

# Procedural Compliance under GST

## Lesson 19

### KEY CONCEPTS

■ GSTIN ■ Registration ■ E-Way Bills ■ Returns under GST ■ Tax Payments ■ Refunds ■ Tax Invoices ■ Debit & Credit Notes

### Learning Objectives

#### To understand:

- Provisions related to:
  - Registration
  - Tax Invoices
  - Debit & Credit Note
  - Accounts and Records
  - Electronic-Way Bill
  - Returns under GST
  - Payment of Tax
  - Refund Procedures
  - Demand, Recoveries and Litigation under GST

### Lesson Outline

- Registration
- Tax Invoices
- Debit & Credit Notes
- Accounts and Records
- Electronic-Way Bill
- Returns under GST
- Payment of Tax
- Refund Procedures
- GST Practitioners
- Assessment
- Demand and Recovery
- Lesson Round-Up
- Test Yourself
- List of Further Readings

**REGULATORY FRAMEWORK****Central Goods and Services Tax Act, 2017**

<b>Section</b>	<b>Deals with</b>
Section 22	Persons Liable for Registration
Section 23	Persons not Liable for Registration
Section 24	Compulsory registration in certain cases
Section 25	Procedure for Registration
Section 29	Cancellation of Registration
Section 31	Tax Invoice
Section 34	Credit and Debit Notes
Section 35	Accounts and Other Records
Section 36	Period of Retention of Accounts
Section 37	Furnishing details of Outward Supplies
Section 38	Furnishing details of Inward Supplies
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Section 45	Final Return
Section 46	Notice to Return Defaulters
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Section 51	Tax Deducted at Source (TDS)
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Section 58	Utilisation of Fund
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Section 66	Special Audit
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### RULES FOR REGISTRATION [CHAPTER III]

CHAPTER III of Central Goods & Services Tax Act, 2017 deals with the registration provisions.

<b>Rules of CGST Act, 2017</b>	<b>Description</b>
Rule 8	Application for Registration
Rule 9	Verification of the Application and Approval
Rule 10	Issue of Registration Certificate
Rule 10A	Furnishing of Bank Account Details
Rule 11	Separate Registration for multiple places of business within a State or a Union territory
Rule 12	Grant of Registration to persons required to Deduct Tax at Source or to Collect Tax at Source
Rule 13	Grant of Registration to non-resident taxable person
Rule 14	Grant of Registration to a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient
Rule 15	Extension in period of operation by casual taxable person and non-resident taxable person
Rule 16	Suo-moto Registration
Rule 17	Assignment of Unique Identity Number to certain Special Entities
Rule 18	Display of registration certificate and Goods and services Tax Identification Number on the name board
Rule 19	Amendment of Registration
Rule 20	Application for cancellation of Registration
Rule 21	Registration to be cancelled in certain cases
Rule 21A	Suspension of Registration
Rule 22	Cancellation of Registration
Rule 23	Revocation of Cancellation of Registration
Rule 24	Migration of persons registered under the existing law
Rule 25	Physical verification of business premises in certain cases
Rule 26	Method of Authentication

## REGISTRATION

In any tax system, Registration is the most fundamental requirement for identification of taxpayers and ensuring tax compliance to support our developing economy. Registration of a business entity under the GST Law

Without registration, a person can neither collect tax from his customers nor claim any input tax credit of tax paid by him.

implies obtaining a unique number from the concerned tax authority. Section 22 of Central Goods & services Tax (CGST) Act, 2017 mandates that every person who has an aggregate turnover of more than Rs. 20 Lacs in the relevant financial year, is liable to be registered under the Act.

However, where such person makes taxable supplies of goods or services or both from any of the special category states, he shall be liable to be registered if his aggregate turnover in a financial year exceeds Rs. 10 lacs.

*Note: As per Notification No. 10/2019-Central tax dated March 07, 2019 any person, who is engaged in exclusive supply of goods and whose aggregate turnover is more than **forty lacs** rupees, is liable to be registered under the act.*

## GSTIN

The registration under GST is Permanent Account Number (PAN) based and State-specific. GST Identification Number (GSTIN) is a 15-digit number and a certificate of registration, incorporating the GSTIN is made available to the applicant upon registration.

For example if GSTIN is 22AAAAA0000A1Z5, then the details of each digit is as follows:

22	AAAAA0000A	1	Z	5
State Code	PAN number	Entry number of the same PAN number holder in the State	Alphabet "Z" by default	Check sum digit

- The first two digits of this number is the State code,
- The next ten digits are PAN number of the taxpayer,
- The thirteenth digit is assigned based on the number of registrations within a State,
- The fourteenth digit is Z by default,
- The last digit is for check code.

Please note that the registration under GST is not tax specific, which means that there is single registration for all the taxes, i.e., CGST, SGST/UTGST, IGST and cesses.

### Persons liable for Registration [Section 22]

Every supplier shall be liable to be registered under this Act in the State or Union territory, other than special category States, from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lacs rupees:

**Provided** that where such person makes taxable supplies of goods or services or both from any of the special category States, he shall be liable to be registered if his aggregate turnover in a financial year exceeds ten lacs rupees:

Provided further that the Government may, at the request of a special category State and on the recommendations

of the Council, enhance the aggregate turnover referred to in the first proviso from ten lacs rupees to such amount, not exceeding twenty lacs rupees and subject to such conditions and limitations, as may be so notified:

Provided also that the Government may, at the request of a State and on the recommendations of the Council, enhance the aggregate turnover from twenty lacs rupees to such amount not exceeding forty lacs rupees in case of supplier who is engaged exclusively in the supply of goods, subject to such conditions and limitations, as may be notified.

*Explanation:-* For the purpose of this sub-section a person shall be considered to be engaged in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

Registration is mandatory at every place of business from wherein a taxable supply is made. Every place of business means all branches also where as it not necessary to take registration of all branch. However, for place of supply from where non-taxable /exempted supply is made, taking registration is not required.

### Special Category States

Explanation (iii) to section 22 of the CGST Act defines the expression “special category States” shall mean the States as specified in sub-clause (g) of clause (4) of article 279A of the Constitution [except the State of Jammu and Kashmir] [and States of Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim and Uttarakhand.]

Article 279A (4)(g) of the Constitution lists the special category States as Arunachal Pradesh, Assam, Himachal Pradesh, Meghalaya, Sikkim, Uttarakhand, Manipur, Mizoram, Nagaland, Jammu and Kashmir and Tripura.

Thus, for the purpose determining threshold under GST, the four States viz. Manipur, Mizoram, Nagaland and Tripura only are Special Category States

### Enhanced threshold for suppliers of goods

Vide Notification No. 10/2019-C.T., dated 7-3-2019, the threshold in case of intra-State supply of goods was increased from Rs. 20 lacs to Rs. 40 lacs. Such revised threshold however is not applicable in the States / Union Territories of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Puducherry, Sikkim, Telangana, Tripura, Uttarakhand.

The enhanced exemption however is not applicable to the intra-State supplier of goods engaged in the supply of Ice cream and other edible ice, whether or not containing cocoa; Pan masala; Tobacco and manufactured tobacco substitutes, Fly ash bricks, Fly ash aggregates, Fly ash blocks, Bricks of fossil meals or similar siliceous earths; Building bricks and Earthen or roofing tiles.

The enhanced threshold shall also be not available for suppliers requiring compulsory registration under section 24 and also the suppliers taking voluntary registration.

<b>Threshold Limit for Registration for Intra-State Suppliers of Goods</b>		
<b>Rs. 10 Lacs</b>	<b>Rs. 20 Lacs</b>	<b>Rs. 40 Lacs</b>
Mizoram, Manipur, Nagaland and Tripura	Arunachal Pradesh, Meghalaya, Puducherry, Sikkim, Telangana, Uttarakhand	Remaining 21 states and 5 union Territories.

**Notes:**

1. In case of inter-State supply of goods registration is mandatory under section 24 of the CGST Act, 2017 but the exemption is granted to person making inter-State taxable supplies of handicraft goods upto an aggregate turnover of Rs. 20 lacs as long as the person has a PAN and the goods move under the cover of an e-way bill, irrespective of the value of the consignment.
2. The enhanced exemption of Rs. 40 lacs is not applicable to the intra-State supplier of goods engaged in the supply of Ice cream and other edible ice, whether or not containing cocoa; Pan masala; Tobacco and manufactured tobacco substitutes, Fly ash bricks or fly ash aggregate with 90 per cent. or more fly ash content; Fly ash blocks; Bricks of fossil meals or similar siliceous earths; Building bricks and Earthen or roofing tiles.
3. A person shall be considered to be engaged exclusively in the supply of goods even if he is engaged in exempt supply of services provided by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.
4. Threshold limit for registration is Rs 20 lacs shall be reduced to Rs 10 lacs if person has place of business in many states and one of such business is in special category state.
5. Aggregate turnover to include all place of businesses under same PAN.

<b>Threshold Limit for Registration for Suppliers of Services</b>	
<b>Rs. 10 Lacs</b>	<b>Rs. 20 Lacs</b>
<b>[Special category States]</b>	<b>[other than special category States/ UTs]</b>
Manipur, Mizoram, Nagaland, Tripura	Remaining 27 States and 5 Union Territories.
<p><b>Notes:</b></p> <p>1. All service providers, whether supplying intra-State, inter-State or through e-commerce operator, will be exempt from obtaining GST registration, provided their aggregate turnover doesn't exceed Rs. 20 lacs (Rs. 10 lacs in case of Manipur, Mizoram, Nagaland &amp; Tripura).</p> <p>Mandatory registration is required for only those E-Commerce Operators (ECOs) who are required to collect tax at source.</p>	

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Mandatory registration is required for only those E-Commerce Operators (ECOs) who are required to collect tax at source.

**Special Situations:**

- If a person has taxable and exempt supplies as a part of the turnover, the turnover from both would be added to determine whether the aggregate exceeds the threshold, and if it exceeds, then registration become mandatory for such supplier.
- The supplies by the agents on behalf of the principal would be included in the aggregate turnover of both, the principal and the agent.
- the supply of goods, after completion of job work, by a registered job worker shall be treated as the supply of goods by the principal referred to in section 143, and the value of such goods shall not be included in the aggregate turnover of the registered job worker.

**Illustration:** M is located in Delhi. He provides the following information

<b>Particulars</b>	<b>Amount in Rs.</b>
Value of taxable supply of goods in Delhi	23,00,000
Value of supply of exempt supply	18,00,000

Does M require any registration?

