CMA.  
Note : Special audit shall be conducted, even audit has been conducted under any provisions of the GST Act or any other law.
3. Special Audit u/s 66 shall be conducted by a **CA or a CMA**, who shall be nominated by Commissioner,
4. Auditor shall submit his report to AC, within 90 days. (extendable for further 90 days)
5. Audit expenses to be determined & paid by comm.
6. **Tax Avoidance or wrong ITC is detected,** action u/s 73 or 74/74A for determination of Tax amount will be taken up.

### Access

**Sec 71 Access to Business Premises**

- 1) Duly empowered officer can access to any business premises of **Registered Person.**
- 2) During access, PO can Inspect  
- Books of Accounts  
- Documents  
- Computers (including programs & software)  
- other things as required
- 3) Person in charge of premises bound to furnish such documents to officer or to audit party deputed by PO to carry out special audit
- 4) Records covers- records prepared by **R.P.**, Trial balance, audited FS, cost Audit report, Income tax audit report and other relevant records.



# Chapter 18 - Inspection, Search, Seizure & Arrest

## Sec 60 : Provisional Assessment

- **Provisional Assessment** : If **taxable person** is unable to determine-
    - a) **Value of Supply or**
    - b) **Applicable tax rate**
 ➤ He shall request to PO, by furnishing an application stating reasons of provisional assessment.
 ➤ After asking necessary documents, PO shall accept /reject the request, by an order, **within 90 days** from date of receipt of request, if P.A. is accepted then value or rate is specified by P.O.
  - **Bond with security** : The Order indicates- rates/ values/ Bond & security (Bank guarantee) & the value of security shall be  $\leq 25\%$  of amount covered under the bond
  - **Final Assessment** : PO - **within 6m from PA order**
    - Extension by Joint Comm./Add. Comm - **6 months**
    - Extension by Commissioner - **4 Years**
- Final assessment order passed by respective officer after taking into A/C such information which is required for final assessment.
- |  |   |
|--|---|
| If <b>FAT &gt; PAT</b>   | If <b>FAT &lt; PAT</b>  |
| <b>Tax payment</b> - Differential tax is payable<br><b>Interest</b> - 18% (day basis) p.a.<br><b>Period of Interest</b> - 1st day after due date of month in which provisional assessment is done till the date of payment of tax. | <b>Tax Refund</b> - Subject to doctrine of unjust enrichment<br><b>Interest</b> - @ 6% p.a.<br><b>Period of Interest</b> - If refund is not paid within 60 day of refund application then interest is payable from 61st day till the date of payment of refund. |
- **Release of Security**: After FA order, applicant shall file application for release of security. PO to ensure that applicant has paid amount as per FA or he will release security by an order within 7 working days from date of receipt of such application.

## Sec 61 : Scrutiny of returns

- PO to verify correctness of returns (as selected by him) furnished by RP w.r.t available information.
- If discrepancies found, PO shall issue notice and person shall give a necessary explanation within **30 days** from service of notice.

<b>S a t i s f a c t o r y</b> explanation given by R.P. ➤ No action by PO ➤ Inform to RP	<b>Discrepancies accepted by R.P.</b> ➤ Pay Tax + Interest ➤ Inform PO about payment of such Tax & interest	<b>Discrepancies not accepted by R.P. or Not corrected after acceptance by R.P.</b> ➤ PO may initiated appropriate action
	OR	

**Sec 65:- GST Audit by tax Authorities OR**  
**Sec 66:- Special Audit OR**  
**Sec 67 :- Inspection, Search & Seizure**

**Tax Determination**  
**Sec 73 - Bonafide**  
**Sec 74 - Malafide**  
**Sec 74A**

## Investigative Actions

### Inspection(u/s 67(1))

- **Meaning**: An act of examining something by the proper officer on reason to believe suppress something recorded in writing
- **Softer provision than search**

**Circumstances:-** A Joint Comm. as reason to be believe that

- |  |  |                  |
|--|--|------------------|
| TP<br>➤ <b>Suppressed</b> any transaction of supply of goods or services<br>➤ <b>Suppressed</b> stock in hands<br>➤ <b>Claimed excess Input Tax Credit</b><br>➤ <b>Contravened any provision to evade tax</b><br><b>Power :-</b> Inspect the place of business of TP/ transporter/warehouse keeper | Transporter<br>➤ <b>Kept goods</b> which have escaped payment of tax<br>➤ <b>Kept goods/A/c</b> in a manner likely to cause evasion of Tax | Warehouse Keeper |
|--|--|------------------|

### Sec 68: Inspection of 'goods in movement'

Inspection can be done of the conveyance, carrying a consignment of value exceeding specified limit (₹ 50,000 for E-Way bill).  
 The person in charge of the conveyance has to produce prescribed documents /devices(**E-way Bill**) for verification and allow inspection.  
 Inspection during transit can be done even without authorisation of Joint Commissioner.

### Search/Seizure u/s 67(2)

- **Meaning**: An attempt to
  - Find Something
  - Discover Evidence of a crime by a careful examination of place, person, subject, etc.

### Requirements

- **Search Warrant :-**
  - Issued by Joint Commissioner or above rank officer
  - before start of search
- A Lady Officer
- Two independent witnesses
- Panchnama signed by owner & witness containing list of goods/documents seized

### Power

- |   |   |
|---|---|
| <b>Power of officer</b><br>➤ <b>Search &amp; seizure/</b> Detain goods (liable to <b>confiscation</b> ) & documents /books/things (relevant for any proceeding)<br>➤ <b>Break open door, almirah</b> or box if access denied<br>➤ <b>Seal premises</b> if access denied | <b>Right to safeguard of person</b><br>➤ seized goods/doc. not to be retained beyond necessary period. It should be returned within <b>30 days</b> of :<br>➔ Issue of SCN<br>➔ <b>6 months</b> from seizure (whichever is later) (extension: <b>Further 6 months</b> )<br>➤ <b>Photocopies</b> of doc. can be taken by person<br>➤ <b>Inventory</b> of seized goods to be made by officer |
|---|---|

### Arrest u/s 69

- Powers - Commissioner** who has following reason to believe then he can authorise arrest of
  - Taxable person
  - Transporter
  - Warehouse keeper
 only where person accused of offences specified u/s 132 and tax amt. involved is more than ₹ 2 Cr.

**Sec 72 :- officers who are required to assist proper officers**  
 Following officers have been empowered and are required to assist CGST officers in the execution of CGST Act. The categories specified are as follows:

- Police;
- Railways
- Customs;
- Officers of State/UT/ CG engaged in collection of GST
- Officers of State/UT/ CG engaged in collection of land revenue;
- All village officers;
- Any other class of officers as may be notified by the CG/SG

## Sec 64 : Summary Assessment

- **Summary Assessment**: When PO has evidences showing tax liability of a person & delay adversely affects revenue, he shall pass a summary assessment order. (prior approval from AC/JC)
- **Withdrawal of order**: If Assessment order is erroneous, then on application of taxable person within **30 days** of such order or on his own motion AC/JC may withdraw such order and may instead follow the procedure of sec73 or 74 or 74A
- **Deemed taxable person**: If taxable person is not ascertainable & such liability pertains to Supply of goods = Person in charge (driver or etc.) shall be liable to be assessed.

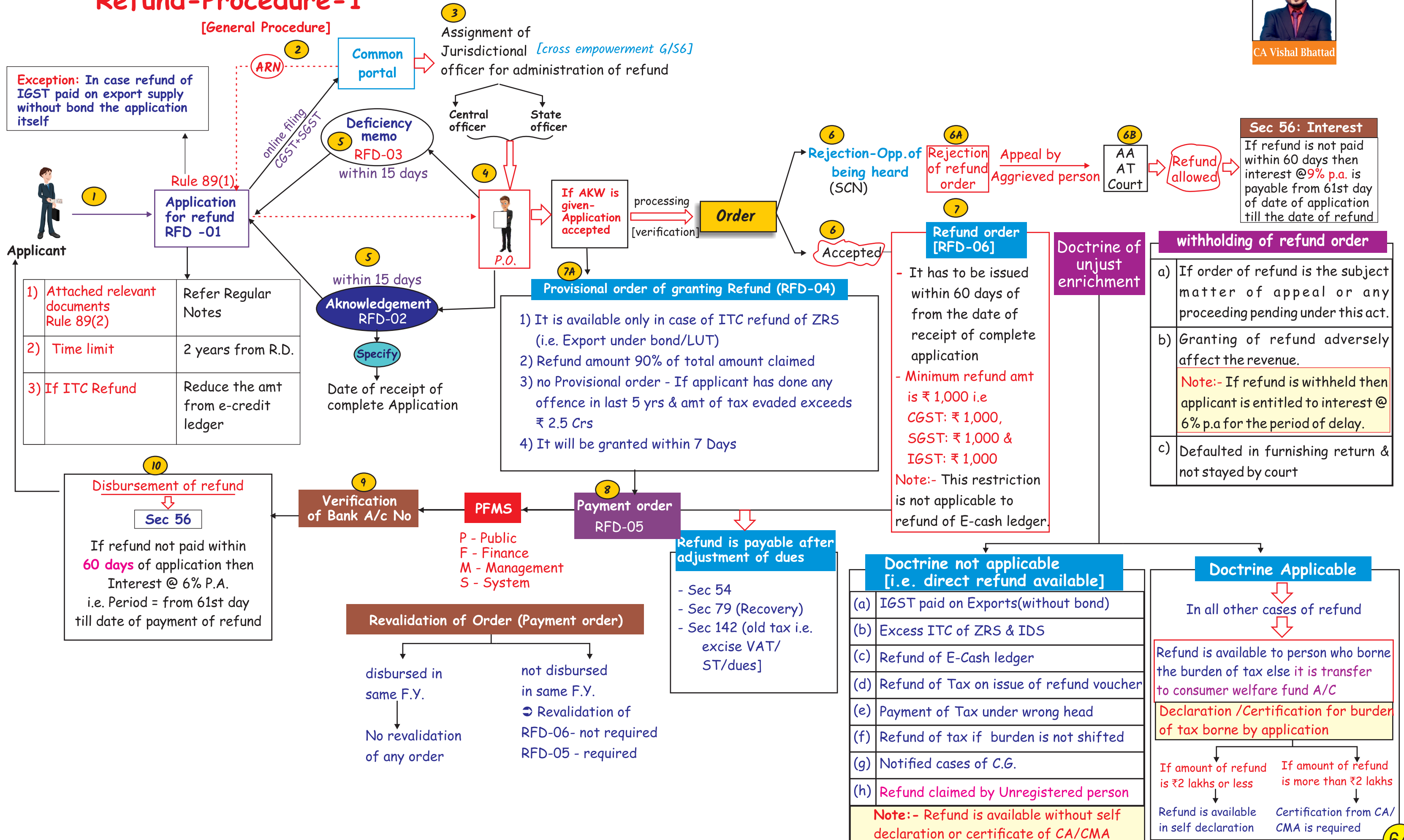
# Chapter 16 - REFUND



CA Vishal Bhattad

## Refund-Procedure-1

[General Procedure]





Refund of ITC

ZRS With bond/LUT

[Sec 16(3)(a) & Rule 89(4)]

Max time limit for application

2 Years from Relevant Date (RP may claim at the end of any tax period)

Relevant Date

the due date for furnishing of return under section 39in respect of such supplies

Doctrine of Unjust Enrichment

NA

Application Form

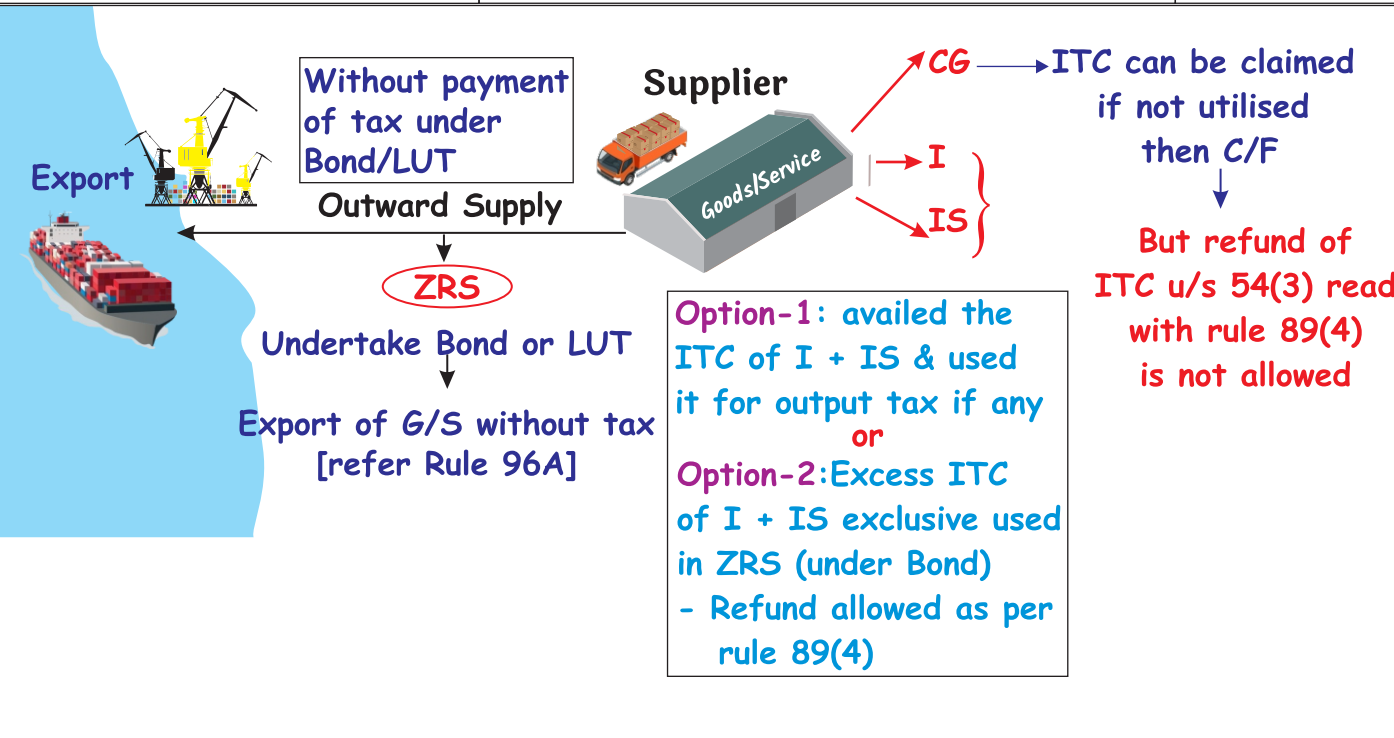
RFD-01

Amount of Refund

Maximum refund (As per formula refer Below)

Documents & Conditions

Statement containing No. & date of Invoice along with such other notified particulars



Refund Amount = 
$$\frac{\text{Turnover of Zero rated supply of goods} + \text{Zero rated supply of services}}{\text{Adjusted total Turnover}} \times \text{Net ITC}$$

Non- eligibility of Refund :-

- 1) ZRS of goods or IGST paid on ZRS of goods are liable to export duty
- 2) Drawback claimed for GST

Cir.No.160/16/2021:-Export goods are Nil rate or exempt is not treated as subject to export duty & Refund is available

A. Net ITC	Particular	Amount
	Total ITC of (I + IS)in relevant period	XXX
	Less : ITC of Inputs for which refund is claimed u/r89(4A) & 89(4B)	XXX
	Net ITC	XXX
	Note:- Only ITC of I & IS shall be considered & no ITC of CG	
B. Turnover of ZRS of goods	Means the actual value of ZRS (lower of FOB value in shipping bill or value in invoice) exported under bond/LUT 1.5 times like goods OR domestically supplied in a relevant period	
	Whichever is Lower	
	Value of ZRSG	XX
	Less: T/o of supplies for which refund is claimed u/r 89(4A)/(4B)	(XX)
	T/O of ZRS of goods	XX

C. Turnover of zero-rated supply of Services (ZRSS)

means the value of zero-rated supply of services made without payment of tax under bond or LUT, calculated in the following manner, namely:-

Particular	Amount
payments received during the relevant period for ZRSS	XXX
Add:ZRSS where advance has been received in prior period but supply has beed completed in relevant period	XXX
Less: advances received in relevant period for which supply of services has not been completed	XXX
T.O of ZRSS	XXX

D. Adjusted Total turnover"

SOG: T/o in State includes <ul style="list-style-type: none"><li>➤ All Taxable Supply, Wholly Exempt Supply[WE + Nil+NTS]</li><li>➤ Exports supply (with or without bond)</li><li>➤ Inter State Supply</li></ul> excludes taxes under GST & Inward supplies under RCM	xx
SOS: Zero Rated Supply of services (ZRSS)(As calculated above)	xx
Add: Non ZRS of Services (Domestic supply + Export without Bond)	xx
Less: 1)Exempt Supplies other than Zero rated Supplies* 2) T/o of supplies for which refund is claimed u/r 89(4A) or (4B) or both	(xx) xx
Adjusted Total T/o	xx

Notes:

- Exempt supplies & T/o of supplied for refund is claimed u/r 89(4A)/89(4B) is deducted only if already covered in T/o of ZRS of goods or services.
- Other than ZRS\*: As per Sec 16 of the IGST Act, if an exempt supply is exported from India, it is not considered an exempt supply and falls under ZRS. Therefore, any exempt supply that qualifies as ZRS should not be deducted.

