Chapter 19

Demand & Recovery

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01. Section 74A. Determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilised for any reason pertaining to FY 2024-25 onward

MCQ 19.01.01.00

Rochester Private Limited has been issued a show cause notice (SCN) on 31.08.2028 u/s 74A(1) of CGST Act, 2017 on account of short payment of tax for reason other than fraud during the period between 01.07.2024 and 31.12.2024. As per section 74A(2), in the given case, SCN can be been issued latest by_____.

a. 31.12.2025 b. 30.06.2029
c. 30.09.2028 d. 31.12.2029

[Hint:- Refer Sec 74A(2) – SCN to be issued within 42 months from due date of filing annual return]

02. Sec 75:- General provisions relating to determination of tax

MCQ 19.02.02.00

Where the service of Notice or issuance of order is stayed by a Court order, can the period of such stay be excluded in computing the period specified in sub-sections(2) and (7) of section 74A?

a. Yes, Period of stay can be excluded
b. No, Period of stay cannot be excluded
c. At proper officer's discretion
d. None of the above

[Hint:- Refer Sec 75(1)]

MCQ 19.02.03.00

What is the maximum number of times a hearing can be adjourned during the proceedings?

a. 1 b. 3
c. 5 d. None of the above

[Hint:- Refer proviso to sec 75(5)]

03. Sec 76 - Tax collected but not paid to Government

MCQ 19.03.04.00

Time-limit for issuance of show cause notice under GST law in case of any amount collected as tax, but not paid to the Central Government is: [Study Mat] [CA Final MTP Nov 21]

a) 2 years and 9 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.
b) 3 years from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.
c) 4 years and 6 months from the due date of filing Annual Return for the Financial Year to which the tax not paid relates to.
d) No time-limit is prescribed.

[Hint:- Refer Sec 76]

MCQ 19.03.05.00

Whether the person who has borne the incidence of amount can apply for refund of surplus left after adjustment towards tax collected but not paid under section 76?

a. Yes, he can apply for refund
b. No, he cannot apply for refund
c. At proper officer's discretion
d. None of the above

[Hint:- Refer Sec 76(11)]

04.Sec 78 - Initiation of Recovery Proceeding

MCQ 19.04.06.00

If it is expedient in the interest of the revenue, can the proper officer after recording reasons in writing, require a taxable person to make payment of tax demand within shorter period as may be specified by him u/s 78?

a. Yes
b. No
c. With prior permission of not below the rank of Joint Commissioner
d. None of the above

[Hint:- Refer proviso to sec 78]

05.Sec 80 - Payment of Tax and other amount in installment

MCQ 19.05.07.00

Maximum number of monthly installments permissible under section 80 is:

a. 36 b. 12
c. 48 d. 24

[Hint: Refer Sec 80]

06. Sec 81- Transfer of property to be void in certain cases

MCQ 19.06.08.00

When transfer of property would be considered void u/s 81 ?

a. Transaction is done to defraud the Government revenue

b. Transaction is done without the intention to defraud the Government revenue

c. Any of the above

d. None of the above

[Hint: Refer Sec 81]

07. Sec 82 :- Tax to be first charge on property

MCQ 19.07.09.00

What liabilities can be recovered on account of first charge on the property of such taxable person or such person as per section 82 of the CGST Act, 2017?

a. Tax b. Interest

c. Penalty d. All of the above

[Hint: Refer Sec 82]

Answers:-

19.01.01	b
19.02.02	a
19.02.03	b
19.03.04	d
19.03.05	a
19.04.06	a
19.05.07	d
19.06.08	a
19.07.09	d