**Solution:**

M require registration since the aggregate turnover exceed the threshold limit of Rs. 40,00,000 (i.e. 41,00,000= 23,00,000+18,00,000) by including the value of taxable supply of goods and value of services.

**Illustration:** L Pvt Ltd. Having its factory in Hyderabad is engaged in the manufacture and supply of goods. It has following turnover

- |   |             |
|---|-------------|
| i) Taxable turnover within Telangana                    | Rs. 5 lacs  |
| ii) Inwards supplies liable to tax under reverse charge | Rs. 8 lacs  |
| iii) Exempt turnover                                    | Rs. 16 lacs |

Does L Pvt. Ltd. require any registration?

**Solution:**

For computing aggregate turnover, items (i) and (iii) shall be considered which comes to Rs. 21 lacs. For Telengana, the threshold for goods is Rs. 20 lacs, Thus, L Pvt. Limited is liable to take registration.

#### **Liability to get registered in case of succession, Amalgamation or Demerger:**

Where a business carried on by a taxable person registered under this Act is transferred, whether on account of succession or otherwise, to another person as a going concern, the transferee or the successor, as the case may be, shall be liable to be registered with effect from the date of such transfer or succession.

In a case of transfer of business pursuant to sanction of a scheme or an arrangement for amalgamation or, as the case may be, demerger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be liable to be registered, with effect from the date on which the Registrar of Companies issues a certificate of incorporation giving effect to such order of the High Court or Tribunal.

In effect, the existing registration in the above Stated scenarios shall lapse / liable to be surrendered and the transferee shall take fresh registration.

#### **Persons not liable for Registration [Section 23]**

1. The following persons shall not be liable to registration, namely: –
  - (a) **any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or wholly exempt from tax** under this Act or under the Integrated Goods and Services Tax Act;
  - (b) an **agriculturist**, to the extent of supply of produce out of cultivation of land.

Meaning of Agriculturist:

“**agriculturist**” has been defined under sub-section (7) of section 2 of the CGST Act, 2017, means an individual or a Hindu Undivided Family who undertakes cultivation of land –

- (a) by own labour, or
  - (b) by the labour of family, or
  - (c) by servants on wages payable in cash or kind or by hired labour under personal supervision or the personal supervision of any member of the family.
- (2) The Government may, on the recommendations of the Council, by notification, specify the category of persons who may be exempted from obtaining registration under this Act.

Following category of persons have been notified:

1. Persons making only reverse charge supplies:

Persons who are only engaged in making supplies of taxable goods or services or both the total tax on which is liable to be paid on reverse charges basis by the recipient of such goods or services or both under section 9(3) have been exempted from obtaining registration, [Notification No. 5/2017 CT dated 19.06.2017].


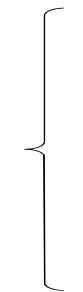
2. Job workers engaged in making inter-State supply of services to a registered person, except the following:
  - (a) A job worker who is otherwise required to take registration if his turnover crosses the threshold limit in the normal course i.e. Rs. 20 Lacs/ Rs. 10 Lacs.
  - (b) A job worker who opts to take registration voluntarily under section 25(3).
  - (c) A job worker who is involved in making supply of services in relation to the jewellery, ‘goldsmith and silversmith’ articles (Chapter 71) wares and other Articles.
3. Persons making inter-State supplies of taxable services in a financial year (except in case of special category States of Mizoram, Tripura, Manipur and Nagaland the limit is Rs. 10,00,000).
4. Persons making inter-State taxable supplies of notified handicraft goods until their turnover does exceed the threshold as applicable to them under section 22(1).
5. Persons making supplies of goods through an electronic commerce operator who is required to collect tax at source under section 52 of the said Act and having an aggregate turnover in the preceding financial year and in the current financial year not exceeding the amount of aggregate turnover above which a supplier is liable to be registered in the State or Union territory in accordance with the provisions of sub-section (1) of section 22 of the said Act, subject to the following conditions, namely: —
  - (i) such persons shall not make any inter-State supply of goods;
  - (ii) such persons shall not make supply of goods through electronic commerce operator in more than one State or Union territory;
  - (iii) such persons shall be required to have a Permanent Account Number issued under the Income Tax Act, 1961;
  - (iv) such persons shall, before making any supply of goods through electronic commerce operator, declare on the common portal their Permanent Account Number issued under the Income Tax Act, 1961, address of their place of business and the State or Union territory in which such persons seek to make such supply, which shall be subjected to validation on the common portal;

- (v) such persons have been granted an enrolment number on the common portal on successful validation of the Permanent Account Number declared as per clause
  - (vi) such persons shall not be granted more than one enrolment number in a State or Union territory;
  - (vii) no supply of goods shall be made by such persons through electronic commerce operator unless such persons have been granted an enrolment number on the common portal; and
  - (viii) where such persons are subsequently granted registration under section 25 of the said Act, the enrolment number shall cease to be valid from the effective date of registration.
6. Casual Taxable person making inter-State taxable supplies of notified handicraft goods in a financial year (except in case of special category States of Mizoram, Tripura, Manipur and Nagaland the limit is Rs. 10,00,000).

### Compulsory Registration in certain cases [Section 24]

Notwithstanding anything contained in sub-section (1) of section 22, the following categories of persons shall be required to be registered under this Act,—

- (i) Persons making any inter-State taxable supply. However, the threshold limit of Rs. 20 Lacs (Rs. 10 Lacs in case of special category States of Mizoram, Tripura, Manipur and Nagaland) is available in case of inter-State supply of taxable services and of notified handicraft goods;
- (ii) Casual taxable persons making taxable supply. However, the threshold limit of Rs. 20 Lacs (Rs. 10 Lacs in case of special category States of Mizoram, Tripura, Manipur and Nagaland) is available in case of inter-State supplies of notified handicraft goods and availing the benefit of exemption from registration as mentioned in point (i) above;
- (iii) Persons who are required to pay tax under reverse charge;
- (iv) Persons who are required to pay tax under sub-section (5) of section 9;
- (v) Non-resident taxable persons making taxable supply;
- (vi) Persons who are required to deduct tax under section 51, whether or not separately registered under this Act;
- (vii) Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise;
- (viii) Input Service Distributor, whether or not separately registered under this Act;
- (ix) Persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52;
- (x) Every electronic commerce operator who is required to collect tax at source under section 52;
- (xi) Every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered person;
- (xii) Every person supplying online money gaming from a place outside India to a person in India; and
- (xiii) Such other person or class of persons as may be notified by the Government on the recommendations of the Council.

<p><b>Compulsory Registration</b></p>		<ul style="list-style-type: none"> <li>● For a supplier who makes inter-State supplies;</li> <li>● Casual taxable person;</li> <li>● Non-resident taxable person;</li> <li>● E-Commerce Operators; and</li> <li>● Persons discharging liabilities under reverse charge mechanism;</li> <li>● Person who are required to pay tax under sub-section (5) of section 9;</li> <li>● Persons who are required to deduct tax under section 51, whether or not separately registered under this Act;</li> <li>● Persons who make taxable supply of goods or services or both on behalf of other taxable persons whether as an agent or otherwise;</li> <li>● Input Service Distributor (ISD);</li> <li>● Persons who supply goods or services or both, other than supplies specified under sub-section (5) of section 9, through such electronic commerce operator who is required to collect tax at source under section 52;</li> <li>● Every person supplying online information and database access or retrieval services from a place outside India to a person in India, other than a registered person;</li> <li>● Any other notified by the Government on the recommendations of the Council.</li> </ul> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>All service providers, whether supplying intra-State, inter-State or through E-Commerce Operator, will be exempt from obtaining GST registration, provided their aggregate turnover doesn't exceed Rs.20 lacs (Rs.10 lacs in case of Manipur, Mizoram, Nagaland &amp; Tripura).</p> </div>
<p><b>Persons not liable to register</b></p>		<ul style="list-style-type: none"> <li>● Engaged exclusively in the supply of goods/ services/ both which are not liable to tax;</li> <li>● Engaged exclusively in the supply of goods/ services/ both which are wholly exempt from tax;</li> <li>● Agriculturalist to the extent of supply of produce from land cultivation; and</li> <li>● Specified categories as may be notified by the Government.</li> </ul>

**Procedure for Registration [Section 25]**

**Time Limit to apply for registration [Section 25(1)]**

- Every person who is liable to be registered under section 22 or 24 must do so within thirty days from the date when he becomes first liable in every such State/UT in which he is so liable.

- Casual / Non- Resident taxable person: **at least five days (5 days)** prior to commencement of business in every such State/UT in which he is so liable.
- A person having a unit, as defined in the Special Economic Zones Act, 2005, in a Special Economic Zone or being a Special Economic Zone developer shall have to apply for a separate registration, ad distinct from his place of business located outside the Special Economic Zone in the same State or Union territory.

#### Deemed Registration:

If the proper officer doesn't take any action **within seven days** of submission of application along with necessary details and documents, or **within seven days of receiving the clarifications** so solicited, the application for grant of registration is deemed to be approved.

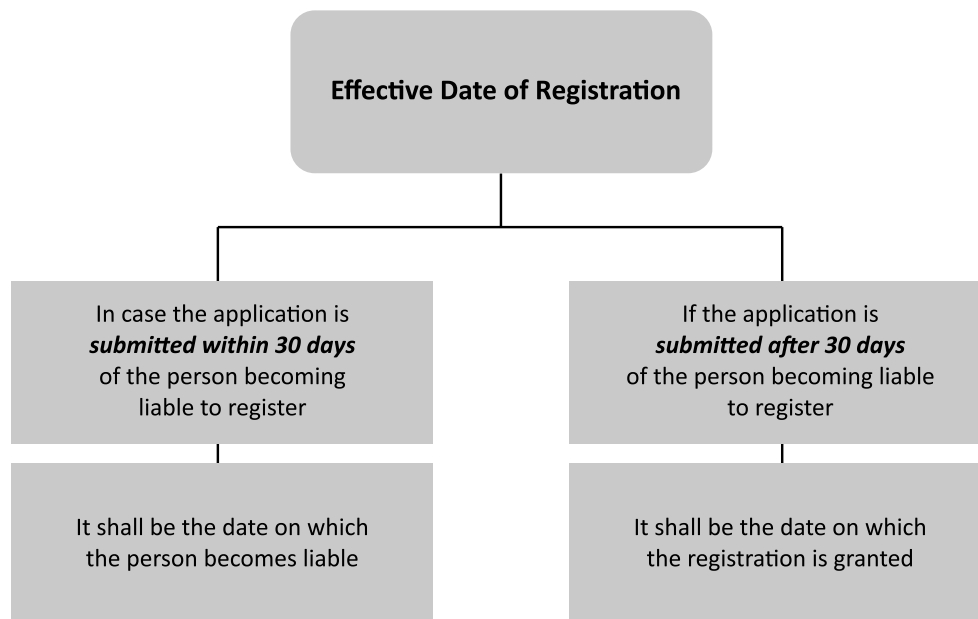
However, where -

- a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of Rule 8 or does not opt for authentication of Aadhaar number; or
- the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business,

the registration shall be deemed to have been granted if the proper officer fails to take any action within a period of thirty days from the date of submission of the application.