E. Relevant period

means the period for which the claim has been filed.

Inverted  
Duty  
Structure  
(IDS)  
Rule 89(5)

Max time limit for application	Relevant Date	Doctrine of Unjust Enrichment	Application Form	Amount of Refund	Documents & Conditions
2 Years from Relevant Date (RP may claim at the end of any tax period)	D/D of furnishing return u/s 39, for the period in which such claim for refund arises	NA	RFD-01	Maximum refund by formula (Notes)	Statement containing No. & date of Invoice received / issued during tax period

case -1 Inverted Duty Structure

1) Value 3,00,000  
GST@18% 36,000

2) Value 2,00,000  
GST @ 28% 56,000

Outward Supply

SOG

SOS

①

IDS

Input services

Value 50,000  
GST@18% 9,000

Input

Value 4,00,000  
GST 1,12,000 @28%

Maximum Refund Amount

=

T/o of inverted rated supply of goods and services

Adjusted Total T/O

x

Net ITC

-

Tax payable on such inverted rated supply of goods and services

x

Net ITC

ITC availed on I + IS

Non-eligibility of refund :

1) a) Construction sector. b) woven, knitted or crocheted fabrics c) Rail locomotives d) Oils, coat, lignite, peat etc.

2) If outward supply is exempt or nil rate (not the case of IDS )

A. Refund amount

means the maximum refund that is admissible

B. Net ITC

Particular	Amount
Total ITC of Inputs (only) in relevant period	XXX
<del>Less: ITC of Inputs for which refund is claimed u/r 89(4A) &amp; 89(4B)</del>	<del>XXX</del>
Net ITC	XXX

Note:- Only ITC of Input shall be considered here for refund & no refund of ITC of C.G. & IS

C. Adjusted Total turnover

SOG: T/o in State includes

☞ All Taxable Supply, Wholly Exempt Supply, Non-Taxable Supply

☞ Exempt Supply (Wholly Exempt + Nil + NTS)

☞ Exports with or without bond

☞ Inter State Supply

excludes tax under GST & Inward supplies under RCM

xx

SOS: Zero Rated Supply of services (As calculated above)

Add: Non ZRS of Services (Domestic supply + Export without Bond)

xx

Less: 1)Exempt Supplies other than Zero rated Supplies\*

2) T/o of supplies for which refund is claimed u/r 89(4A) or (4B) or both

(xx)

(xx)

Adjusted Total T/o

xx

Notes:

☞ Exempt supplies & T/o of supplied for refund is claimed u/r 89(4A)/89(4B) is deducted only if already covered in T/o of ZRS of goods or services.

☞ Other than ZRS\*: As per Sec 16 of the IGST Act, if an exempt supply is exported from India, it is not considered an exempt supply and falls under ZRS. Therefore, any exempt supply that qualifies as ZRS should not be deducted.

D. Relevant period

means the period for which the claim has been filed.

Clarification 125/44/19

Restriction on eligible refund

April - ITC

CGST 2L  
SGST 2L  
IGST 3L  
Net ITC 7L

I + IS

G/S

April

May

June

20th

T/o of Export supply 20L

other supply 30L

Total T/O 50L

20th may GSTR-3B for April

Refund Application filed

ITC balance in June

IGST = 1.2L

CGST = 0.4L

SGST = 0.6L

2.2L

Formula 89(4)

Max Refund = 20L

50L

= 2.3L

①

ITC balance in E-credit ledger = 2L

②

ITC balance on the date of application = 2.2L

③

whichever of (1), (2) & (3) = 2L

Refund for export supply

ITC balance in June	Amt. Debited	ITC CIF
IGST = 1.2L 1st Used	1.2L	Nil
CGST =0.4L equally (50%)	0.4L	Nil
SGST =0.6L equally (50%)	0.4L 2 L	0.2L

Circular No.135/05/2020:

☞ Refunds of accumulated ITC are not allowed if the input & output supplies are the same, even if they have different tax rates.

☞ If the output tax rate is lower than the input tax rate, the accumulated credit can be refunded, except if the output supply is nil-rated, fully exempt, or specifically excluded by the Govt.

66



Deemed Export	Max time limit for application	Relevant Date	Doctrine of Unjust Enrichment	Application Form	Amount of Refund	Documents & Conditions					
	2 Years from Relevant Date	Date on which return relating to such deemed export is furnished by supplier	Applicable	RFD-01	GST Paid	Statement containing No. & date of Invoice along with such other notified particulars					
	<div>Deemed Export (Sec 2(39)/Sec 147) &amp; N/N 48/2017 &amp; 50/2017</div> <div><div><div>Person [Exporter] - Notified Person</div><div>➤ holding AA ➤ holding EPCG ➤EOU</div></div><div><div>Domestic Supplier - R.P.</div><div>Goods</div><div>Manufacturer</div></div><div><div>Notified Person</div><div>Goods</div><div>Output</div><div>Input</div></div><div><div>Deemed Export</div><div>Invoice</div><div>Value 1,00,000</div><div>GST@12% 12000</div></div><div><div>Export</div></div><div><div>Input Tax</div><div>Availing ITC</div><div>If ITC is claimed by recipient then, he is not eligible for refund under 2nd proviso to rule 89(1)</div><div>Note:- Rule 89(4A) is omitted but 2nd proviso to Rule 89(1) is still active</div></div><div><div>OR</div><div>Claiming Refund</div><div>Recipient</div><div>Rule 89(4A)- 2nd proviso to Rule 89(1) is Applicable &amp; Refund allowed on Following Conditions</div><div>1) undertaking by Supplier that he has not claimed refund of such supply</div></div><div><div>Output Tax</div><div>Supplier Claiming Refund</div><div>Rule 89(4A)- 2nd proviso to Rule 89(1) is Applicable &amp; Refund allowed on Following Conditions</div><div>1) Documentary evidence- Statement Containing No. &amp; date of Invoice</div><div>2) Undertaking by Recipient that he has not claimed ITC &amp; Refund of such supply</div></div></div>										
<div>Meaning: -</div> <div>Sec. 2(39)- Deemed Exports- means supplies of goods notified u/s 147.</div> <div>Sec 147= Govt notifies certain supplies as deemed export, where- Goods do not leave India, &amp; manufactured in India, &amp; Payment received in Indian rupees/ convertible foreign exchange.</div> <div>Notified Supplies</div> <div>Supplies notified as Deemed export are as follows:- i)Supply of Goods by RP against Advance Authorisation, ii) Supply of CG by RP against EPCG Authorisation, iii) Supply of goods by RP to EOU, iv) Supply of Gold by Bank/PSUs against Advance Authorisation.</div> <div>Person Eligible to Claim Refund</div> <div>➤ Recipient (Notified person i.e. AA, EPCG,EOU)</div> <div>➤ Supplier (if recipient doesnot avail ITC &amp; also furnishes undertaking that supplier may claim the refund)</div> <div>Documents and Evidences</div> <table><tr><th>Refund To Supplier</th><th>OR</th><th>Refund To Recipient</th></tr><tr><td><div>Documents :- statement containing number/date of invoices along with other notified evidences</div><div>Evidences :-</div><div>➤ Acknowledgment by the Jurisdictional Tax officer of Advance Authorization / EPCG authorization holders</div><div>➤ Copy of tax invoices, duly signed by recipient</div><div>➤ Undertaking by recipient (that ITC not availed on such supplies)</div><div>➤ Undertaking by recipient (that shall not claim refund on such supplies &amp; supplier may claim refund)</div></td><td></td><td><div>Documents :-</div><div>➤ Undertaking by supplier</div><div>➤ Filed by recipient</div><div>➤ Recipient shall not claim refund, to be furnished manually</div></td></tr></table> <div>Circular No. 172/04/2022-GST dt 06/07/2022]</div> <div>➤The ITC on deemed export supplies is not classified as ITC under the CGST Act.</div> <div>➤ This means recipients can claim a refund for the full amount paid, regardless of any restrictions in section 17(5).</div>						Refund To Supplier	OR	Refund To Recipient	<div>Documents :- statement containing number/date of invoices along with other notified evidences</div> <div>Evidences :-</div> <div>➤ Acknowledgment by the Jurisdictional Tax officer of Advance Authorization / EPCG authorization holders</div> <div>➤ Copy of tax invoices, duly signed by recipient</div> <div>➤ Undertaking by recipient (that ITC not availed on such supplies)</div> <div>➤ Undertaking by recipient (that shall not claim refund on such supplies &amp; supplier may claim refund)</div>		<div>Documents :-</div> <div>➤ Undertaking by supplier</div> <div>➤ Filed by recipient</div> <div>➤ Recipient shall not claim refund, to be furnished manually</div>
Refund To Supplier	OR	Refund To Recipient									
<div>Documents :- statement containing number/date of invoices along with other notified evidences</div> <div>Evidences :-</div> <div>➤ Acknowledgment by the Jurisdictional Tax officer of Advance Authorization / EPCG authorization holders</div> <div>➤ Copy of tax invoices, duly signed by recipient</div> <div>➤ Undertaking by recipient (that ITC not availed on such supplies)</div> <div>➤ Undertaking by recipient (that shall not claim refund on such supplies &amp; supplier may claim refund)</div>		<div>Documents :-</div> <div>➤ Undertaking by supplier</div> <div>➤ Filed by recipient</div> <div>➤ Recipient shall not claim refund, to be furnished manually</div>									

Merchant Exporter (Penultimate Supply)	Max time limit for application	Relevant Date	Doctrine of Unjust Enrichment	Application Form	Amount of Refund	Documents & Conditions
	2 Years from Relevant Date	Date of receipt of goods	NA	RFD-01	CGST 0.05% SGST 0.05% IGST 0.1%	Refer Below
	<div><div><div>Export outside India</div><div>Export under Bond/LUT</div><div>No refund under rule 89(4B) can be claimed</div></div><div><div>M.E.</div><div>Ⓞ</div><div>Ⓞ</div><div>M.E. (Recipient) can claim ITC &amp; refund of such ITC under Rule 89(4)</div></div><div><div>Supplies</div><div>Invoice Value 1,00,000</div><div>CGST@0.05% 50</div><div>SGST@0.05% 50</div></div><div><div>Supplies</div><div>Ⓞ</div><div>Ⓢ</div><div>Value 50,000</div><div>GST 9,000 @18%</div><div>Supplier can claim refund of accumulated ITC under inverted tax structure</div></div></div>					

Concept- IGST @ 0.1% (CGST - 0.05% and SGST - 0.05%) on Inter-State/Intra State supply of taxable goods by Reg. supplier to Reg. recipient for export. Excess tax has been exempted by CG.

Conditions:- i) Reg. supplier Supply the goods to Reg. recipient (ME) on a tax invoice, ii) ME shall export goods within 90days from date of issue of tax invoice by Reg. supplier, iii) ME shall indicate GSTIN of supplier & tax invoice number on Shipping bill/Bill of export, iv) ME must be registered with Export Promotion Council/ Recognized Commodity Board v) Copy of purchase order to Jurisdictional officer of supplier, vi) Proof of export to be given to supplier & his jurisdictional officer vi) Full Rate applicable if goods not exported within 90days from date of invoice.

Supply of goods to SEZ Developer/ unit (ZRS)	Max time limit for application	Relevant Date	Doctrine of Unjust Enrichment	Application Form	Amount of Refund	Documents & Conditions	
	2 Years from Relevant Date	the due date for furnishing of return u/s 39 in respect of such supplies	Applicable in certain cases	RFD-01	IGST paid	SOG	➤ Statement containing the number & date of invoice ➤ evidence regarding goods admitted in full for authorized operations as endorsed by the specified officers of SEZ
	<b>Comment :-</b> In case of supplies made to SEZ unit or developer of SEZ (a) supplier of goods after such goods have been admitted in full in the SEZ for authorised operations, as endorsed by the specified officer of the Zone. (b) supplier of services along with such evidence regarding receipt of services for authorised operations as endorsed by the specified officer of SEZ [Second proviso to rule 89(1)].					SOS	➤ Statement containing the number & date of invoice ➤ evidence regarding receipt of services for authorized operations as endorsed by the specified officer of SEZ, ➤ the details of payment, along with proof there of made by the recipient to supplier for authorised operation.
						SOG & SOS	a declaration to the effect that tax has not been collected from the SEZ unit or the SEZ developer"

Person Holding UIN (Rule 95)	Max time limit for application	Relevant Date	Doctrine of Unjust Enrichment	Application Form	Amount of Refund	Documents & Conditions
	Application once in every Qtr, but before expiry of 2 years, from last Qtr of supply received	Date of Payment	NA	GSTR-11	Tax paid on purchases of Goods/service	Details of Purchase Invoice
	<div><div>Rule 95</div><div><div>➤ Refunds can be claimed by:</div><div><div>➤ Specialized agencies of the UNO</div><div>➤ Multilateral Financial Institutions under the UN Privileges Act</div><div>➤ Foreign consulates or embassies</div><div>➤ Other specified persons or classes.</div></div><div>➤ Time Limit for Filing Refund Claims: Once in every quarter, within 2 years from the last day of the quarter when the supply was received. Applications must be in Form GSTR-11.</div><div>➤ Conditions for Refund Approval: Refunds will be granted if:<div><div>➤ Inward supplies were received against a tax invoice from a registered person.</div><div>➤ The applicant's name and GSTIN/UIN are on the invoice. If the UIN is missing, the invoice must be attested by an authorized representative.</div><div>➤ All other notified conditions are met.</div></div><div>➤ Refund of IGST on Imported Goods: Specialized agencies can claim refunds of IGST paid on imported goods, as the IGST rate for imports aligns with that of domestic supplies.</div><div>➤ Supremacy provision in case of inconsistency: If a treaty/ international agreement, to which the President / Govt. of India is a party, is inconsistent with Rule-95, Such treaty/international agreement shall prevail.</div></div></div></div>					

Refund In Other Cases							
Balance of E cash Ledger	Procedure	Max.time limit for application	Relevant Date	Doctrine of Unjust Enrichment	Application Form	Amount of Refund	Documents & Conditions
	Direct refund in Return	RP can also claim refund in tax period also in GSTR 3/3B	Date of payment of tax	NA		Excess Bal. in E-cash ledger	-
	<b>Important points clarified by CBIC:-</b> 1) time period, refund application u/s 54(1), is not applicable in cases of refund of excess balance in E-Cash ledger 2) certification/ declaration for not passing the incidence of tax to any other person is not required to be furnished along with the application for refund of excess balance in E-Cash ledger 3) refund of TDS/TCS deposited in electronic cash ledger can be refunded as excess balance in cash ledger						

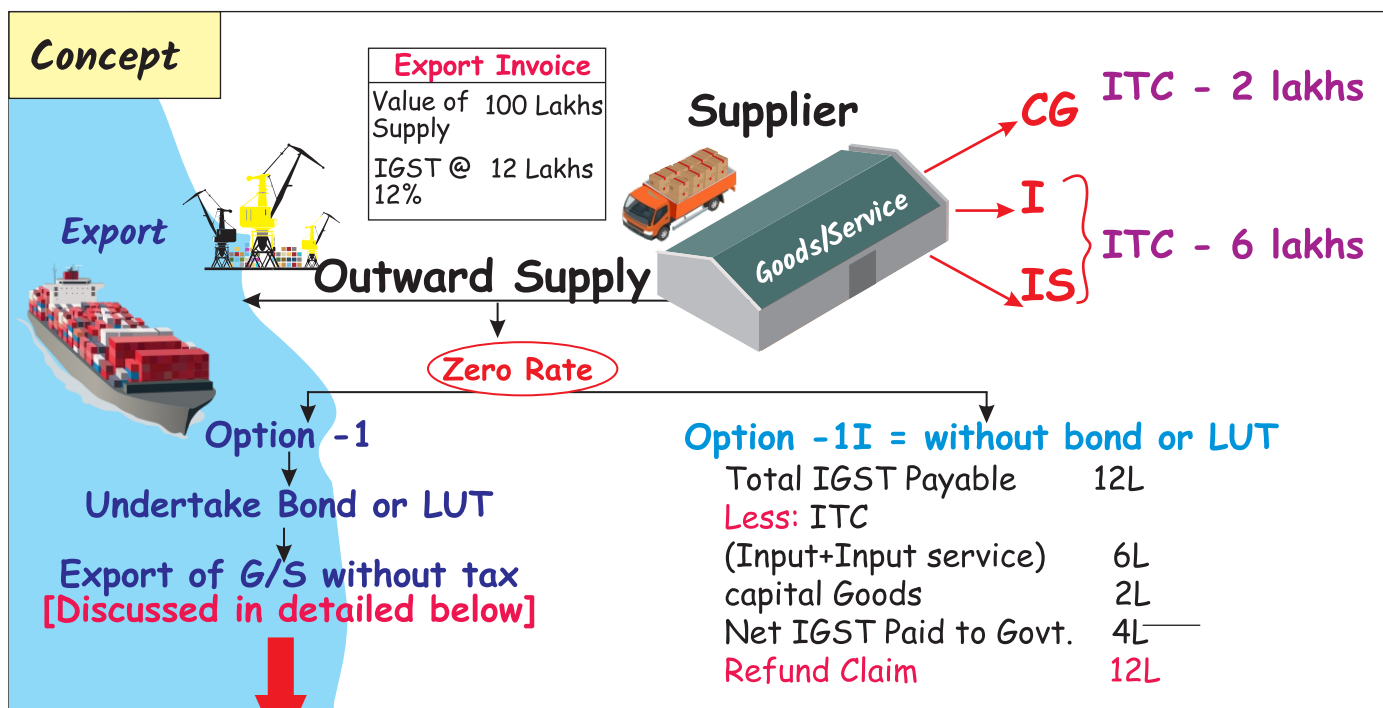


E cash ledger refund to CTP/NRTP	→	Direct refund in Return	2 Years from Relevant Date	Refund, only after filing return of entire period for which registration is held (i.e. only after filing last return of CTP/NRTP)	NA	RFD-01	Amount paid extra in advance after filling return	Final return by CTP/NRTP
Order of Court/ Tribunal	→	R. Procedure-(1)	2 Years from Relevant Date	Date of communication of judgement/ decree/ order/direction	Applicable	RFD-01	Amount specified in order	Reference No. of order, Copy of order
Finalisation of Provisional Assessment	→	R. Procedure-(1)	2 Years from Relevant Date	Date of final assessment	Applicable	RFD-01	Difference of provisional tax and final tax	Reference No. of Final assessment order, Copy of said order
Wrong Payment of tax	→	R. Procedure-(1)	2 Years from Relevant Date	Date of payment	NA	RFD-01	Amount wrongly paid	St. showing details of transactions considered as Intra state supply, but which subsequently held inter state supply or vice versa
Excess payment of tax, Interest or any other amount paid	→	R. Procedure-(1)	2 Years from Relevant Date	Date of payment (But if recipient is eligible for refund, then date of receipt of goods/services)	Applicable	RFD-01	Excess amount paid	Statement showing the details of the amount of such Claim.

For Self Study

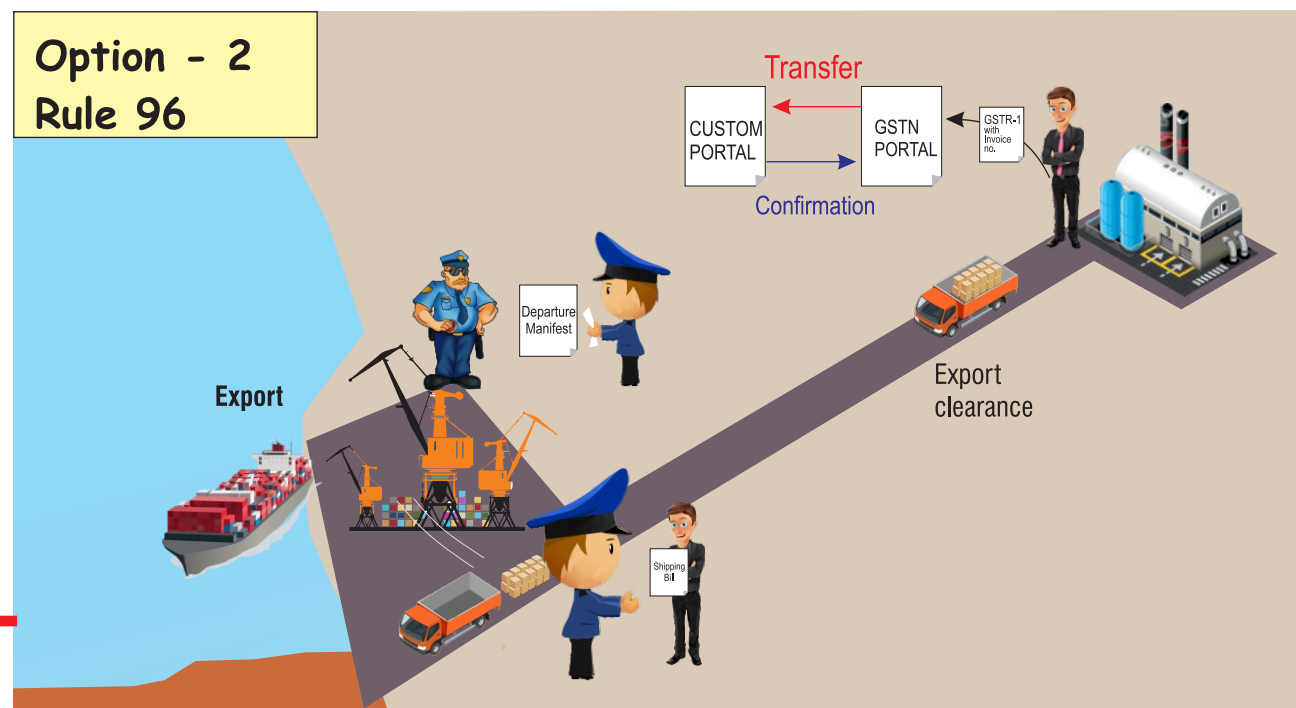
Export (Zero rated Supply)/ Deemed Export/Merchant Exporter/SEZ

Export without Bond/LUT	Max time limit for application	Relevant Date (i.e. Application of refund shall be filed within 2 years of following date)	Doctrine of Unjust Enrichment	Application Form	Amount of Refund	Documents & Conditions
Supply of Goods (Procedure-2 is applicable)	2 Years from Relevant Date	SOG exported by- (1)Sea/Air - ship/aircraft leaves India, (2) Land - Goods pass the frontier (3)Post - Dispatch of Goods	NA (Direct refund available & amount not credited to consumer welfare fund)	SOG- Shipping Bill	IGST Paid on outward supply (including ITC used for payment of IGST)	1) SOG- other than electricity 1)Statement containing No. & date of Shipping bill/Bill of export, 2) Date of relevant export invoices
Supply of Services (Procedure-1 is applicable)		SOS- (1)Amt received after supply= Date of receipt of CFC/Indian rupees(permitted by RBI), (2)Advance received- Date of invoice		SOS- RFD-01		2) SOS- 1) Statement containing No. & 2)date of invoice, 3) Relevant Bank realization certificate/ foreign inward remittance certificates 3) SOG - Export of electricity ⇒ Statement containing the no. & date of export invoice ⇒ details of energy exported, tariff per unit for export of electricity ⇒ copy of statement of scheduled energy for exported electricity by regional energy account Copy of agreement detailing the tariff per unit
Supply of Goods (On Accounts of Additional IGST Paid on Export)		SOG exported by- (1)Sea/Air - ship/aircraft leaves India, (2) Land - Goods pass the frontier (3)Post - Dispatch of Goods		SOG- RFD-01		⇒ Copies of export invoices and shipping bills/bill of export, with numbers and dates. ⇒ Copies of bank realization or foreign inward remittance certificates, with numbers and dates. ⇒ Details of any refunds previously granted u/r 96. ⇒ Copies and dates of any relevant invoices or debit notes. ⇒ Proof of additional IGST payment and any interest. ⇒ Foreign inward remittance certificate for the additional payment, along with a CA/CMA certificate confirming the remittance is due to the price increase. ⇒ Copies of contracts or documents supporting the price revision.



**Note:-** If supply is made without bond (i.e. after payment of IGST) no refund of ITC is available under rule 89(4)

Let's discussed here indetails



### Rule 96A :-Export of Goods/ services under Bond/LUT

- **Time limit:** An RP shall furnish a bond/LUT in prescribed form, (binding to pay tax + Int @18%p.a)
  - a) SOG (Goods not exported): Pay taxes within 15 days after 3 months or any extended period allowed by the Commissioner.
  - b) SOS (Payment for services not received): Pay taxes within 15 days after 1 year or as allowed under FEMA including extension, from the invoice date.
- **Electronic Transmission:** Export invoices must be sent electronically in GSTR-1/GSTR-1A to the Customs portal for confirmation of export.
- **Recovery:** If goods aren't exported on time and the amount isn't paid, the bond/LUT will be withdrawn, and recovery will follow as per sec 79.
- **Supply to SEZ:** ZRS of goods/services to SEZ developers/units follow the same procedures as Rule 96A(1), without IGST payment.

#### Cir.No.197/09/2023 :

- Exporters can claim a refund of unutilized ITC u/s 54(3) after exports or service payments.
- They can also refund IGST for goods not exported or unpaid services.
- No refund for interest paid is allowed.

### Rule 96: Refund of IGST on goods/services exported out of India

#### SOG:

- **Application:** The shipping bill is a refund application for IGST on exported goods when:
  - The person in charge files a departure manifest covering the shipping bill details.
  - The applicant submits a valid GSTR-3B return. If there's a mismatch between the shipping bill data & GSTR-1, the application is deemed filed when the mismatch is corrected.
  - The applicant has completed Aadhaar authentication as per rule 10B.
- **Refund of Additional IGST on account of Upward Revision of Price subsequent to Exports:** Exporters can apply electronically for a refund of additional IGST paid due to a price increase after export, if they have already received a refund of the initial IGST. The application must be in FORM RFD-01 and will follow rule 89.
- **Transmission of export invoices to customs portal:** Invoices in GSTR-1/ GSTR-1A, will be electronically sent to the Customs portal, which will confirm the export of goods from India.
- **Processing of Refund claim:** After validating the return, the Customs PO will process the refund, & IGST amount for each shipping bill will be electronically credited to the applicant's bank account.
- **Withholding of Refund of IGST: Refund claims will be withheld if:**
  - a) The jurisdictional GST Commissioner requests a hold u/s 54(10)/(11).
  - b) The Customs PO finds the export violated the Customs Act.
  - c) The Commissioner believes verification of the exporter's credentials and ITC usage is needed to protect revenue.

- **Transmission of refund withheld to GST officer:** If a refund is withheld u/r 96(4)(a)/(c), the claim must be submitted electronically in FORM GST RFD-01 to the PO of CGST/SGST/UTGST. The exporter will be notified of the transmission, and the claim is deemed filed on that date.
- **Transmission of refund withheld to Customs officer:** If a refund is withheld u/r 96(4)(b) for violating the Customs Act, the Customs PO will issue an order. The claim is then submitted electronically in FORM GST RFD-01 to the PO for CGST/SGST/UTGST, and the exporter will be notified. The claim is deemed filed on the transmission date.
- **Refund Application Processing:** Refund applications in FORM GST RFD-01 transmitted electronically will be handled according to Rule 89.
- **Refund to the Govt of Bhutan on the exports to Bhutan:** The CG may refund IGST on exports to Bhutan govt for notified goods. If refunded to Bhutan govt, the exporter is **not eligible** for an IGST refund.

#### SOS:

- **Application:** Refund applications for IGST on exported services must be filed in Form GST RFD-01 and dealt as per Rule 89.

**Circular no. 233/27/2024 :-** If inputs were imported without paying IGST and compensation cess by availing benefits, but subsequently these taxes are paid with interest & the Bill of Entry is reassessed, then the IGST refunded on exports **will not violate** Rule 96(10).

### Rule 96 B - Recovery of Refund of Unutilised ITC / IGST on export of goods, where export proceeds not realised

- **Non-realisation of Exports proceeds with FEMA:** If a refund of unutilized ITC/IGST on exports is granted but sale proceeds aren't fully received within the FEMA period, the applicant must repay the refunded amount plus interest within 30 days after the period ends.
- **Recovery of Amount:** If the applicant fails to repay the refunded amount, it will be recovered u/s 73 or 74 or 74A, plus interest. However, if the RBI waives the requirement, the refund won't be recovered.
- **Subsequent realisation of export proceeds within time frame of RBI:** If the applicant realizes the sale proceeds after the refund is recovered, they must provide evidence within 3 months. The recovered amount will be refunded up to the realized proceeds within the RBI's extended period.



Order of Refund

Sec 54(5)(7) with Rule 92	Order of Refund - If PO satisfies that claim is refundable (full/part), he may make an order in Form <b>GST RFD-06</b> , & amount shall be credited to Consumer welfare fund (Paid to applicant in specified circumstances where direct refund is available).		
Rule 92(1)	<p>➤ <b>Sanctioning of refund:</b> The PO will issue an <b>RFD-06</b> order to sanction a refund if it's due. They can credit the amount to the Consumer Welfare Fund, but if unjust enrichment doesn't apply, the refund will go directly to the applicant.</p> <p>➤ <b>Details of Refund order:</b> The refund order will include:</p> <ul style="list-style-type: none"><li>➤ Any amount refunded provisionally</li><li>➤ Amount adjusted against outstanding demands</li><li>➤ Balance amount refundable</li></ul> <p>➤ <b>Refund in cash &amp; credit, based on original mode of payment:</b> Refunds will be given in cash and as ITC, based on the original payment method:</p> <ul style="list-style-type: none"><li>➤ <b>Cash Component:</b> The officer will issue a refund after adjusting any outstanding demands.</li><li>➤ <b>Credit Component:</b> The officer will recredit the E-credit ledger as ITC.</li></ul> <p>➤ <b>Payment order &amp; deposition in bank a/c of recipient:</b></p> <ul style="list-style-type: none"><li>➤ The refund will be credited electronically to the applicant's bank account as mentioned in their registration.</li><li>➤ The refund order does not require revalidation.</li><li>➤ If the refund isn't disbursed within the same FY, revalidation is needed.</li><li>➤ The <b>CG</b> disburses refunds based on consolidated payment advice.</li></ul>	Rule 92(2): <b>With-holding of Refund:</b>	<p>➤ <b>General Withholding:</b> If the PO believes a refund should be withheld u/s 54(10)/(11), they must inform the applicant of the reasons.</p> <p>➤ <b>Sec 54(10):</b> If the applicant has not filed a return and there's no stay from a court, the PO may:</p> <ul style="list-style-type: none"><li>➤ Withhold the refund until the return is filed or taxes are paid.</li><li>➤ Deduct any due tax, interest, or penalties from the refund.</li></ul> <p>➤ <b>Sec 54(11):</b> If a refund order is under appeal, and the Commissioner believes granting it may harm revenue due to fraud or malfeasance, they may withhold the refund after hearing the applicant.</p> <p>➤ <b>Interest on Withheld Refunds:</b> If a refund is withheld u/s 54(11), the applicant is entitled to interest at 6% p.a if the appeal results in a refund.</p> <p>➤ <b>Release of Withheld Refunds:</b> If the PO or Commissioner finds that withholding is no longer necessary, they can issue an order to release the refund.</p>
		Rule 93 <b>Credit of the amt. of rejected refund claim:</b>	<p>➤ If any deficiencies are found, the previously debited amount will be <b>re-credited</b> to the E-credit ledger.</p> <p>➤ If a refund claim is fully or partially rejected, the rejected amount will also be re-credited by a prescribed order.</p> <p>➤ A refund is considered rejected if the appeal is denied or if the claimant agrees in writing not to appeal.</p>

Rule 95B read with Circular no. 227/21/2024: Refund of tax paid on inward supplies of goods received byCanteen Stores Department (CSD) & its Procedure:	
Introduction	<p>➤ The <b>CSD</b> can claim <b>50% CGST</b> refund on goods for Unit Run Canteens (URCs).</p> <p>➤ Refund applications must be filed quarterly in <b>FORM GST RFD-10A</b>.</p>
Refund Conditions	<p>➤ Goods must come from registered supplier with valid tax invoice and supplier has filed <b>GSTR-1 &amp; GSTR-3B</b>.</p> <p>➤ The invoice must include the <b>CSD's</b> name and <b>GSTIN</b>, and goods should be for resale to Canteens or authorized customers.</p>
Procedure	<p>➤ <b>CSD</b> can file for a <b>50% GST</b> refund on goods for resale in URCs or authorized customers in <b>FORM GST RFD-10A</b>.</p> <p>➤ Claims can cover multiple quarters but must be submitted quarterly and include:</p> <ul style="list-style-type: none"><li>➤ An undertaking for resale.</li><li>➤ A declaration of no prior refunds claimed for those invoices.</li></ul> <p>➤ Claims can be filed within two years of receiving the goods.</p> <p>➤ The <b>PO</b> will verify <b>GSTR-1</b> and <b>GSTR-3B</b> filings and invoice accuracy.</p> <p>➤ Refunds are capped at <b>50% of CGST, SGST, UTGST, and IGST</b> paid.</p> <p>➤ After review, the officer will issue an order (<b>RFD-06</b>).</p> <p>➤ Manually submitted applications will follow previous guidelines.</p>

Sec 56 :- Interest on Delayed Refunds

Situations	Refund is not paid	Interest	Interest is Payable
If order passed by P O u / s 54(5)	within <b>60days</b> , from date of receipt of application from applicant	6% p.a.	from 61 th days till the date of payment of refund
order passed in an appeal /further proceedings	Within <b>60 days</b> from date of receipt of application filed consequent to such order till the date of refund	9% p.a.	from 61 th days till the date of payment of refund

Circular79/53/2018

- For above limit of 60days in calculation of interest, All tax authorities are advised to issue final sanction orders (**RFD-06**) within 45days from date of generation of ARN, so that disbursement completed within 60days by both Central/state authorities, to save interest.