#### Effective date of registration:

- In case the application is submitted **within 30 days of the person becoming liable to register**, it shall be the date on which the person becomes liable.
- And if the application is submitted **after 30 days of the person becoming liable to register**, it shall be the date on which the registration is granted.



### Casual and Non-Resident Persons

Section 2(20) of Central Goods & Services Tax Act, 2017 defines “Casual Taxable Person” as a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business, whether as principal, agent or in any other capacity, in a State or a Union territory where he has no fixed place of business.

Thus, a casual taxable person is someone who has a business in a different State, but comes to a different State for a business purpose temporarily.

Section 2(77) of Central Goods & services Tax Act, 2017 defines “non-resident taxable person” as any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India.

Hence, a non-resident taxable person is someone who has a business outside India, but comes to a different State for a business purpose temporarily.

For example, a person from Paris, comes to participate in an exhibition at Azad Maidan, Mumbai for participating in the exhibition, then such person would need to register as a non-resident tax- able person at Mumbai and he will be granted registration for a maximum period of 90 days.

#### Registration State wise [Section 25(2) read with rule 11]

Ordinarily, a person seeking registration under this Act shall be granted a single registration in a State or Union territory. However, a person having multiple places of business in a State or Union territory may be granted a separate registration for each such place of business.

#### Registration for a Unit in SEZ [Second Proviso to section 25(1)]

A person having a unit in a Special Economic Zone (SEZ) or being a Special Economic Zone developer shall have to apply for a separate registration, as distinct from his place of business located outside the special Economic Zone in the same State or Union territory.

#### Registration in case of Supply from Territorial water [Explanation to section 25(1)]

Where, a person makes a supply from the territorial waters of India, it shall obtain registration in the coastal State or Union territory where the nearest point of the appropriate baseline is located.

#### Voluntary Registration [Section 25(3)]

A person who is not liable to registered under section 22 or under section 24 may get himself registered voluntarily and all provisions of this Act as are applicable to registered person shall apply to such person. However once a person obtains voluntary registration he has to pay tax even his aggregate turnover does not exceed Rs. 40 Lacs/20 Lacs/10 Lacs, as the case may be.

#### Distinct Person for each registration [Section 25(4)]

A person who has obtained or is required to obtain more than one registration, whether in one State or Union territory or more than one State or Union territory shall, in respect of each such registration, be treated as distinct persons for the purposes of this Act.

#### Registration of Establishment [Section 25(5)]

Where a person who has obtained or is required to obtain registration in a State or Union territory in respect of an establishment, has an establishment in another State or Union territory, then such establishments shall be treated as establishments of distinct persons for the purposes of this Act.

**Eligibility for Registration [Section 25(6)]**

Every person shall have a Permanent Account Number (PAN) issued under the Income-tax Act, 1961 in order to be eligible for grant of registration. However, a person required to deduct tax under section 51 may have, in lieu of a Permanent Account Number, a Tax Deduction and Collection Account Number issued under the said Act in order to be eligible for grant of registration.

**Authentication Process [Section 25(6A)]**

Every registered person shall undergo authentication, or furnish proof of possession of Aadhaar number, in such form and manner and within such time as may be prescribed;

Provided that if Aadhaar number is not assigned to the registered person, such person shall be offered alternate and viable means of identification in such manner as Government may, on the recommendations of the Council prescribe:

Provided further that in case of failure to undergo authentication or furnish possession of Aadhaar number or furnish alternate and viable means of identification, registration allotted to such person shall be deemed to be invalid and the other provisions of the Act shall apply as if such person does not have registration.

**Section 25(6B):** on and from the date of notification, every individual shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number, in such a manner, as the Government may, on the recommendation of the Council, specify in the said notification;

Provided that if Aadhaar is not assigned to such individual, such individual shall be offered alternate viable means of identification in such a manner, as the Government may, on the recommendation of the Council, in the said notification.

**Section 25(6C):** On and from the date of notification, every person, other than individual, shall, in order to be eligible for grant of registration, undergo authentication, or furnish proof of possession of Aadhaar number of Karta, Managing Director, Whole Time Director, such Member as Partners, Members of Managing Committee of Association, Board of Trustees, Authorised Representative, Authorised Signatory, and such other class of persons, in such a manner, as the Government may, on the recommendation of the Council, specify in the said notification.

Provided that where such person or class of persons have not been assigned Aadhaar Number, such person or class of persons shall be offered alternate viable means of identification in such a manner as the Government may, on the recommendation of the Council, in the said notification.

**Section 25(6D):** The Provisions of sub-section 6A and 6B or 6C shall not apply to such person or class of persons or any State or Union territory or Part thereof, as the Government may, on the recommendations of the Council, specify by notification.

**Registration of Non-resident Taxable person [Section 25(7)]:** Notwithstanding anything contained in sub-section (6), a non-resident taxable person may be granted registration under sub-section (1) on the basis of such other documents as may be prescribed.

**Analysis:** Every existing registered dealer shall have to get himself verified with help of Aadhaar number or by alternate viable means within specified time or it shall be deemed as if he does not have any registration.

**Analysis:** - For fresh registration every individual shall have to authenticate himself with Aadhaar number. In case Aadhaar number is not assigned to him, then the registration shall be Granted only after physical verification of the principle place of business in the presence of the said person, not later than 60 days from the date of application, and the verification report along with the other documents, including photographs, shall be uploaded in **FORM GST REG-30** on the Common portal within a period of 15 working days following the date of such verification.

**Registration by Proper Officer [Section 25(8)]:** Where a person who is liable to be registered under this Act fails to obtain registration, the proper officer may, without prejudice to any action which may be taken under this Act or under any other law for the time being in force, proceed to register such person in such manner as may be prescribed.

**Unique Identity Number [Section 25(9)]:**

Notwithstanding anything contained in sub-section (1),—

- (a) any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries; and

- (b) any other person or class of persons, as may be notified by the Commissioner, shall be granted a Unique Identity Number in such manner and for such purposes, including refund of taxes on the notified supplies of goods or services or both received by them, as may be prescribed.

**Analysis:-** Provisions of section 25(6B/6C) shall not be applicable to :

- a) A person who is not a citizen of India.  
b) Class of persons other than following class of persons

Individual, Authorised signatory of all types, Managing and Authorised partners, Karta of HUF.

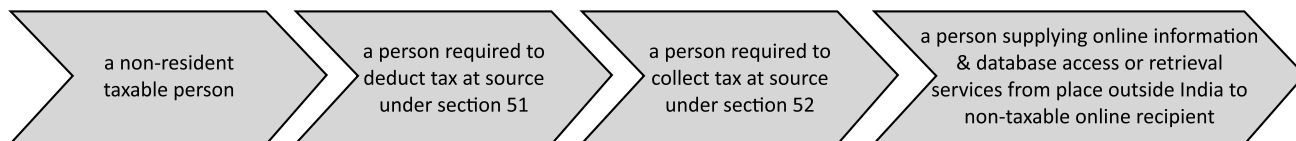
**Rejection or Grant of Unique Identity Number [Section 25 (10)]:** The registration or the Unique Identity Number shall be granted or rejected after due verification in such manner and within such period as may be prescribed.

**Section 25(11):** A certificate of registration shall be issued in such FORM and with effect from such date as may be prescribed.

**Section 25(12):** A registration or a Unique Identity Number shall be deemed to have been granted after the expiry of the period prescribed under sub-section (10), if no deficiency has been communicated to the applicant within that period.

**Application for Registration [Rule 8]**

**Rule 8(1):** Every person other than:



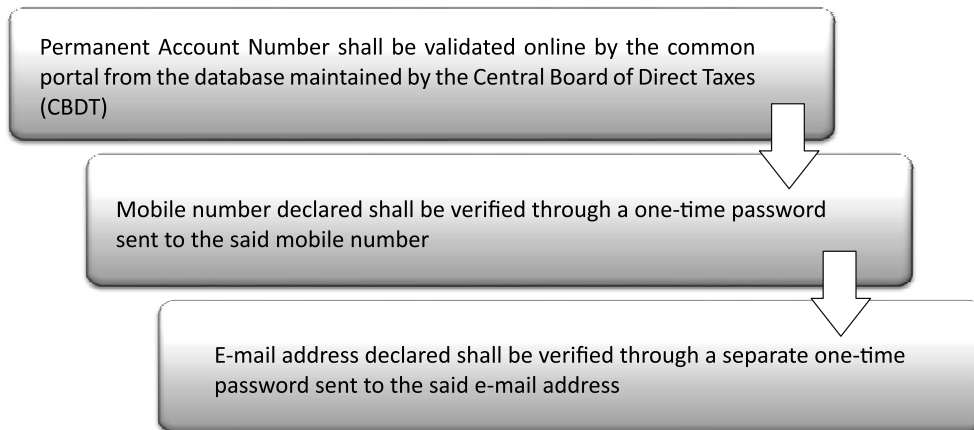
Who is liable to be registered under section 25(1) and every person seeking registration under section 25(3) shall, before applying for registration, declare his:



In Part A of **FORM GST REG-01** on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

Every person being an Input Service Distributor shall make a separate application for registration as such Input Service Distributor.

**Rule 8(2):** It lays down the verification of PAN entered for registration:



The Permanent Account Number shall be validated online by the common portal from the database maintained by the Central Board of Direct Taxes and shall also be verified through separate one-time passwords sent to the mobile number and e-mail address linked to the Permanent Account Number.

**Rule 8(3)** lays down that on successful verification of the Permanent Account Number, mobile number and email address, a temporary reference number shall be generated and communicated to the applicant on the said mobile number and e-mail address.