Period of delay shall not include [Rule 94(2)]

- a) time taken to furnish reply or additional document **beyond 15 days** of receipt of notice &
- b) time taken by applicant to give correct bank account details for crediting refund or for validating such details.

Mechanism for refund of additional IGST paid on account of upward revision in price of goods subsequent to exports (Cir. no. 226/20/2024):-

- Exporters must pay additional **IGST** for upward price revisions on exported goods.
- Refunds for this additional **IGST** can now be claimed using **FORM GST RFD-01**, processed by the jurisdictional **GST** officer.
- Exporters must upload relevant documents, including statements 9A and 9B.
- **GSTN** will provide shipping bill details to aid in processing.
- Refunds are not available for claims below ₹1000 and must be submitted within 2 years.
- Required documents include shipping bills, invoices, contracts, proof of additional **IGST** payment, and a **CA** or **CMA** certificate.
- The officer will verify details from the exporter's **GSTR-1** and **GSTR-3B**.
- If eligible, a refund sanction order will be issued.
- For downward price revisions, excess **IGST** must be returned with interest, and the officer will confirm proper deposit.

For Your Self Notes:-





CA Vishal Bhattad

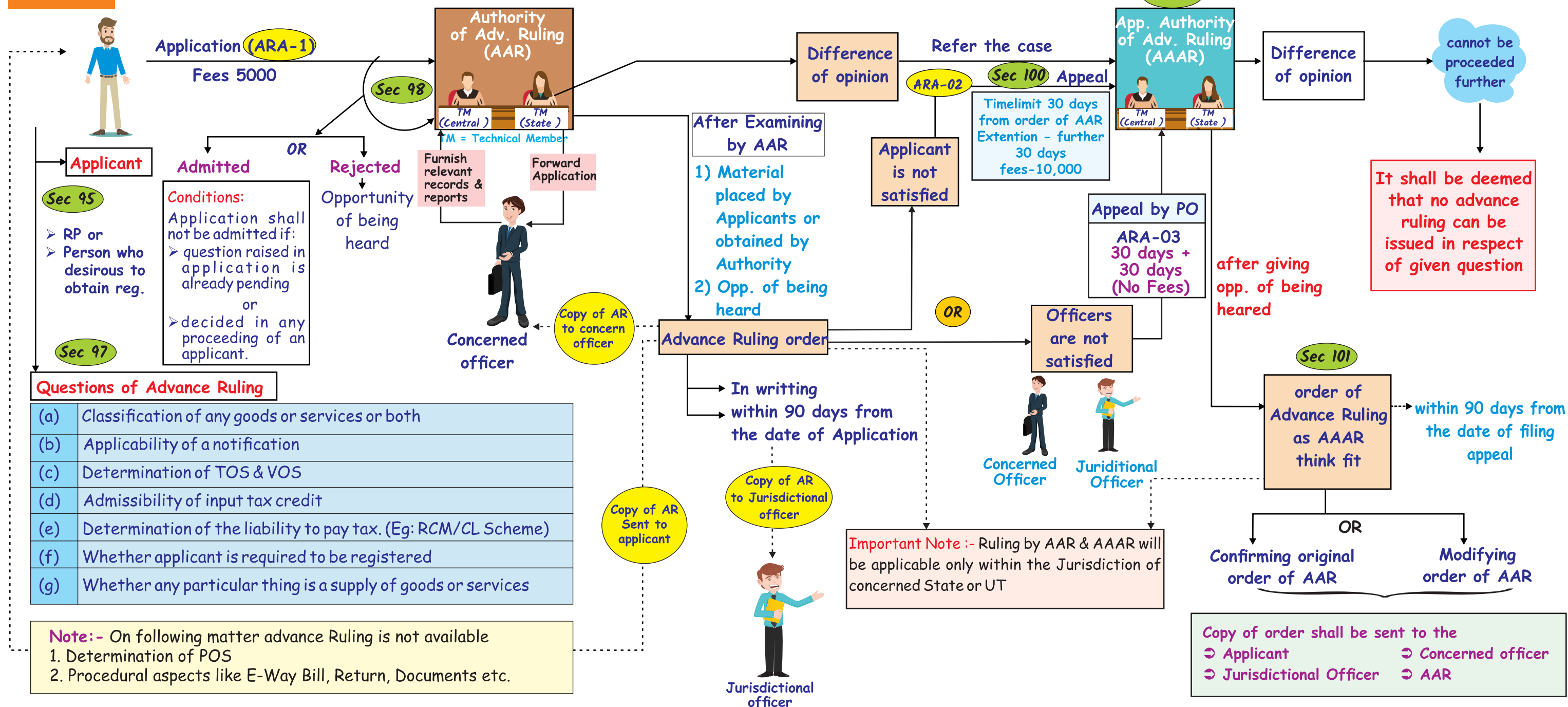
# Chapter 17: Advance Ruling

Sec 95

"advance ruling" means a decision provided by the AAR or the AAAR to an applicant on matters or on questions specified

in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant

Sec 96 State Govt. [Every State]



## 102:-Rectification of advance ruling

- Rectify any error apparent on the face of record
- Error noticed by Own/concerned officers/ Jurisdictional officers /Applicant
- Rectification is allowed within **6 month** from the date of order
- If tax enhanced or ITC reduced on rectification opportunity of being heard given

## 103:- Applicability of advance ruling

- Advance Ruling by AAR/AAAR is binding on
  - a) on the applicant who had sought it
  - b) concerned officers or Jurisdictional Officer
- Order inoperative if law, facts or circumstances supporting the original AR have changed

## 104:- Advance ruling to be void in certain circumstances.

- AR is void- ab-initio if it obtained by fraud or suppression of material facts or misrepresentation of facts
- All provisions of this act/rule are applicable as if such AR had never been given
- Opportunities of being heard required

## 105:- Powers of Authority and Appellate Authority

- AAR/AAAR have all powers of a civil court under code of civil procedure 1908 for
  - Discovery & Inspection enforcing the attendance of any person & examination him on oath, issuing commissions & compelling of books of account & other records
- Every proceeding before AAR / AAAR shall be deemed to be a Judicial proceeding

## 106:- Procedure of Authority and Appellate Authority

The Authority or the Appellate Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure.



CA Vishal Bhattad

# Chapter 19 - DEMAND & RECOVERY

## Proceeding in case where

**Sec 74A**

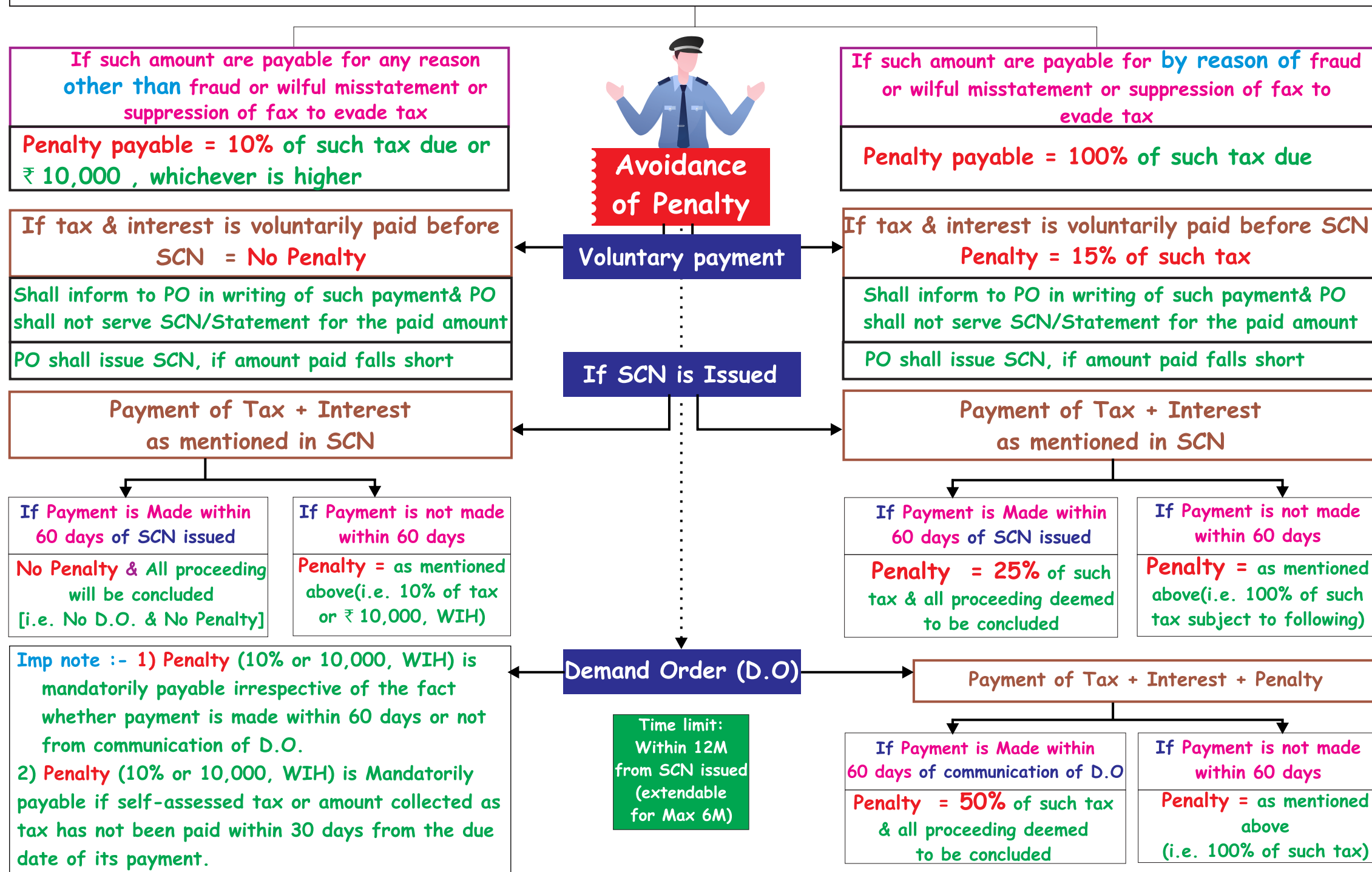
Non-Payment of Tax

Short Payment of Tax

Erroneous Refund

Wrong - availment or utilisation of ITC

- Serving of SCN:** PO shall serve notice on such person required him to show cause as to why he should not pay the amount specified in a notice with interest u/s 50 & penalty leviable under GST law (No notice if, such amount in F.Y. < ₹1000).
- Time limit of SCN :** PO shall issue SCN within 42 months i.e 3 yr. 6 months from the:
  - > Due date of furnishing A.R. for the F.Y. to which amount such relates or
  - > From the date of erroneous refund
- Statement:** If SCN issued for earlier period & same default for other period = Issue statement for other period (grounds are same)
- Demand Order:** After considering the representation made by such person, PO shall issue demand order for tax, interest and penalty within 12M from SCN issued (extendable for Max 6M)



Excess collection of Tax

**Sec 76**

Tax collected but not paid to Government

- Tax collected from any person to be paid to the CG:- Every person collected tax and has not paid it to Govt. = shall immediately pay the said amount to Govt.. (Irrespective of whether relevant supplies are taxable or not).
- Issue of SCN:-** If above amt. 76(1) has not been paid, PO = may serve a SCN = on the person liable to pay such amount Tax & Penalty.  
Note- There is no time limit for Serving SCN under this section
- Demand Order:-** After considering representation, PO shall determine the amt. due from such person & thereupon, such person shall pay the amount so determined.
- Interest Payment:-** Person shall pay interest @ 18% PA {u/s 50}, from the date of collection - to the date of payment to Govt.
- Opportunity of being heard:-** Opportunity of hearing shall granted if request in written, received from such person)
- Time limit for Issuance of Order:-** Within 1 year- from the date of issue of SCN. {No time limit for issue of SCN}
- Period of stay excluded:-** Where issuance of order- stayed by an order of the Court/Appellate Tribunal stay period-excluded from period of 1 Year.
- Order must be a speaking order:-** PO = set out relevant facts & the basis of his decision.
- Adjustment of amount payable u/s 76(1) & (3):-** Amount paid to Govt. (Sub-sec.1/3)=adjusted against tax payable by person, i.r.t. supplies (sub-sec.1)
- Surplus after adjustment:-** Amount of surplus (after adj. above)= \*Credited to the Welfare Fund, (or) \*Refunded to the person, borne the incidence of such amount.
- Refund :-** Person- borne incidence of the amount= may apply for refund



**Important Notes :-** i) All proceedings in respect of the said notice" shall not include proceedings u/s 132

ii) Proceedings against the main person have been concluded u/s 74A, the proceedings against all the persons liable to pay penalty u/s 122, 125 are deemed to be concluded

iv) For the purposes of this Act, the expression "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 this Act or the rules made thereunder, or
- ➔ **failure to furnish any information** on being asked for, in writing, by the proper officer.

### Sec 77: Tax wrongfully collected & paid to CG/SG

- ➔ If a RP pays CGST/SGST/UTGST thinking it's an intra-State supply, but it's later confirmed as inter-State, they can **get a refund**.
- ➔ If an RP pays IGST thinking it's inter-State but it's actually intra-State, they won't **owe interest** on CGST and SGST/UTGST.

**Note:** Similar rules are in Section 19 of the IGST Act.

### Sec 78: Initiation of recovery proceedings

- ➔ A taxable person must pay any amount due **within 3 months** of receiving the order. If not, recovery proceedings will begin.
- ➔ The authority may require payment in **< 3 months, with written reasons**.

### Sec 79: Mode of Recovery of Tax

- ➔ Tax authorities can **deduct outstanding dues** from amounts owed to a TP.
- ➔ The authority can **detain and sell** a taxable person's goods to recover dues.
- ➔ Money owed to a taxable person can be recovered from a **third party**.
- ➔ The authority can **seize movable or immovable property** until dues are paid.
- ➔ Recovery can start through the **District Collector** where the TP has property or business, treating it as land revenue arrears.
- ➔ An application can be made to the **Magistrate** for recovery as a fine.
- ➔ Recovery can be pursued through a **civil court** decree against the surety for the defaulter's dues.
- ➔ For companies in liquidation, dues can be notified to the **liquidator** for recovery.
- ➔ Dues can be recovered through **bonds executed** under GST law.
- ➔ CGST **arrears** can be recovered as SGST arrears and vice versa.

### Sec 80: Payment of tax and other amount in instalments

- ➔ The Act allows instalment payments (excluding self-assessed tax) upon request to the Commissioner. Up to **24 monthly instalments** may be approved, but missing one makes the full balance due immediately.
- ➔ A taxable person can apply for **extension**. The Commissioner will review the person's financial ability and may grant extensions up to 24 monthly instalments with interest.
- ➔ Instalment payments are **denied** if there are current defaults on CGST/IGST/UTGST/SGST or if instalments were denied last year, or if the amount is under ₹25,000.

### Sec 81: Transfer of property to be void in certain cases

- ➔ If a person transfers property (Sale, mortgage) to defraud the government after an amount is due, the transfer is **void** against tax claims.
- ➔ **Exceptions** include valid transfers made for adequate consideration, in good faith, without knowledge of pending claims, or with prior permission from the PO.

### Sec 82: Tax to be first charge on property

Any tax, interest, or penalty owed is a **first charge** on a taxable person's property, overriding other laws, **except** under the Insolvency and Bankruptcy Code.

### Sec 75: Determination of Tax (General prov.)

- ➔ Period of stay- If issuance of SCN/DO is stayed by Court/AT= excluded from period of SCN/DO for fraud/other than fraud/**Sec 74A**.
- ➔ If AA/AT concludes that charges of fraud are not sustainable- SCN u/s 74(1)= SCN u/s 73(1).
- ➔ **If fraud isn't proven, only the lower penalty u/s 74A(5)(i) applies.**
- ➔ Order on direction of Court= such order shall be issued within 2 yr from the date of communication of direction.
- ➔ Opportunity of being heard to aggrieved person.
- ➔ Adjournment (for reasons in written)=Upto 3 times to a person
- ➔ Order=Speaking (set out relevant facts & basis for his decisions)
- ➔ **Amount demanded in order shall not exceed amount in SCN**
- ➔ If AA/AT/court modifies amount of tax- modify Interest/penalty accordingly.
- ➔ **Interest= mandatory (even if not specified in SCN)**
- ➔ If no DO is issued within the time limits u/s 73(10), 74(10), or **74A(7)** then proceeding deemed to be concluded.
- ➔ If appeal filed by dept., against decision of AT/AA/court= Period b/w date of decision of higher authority & lower authority= excluded from period of SCN/DO
- ➔ **If any amount of self assessed tax(in return)/amount of interest =remains unpaid=recovered u/s79.**
- ➔ **If penalty u/s 73/74/74A imposed = no other penalty applies.**

### Sec 83: Provisional attachment to protect revenue in certain cases

- ➔ The Comm. can **provisionally attach** a TP's property (including bank accounts) after proceedings of Assessment, Inspection, search, seizure, arrest, Demand & recovery for 1yr.
- ➔ Perishable/hazardous property will be released if the TP pays the market price or the owed amt., **whichever is lower** upon proof of payment. If not paid, comm. may dispose such property.
- ➔ A person can object to the attachment, and the Commissioner **may release** it if justified.
- ➔ If property is with Court/Public Officer, An attachment order will **hold it until** the debt is recovered.
- ➔ To attach **partner's interest**, the authority can charge the partner's share, Appoint a receiver for profits & Order the sale of the interest. Other partners may redeem or buy it.

### Sec 84: Continuation and validation of certain recovery proceedings

- ➔ If government dues are **increased**, the Commissioner will issue a new notice, and recovery can continue from where it left off before the appeal.
- ➔ If dues are **reduced**, no new notice is needed. The Commissioner will inform the taxable person and authority & recovery will continue based on the reduced amount.

#### Rule 88C: Manner of dealing with difference in liability in GSTR 1 & GSTR 3B:

- ➔ If tax payable in GSTR 1/**GSTR-1A** exceeds in GSTR 3B, RP shall pay differential tax amount along with interest in prescribed form & also explain the difference within 7 days.
- ➔ If he failed to do so, the amount shall be recoverable as per Sec 79.

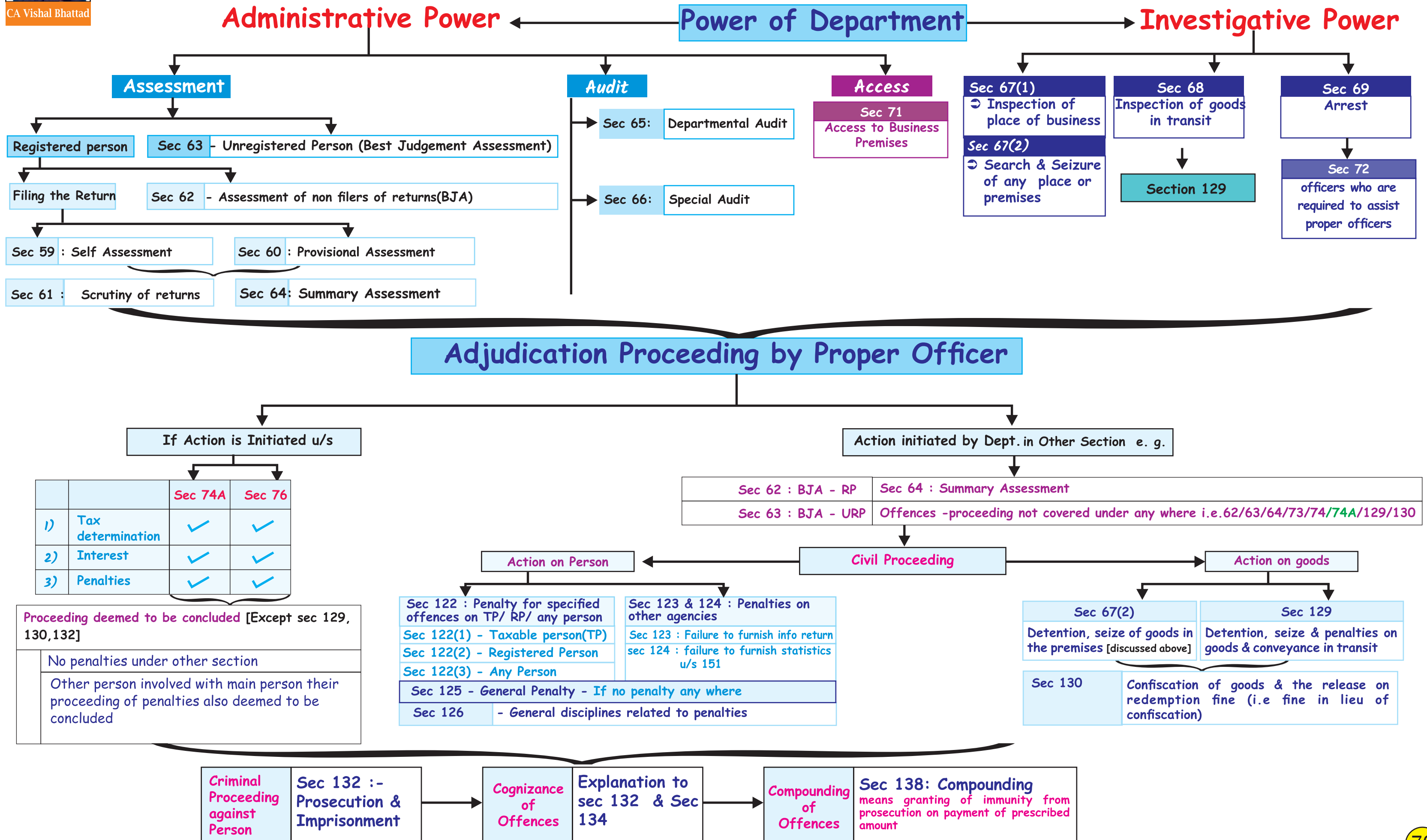
#### Rule 88D: Manner of dealing with difference in ITC available in autogenerated statement containing the details of ITC and that availed in return

- (1) **Intimation for difference in GSTR-3B & 2B:-** If ITC availed by RP in GSTR-3B exceeds ITC available in GSTR-2B for a tax period(s) by prescribed % or amount, difference shall be intimated to him.
- (2) **Time limit to pay excess ITC availed:-** RP has to pay excess ITC availed + interest u/s 50 or explain reasons (reply) for such difference within 7 days.
- (3) **Consequences for failure :-** If intimated amount is not paid partly or wholly within time limit & reply is also not furnished or furnished reply is not acceptable, it will be demanded u/s 73 or 74 or **74A**.



CA Vishal Bhattad

# Chapter 21: Offences, Penalties and Punishment (Sec 122 to Sec 138)





SEC 122 PENALTIES FOR OFFENCES ON TAXABLE PERSON/ REGISTERED PERSON/ ANY PERSON

SEC 122(1) TAXABLE PERSON

(A) INVOICE / BILL OF SUPPLY			(C) ITC			(F) TURNOVER			PENALTY:- HIGHER OF THE FOLLOWING:- 1. ₹ 10,000 (IGST: 20,000) OR 2. An amt equivalent to any of the following (i.e. 100%):- (a) Tax evaded or (b) Tax not deducted u/s 51 or short deducted or deducted but not paid to Govt or (c) Tax not collected u/s 52 or short collected or collected but not paid to Govt or (d) ITC availed or passed on or distributed irregularly or (e) Refund claimed fraudulently	
(i)	Supply of Goods & Services		(i)	Takes or utilises ITC without actual receipt of goods & services (fully/ partially) in contravention of provisions of this act.		(i)	Suppresses turnover leading to evasion of tax.			
	(a)	without issue of invoice								
	(b)	issue of incorrect or false invoice								
(ii)	Issue of invoice or bill without supply of goods & services in violation of provisions of this act.		(ii)	Takes or distributes ITC in contravention of Sec 20 (ISD).		(i)	Transport taxable goods without documents. (e.g. away bill, challan etc.)			
(iii)	Issue of invoice using registration no. of another registered person.			(D) REGISTRATION			(ii)	Supplies/ transports/ stores any goods which he has reason to believe are liable to confiscation.		
(B) COLLECTION & PAYMENT				(i)	Liable to get registered but fails to obtain registration.			(H) REFUND		
(i)	Collects any amt as tax but fails to pay to Govt. beyond a period of 3 months from the due date of payment.		(ii)		Furnish false info with regard to registration.			(i)		Fraudulently obtains refund.
	(ii) Collects any tax in contravention of the provision of the Act but fails to pay to Govt. beyond a period of 3 months from the due date of payment.				(E) DOCUMENTS, RECORDS & INFORMATION		(I) PROPER OFFICER			
	(iii)	(a)		Fails to deduct tax u/s 51	(i)	(a)	Falsifies financial records			(i)
(b)		Deducts an amt less than the amount required to be deducted.	(b)	Produce fake accounts/documents		(ii)	Fails to furnish info., documents called for by an officer.			
(c)		Fails to pay to Govt amt deducted as tax.	(c)	Furnishes any false info in return with an intention to evade payment of tax.			(J) SEIZED GOODS			
(iv)	(a)	Fails to collect tax u/s 52	(ii)	Fails to keep, maintain or retain books of accounts.			(i)	Dispose off/ Tampers with any goods- detained, seized or attached.		
	(b)	Collects an amt less than the amt require to be collected.		(iii)	Tampers with or destroys any material evidence/ document.					
	(c)	Fails to pay to Govt amt collected as tax.								

SEC 122(1A)

Any person who retains the benefit of a transaction covered under above clauses [A(i) & (ii)], [C(i)&(ii)] of Sec 122 (1) and at whose instance such transaction is conducted.

**Penalty = tax evaded or input tax credit availed or passed on**

SEC 122(1B) Penalty for ECO

(i) ECO allows a supply through it by URP other than a person exempted from registration, **Penalty is Higher of:-**  
- ₹10,000 (IGST: 20,000), or  
(ii) ECO allows an inter-State supply through it by person who is not so eligible or  
- tax involved if such supply was made by RP other than composition dealer  
(iii) ECO fails to furnish correct details in GSTR-8 u/s 52(4) of outward supply of goods effected through it by person exempted from obtaining registration.

**SEC 122A:-**Penalty on manufacturer of goods for failure to register certain machines used in manufacture of goods as per special procedure u/s 148

₹1 lakh (CGST & SGST/UTGST each) or ₹2 lakh (IGST) per machine plus any other penalty under demand & recovery & GST law.

Such machine is liable for seizure & confiscation unless penalties are paid & registration is done within 3 days of receipt of communication of order of penalty.

Student Notes:-

SEC 122(2) REGISTERED PERSON

(i) Supplies SOG or SOS on which		(ii) where ITC has been wrongly availed or utilised.	
(a) tax not /short been paid	(b) erroneously refunded or	(i) For reason other than fraud, wilful misstatement or suppression of facts to evade tax, Higher of the following	(ii) For reason of fraud, wilful misstatement or suppression of facts to evade tax, Higher of the following
(a) 10,000/- or IGST = 20,000	(b) 10% of the tax due	(a) 10,000/- or IGST= 20,000	(b) 100% of the tax due

SEC 122(3) OTHER PERSON (for which no penalty covered above)

Any person who-		Penalty extending to ₹25,000/- (IGST= 50,000)
(i)	aids or abets any of above 21 offences (Sec 122(1)).	
(ii)	deals in goods liable to confiscation (whether receiving, supplying, storing or transporting).	
(iii)	receives or deals with SOS in contravention of this act.	
(iv)	fails to appear before authority who has issued summon.	
(v)	fails to issue/Accountd any invoice for supply in his bank of A/c.	

PENALTY ON OTHER AGENCIES

Sec 123 : failure to furnish info Return u/s 150 within 90 days of service of SCN	Sec 124 failure to furnish Statistics u/s 151
Penalty = ₹ 100 (IGST: ₹ 200) for each day of failure (Maximum ₹ 5,000 (IGST : 10,000))	Penalty=(a)Fine upto ₹ 10,000 (IGST: ₹ 20,000) & (b) for continuing offence further fine upto ₹ 100 (IGST: ₹ 200) per day but maximum ₹ 25,000 (IGST: ₹ 50,000)

SEC 125 GENERAL PENALTY		SEC 126 GENERAL DISCIPLINES PENALTIES		SEC 127 CIRCUMSTANCES UNDER WHICH OFFICER MAY ISSUE ORDER OF PENALTY				
Any person who contravenes any of the provisions of this Act for which no penalty is separately provided,	Penalty = which may extend to ₹ 25,000 (IGST: ₹ 50,000)	1.	No penalty for:- (a) Minor breaches(tax <₹5000) (b) Procedural requirements. (c) Any omission or mistake in document which is easily rectifiable. (Apparent on record & Made without fraudulent intent or gross negligence.)	Penalty is not covered by following proceedings:-				
		2.	Penalty imposed depends on facts & circumstances & shall be commensurate with the degree & severity of the breach.	(a)	BJA of non- filers of returns. (Sec 62)		} Sec 122	
		3.	Opportunity of being heard after issuing SCN.	(b)	BJA of unregistered person. (Sec 63)			
		4.	Officer shall specify the nature of breach & applicable law.	(c)	Summary Assessment. (Sec 64)			
		5.	Person voluntarily discloses to an officer, P.O. may consider this as a mitigating factor when quantifying penalty.	(d)	Determination u/s 73.	(e)	Determination u/s 74.	
		6.	Provisions not applicable if:- Penalty specified either a fixed sum or fixed percentage.	(f)	Determination u/s 74A	(g)	Detention, seizure & release of goods & conveyances in transit. (Sec 129)	
				(h)	Confiscation of goods/conveyances & levy of penalty u/s 130.			

SEC 129 DETENTION , SEIZURE & RELEASE OF GOODS & CONVEYANCE IN TRANSIT	
1. Notwithstanding anything contained in this Act, where person:- <ul style="list-style-type: none"> <li>a. Transport any goods</li> <li>b. Stores goods while in transit.</li> </ul> in contravention of provision of this Act then:- <ul style="list-style-type: none"> <li>(i) all such goods; (ii) conveyance;</li> <li>(iii) documents related to goods &amp; conveyance "shall be liable to be detention or seizure".</li> </ul>	
RELEASE OF GOODS DETAINED OR SEIZED	
WHERE OWNER OF GOODS COME FORWARD FOR PAYMENT OF TAX & PENALTY	
<div>In case of Taxable goods :</div> <div>On payment of penalty equal to 200% of the tax payable on such goods</div>	<div>In case of exempted goods :</div> <div>An amount equal to 2% (IGST:4%) of the value of goods; or ₹ 25,000 (IGST: ₹ 50,000) whichever is less</div>
WHERE OWNER OF GOODS DOES NOT COME FORWARD FOR PAYMENT OF TAX & PENALTY	
<div>In case of Taxable goods</div> <div>Penalty equal to higher of the following <ul style="list-style-type: none"> <li>➤ 50% of value of goods or</li> <li>➤ 200% of the tax payable on such goods</li> </ul> </div>	<div>In case of exempted goods :</div> <div>An amount equal to 5% (IGST:10%) of the value of goods; or ₹ 25,000 (IGST: ₹ 50,000) whichever is less</div>
<p>"No such goods &amp; conveyance shall be detained or seized without serving an order of detention or seizure on the person transporting the goods."</p> <p>2. Omitted</p> <p>3. Notice to transporter within 7 days specifying the penalty &amp; order with 7 days of notice. .</p> <p>4. Opportunity of being heard.</p> <p>5. On payment of amount , all proceedings shall be deemed to be concluded.</p> <p>6.Transporter/ Owner fails to pay the amt within 15 days so detained/seized shall be liable to be sold or disposed of to recover penalty payable as per order.</p> <p>7. Transporter can get conveyance released on payment of penalty which is lower of: Penalty in the order or ₹ 1,00,000 (IGST: ₹ 2,00,000 ).</p>	
<p>"Where detained/ seized goods are perishable/ hazardous/ likely to depreciate the period of 15 days may be reduced by P.O.."</p>	

SEC 130 CONFISCATION OF GOODS OR CONVEYANCES & LEVY OF PENALTY	
1. Where Not withstanding to anything contained in this Act, if any person:-	
a.	Supplies or receives goods in contravention of provisions of this Act with intent to evade payment of tax; or
b.	Doesn't account for goods on which he is liable to pay tax.
c.	Supplies any taxable goods without applying for registration.
d.	Contravenes any of provisions of this Act with intent to evade payment of tax;
e.	uses any conveyance for transporting goods in contravention of provisions of this Act unless owner of conveyance proves that it was used without his knowledge/ connivance. then, all such goods/ conveyance are liable to confiscation and penalty u/s 122 be levied.
2. REDEMPTION FINE (OPTION TO PAY FINE IN LIEU OF CONFISCATION):-(in addition to tax, penalty and charges payable) If goods are confiscated by Govt. If goods are confiscated by Dept.	
A.	FOR GOODS
a.	Fine shall not exceed Market value of goods confiscated less tax chargeable;
b.	Fine + Penalty shall not be less than Penalty equals to 100% of tax payable on such goods (Lower restriction)
B.	CONVEYANCE USED FOR CARRIAGE OF GOODS OR PASSENGERS:-
a.	Fine equal to tax payable on goods being transported.
3. No order without opportunity of being heard.	
4."Confiscation= title to govt."	
5. P.O. shall take & hold possession of things confiscated with assistance of officer of police if needed.	
6. If redemption fine not paid within 3 months, P.O. dispose of goods/ conveyance & deposits sale proceeds with Govt.	
<p>"As per Sec 131, no confiscation made or penalty imposed above shall prevent the infliction of any other punishment to which the person affected is liable under provisions of this act or under any other law."</p>	



## PUNISHMENT FOR ABOVE OFFENCES

**Sec 132: Prosecution and imprisonment** - Whoever commits, or causes to commit and retain the benefits arising out of, any of the following offences

<b>(A) INVOICE / BILL OF SUPPLY</b>		<b>(C) ITC</b>		<b>(E) DOCUMENTS, RECORDS &amp; INFORMATION</b>		<b>(G) DEAL IN GOODS LIABLE TO CONFISCATION</b>	
(i) Supply of Goods & Services without issue of invoice	In violation of law if the intention to evade the payment of Tax	(i) Avails ITC using invoice or bill referred in (ii) above fraudulently avails input tax credit without any invoice or bill		(a) Falsifies/substitutes financial records		(i) Deals in supply of goods which he knows or has reasons to believe are liable to confiscation (whether by acquiring possession, transporting, removing, depositing, keeping, concealing, supplying or purchasing).	
(ii) Issue of invoice or bill without supply of goods & services (fake invoices)	In violation of law leading to wrongful availment or utilisation of ITC or refund.			(b) Produce fake accounts/ documents			
<b>(B) COLLECTION &amp; PAYMENT</b>		<b>(D) FRAUDULENT ACTIVITIES</b>		(c) Furnishes any false info/ return with an intention to evade payment of tax.			
		(i) a) Evades Tax		<b>(F) ATTEMPT TO COMMIT OFFENCE</b> (related to above(A)to (E))		(ii) Deals in supply of services which he knows or has reasons to believe are in contravention of any provisions of this Act (whether by receiving or concerned in any way)	
(i) Collects any amt as tax but fails to pay to Govt. beyond a period of 3 months from the due date of payment.		b) Fraudulently obtains refund [not covered above]		(i) attempts to commit, or abets the commission of any of the offences mentioned above.		<b>(H) ATTEMPT TO COMMIT OFFENCE</b> (related to above(G))	
						(i) attempts to commit, or abets the commission of any of the offences mentioned above.	