**Rule 8(4)** - Using the reference number generated, the applicant shall electronically submit an application in Part B of **FORM GST REG-01**, duly signed or verified through electronic verification code, along with the documents specified in the said FORM at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

**Rule 8(4A)** - Where an applicant, other than a person notified under sub-section (6D) of section 25, opts for authentication of Aadhaar number, he shall, while submitting the application under sub-rule (4), undergo authentication of Aadhaar number and the date of submission of the application in such cases shall be the date of authentication of the Aadhaar number, or fifteen days from the submission of the application in Part B of FORM GST REG-01 under sub-rule (4), whichever is earlier.

Provided that every application made under sub-rule (4) by a person, other than a person notified under sub-section (6D) of section 25, who has opted for authentication of Aadhaar number and is identified on the common portal, based on data analysis and risk parameters, shall be followed by biometric-based Aadhaar authentication and taking photograph of the applicant where the applicant is an individual or of such individuals in relation to the applicant as notified under sub-section (6C) of section 25 where the applicant is not an individual, along with the verification of the original copy of the documents uploaded with the application in FORM GST REG-01 at one of the Facilitation Centres notified by the Commissioner for the purpose of this sub-rule and the application shall be deemed to be complete only after completion of the process laid down under this proviso.

**Rule 8(4B)** – The Central Government may, on the recommendations of the Council, by notification specify the States or Union territories wherein the proviso of sub-rule (4A) shall not apply.

*Vide* Notification No. 54/2023-C.T., dated 17-11-2023, the Central Government has notified the States of Andhra Pradesh, Gujarat and Puducherry for the purpose of Rule 8(4B).

**Rule 8(5)** - on receipt of an application, an acknowledgement shall be issued electronically to the applicant in **FORM GST REG-02**.

**Rule 8(6)** - A person applying for registration as a casual taxable person shall be given a temporary reference number by the common portal for making advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) shall be issued electronically only after the said deposit.

### Verification of the Application and Approval [Rule 9]

- (1) The application shall be forwarded to the proper officer who shall examine the application and the accompanying documents and if the same are found to be in order, approve the grant of registration to the applicant **within seven working days** from the date of submission of application.

Provided that where -

- (a) a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of Rule 8 or does not opt for authentication of Aadhaar number; or
- (aa) a person, who has undergone authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, is identified on the common portal, based on data analysis and risk parameters, for carrying out physical verification of places of business;
- (b) the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business.

the registration shall be granted within thirty days of submission of application, after physical verification of the place of business, in the manner provided under Rule 25 and verification of such documents as the proper officer may deem fit.

- (2) Where the application submitted under Rule 8 is found to be deficient, either in terms of any information or any document required to be furnished under the said rule, or where the proper officer requires any clarification with regard to any information provided in the application or documents furnished therewith, he may issue a notice to the applicant electronically in **FORM GST REG-03** within seven working days from the date of submission of application and the applicant shall furnish such clarification, information or documents sought electronically, in **FORM GST REG-04**, **within seven working days** from the date of receipt of such intimation.

Provided that where -

- (a) a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of Rule 8 or does not opt for authentication of Aadhaar number; or
- (b) the proper officer, with the approval of an officer authorised by the Commissioner not below the rank of Assistant Commissioner, deems it fit to carry out physical verification of places of business.

The notice in **FORM GST REG-03** may be issued not later than thirty days from the date of submission of the application.

*Explanation.* – For the purposes of this sub-rule, the expression– “clarification” includes modification or correction of particulars declared in the application for registration, other than Permanent Account Number, State, mobile number and e-mail address declared in Part A of **FORM GST REG-01**.

- (3) Where the proper officer is satisfied with the clarification, information or documents furnished by the applicant, he may approve the grant of registration to the applicant **within seven working days** from the date of receipt of such clarification or information or documents.
- (4) Where no reply is furnished by the applicant in response to the notice issued under sub-rule (2) within the prescribed period or where the proper officer is not satisfied with the clarification, information or

documents furnished, he shall, for reasons to be recorded in writing, reject such application and inform the applicant electronically in **FORM GST REG-05**.

(5) If the proper officer fails to take any action, -

- (a) within a period of seven working days from the date of submission of the application in cases where the person is not covered under proviso to sub-rule (1); or
- (b) within a period of thirty days from the date of submission of the application in cases where a person is covered under proviso to sub-rule (1); or
- (c) within a period of seven working days from the date of the receipt of the clarification, information or documents furnished by the applicant under sub-rule (2),

the application for grant of registration shall be deemed to have been approved

**Rule 9 of CGST Rules, 2017 can thus be summarised as under:**

The application shall be forwarded for examination alongwith the accompanying documents and if the same are found to be in order, proper official shall approve the grant of registration to the applicant within a period of seven working days from the date of submission of the application.

Where the application is found to be deficient or any clarifications are sought, issue a notice to the applicant electronically in **FORM GST REG-03** within a period of seven working days from the date of submission of the application.

Applicant shall furnish such clarification or documents electronically, in **FORM GST REG-04**, within a period of seven working days from the date of the receipt of such notice

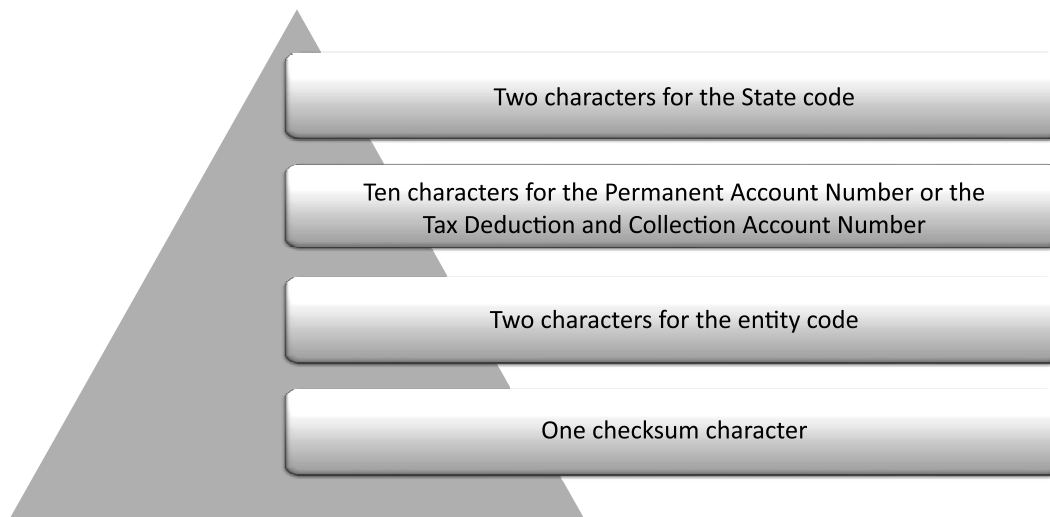
Where the proper officer is satisfied with the clarification, he may approve grant of registration to the applicant within a period of seven working days from the date of the receipt of such clarification or information or documents.

Where the applicant is covered by proviso to Rule 9(1), application need to be approved within 30 days from the date of the application.

Where no reply is furnished by the applicant in response to the notice issued proper official shall reject such application and inform the applicant electronically in **FORM GST REG-05**.

**Issue of Registration Certificate [Rule 10]**

- (1) Subject to the provisions of sub-section (12) of section 25, where the application for grant of registration has been approved under Rule 9, a certificate of registration in **FORM GST REG-06** showing the principal place of business and additional place(s) of business shall be made available to the applicant on the Common Portal and a Goods and Services Tax Identification Number (hereinafter in these rules referred to as “GSTIN”) shall be assigned in the following Format:



- (2) The registration shall be effective from the date on which the person becomes liable to registration where the application for registration has been submitted within thirty days from such date.
- (3) Where an application for registration has been submitted by the applicant after thirty days from the date of his becoming liable to registration, the effective date of registration shall be the date of grant of registration under sub-rule (1) or sub-rule (3) or sub-rule (5) of Rule 9.
- (4) Every certificate of registration shall be duly signed or verified through electronic verification code by the proper officer under the Act.
- (5) Where the registration has been granted under sub-rule (5) of Rule 9, the applicant shall be communicated the registration number and the certificate of registration under sub-rule (1), duly signed or verified through electronic verification code, shall be made available to him on the common portal within three days after expiry of the period specified in sub-rule (5) of Rule 9.

**Furnishing of Bank Account Details [Rule 10A]**

After a certificate of registration in **FORM GST REG-06** has been made available on the common portal and a Goods and Services Tax Identification Number has been assigned, the registered person, except those who have been granted registration under Rule 12 or, as the case may be Rule 16, shall within a period of thirty days from the date of grant of registration, or before furnishing the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using invoice furnishing facility, whichever is earlier, furnish information with respect to details of bank account on the common portal.

In case of a proprietorship concern, the Permanent Account Number of the proprietor shall also be linked with the Aadhaar number of the proprietor.

**Aadhaar authentication for registered person [Rule 10B]**

The registered person, other than a person notified under sub-section (6D) of section 25, who has been issued

a certificate of registration under Rule 10 shall, undergo authentication of the Aadhaar number of the proprietor, in the case of proprietorship firm, or of any partner, in the case of a partnership firm, or of the karta, in the case of a Hindu Undivided Family, or of the Managing Director or any Whole Time Director, in the case of a Company, or of any of the Members of the Managing Committee of an Association of Persons or Body of Individuals or a Society, or of the Trustee in the Board of Trustees, in the case of a Trust and of the authorized signatory, in order to be eligible for the purposes as specified in Column (2) of the Table below:-

<b>S. No.</b>	<b>Purpose</b>
1.	For filing of application for revocation of cancellation of registration in <b>FORM GST REG-21</b> under Rule 23
2.	For filing of refund application in <b>FORM RFD-01</b> under Rule 89
3.	For refund under Rule 96 of the integrated tax paid on goods exported out of India

Provided that if where Aadhaar number has not been assigned to the person required to undergo authentication of the Aadhaar number, such person shall furnish the following identification documents, namely:-

- (a) Her/his Aadhaar Enrolment ID slip; and
- (b) (i) Bank passbook with photograph; or
  - (ii) Voter identity card issued by the Election Commission of India; or
  - (iii) Passport; or
  - (iv) Driving license issued by the Licensing Authority under the Motor Vehicles Act, 1988.

However, such category of person shall undergo the authentication of Aadhaar number within a period of thirty days of the allotment of the Aadhaar number.

#### **Physical verification of business premises in certain cases [Rule 25]**

- (1) Where the proper officer is satisfied that the physical verification of the place of business of a person is required after the grant of registration, he may get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal within a period of fifteen working days following the date of such verification.
- (2) Where the physical verification of the place of business of a person is required before the grant of registration in the circumstances specified in the proviso to sub rule (1) of rule 9, the proper officer shall get such verification of the place of business done and the verification report along with the other documents, including photographs, shall be uploaded in FORM GST REG-30 on the common portal at least five working days prior to the completion of the time period specified in the said proviso.”

#### **Separate Registration for multiple places of business within a State or a Union territory [Rule 11]**

- (1) Any person having multiple places of business within a State or a Union territory, requiring a separate registration for any such place of business under sub-section (2) of section 25 shall be granted separate registration in respect of each such place of business subject to the following conditions, namely:-
  - a. such person has more than one place of business as defined in clause (85) of section 2;

- b. such person shall not pay tax under section 10 for any of his places of business if he is paying tax under section 9 for any other place of business;
- c. all separately registered places of business of such person shall pay tax under the Act on supply of goods or services or both made to another registered place of business of such person and issue a tax invoice or a bill of supply, as the case may be, for such supply.

*Explanation.* - For the purposes of clause (b), it is hereby clarified that where any place of business of a registered person that has been granted a separate registration becomes ineligible to pay tax under section 10, all other registered places of business of the said person shall become ineligible to pay tax under the said section.

- (2) A registered person opting to obtain separate registration for a place of business shall submit a separate application in **FORM GST REG-01** in respect of such place of business.
- (3) The provisions of Rule 9 and Rule 10 relating to the verification and the grant of registration shall, *mutatis mutandis*, apply to an application submitted under this rule.

### Grant of Registration to persons required to Deduct Tax at Source or to Collect Tax at Source [Rule 12]

The procedure is as under:

Any person required to deduct tax under section 51 or a person required to collect tax at source under section 52 shall electronically submit an application, duly signed or verified, in **FORM GST REG-07** for the grant of registration through the common portal [Rule 12(1)]

A person applying for registration to deduct or collect tax in accordance with the provisions of section 51, or, as the case maybe, section 52, in a State or Union territory where he does not have a physical presence, shall mention the name of the State or Union territory in PART A of the application in FORM GST REG-07 and mention the name of the State or Union territory in PART B thereof in which the principal place of business is located which may be different from the State or Union territory mentioned in PART A.]

The proper officer may grant registration after due verification and issue a certificate of registration in **FORM GST REG-06** within a period of three working days from the date of submission of the application. [Rule 12(2)]

Where, on a request made in writing by a person to whom a registration has been granted under sub-rule (2) or upon an enquiry or pursuant to any other proceeding under the Act, the proper officer is satisfied that a person to whom a certificate of registration in **FORM GST REG-06** has been issued is no longer liable to deduct tax at source under section 51 or collect tax at source under section 52, the said officer may cancel the registration issued under sub-rule (2) and such cancellation shall be communicated to the said person electronically in **FORM GST REG-08**:

**Grant of registration to non-resident taxable person [Rule 13]**

- (1) A non-resident taxable person shall electronically submit an application, along with a valid passport, for registration, duly signed, in **FORM GST REG-09**, at least five days prior to the commencement of business at the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.

Provided that in the case of a business entity incorporated or established outside India, the application for registration shall be submitted along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number, if available.

- (2) A person applying for registration as a non-resident taxable person shall be given a temporary reference number by the common portal for making an advance deposit of tax in accordance with the provisions of section 27 and the acknowledgement under sub-rule (5) of Rule 8 shall be issued electronically only after the said deposit in his electronic cash ledger.
- (3) The provisions of Rule 9 and Rule 10 relating to the verification and the grant of registration shall, *mutatis mutandis*, apply to an application submitted under this rule.
- (4) The application for registration made by a non-resident taxable person shall be duly signed or verified through electronic verification code by his authorised signatory who shall be a person resident in India having a valid Permanent Account Number.

**Rule 14. Grant of registration to a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient or to a person supplying online money gaming from a place outside India to a person in India.**

- (1) Any person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient [or any person supplying online money gaming from a place outside India to a person in India] shall electronically submit an application for registration, duly signed or verified through electronic verification code, in FORM GST REG-10, at the common portal, either directly or through a Facilitation Centre notified by the Commissioner.
- (2) The applicant referred to in sub-rule (1) shall be granted registration, in FORM GST REG-06, subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council.

**Rule 15. Extension in period of operation by casual taxable person and non-resident taxable person.**

- (1) Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in FORM GST REG-11 shall be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner, by such person before the end of the validity of registration granted to him.
- (2) The application under sub-rule (1) shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27.

**RULE 14-Grant of registration to a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient**

Any person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient shall electronically submit an application for registration, duly signed or verified through electronic verification code, in **FORM GST REG-10**

The applicant shall be granted registration, in **FORM GST REG-06**, subject to such conditions and restrictions and by such officer as may be notified by the Central Government on the recommendations of the Council

**RULE 15-Extension in period of operation by casual taxable person and non-resident taxable person**

Where a registered casual taxable person or a non-resident taxable person intends to extend the period of registration indicated in his application of registration, an application in **FORM GST REG-11** shall be submitted electronically through the common portal by such person before the end of the validity of registration granted to him

The application under sub-rule (1) shall be acknowledged only on payment of the amount specified in sub-section (2) of section 27

**Suo moto Registration [Rule 16]**

- (1) Where, pursuant to any survey, enquiry, inspection, search or any other proceedings under the Act, the proper officer finds that a person liable to registration under the Act has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in **FORM GST REG-12**.
- (2) The registration granted under sub-rule (1) shall be effective from the date of order granting registration.
- (3) Every person to whom a temporary registration has been granted under sub-rule (1) shall, within ninety days from the date of the grant of such registration, submit an application for registration in the Form and manner provided in Rule 8 or Rule 12 unless the said person has filed an appeal against the grant of temporary registration, in which case the application for registration shall be submitted within thirty days from the date of issuance of order upholding the liability to registration by the Appellate Authority.
- (4) The provisions of Rule 9 and Rule 10 relating to verification and issue of certificate of registration shall, *mutatis mutandis*, apply to an application submitted under sub-rule (3).
- (5) The GSTIN assigned pursuant to verification under sub-rule (4) shall be effective from the date of order granting registration under sub-rule (1).

**\*Grant of Temporary Identification Registration [Rule 16A]**

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

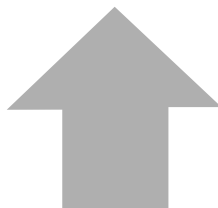
*\*Inserted (w.e.f. yet to be notified) vide Notification No. 07/2025 - CT dated.23.01.2025*

**Deemed Registration [Section-26]**

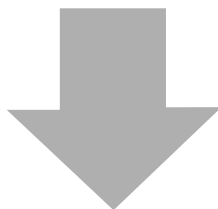
- (1) The grant of registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act shall be deemed to be a grant of registration or the Unique Identity Number under this Act subject to the condition that the application for registration or the Unique Identity Number has not been rejected under this Act within the time specified in sub-section 10 of section 25.
- (2) Notwithstanding anything contained in sub-section 10 of section 25, any rejection of application for registration or the Unique Identity Number under the State Goods and Services Tax Act or the Union territory Goods and Services Tax Act shall be deemed to be a rejection of application for registration under this Act.

**Assignment of Unique Identity Number to certain special entities [Rule 17]**

- (1) Every person required to be granted a Unique Identity Number under sub-section (9) of section 25 may submit an application, electronically in FORM GST REG-13, duly signed, in the manner specified in Rule 1 at the Common Portal, either directly or through a Facilitation Centre, notified by the Board or Commissioner.
- (1A) The Unique Identity Number granted under sub-rule (1) to a person under clause (a) of sub-section (9) of section 25 shall be applicable to the territory of India.
- (2) The proper officer may, upon submission of an application in **FORM GST REG-13** or after filling up the said FORM or after receiving a recommendation from the Ministry of External Affairs, Government of India, assign a Unique Identity Number to the said person and issue a certificate in **FORM GST REG-06** within three working days from the date of submission of application.

**Display of registration certificate and GSTIN on the name board [Rule 18]**

Every registered person shall display his certificate of registration in a prominent location at his principal **place of business** and at every **additional place or places of business**.



Every registered person shall display his Goods and Services Tax Identification Number on the name board exhibited at the entry of his **principal place of business** and at every **additional place or places of business**.

**Amendment of Registration [Section 28]**

- (1) Every registered person and a person to whom a Unique Identity Number has been assigned shall inform the proper officer of any changes in the information furnished at the time of registration or subsequent thereto, in such Form and manner and within such period as may be prescribed.
- (2) The proper officer may, on the basis of information furnished under sub-section (1) or as ascertained by him, approve or reject amendments in the registration particulars in such manner and within such period as may be prescribed.

Provided that approval of the proper officer shall not be required in respect of amendment of such particulars as may be prescribed:

Provided further that the proper officer shall not reject the application for amendment in the registration particulars without giving the person an opportunity of being heard.

(3) Any rejection or approval of amendments under the State Goods and Services Tax Act or the union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a rejection or approval under this Act.

### Procedure for Amendment of Registration [Rule 19]

- (1) Where there is any change in any of the particulars furnished in the application for registration in FORM GST REG-01 or FORM GST REG-07 or FORM GST REG-09 or FORM GST REG10 or FORM GST- REG-13, or in the intimation furnished by the composition taxpayer in FORM GST CMP-02 as the case may be, either at the time of obtaining registration or as amended from time to time, the registered person shall, within fifteen days of such change, submit an application, duly signed, electronically in FORM GST REG- 14, along with documents relating to such change at the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.

Provided that –

- (a) Where the change relates to –
- (i) legal name of business;
  - (ii) address of the principal place of business or any additional place of business; or
  - (iii) 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,–

which does not warrant cancellation of registration under section 29, the proper officer shall approve the amendment within fifteen working days from the date of receipt of application in **FORM GST REG-14** after due verification and issue an order in **FORM GST REG-15** electronically and such amendment shall take effect from the date of occurrence of the event warranting amendment.