### PUNISHMENT FOR ABOVE OFFENCES (WITH PREVIOUS SANCTION OF COMMISSIONER)

Offence Involving	Amount Involved (in ₹)	Punishment
➤ Tax evaded or ➤ ITC wrongly availed or utilised or ➤ Refund wrongly taken	> 5 crores	upto 5 Years and with fine
	Exceeds 2 crores but ≤ 5 crores	upto 3 Years and with fine
	Exceeds 1 Cr but ≤ 2 Cr in offence specified in A00(ii) above	upto 1 Years and with fine
Commits or abets the commission of an offence specified E (above)	No limit	6 months or fine or both
For second and every subsequent offence under section 132	No limit (even offence of ₹ 1)	upto 5 Years and with fine
(Imprisonment minimum 6 months in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court)		

#### COGNIZABLE & BAILABLE OFFENCE

<b>COGNIZABLE &amp; NON-BAILABLE</b>	➤ means serious category of offences where arrest can be done without a warrant and investigation with or without the permission of a court. ➤ accused person shall not be automatically entitled for bail. However, court may order him to be released on a suitable bail
<b>NON-COGNIZABLE &amp; BAILABLE</b>	➤ means relatively less serious offences where accused not be arrested without a warrant and an investigation cannot be initiated without a court order. ➤ accused shall be offered to be released on bail upon his arrest by the police officer or the court informing about his right to be so released

#### COGNIZANCE OF OFFENCES

##### COGNIZABLE & NON BAILABLE

Offences related to above (A) to (C) (of sec 132) where:-

(i) amount of tax evaded or  
 (ii) amt of ITC wrongly availed or  
 (iii) amt of refund wrongly taken

Exceeds ₹ 5 Cr

**"BAIL CAN BE CONSIDERED BY A JUDICIAL MAGISTRATE ONLY"**

##### NON COGNIZABLE & BAILABLE

##### Other Offences

- Offences related to above (A) to (C) of Sec 132 above, where tax or ITC or refund evaded is ₹ 5 crores or less
- Offences related to above (D) to (H) of Sec 132 above [irrespective of amount involved]

**"ARRESTED PERSONS SHALL BE RELEASED ON BAIL BY PO"**

#### Sec 133: Liability of Officers & Others

Persons liable	Punishment	Prosecution Requirement
1. Person handling statistics u/s 151	Up to 6m imprisonment or ₹ 25,000 fine, or both	Govt. servant:
2. CGST officer with access to information u/s		Sanction of Govt.
3. Person providing services on common portal		Non-govt. servant:
4. Agent of common portal		Sanction of Commissioner

#### Sec 134: Cognizance of offences

- can only take action on GST offences with prior approval from the Commissioner.
- Such offences must be tried by a Magistrate of First Class or higher.

#### Sec 135: Presumption of Culpable mental state

- The court will assume the accused had a guilty mind, but the accused can prove otherwise.
- "Culpable mental state" includes intention, motive, knowledge, or belief in a fact.
- A fact is considered proved only if the court is convinced beyond reasonable doubt, not just by probability.

### Sec 136: Relevance of Statements in Certain Cases

A statement made and signed by a person in response to a summons can be used as evidence in a prosecution if:

- The person is dead, missing, unable to testify, kept away by the opposing party, or their presence is difficult or costly to obtain, or
- The person has testified in court, and the court decides the statement is necessary for justice.

### Sec 137: Offences by Companies and Other Entities

<b>Who is Guilty &amp; Punished</b>	➤ Company & the person in charge responsible for business at the time of offence ➤ Partner, karta, managing trustee of firm/LLP/HUF/trust
<b>Other Persons Liable to Be Punished</b>	Director, manager, officer of the company or partner/ member/ trustee/ manager of other entities
<b>Persons Not Liable to Punishment</b>	If the offence was committed without their knowledge or they exercised due diligence to prevent it.

## COMPOUNDING OF OFFENCES (SEC 138)

compounding means granting of immunity from prosecution on payment of prescribed amount

- Any Offence may be compounded by Commissioner
- Either before or after the institution of prosecution
- Upon payment of compounding amount.

#### NON COMPOUNDING

a)	Person who has been allowed to compound once earlier for offence under A to E
b)	Person who has been accused of Issuing invoice/bill without supply leading to wrongful availment/utilisation of ITC or tax refund
c)	Person convicted for an offence by a court.
d)	Any other class of persons or offences as may be prescribed

#### COMPOUNDING

##### Other Offences

**MONETARY LIMIT FOR COMPOUNDING AMOUNT:-**

**(Allowed Only After Payment of Tax, Interest & penalty)**

- MINIMUM LIMIT = 25% of tax involved**
- MAXIMUM LIMIT = 100% of tax involved**

**Compounding Amt by 38/2023.(Commissioner shall determine the compounding amount below:-**

Offence	if offence is punishable u/s 132(1)(i) (1st time)	if offence is punishable u/s 132(1)(i) (Repeat)
SOG or SOS without invoice to evade tax,	Up to 75% of tax /ITC / refund wrongly taken, <b>Minimum = 50%</b>	Up to 60% of tax /ITC / refund wrongly taken, <b>Minimum = 40 %</b> <small>(Note: If compounding not allowed: its not relevant)</small>
ITC on fake invoice or without invoice		
fails to pay to Govt. after collection within 3 months		
Evades tax or fraudulently obtains refund not covered above & also where invoice without SOS /SOG leading to wrong ITC or refund.		
Falsifies financial records or produces fake accounts/documents	Amount equivalent to 25% of tax evaded.	Amount equivalent to 25% of tax evaded.
Deals with goods liable to confiscation	25% of tax evaded / ITC wrongly availed/ utilised / refund wrongly taken.	25% of tax evaded / ITC wrongly availed/ utilised / refund wrongly taken.
Receives or deals with supply of services in contravention of GST law		
Attempt to commit or abetsany of the above offences		

**Proviso:-** If 2 or more offence are committed, compounding amount shall be higher of those prescribed.

### Circular No 171/03/2022: Clarification on Demand & Penalty for Fake Invoices under CGST

1. If A issues a tax invoice to B without actual supply.

Cases	Clarification
Is it a supply u/s 7 of the CGST Act?	No, because no goods or services were actually supplied.
Can demand/recovery be made from A u/s 73 or 74 or 74A of CGST Act?	No tax liability arises, so no demand or recovery can be made u/s 73 or 74 or 74A.
Can penal action be taken against A?	No penalty u/s 73 or 74 or 74A. However, penalty u/s 122(1)(ii) may apply for issuing invoices without actual supply.

2. A issues a tax invoice to B without supply. B claims ITC on it and uses it to pay tax on his own supplies to buyers.

Cases	Clarification
Liability for ITC Demand & Penalty	➤ B wrongly availed & utilized ITC on fake invoices. ➤ Liable for demand, recovery, penalty u/s 74 & interest u/s 50.
Penal Action u/s 122	No additional penalty u/s 122 if penalty is imposed u/s 74.

3. A issues a tax invoice to B without supply. B claims ITC and passes it to C through similar invoices.

Cases	Clarification
Is it a supply u/s 7?	➤ No actual supply of goods or services. ➤ B availed ineligible ITC on fake invoices from A. ➤ No tax payable on B's supply to C due to lack of actual supply.
Penal Action u/s 122	➤ B is liable for penalty u/s 122(1)(ii) for issuing fake invoices without supply. ➤ B is also liable u/s 122(1)(vii) for utilizing ITC without actual receipt of goods or services.

### Sec 128A: Waiver of Interest and Penalty for Section 73 Demands

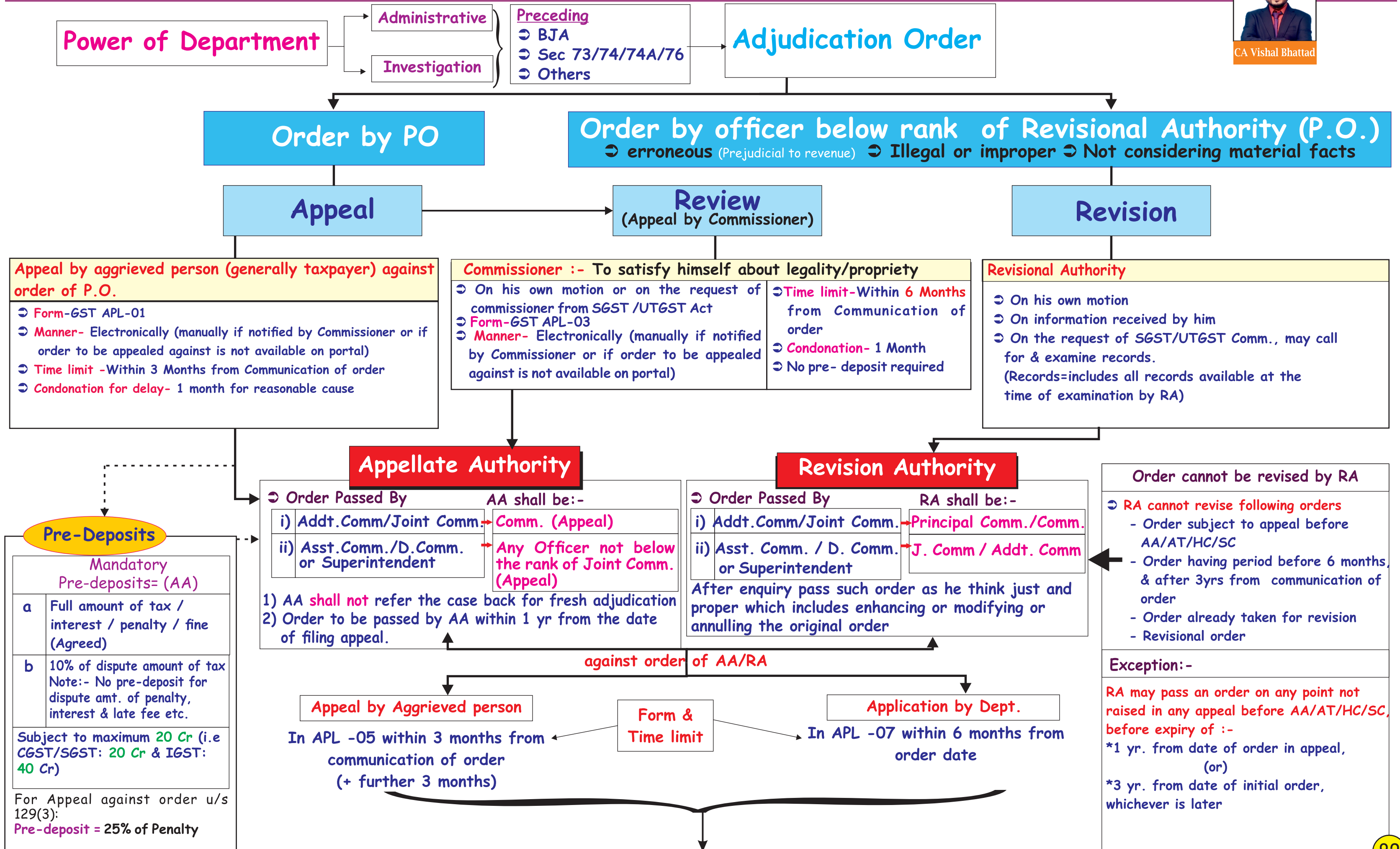
- If a person owes tax for the period from 01.07.2017 to 31.03.2020 and pays the full tax as per notice, statement, or order u/s 73 or its appeal/revision stages (before the date notified by the government), then no interest or penalty will apply, and the case will be treated as closed, subject to conditions.
- If a Sec 74 notice results in an order based on appellate or court directions, it will be treated the same.
- If any further appeal or review is made and extra tax is demanded, the benefit will still apply if the

- person pays that extra tax within 3 months.
- No refund will be given for any interest or penalty already paid.
- This benefit won't apply if the tax is due due to a wrongful refund, or if the taxpayer's appeal or writ is still pending and not withdrawn by the notified date.
- Once the case is closed under this provision, no further appeal can be filed against the related orders.