- (b) The change relating to sub-clause (i) and sub-clause (iii) of clause (a) in any State or Union territory shall be applicable for all registrations of the registered person obtained under these rules on the same PAN.
- (c) Where the change relates to any particulars other than those specified in clause (a), the certificate of registration shall stand amended upon submission of the application in **FORM GST REG 14** on the Common Portal.
- (d) Where a change in the constitution of any business results in the change of the Permanent Account Number of a registered person, the said person shall apply for fresh registration in **FORM GST REG-01**.

Provided that any change in the mobile number or e-mail address of the authorised signatory submitted under Rule 1, as amended from time to time, shall be carried out only after online verification through the Common Portal in the manner provided under sub-rule (2) of Rule 8.

- (1A) Notwithstanding anything contained in sub-rule (1), any particular of the application for registration shall not stand amended with effect from a date earlier than the date of submission of the application in **FORM GST REG-14** on the common portal except with the order of the Commissioner for reasons to be recorded in writing and subject to such conditions as the Commissioner may, in the said order, specify.
- (2) Where the proper officer is of the opinion that the amendment sought under sub-rule (1) is either not warranted or the documents furnished therewith are incomplete or incorrect, he may, within fifteen working days from the date of receipt of the application in **FORM GST REG-14**, serve a notice in **FORM GST REG-03**, requiring the registered person to show cause, within seven working days of the service of the said notice, as to why the application submitted under sub-rule (1) shall not be rejected.
- (3) The taxable person shall furnish a reply to the notice to show cause, issued under sub-rule (2), in **FORM GST REG-04** within seven working days from the date of the service of the said notice.
- (4) Where the reply furnished under sub-rule (3) is found to be not satisfactory or where no reply is furnished in response to the notice issued under sub-rule (2) within the period prescribed in sub-rule (3), the proper officer shall reject the application submitted under sub-rule (1) and pass an order in **FORM GST REG -05**.
- (5) If the proper officer fails to take any action-
  - (a) within fifteen working days from the date of submission of application, or
  - (b) within seven working days from the date of receipt of reply to the notice to show cause under sub- rule (3), the certificate of registration shall stand amended to the extent applied for and the amended certificate shall be made available to the registered person on the Common Portal.

### Cancellation or Suspension of Registration [Section 29]

- (1) The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where, —
  - (a) the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or
  - (b) there is any change in the constitution of the business; or
  - (c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to opt out of the registration voluntarily made under sub-section (3) of section 25:

Provided that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.

- (2) The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where, —
  - (a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
  - (b) a person paying tax under section 10 has not furnished [the return for a financial year beyond three months from the due date of furnishing the said return]; or

- (c) any registered person, other than a person specified in clause (b), has not furnished returns for such continuous tax period as may be prescribed; or
- (d) any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or
- (e) registration has been obtained by means of fraud, wilful misstatement or suppression of facts:

Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard.

Provided further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed.

- (3) The cancellation of registration under this section shall not affect the liability of the person to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.
- (4) The cancellation of registration under the State Goods and Services Tax Act or the Union territory Goods and Services Tax Act, as the case may be, shall be deemed to be a cancellation of registration under this Act.
- (5) Every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher, calculated in such manner as may be prescribed

Provided that in case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.

- (6) The amount payable under sub-section (5) shall be calculated in such manner as may be prescribed.

### **Revocation of Cancellation of Registration [Section 30]**

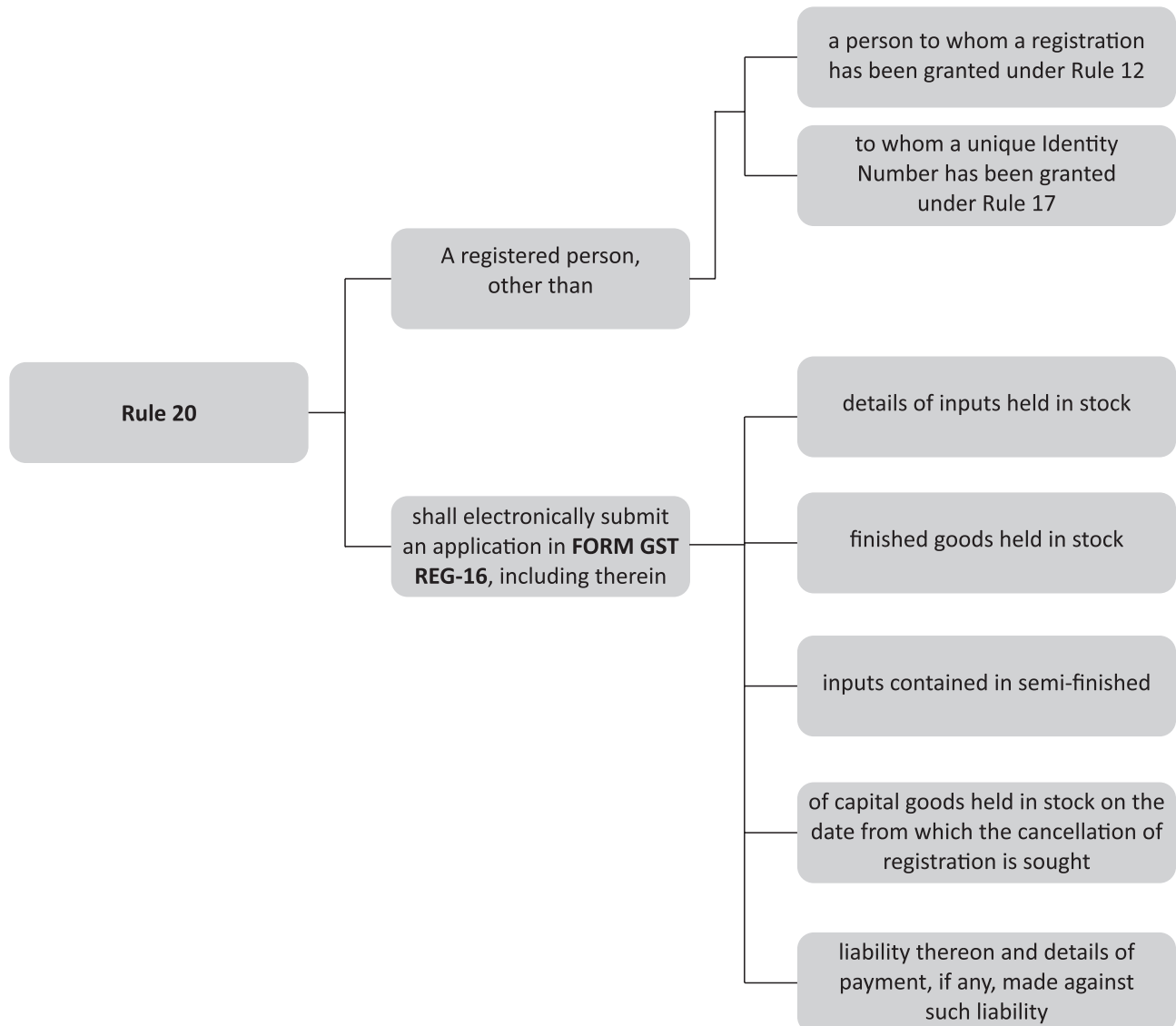
- (1) Subject to such conditions as may be prescribed, any registered person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of registration in such manner, within such time and subject to such conditions and restrictions, as may be prescribed
- (2) The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application:

Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.

- (3) The revocation of cancellation of registration under the State Goods and Services Tax Act or the Union territory Goods and Services Tax Act, as the case may be, shall be deemed to be a revocation of cancellation of registration under this Act.

**Application for cancellation of Registration [Rule 20]**

A registered person, other than a person to whom a registration has been granted under Rule 12 or a person to whom a Unique Identity Number has been granted under Rule 17, seeking cancellation of his registration under sub-section (1) of section 29 shall electronically submit an application in **FORM GST REG-16**, including therein the details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock and of capital goods held in stock on the date from which the cancellation of registration is sought, liability thereon, the details of the payment, if any, made against such liability and may furnish, along with the application, relevant documents in support thereof, at the common portal within a period of thirty days of the occurrence of the event warranting the cancellation, either directly or through a Facilitation Centre notified by the Commissioner.



### Registration liable for cancellation in certain cases [Rule 21]

The registration granted to a person is liable to be cancelled, if the said person-

(a) does not conduct any business from the declared place of business; or

(b) issues invoice or bill without supply of goods or services or both in violation of the provisions of this Act, or the rules made thereunder; or

(c) violates the provisions of section 171 of the Act or the rules made thereunder; or

(d) violates the provision of rule 10A; or

(e) avails input tax credit in violation of the provisions of section 16 of the Act or the rules made thereunder; or

(f) furnishes the details of outward supplies in **FORM GSTR-1** under section 37 for one or more tax periods which is in excess of the outward supplies declared by him in his valid return under section 39 for the said tax periods; or

(g) violates the provision of rule 86B.

(ga) violates the provisions of third or fourth proviso to sub-rule (1) of rule 23;

(h) being a registered person required to file return under subsection (1) of section 39 for each month or part thereof, has not furnished returns for a continuous period of six months;

(l) being a registered person required to file return under proviso to subsection (1) of section 39 for each quarter or part thereof, has not furnished returns for a continuous period of two tax periods.

### Suspension of Registration [Rule 21A]

- (1) Where a registered person has applied for cancellation of registration under Rule 20, the registration shall be deemed to be suspended from the date of submission of the application or the date from which the cancellation is sought, whichever is later, pending the completion of proceedings for cancellation of registration under Rule 22.

- (2) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29 or under Rule 21, he may, suspend the registration of such person with effect from a date to be determined by him, pending the completion of the proceedings for cancellation of registration under Rule 22.
- (2A) Where, – (a) a comparison of the returns furnished by a registered person under section 39 with the details of outward supplies furnished in FORM GSTR-1 as amended in FORM GSTR-1A if any, or the details of inward supplies derived based on the details of outward supplies furnished by his suppliers in their FORM GSTR-1, or in Form GSTR 1A of Previous tax period or such other analysis, as may be carried out on the recommendations of the Council, show that there are significant differences or anomalies indicating contravention of the provisions of the Act or the rules made thereunder, leading to cancellation of registration of the said person, or (b) there is a contravention of the provisions of rule 10A by the registered person, the registration of such person shall be suspended and the said person shall be intimated in FORM GST REG-31, electronically, on the common portal, or by sending a communication to his e-mail address provided at the time of registration or as amended from time to time, highlighting the said differences, anomalies or non-compliances and asking him to explain, within a period of thirty days, as to why his registration shall not be cancelled.
- (3) A registered person, whose registration has been suspended under sub-rule (1) or sub-rule (2) or sub-rule (2A), shall not make any taxable supply during the period of suspension and shall not be required to furnish any return under section 39.