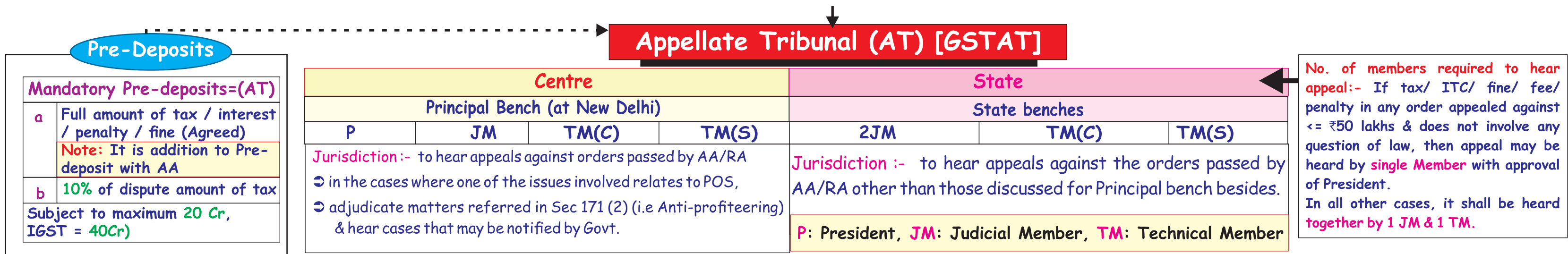


For your self notes:-

# Chapter 22 - Appeal and Revision



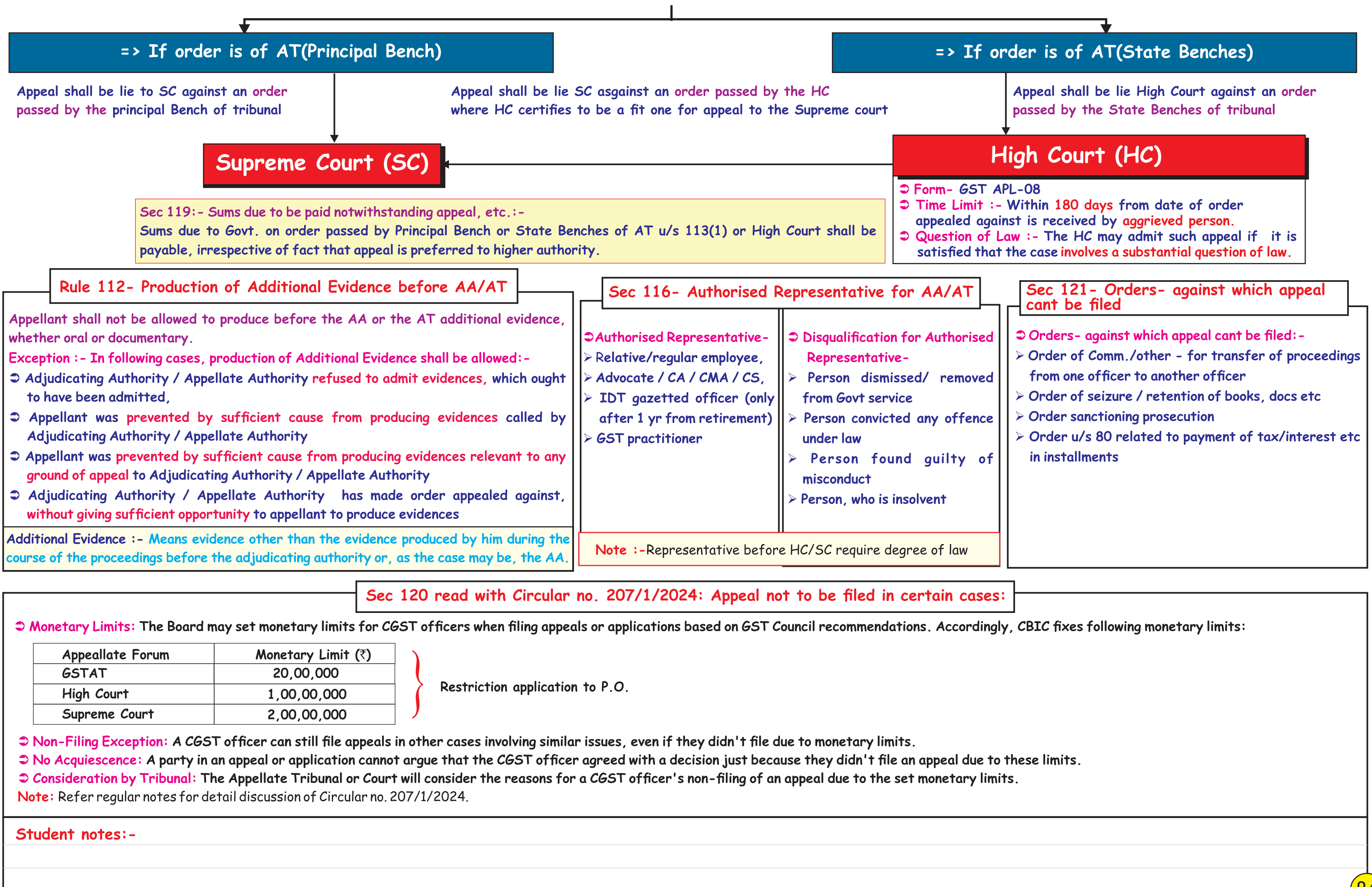




Manner of filing Appeal, Application & Memorandum	It is filed electronically except where Registrar allows manually by general/special order.
AT can refuse an appeal	Where- Amount of tax/ ITC/ Difference in tax or ITC/ fine/ fees/ penalty determined by such order = upto 50000/-
Memorandum of cross objection	Can be filed (within <b>45days</b> from receipt of notice) in <b>FORM GST APL-06</b> (Condonation= + 45days).
Fees	1,000/- for every ₹1,00,000/-of tax etc., Max. ₹25,000/- & Min. 5,000, fee = ₹5,000 if appeal is for order not having demand of tax, int, fine, fee or penalty.
Distribution/Transfer	Subject to jurisdiction discussed above, <b>President</b> shall distribute business of AT & transfer cases among benches.
Validity of Act	Act or proceedings of AT shall be not be questioned or invalid merely due to vacancy or defect in its constitution.
Date for filing appeal/application	1. If order is uploaded on portal, appeal is filed on date of provisional acknowledgment (ack). 2. If not uploaded, appellant must submit/upload a self-certified copy within 7 days of filing APL-05/07 & date of provisional acknowledgment becomes the filing date. If submitted after 7 days, the filing date is the date of uploading of self-certified copy. 3. Final ack. In APL-02 is issued after defect removal in all above cases. 4. The appeal is treated as filed only when the final ack. is issued.

## Order of AT

Difference in opinion on any pt. of appeal:-			Order of AT	pass such orders thereon as it <b>thinks fit, confirming, modifying or annulling</b> the decision or order appealed against or	Rectification Order by AT	Withdrawal of appeal/application
Situations	President shall refer case to					
(a) appeal was originally heard by Members of a State Bench,	to another Member of a State Bench within State or,					
no such other State Bench is available within State	to a Member of a State Bench in another State					
(b) appeal was originally heard by Members of Principal Bench,	to another Member from Principal Bench or,					
where no such other Member is available,	to a Member of any State Bench					
& point(s) shall be decided as per majority including members who first heard it.						



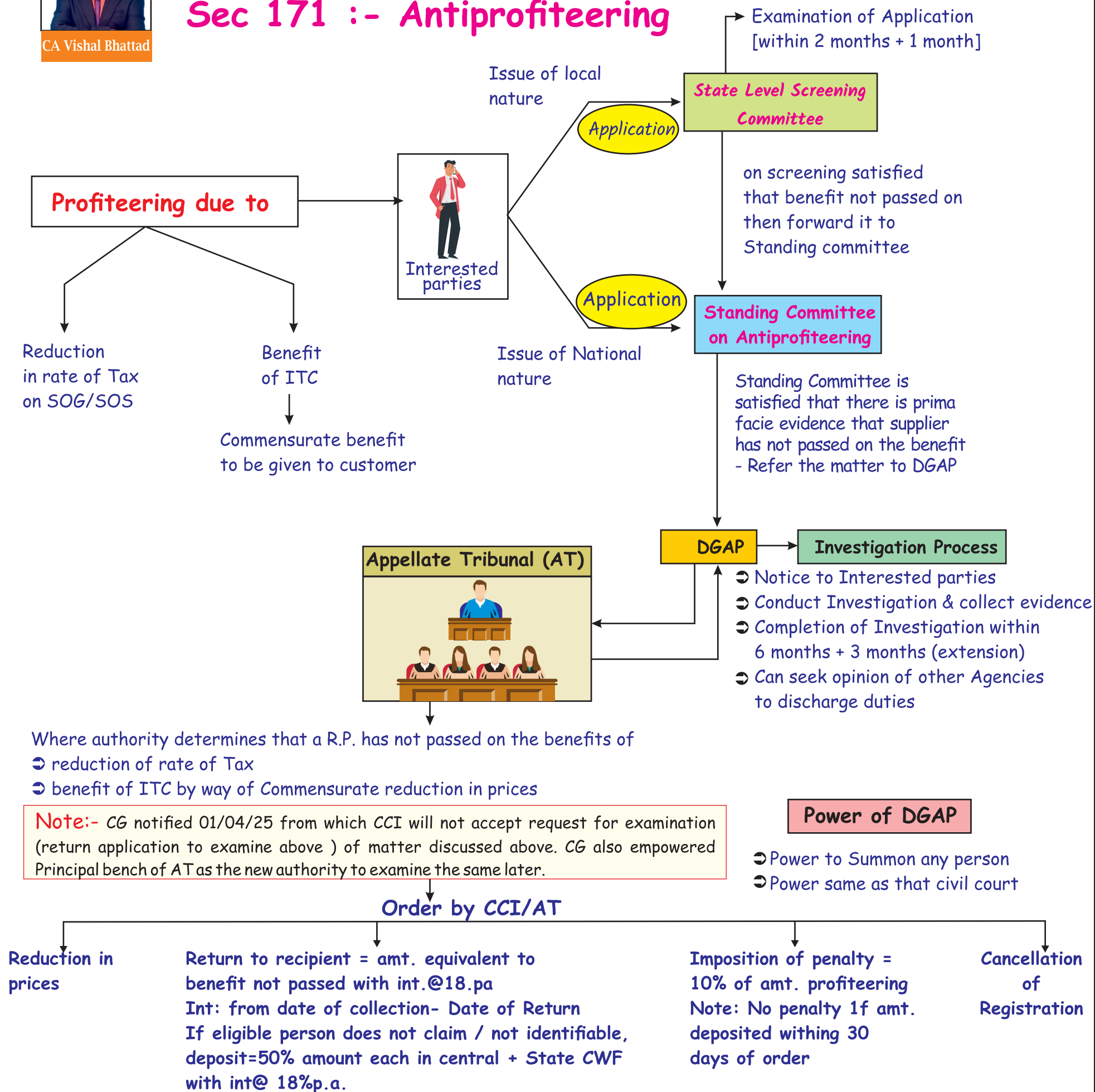




CA Vishal Bhattad

# Chapter 23 - Miscellaneous Provisions

## Sec 171 :- Antiprofitteering



**Sec-151 Power to call for information:-** The Commissioner or an officer authorised by him may, by an order, direct any person to furnish information relating to any matter dealt with in connection with this Act, within such time, in such form, and in such manner, as may be specified therein

**Sec-169 Service of Notice in certain circumstances:-**

- Any notice, decision, order, summons, etc under the Act / rules, are served on assessee with sec. 169.
- Sec. 169(1)- Modes of Service-** (any method can be followed)
  - Giving/ tendering directly:-** directly, or by messenger / courier, to addressee/ taxable person/ his manager/ authorised representative/ advocate/ tax practitioner/ to regular employee/ adult member of family.
  - By Registered post/Speed post/courier:-** with acknowledgement due, to person for whom it is intended / authorised representative, at his last known place of business / residence.
  - By E-mail:-** to his e-mail address provided at registration, or amended id.
  - By making it available at Common portal
  - By Publication in news paper:-** circulating in locality, in which taxable person is last known to have resided, carried on business or personally worked for gain.
  - By affixing at place of business etc.:-** at some conspicuous place at his last known POB/residence, if above methods are not practicable. If such method is not practicable, affix a copy thereof on notice board of office of concerned officer, who passed it.
- Sec. 169(2)- Deemed date of serving-** On the date on which it is tendered / published, or copy there of is affixed in above manner.
- Sec. 169(3)- Deemed date of receipt** If sent by registered post/speed post- deemed to have been received at expiry of the period normally taken by such post in transit, unless contrary is proved.

**Sec 158A read with Rule 163 Consent based sharing of information furnished by taxable person**

**(1) Sharing of information by portal:-** Following details furnished by RP may be shared by common portal with Account Aggregator, if RP opts for the same—

- (a) particulars furnished in FORM GST REG-01 or GSTR-3B or Annual return;
- (b) particulars uploaded for preparation of invoice, for generation of documents u/s 68 & in GSTR-1, as amended in GSTR-1A.
- (c) other details prescribed.

**(2) Consent required:-** For this, consent shall be obtained of following & communicated to portal—

- (a) Supplier (in all cases) & Note:- RP shall give consent only after obtaining consent of all recipients to whom he has issued invoice, credit notes & debit notes during said tax periods.
- (b) recipient (for clause (b) & (c) above only) if it includes identity information of recipient.

**(3) Effects:-** No action shall lie against Govt. or common portal for any liability due to information shared. There shall be no impact on liability to pay tax on relevant supply or as per relevant return.

## Interest Rate

Sections	Description	Rate of Interest (p.a.)	From	To
<b>GST ACT (CGST) 2017</b>				
Sec 16(4) read with Rule 37	Interest on non-payment of consideration within 180 days	18%	Date of availment	Date of reversal
Sec 17 read with Rule 42	ITC to be reversed on Inputs, Inputs services & Capital Goods	18%	1st April of succeeding FY	Date of payment
Sec 50(1) read with Rule 88B	Delayed payment of Self-assessment tax	18%	Succeeding day on which tax becomes due ie 20th of next month	Actual date of payment
Sec 50(3) read with Rule 88B	ITC wrongly availed & Utilised	18%	Date of utilisation of such wrongly availed ITC	Actual date of payment
Sec 56	Interest on Delayed refunds (If not refunded within 60 days)	6%	After expiry of 60 days from date of receipt of application	Date of refund of such tax
Sec 56	Interest on Delayed refunds as consequence of order of Adjudicating/ AA/AT/Court (If not refunded within 60 days)	9%	After expiry of 60 days from date of receipt of application	Date of refund of such tax
Sec 60(4)	Interest on Amount payable on provisional assessment	18%	Succeeding day after due date of payment of tax	Actual date of payment
Sec 60(5)	Interest on Amount refundable on provisional assessment	6%	After expiry of 60 days from date of receipt of application	Date of refund of such tax
Sec 76	Tax collected but not paid to Govt	18%	Date on which amount was collected	Date on which amount paid to Govt
Sec 115	Interest on Refund of pre-deposit	6%	Date of payment of pre-deposit	Date of refund of pre-deposit

### CUSTOMS ACT 1962

Sec 18	Interest on Amount payable on provisional assessment	15%	1st day of month in which duty is provisionally assessed	Actual date of payment of duty
Sec 18	Interest on Amount refundable on provisional assessment	6%	After expiry of 3 months from finalisation of assessment	Date of refund of such duty
Sec 47	Interest on late payment of import duty in case of Immediate payment	15%	Next day after presentation of BOE for home consumption	Actual date of payment of duty
Sec 61	Indirect clearance of Customs warehouse	15%	Next date after 90 days of warehousing order by PO	Actual date of payment of duty

## Monetary Limits under GST

Sec/Rules	Explanation
Schedule III	Gifts by employer to employee <= ₹50,000 per employee in a FY would not qualify as supply
Sec 9(5)	Notified services: Specified premises means premises providing hotel accommodation service having declared tariff of any unit of accommodation >= ₹ 7500 p.u per day
Sec 10(1)	Turnover limit for composition scheme ₹75L (8 Special states) & ₹ 150L (Rest of India) in PFY
Sec 10(2A)	Turnover limit for composition scheme ₹ 50L & who are ineligible u/s 10(1) & (2) in PFY

### Rule 32(2)(b)

At the option of supplier, value of supply/change of foreign currency shall be deemed to be:

S.No.	Currency Exchanged	Value of supply
1.	Upto 1L	Higher of: 1% of Gross amount of currency exchanged or ₹ 250
2.	Above 1L & upto 10L	₹ 1,000 + 0.05% of (Exchanged value - 1L)
3.	Above 10L	Higher of: 5,500 + 0.1% of (Exchanged value - 1L) or ₹ 60,000

### Sec 12 & 13

TOS for Excess amount upto ₹ 1,000 is Date of issue of invoice at the option of supplier

### Sec 51

TDS shall apply only if Value of taxabler Supply > ₹ 2,50,000

### Rule 40(1)

If the value of the claim > Rs 2 lakhs for availing ITC of inputs held in stock, then declaration shall be duly certified by a practicing CA or CMA

### Sec 52

Every ECO, not being an agent shall collect TCS @0.25% (IGST: 0.5%) of Net value of Taxable supplies

### Rule 87

Deposits can be made online (No limit) & offline (with limit) ie upto ₹ 10,000 over the counter payment is valid.

### Rule 86A

Ineligible availed ITC	Officer to disallow debit of amount from E-credit ledger
<= ₹ 1 Crore	Deputy Commissioner/Assistant Commissioner
> ₹ 1 Crore but <= ₹ 5 Crore	Additional Commissioner/Joint Commissioner
> ₹ 5 Crore	Principal Commissioner/Commissioner

### Rule 86B

If value of taxable supply > ₹ 50 Lakhs in a month, then registered person can use 99% of output tax from ITC balance to discharge the tax liabilities

### Sec 11

1	Services by clinical establishment by providing room charges > ₹ 5,000 per day are taxable other than ICU, CCU, NICU, ICCU
2	Services by Resident welfare association to its members upto ₹7,500 for sourcing of goods or services for common use are exempt.
3	Services by Govt. to business entity are exempt if consideration < ₹ 5,000.
4	Services by acquiring bank to any person for settlement of an amount upto ₹ 2,000 in a single transaction are exempt transacted through Credit card, Debit card.
5	Services of Life micro-insurance product as approved by IRDA, Maximum cover of ₹ 2L are exempt
6	Services by incubatee are exempt upto total turnover of ₹ 50L in FY provided its turnover <= ₹50L in PY & 3 yrs has not elapsed from the date of agreement.
7	Service performed by an artist in folk/classical art in the form of Music/dance/ theatre is exempt if the consideration charged < ₹ 1,50,000, except brand ambassador
8	Services of religious ceremony, renting of religious place are exempt, but if Rooms >= ₹ 1,000 per day, Premises, halls, or open area >= ₹ 10,000 per day & shops >= ₹ 10,000 per month are taxable
9	Admission to Entertainment Event is <b>exempt</b> if the consideration is not more than ₹ 500.
10	Services by an old age home run by CG, SG or Charitable entity to its residents (aged >= 60 years) upto ₹ 25,000 per month per member is <b>exempt</b> .
11	Services by an unincorporated body or Non-profit entity to its own member is <b>exempt</b> , if the consideration is upto ₹ 1,000 per member per year.
12	Accommodation services costing ₹ 20,000 or less per person per month, provided for at least 90 continuous days.

### Sec 22

Person is liable to get registered if his Agg t/o for goods > ₹ 40L, For goods and/or services > ₹ 20L & For special category states > ₹ 10L

### Sec 37

IFF is an optional facility available to RP to furnish details of outward supplies for 1st & 2nd months of a quarter upto a cumulative value of ₹50L in each of the first 2 months of quarter electronically on common portal.

### Sec 44

Commissioner exempts the RP whose Agg T/o in F.Y. 2023-24 is up to ₹ 2 Cr from filing annual return for the said F.Y.