*Explanation.-* For the purposes of this sub-rule, the expression “shall not make any taxable supply” shall mean that the registered person shall not issue a tax invoice and, accordingly, not charge tax on supplies made by him during the period of suspension.

- (3A) A registered person, whose registration has been suspended under sub-rule (2) or sub-rule (2A), shall not be granted any refund under section 54, during the period of suspension of his registration.
- (4) The suspension of registration under sub-rule (1) or sub-rule (2) or sub-rule (2A) shall be deemed to be revoked upon completion of the proceedings by the proper officer under Rule 22 and such revocation shall be effective from the date on which the suspension had come into effect.

Provided that the suspension of registration under this rule may be revoked by the proper officer, anytime during the pendency of the proceedings for cancellation, if he deems fit.

Provided further that where the registration has been suspended under sub-rule (2A) for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of section 29 and the registration has not already been cancelled by the proper officer under rule 22, the suspension of registration shall be deemed to be revoked upon furnishing of all the pending returns.

Provided also that where the registration has been suspended under sub-rule (2A) for contravention of provisions of rule 10A and the registration has not already been cancelled by the proper officer under rule 22, the suspension of registration shall be deemed to be revoked upon compliance with the provisions of rule 10A.

- (5) Where any order having the effect of revocation of suspension of registration has been passed, the provisions of clause (a) of sub-section (3) of section 31 and section 40 in respect of the supplies made during the period of suspension and the procedure specified therein shall apply.

### Cancellation of Registration [Rule 22]

- (1) Where the proper officer has reasons to believe that the registration of a person is liable to be cancelled under section 29, he shall issue a notice to such person in **FORM GST REG-17**, requiring him to show cause within seven working days from the date of service of such notice as to why his registration should not be cancelled.

- (2) The reply to the show-cause notice issued under sub-rule (1) shall be furnished in **FORM REG-18** within the period prescribed in the said sub-rule.
- (3) Where a person who has submitted an application for cancellation of his registration is no longer liable to be registered or his registration is liable to be cancelled, the proper officer shall issue an order in **FORM GST REG-19**, within thirty days from the date of application submitted under Rule 20 or, as the case may be, the date of reply to the show cause issued under sub-rule (1), or under sub-rule (2A) of Rule 21A cancel the registration, with effect from a date to be determined by him and notify the taxable person, directing to pay arrears of any tax, interest or penalty including the amount liable to be paid under sub-section(5) of section 29.
- (4) Where the reply furnished under sub-rule (2) or in response to the notice issued under sub-rule (2A) of Rule 21A to the is found to be satisfactory, the proper officer shall drop the Proceedings and pass an order in **FORM GST REG -20**.

Provided that where the person instead of replying to the notice served under sub-rule (1) for contravention of the provisions contained in clause (b) or clause (c) of sub-section (2) of section 29, furnishes all the pending returns and makes full payment of the tax dues along with applicable interest and late fee, the proper officer shall drop the proceedings and pass an order in **FORM GST-REG 20**.

- (5) The provisions of sub-rule (3) shall, *mutatis mutandis*, apply to the legal heirs of a deceased proprietor, as if the application had been submitted by the proprietor himself.

#### Revocation of Cancellation of Registration [Rule 23]

A registered person, whose registration is cancelled by the proper officer on his own motion, may [“ subject to the provisions of rule 10B,] submit an application for revocation of cancellation of registration, in FORM GST REG-21\*, to such proper officer, [**within a period of ninety days from the date of the service of the order of cancellation of registration**] at the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

**Provided that such period may, on sufficient cause being shown, and for reasons to be recorded in writing, be extended by the Commissioner or an officer authorised by him in this behalf, not below the rank of Additional Commissioner or Joint Commissioner, as the case may be, for a further period not exceeding one hundred and eighty days:**

**Provided further that** no application for revocation shall be filed, if the registration has been cancelled for the failure of the registered person to furnish returns, unless such returns are furnished and any amount due as tax, in terms of such returns, has been paid along with any amount payable towards interest, penalty and late fee in respect of the said returns:

**Provided also** that all returns due for the period from the date of the order of cancellation of registration till the date of the order of revocation of cancellation of registration shall be furnished by the said person within a period of thirty days from the date of order of revocation of cancellation of registration:

Provided also that where the registration has been cancelled with retrospective effect, the registered person shall furnish all returns relating to period from the effective date of cancellation of registration till the date of order of revocation of cancellation of registration within a period of thirty days from the date of order of revocation of cancellation of registration.

- (a) Where the proper officer is satisfied, for reasons to be recorded in writing, that there are sufficient grounds for revocation of cancellation of registration, he shall revoke the cancellation of registration by an order in **FORM GST REG-22** within thirty days from the date of receipt of the application and communicate the same to the applicant.
- (b) The proper officer may, for reasons to be recorded in writing, under circumstances other than those specified in clause (a), by an order in **FORM GST REG-05**, reject the application for revocation of cancellation of registration and communicate the same to the applicant.

The proper officer shall, before passing the order referred to in clause (b) of sub-rule (2), issue a notice in **FORM GST REG-23** requiring the applicant to show cause as to why the application submitted for revocation under sub-rule (1) should not be rejected and the applicant shall furnish the reply within seven working days from the date of the service of notice in **FORM GST REG-24**.

Upon receipt of the information or clarification in **FORM GST REG-24**, the proper officer may proceed to dispose of the application in the manner specified in sub-rule (2) within thirty days from the date of receipt of such information or clarification from the applicant.

### Method of Authentication [Rule 26]

- (1) All applications, including reply, if any, to the notices, returns, appeals or any other document required to be submitted under these rules shall be so submitted electronically at the Common Portal with digital signature certificate or through e-signature as specified under the Information Technology Act, 2000 or through any other mode of signature notified by the Board in this behalf.

Provided that a registered person registered under the provisions of the Companies Act, 2013 shall furnish the documents or application verified through digital signature certificate.

Provided further that a registered person registered under the provisions of the Companies Act, 2013 shall, during the period from the 21st day of April, 2020 to the 30th day of September, 2020, also be allowed to furnish the return under section 39 in **FORM GSTR-3B** verified through Electronic Verification Code (EVC).

Provided also that a registered person registered under the provisions of the Companies Act, 2013 shall, during the period from the 27th day of April, 2021 to the 31st day of October, 2021, also be allowed to furnish the return under section 39 in **FORM GSTR-3B** and the details of outward supplies under section 37 in **FORM GSTR-1** or using invoice furnishing facility, verified through Electronic Verification Code (EVC).

- (2) Each document including the return furnished online shall be signed or verified through Electronic Verification Code –
- (a) in the case of an individual, by the individual himself or by some other person duly authorised by him in this behalf, and where the individual is mentally incapacitated from attending to his affairs, by his guardian or by any other person competent to act on his behalf;
  - (b) in the case of a Hindu undivided Family, by a Karta and where the Karta is absent from India or is mentally incapacitated from attending to his affairs, by any other adult member of such family or by the authorised signatory of such Karta;
  - (c) in the case of a company, by the chief executive officer or authorised signatory thereof;
  - (d) in the case of a Government or any Governmental agency or local authority, by an officer authorised in this behalf;
  - (e) in the case of a firm, by any partner thereof, not being a minor or authorised signatory;
  - (f) in the case of any other association, by any member of the association or persons or authorised signatory;
  - (g) in the case of a trust, by the trustee or any trustee or authorised signatory; or
  - (h) in the case of any other person, by some person competent to act on his behalf, or by a person authorised in accordance with the provisions of section 48.

All notices, certificates and orders under the provisions of this Chapter shall be issued electronically by the proper officer or any other officer authorised to issue such notices or certificates or orders, through digital signature certificate or through E-signature as specified under the provisions of the Information

Technology Act, 2000 verified by any other mode of signature or verification as notified by the Board in this behalf.

### Special provisions relating to casual taxable person and non-resident taxable person [Section 27]

- (1) The certificate of registration issued to a casual taxable person or a non-resident taxable person shall be valid for a **period specified in the application for registration or ninety days from the effective date** of registration, whichever is earlier and such person shall make taxable supplies only after the issuance of the certificate of registration:

Provided that the proper officer may, on sufficient cause being shown by the said taxable person, extend the said period of **ninety days** by a further period not exceeding ninety days.

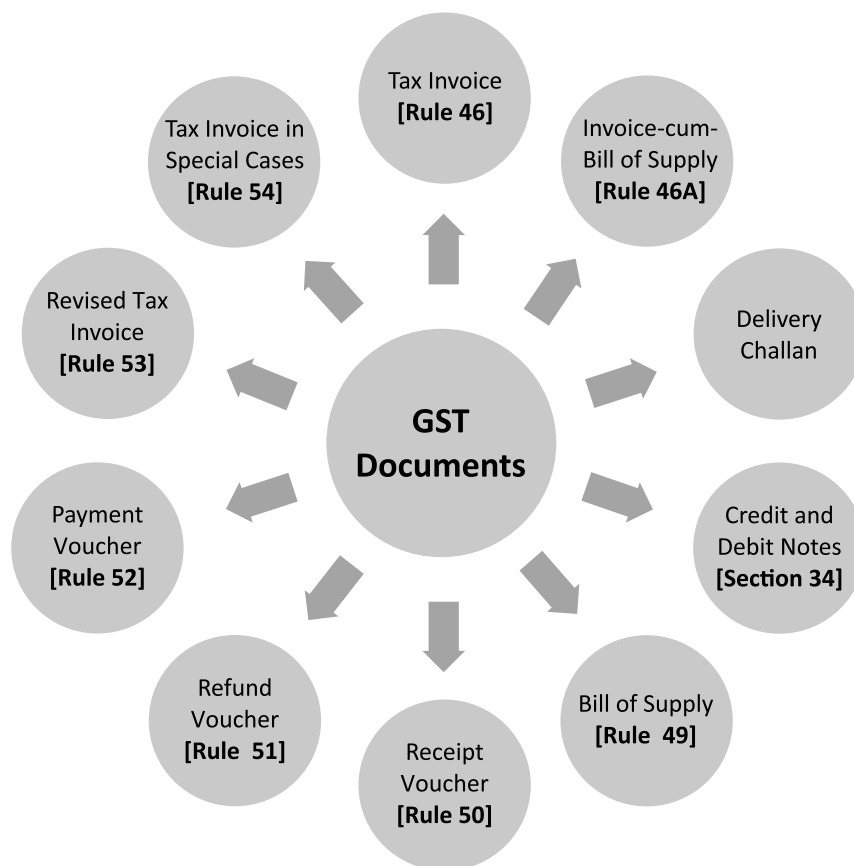
- (2) A casual taxable person or a non-resident taxable person shall, at the time of submission of application for registration under sub-section (1) of section 25, make an advance deposit of tax in an amount equivalent to the estimated tax liability of such person for the period for which the registration is sought:

Provided that where any extension of time is sought under sub-section (1), such taxable person shall deposit an additional amount of tax equivalent to the estimated tax liability of such person for the period for which the extension is sought.