### Sec 31(3)(b)

If the amount of tax invoice is < ₹ 200, it is not mandatory to issue tax invoice except in case of entry ticket in Multiplex & B2B transactions



E-invoicing	All registered businesses whose Agg t/o in any P.F.Y. from 2017-18 onwards > ₹5 Crore will be required to issue e-invoices subject to exempted entities.		
Rule 53	The supplier can issue consolidated invoice to unregistered recipient:		
	In case of Inter State supplies	Value of Total supplies <= ₹ 2,50,000	
	In case of Local supplies	For all the supplies	
Rule 46	No. of digits of HSN codes: a) Annual T/o <= ₹ 5 cr = 4 digits for B2B b) Annual T/o > ₹ 5 cr = 6 digits for B2B & B2C		
Rule 59(4)/(4A):	Details of outward details/additional details or amendment details in GSTR-1 /IA requires: 1. Invoice-wise details of supplies to RP & inter-State supplies to URPs over ₹1 lakh. 2. Consolidated details of supplies to URPs & inter-state supplies to URPs over ₹ 1 lakh. 3.Debit and credit notes for previous invoices.		
Rule 138	Every Registered person who causes movement of goods having consignment value > ₹ 50,000 need to generate E-way bill, However for interstate Job work & movement of Handicraft goods, E-way bill is mandatory irrespective of consignment value		
Sec 54(6) read with Rule 91	Provisional refund shall be granted if person claiming Refund has not been prosecuted for an offence where amount of tax evaded > ₹ 2.5 Cr during any period of 5 years immediately preceding the tax period to which the claim for refund relates.		
Sec 54(14)	Refund can be credited to account only if amount > ₹ 1,000		

## Time Limits under GST

Sec/Rules	Explanation
Rule 3 & 4	Intimation for <b>entering</b> into Composition scheme by Registered Person is to be filed in Form CMP-02 Prior to commencement of FY & also furnish statement in Form GST ITC – 03 within 60 Days
Rule 6	Intimation for <b>withdrawal</b> from the composition scheme is to be given within 7 days
Sec 16(2)	Registered person must pay value of goods/services plus tax within <b>180 days</b> from the date of Invoice issued by supplier other than RCM supplies. If failed to do so, corresponding credits shall be added with output tax liability along with interest
Sec 16(4)	Registered Person can claim ITC in <b>Earlier</b> of 30th Nov of next FY or Date of furnishing annual return
Sec 18(1)	RP is entitled to take ITC held in stock on the day immediately preceding the date of grant of registration <b>within 30 days</b>
Sec 25(1)	Person has to apply for registration <b>within 30 days</b> u/s 22 or 24 from the day he becomes liable & CTP/NRTP has to apply <b>at least 5 days prior</b> to the commencement of business
Rule 9	If PO is satisfied with the application, he may grant the RC <b>within 7 days</b> , but if not then he may grant RC within 30 days after Physical verification of Place of Business.
Rule 10A	Registered person shall furnish details of Bank account on common portal by the <b>earlier of within 30 days from the date of grant of registration or Furnishing details of outward supplies in GSTR 1/IFF.</b>
Rule 25	<b>After Grant of RC:</b> PO may conduct physical verification of POB <b>after grant of RC</b> & he is required to submit the report within 15 days from the date of verification. <b>Before Grant of RC:</b> PO may conduct physical verification of POB <b>before grant of RC</b> & he is required to submit the report within 25 days from the date of grant of RC.
Sec 27	Validity of Registration certification of CTP/NRTP is <b>Earlier</b> of Period specified in registration certificate or 90 days from effective date of registration, Further extension of 90 days is also allowed.
Sec 28	Registered person shall intimate <b>within 15 days</b> of such amendment by applying electronically
Rule 20 & 22	Registered person shall apply for cancellation of registration <b>within 30 days</b> of occurrence of the event warranting cancellation.
Sec 30 read with Rule 23	<b>Revocation of cancellation of Registration:-</b> RP whose registration is cancelled by PO may apply for revocation of cancellation within 90 days from the date of service of order of cancellation, & it can be further extended upto 180 days by Comm. or Authorised officer.
Rule 138C	PO shall record online Final report in Part B of FORM GST EWB-03 within 3 days of inspection with extension of 3 days
Sec 46	Notice requires the registered person to furnish the return <b>within 15 days</b> .
Sec 54	Any person claiming Refund may make an application <b>within 2 years</b>
Sec 60	➡ PO shall pass <b>Provisional Assessment order</b> within 90 days from the date of receipt of such request. ➡ PO shall pass <b>Final Assessment order</b> for finalizing the provisional assessment within 6 months, However it can be extended by Joint/Additional Commissioner for 6 months & by Commissioner for 4 years.

Sec 62	➡ PO shall pass the <b>best judgement assessment order</b> for Non-filers of returns within 5 years from date specified u/s 44 for the FY related to tax not paid. ➡ If RP furnishes valid return <b>within 60 days</b> of services of assessment order, it shall be deemed to have been withdrawn, but liability of interest and late fees shall continue.	
Sec 65	Audit shall be completed <b>within 3 months</b> & further extended <b>upto 6 months</b> by Commissioner)	
Sec 66	CA or CMA nominated by Commissioner for conducting <b>Special audit</b> shall submit a report of such audit <b>within 90 days</b> with further extension of 90 days	
Sec 67	Books shall be returned <b>within 30 days</b> & Goods shall be returned with 6 months (Further extension of 6 months) after inspection	
Sec 74A	If Tax not paid/short paid /erroneously refunded/ITC wrongly utilised for reason of fraud or other than fraud, PO shall issue <b>SCN</b> within 42 months (i.e. 3 yrs & 6 m)- from the due date for furnishing of annual return for the FY - from the date of erroneous refund	
Sec 76	If the <b>tax collected but not paid to Govt</b> then PO shall issue an order within 1 yr from the date of issue of the notice	
Sec 78	If the TP fails to pay amt. in pursuance of an order, then <b>Recovery proceeding</b> can be initiated within 3 months from date of such order.	
Sec 98	Authority shall <b>pronounce advance ruling</b> within 90 days from date of receipt of application.	
Sec 100	The aggrieved applicant can file an appeal to Appellate Authority against the Advance Ruling <b>within 30 days</b> (further extension of 30 days) from the date on which the ruling sought to be appealed.	
Sec 101	Order of Appellate Authority shall be passed <b>within 90 days</b> from the date of filing of appeal	
Sec 102	Rectification of Advance ruling can be done <b>within 6 months</b> from the date of order	
Sec 107	➡ Aggrieved person may appeal to AA <b>within 3 months</b> (Extension of 1 month)from the date of communication of such order ➡ Comm. may appeal to AA <b>within 6 months</b> (Extension of 1 month) from the date of communication of such order	
Sec 108	RA can revise an order <b>after expiry of 6 months</b> from the communication of said order <b>but not later than expiry of 3 years</b> from the passing of said order	
Sec 112	➡ Aggrieved person may appeal to Appellate Tribunal <b>within 3 months</b> from the date of communication of such order ➡ Commissioner may appeal to Appellate authority <b>within 6 months</b> from the date of communication of such order	
Sec 117	Appeals to High court are to be filed <b>within 180 days</b> from date on which order appealed against is received by aggrieved person	
Sec 132	Person who collects any amt. as tax but fails to pay the same <b>within 3 months</b> from the due date of such payment is liable to penalty	
Sec 161	➡ Any authority can rectify its order <b>within 3 months</b> from the date of issue of such decision, no such rectification shall be done for a period of 6 months ➡ However, 6 months shall not apply in rectification of <b>clerical or arithmetical error</b>	
Sec 16 of 16GST Act	If RP does not realise sale proceeds of ZRS of goods, he is <b>liable to deposit</b> refund received along with interest u/s 50, <b>within 30 days</b> after expiry of time limit given under FEMA 1999.	

## Fees & Penalties under GST

Section	Explanation	
Sec 47 read with Notifi.	Maximum late fees payable under section 47	
	Normal Tax Payer	Late Fee
	1) RP - GSTR -I = Nil, GSTR 3B =Nil	Lower of ₹ 20 (₹ 10 each for CGST & SGST/ UTGST) for every day during which such failure continues or ₹ 500 (₹ 250 each under CGST & SGST /UTGST)
	2) RP other than those covered in (1) above (i.e. there is outward supply in GSTR - 1 or tax payable as per GSTR- 3B	Agg. T/o of ≤ ₹ 1.5 cr. in the PFY Lower of ₹ 50 (₹ 25 each for CGST & SGST/ UTGST) for every day during which such failure continues or ₹ 2000 (₹ 1000 each under CGST & SGST /UTGST)  Agg. T/o more than 1.5 Cr but ≤ 5 Cr. in the PFY Lower of ₹ 50 (₹ 25 each for CGST & SGST/ UTGST) for every day during which such failure continues or ₹ 5000 (₹ 2500 each under CGST & SGST /UTGST)
	3) RP other than (1) and (2)	Agg. T/o > 5 Cr. in the PFY Lower of ₹ 50 (₹ 25 each for CGST & SGST/ UTGST) for every day during which such failure continues or ₹ 10000 (₹ 5000 each under CGST & SGST /UTGST)



Composition scheme GSTR - 4		Late Fee												
1)	Where Total tax payable in GSTR-4 is Nil	Lower of ₹ 20 (₹ 10 each for CGST & SGST/ UTGST) for every day during which such failure continues or ₹ 500 (₹ 250 each under CGST & SGST /UTGST)												
2)	Where RP other than those covered in (1) above	Lower of ₹ 50 (₹ 25 each for CGST & SGST/ UTGST) for every day during which such failure continues or ₹ 2000 (₹ 1000 each under CGST & SGST /UTGST)												
Annual Return		Late Fee												
	RP having Agg T/o ≤ ₹ 5 crores in the relevant FY	₹ 50 per day (₹ 25 CGST + ₹ 25 SGST / UTGST) 0.04 % of turnover in the State or UT (0.02% CGST + 0.02% SGST / UTGST)												
	RP having following agg. T/o: ₹ 5 Cr < Agg. T/o ≤ ₹ 20 Cr in the relevant FY	₹ 100 per day (₹ 50 CGST + ₹ 50 SGST / UTGST) 0.04 % of turnover in the State or UT (0.02% CGST + 0.02% SGST / UTGST)												
	RP having agg. T/o > ₹ 20 crores in the relevant FY	₹ 200 for every day during which such failure continues (₹ 100 CGST + ₹ 100 SGST/UTGST) 0.50% of the turnover of the registered person in the State/UT (0.25 % CGST + 0.25% SGST/UTGST)												
74A	☞ If amount are payable other than fraud: <b>Higher</b> of 10% of tax due or ₹ 10,000 ☞ If amount are payable for Fraud: <b>Tax due</b>													
80	The Facility of payment of tax dues in instalments shall not be allowed if amount < ₹ 25,000													
97	Fees for <b>application</b> to the authority for Advance Ruling on the common portal is ₹ 5,000													
100	Fees for <b>appeal</b> to Appellate authority for Advance Ruling on the common portal is ₹ 10,000													
109	☞ In the absence of a Member, any appeal with the approval of the President to be heard by <b>bench of 2 members</b> ☞ If Tax, ITC, Fine, fee, Penalty determined in any order appealed does not exceed ₹ 50 lakhs & does not involve question of law, then appeal may be heard by <b>bench of single member with approval of President</b>													
112	Fees for appeal/restoration of appeal shall be <b>₹ 1,000 for every ₹ 1,00,000</b> of tax determined in order appealed against. However, It shall be maximum of ₹ 25,000 & a minimum of ₹ 5000.													
122	21 Categories of offences u/s 122(1), Person shall be liable to pay penalty of <b>Higher</b> of ₹ 10,000 or Actual amt. of tax involved													
122(2)	Any registered person supplying goods or services on which any tax has not been paid-													
	a	for any reason other than fraud, Penalty shall be <b>Higher</b> of ₹ 10,000 or 10% of tax due from such person.												
	b	for reason of fraud, Penalty shall be <b>Higher</b> of ₹ 10,000 or 100% of tax due from such person.												
122(1B)	ECO shall be liable to pay Penalty if it does not fulfilled specified conditions. Thus Penalty will be <b>Higher</b> of ₹ 10,000 or tax involved on supply made by RP other than composition dealer.													
122A	Penalty on manufacturer of goods for failure to register certain machines used in manufacture of goods as per special procedure u/s 148 is ₹ 1 L (IGST: ₹ 2L)													
122B	Penalty for failure to comply with track and trace mechanism shall be higher of ₹ 1,00,000 or 10% tax payable													
123	If a person fails to furnish information u/s 150 within 90 days from date of SCN, he shall be liable to pay penalty which is <b>Lower</b> of ₹ 100 for each day of period during which such failure continues or ₹ 5,000.													
124	Any person fails to furnish any information u/s 151, he shall be liable to pay following <b>penalty</b> : ☞ In case of Non continuing offence: upto ₹ 10,000 ☞ In case of Continuing offence: ₹ 100 per day subject to maximum of ₹ 25,000													
125	General penalty for Contravention of GST law is maximum of <b>₹ 25,000</b>													
126	If the amount of tax involved < ₹ 5,000, it will be considered as <b>Minor breach</b> which means Breach without fraudulent intention or gross negligence.													
129	The Penalty to release the detained or seized goods are as follows:													
	<table><tr><th colspan="2">For Taxable goods</th><th colspan="2">For Exempted goods</th></tr><tr><td>a</td><td>If owner of goods comes forward to pay penalty, Penalty = <b>200% of tax</b> payable on such goods.</td><td>a</td><td>If owner of goods comes forward to pay penalty, penalty is Lower of:- <b>2%</b> of value of goods or <b>₹ 25,000</b>.</td></tr><tr><td>b</td><td>If owner of goods doesn't come forward to pay penalty, penalty is Higher of:- - <b>50% of value</b> of goods or - <b>200% of tax</b> payable on such goods.</td><td>b</td><td>If owner of goods doesn't come forward to pay penalty, penalty is <b>Lower of</b>:- - <b>5%</b> of value of goods or <b>₹ 25,000</b>.</td></tr></table>		For Taxable goods		For Exempted goods		a	If owner of goods comes forward to pay penalty, Penalty = <b>200% of tax</b> payable on such goods.	a	If owner of goods comes forward to pay penalty, penalty is Lower of:- <b>2%</b> of value of goods or <b>₹ 25,000</b> .	b	If owner of goods doesn't come forward to pay penalty, penalty is Higher of:- - <b>50% of value</b> of goods or - <b>200% of tax</b> payable on such goods.	b	If owner of goods doesn't come forward to pay penalty, penalty is <b>Lower of</b> :- - <b>5%</b> of value of goods or <b>₹ 25,000</b> .
	For Taxable goods		For Exempted goods											
a	If owner of goods comes forward to pay penalty, Penalty = <b>200% of tax</b> payable on such goods.	a	If owner of goods comes forward to pay penalty, penalty is Lower of:- <b>2%</b> of value of goods or <b>₹ 25,000</b> .											
b	If owner of goods doesn't come forward to pay penalty, penalty is Higher of:- - <b>50% of value</b> of goods or - <b>200% of tax</b> payable on such goods.	b	If owner of goods doesn't come forward to pay penalty, penalty is <b>Lower of</b> :- - <b>5%</b> of value of goods or <b>₹ 25,000</b> .											

132	Punishment for 9 categories of offences stated u/s 132(1):	
	Cases where tax Evaded	Punishments
	Amount > ₹ 5 Crores	Imprisonment upto 5 years plus Fine
	Amount is between ₹ 2 Crores to ₹ 5 Crores	Imprisonment upto 3 years plus Fine
	Amount is between ₹ 1 Crores to ₹ 2 Crores in an offence specified in clause (b),	Imprisonment upto 1 years plus Fine
	Person commits or abets commission of an offence specified in clause (f):	Imprisonment upto 6 months plus fine or both.
133	If a person engaged in collection of statistics u/s 151, having access to information specified u/s 150(1), or wilfully discloses any information of any return furnished, then he shall be punishable with imprisonment <b>upto 6 months or Fine upto ₹ 25,000 or both</b>	
138	Person who are not compounded under Compounding of offences: ☞ Already compounded once ☞ Other than offences specified in Sec 138(1)(a),(c),(d),(f) ☞ Convicted for an offence under GST Act by a court	
	a) The minimum limit for compounding amount is <b>25%</b> of tax involved. b) The maximum limit for compounding amount is <b>100%</b> of tax involved	
Rule 162 (3A)	Compounding amount if offence is punishable	
	Offence	
		u/s 132(1)(i)
		u/s 132(1)(ii)
	Sec 132(1)(a), (c), (d) & (e)	Up to <b>75%</b> of tax evaded / ITC wrongly availed or utilised/ refund wrongly taken, subject to <b>minimum of 50%</b> of wrongly tax evaded/ ITC/ refund taken .
	Sec 132(1)(f), (h), (i)	Amount equivalent to <b>25%</b> of tax evaded.
	Attempt to commit the offences/ abets the commission of offences u/s 132(1) (a), (c), (d), (e), (f), (g), (h) & (i)	Amount equivalent to <b>25%</b> of such tax evaded or ITC wrongly availed or utilised or refund wrongly taken.
		Amount equivalent to <b>25%</b> of such tax evaded or ITC wrongly availed or utilised or refund wrongly taken.
	<b>Note:</b> If offence committed by person falls under more than one category specified in Table, then the compounding amount, shall be <b>higher compounding amount</b> .	

Due Date Chart

Sec	Provision	Due Date
52(6)	Omission or incorrect particulars in monthly statement	Earlier of 30th Nov of next FY or Date of furnishing annual return
16(4)	Time limit for availing ITC	
34(2)	Time limit to declare the details of credit note	
37(3)	Time limit for rectification of error in GSTR 1	
39(9)	Time limit for rectification of error in GSTR 3B	



For your self notes:-

For your self notes:-