The amount deposited under sub-section (2) shall be credited to the electronic cash ledger of such person and shall be utilized in the manner *provided under section 49*.

### TAX INVOICES, DEBIT & CREDIT NOTES

Whenever a transaction takes place, different kinds of documents are issued under different circumstances, like invoice, credit note, debit note and bill of supply.



### Tax Invoice

Section 2(66) of Central Goods & Services Tax Act, 2017 mandates “invoice” or “tax invoice” as the tax invoice referred to in section 31.

Tax Invoice is mandated to be issued in the event of taxable supplies.

#### Time Limit for issuing a tax invoice for supply of goods [section 31(1)]:

In case of registered person supplying taxable goods, the invoice must be issued before or at the time of

- (a) removal of goods for supply, where the supply involves movement of goods.
- (b) or delivery of goods or making available thereof to the recipient in any other case “Removal”, in relation to goods, means dispatch of the goods for delivery by the supplier or collection of the goods by the recipient.

### Continuous Supply of Goods [section 31(4)]

**Meaning of Continuous Supply of Goods:** “Continuous Supply of Goods” means a supply of goods which is provided continuously under a contract, whether or not by means of a wire, cable, pipeline or other conduits, and for which **the supplier invoices the recipient on a regular or periodic basis** and includes the supply of such goods as the Government may, subject to such conditions, as it may, by notification, specify.

In case of continuous supply of goods, where successive statements of accounts or successive payments are involved, the invoice shall be issued before or at the time each such statement is issued or, as the case may be, each such payment is received.

### Goods Sent on Approval basis [Section 31(7)]

Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued before or at the time of supply or six months from the date of removal, whichever is earlier.

Thus, the tax invoice must be issued within six months from removal.

Goods can be removed on an approval basis within the State or outside the State. Delivery Challan should be issued at the time of removal of goods. E-way bills will also be issued wherever applicable. The person carrying goods for such a supply can carry the invoice book so that he can issue the invoice once the supply is fructified. – CBEC Circular No. 10/10/2017-GST dated 18-10-2017. Removal of artwork to galleries for subsequent sale Artists removes their artworks to various galleries where these are exhibited. The artworks should be removed under- delivery challan and e-way bill (where applicable). Once the artwork is sold, the tax invoice should be generated.

### Time limit for issuing Tax Invoice for services

The invoice in case of a taxable supply of services shall be issued **within a period of thirty days** from the date of the supply of service.

- A banking company or a financial institution, or NBFC, can issue an invoice **within forty-five days** from the date of supply of service.
- An insurer/banking company / financial institution, including a non-banking financial company/ Telecom operator, or any other class of supplier of services as may be notified by the Government **making taxable supplies of services between distinct persons** as specified in Section 25, **may issue the invoice before or at the time recording the same in books of account or before the expiry of the quarter** during which the supply was made.

**Continuous Supply of Services [Section 31(5)]**

Meaning of “**Continuous Supply of Services**”: It means a supply of services which is provided, or agreed to be provided, continuously or on a recurrent basis, under a contract, **for a period exceeding three months with periodic payment obligations** and includes the supply of such services as the Government may, subject to such conditions, as it may, by notification, specify.

In case of continuous supply of service

- (a) where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;
- (b) where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment;
- (c) where the payment is linked to the completion of an event, the invoice shall be issued on or before the date of completion of that event.

**Supply of Services ceases before completion**

In a case where the supply of services ceases under a contract before the completion of the supply, the invoice shall be issued at the time when the supply ceases and such invoice shall be issued to the extent of the supply made before such cessation. [Section 31(6) of Central Goods and Services Tax Act, 2017]

**Revised Invoice [Section 31(3)(a)]**

The expression “tax invoice” shall include any revised invoice issued by the supplier in respect of a supply made earlier. Revised Invoice is meant to be issued for supplies made after the effective date of registration till the date of issuance of a certificate of registration.

Timeline for issuing the revised **invoice** is **within one month from the date of issuance of a certificate of registration..**

The recipient can avail ITC against such a revised invoice issued by the supplier.

A revised tax invoice shall contain the following particulars, namely:-

- (a) the word “Revised Invoice”, wherever applicable, indicated prominently;
- (b) name, address and Goods and Services Tax Identification Number of the supplier;
- (c) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (d) date of issue of the document;
- (e) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (f) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;
- (g) serial number and date of the corresponding tax invoice or, as the case may be, bill of supply; and
- (h) signature or digital signature of the supplier or his authorised representative.

**TAX INVOICE FOR SMALL VALUE****Section 31(3)(b) Tax invoice may not be issued if value goods or services or both is less than Rs. 200**

A registered person may not issue a tax invoice in accordance with the provisions of clause of sub-section (3) of section 31 subject to the following conditions, namely:-

- (a) the recipient is not a registered person; and
- (b) the recipient does not require such invoice, and

shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies.

**Contents of a Tax Invoice [Rule 46]**

A tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars:-

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered and where the value of taxable supply is fifty thousand rupees or more;
- (f) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is less than fifty thousand rupees and the recipient requests that such details be recorded in the tax invoice;
- (g) Provided in cases involving supply of online money gaming or in cases that where any taxable service is supplied by or through an electronic commerce operator or by a supplier of online information and database access or retrieval services to a recipient who is un-registered, irrespective of the value of such supply, a tax invoice issued by the registered person shall contain the name of the state of the recipient and the same shall be deemed to be the address on record of the recipient
- (h) HSN code of goods or Accounting Code of services;

Position w.e.f. 01.04.2021:

<b>Annual turnover in preceding financial year</b>	<b>Number of digits of HSN Code</b>
AT ≤ Rs. 5 Crores	For B2B supplies- 4 digits For B2C supply- 4 digits (optional)
AT > 5 crores	For B2B and B2C supply- 6 digits

- (i) description of goods or services;
- (j) quantity in case of goods and unit or unique Quantity Code thereof;
- (k) total value of supply of goods or services or both;

- (l) taxable value of supply of goods or services or both taking into account discount or abatement, if any;
- (m) rate of tax (Central tax, State Tax, Integrated Tax, Union territory tax or cess);
- (n) amount of tax charged in respect of taxable goods or services (Central tax, State Tax, Integrated Tax, Union territory tax or cess);
- (o) place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;
- (p) address of delivery where the same is different from the place of supply;
- (q) whether the tax is payable on reverse charge basis; and
- (r) signature or digital signature of the supplier or his authorized representative:

Signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of an electronic invoice in accordance with the provisions of the Information Technology Act, 2000.

- (s) Quick Response code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of Rule 48.
- (t) a declaration as below, that invoice is not required to be issued in the manner specified under sub-rule (4) of Rule 48, in all cases where an invoice is issued, other than in the manner so specified under the said sub-rule (4) of Rule 48, by the taxpayer having aggregate turnover in any preceding financial year from 2017-18 onwards more than the aggregate turnover as notified under the said sub-rule (4) of Rule 48 –

“I/We hereby declare that though our aggregate turnover in any preceding financial year from 2017-18 onwards is more than the aggregate turnover notified under sub-rule (4) of Rule 48, we are not required to prepare an invoice in terms of the provisions of the said sub-rule.”

Provided that the Board may, on the recommendations of the Council, by notification, specify-

- (i) the number of digits of Harmonised System of Nomenclature code for goods or services that a class of registered persons shall be required to mention; or
- (ii) a class of supply of goods or services for which specified number of digits of Harmonised System of Nomenclature code shall be required to be mentioned by all registered taxpayers; and
- (iii) the class of registered persons that would not be required to mention the Harmonised System of Nomenclature code for goods or services:

Provided also that a registered person other than the supplier engaged in making supply of services by way of admission to exhibition of cinematograph films in multiplex screens, may not issue a tax invoice in accordance with the provisions of clause (b) of sub-section (3) of section 31 subject to the following conditions, namely,-

- (a) the recipient is not a registered person; and
- (b) the recipient does not require such invoice, and

shall issue a consolidated tax invoice for such supplies at the close of each day in respect of all such supplies.

Provided also that the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of an electronic invoice in accordance with the provisions of the Information Technology Act, 2000 (21 of 2000):

#### **Additional details to be provided in the invoice**

In case of supply of goods, the invoice must be issued in triplicate, i.e., original for recipient, duplicate for transporter and triplicate for supplier.

In case of supply of services, the invoice must be issued in duplicate, i.e., original for recipient and duplicate for supplier.

In the case of the export of goods or services, the invoice shall carry an endorsement – “supply meant for export/supply to SEZ unit or SEZ developer for authorised operations on payment of integrated tax” or – “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”, as the case may be, and shall, in lieu of the details specified in clause (e) of Rule 46, contain the following details, namely, – (i) name and address of the recipient; (ii) address of delivery; and (iii) name of the country of destination:

### Manner of issuing invoice [Rule 48]

- (1) The invoice shall be prepared in triplicate, in case of supply of goods, in the following manner:-
  - (a) the original copy being marked as original for Recipient;
  - (b) the duplicate copy being marked as Duplicate for Transporter; and
  - (c) the triplicate copy being marked as Triplicate for supplier.
- (2) The invoice shall be prepared in duplicate, in case of supply of services, in the following manner: -
  - (a) the original copy being marked as original for Recipient; and
  - (b) the duplicate copy being marked as Duplicate for supplier.
- (3) The serial number of invoices issued during a tax period shall be furnished electronically through the Common Portal in **FORM GSTR-1** and in **FORM GSTR-1A**, if any,
- (4) The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in **FORM GST INV-01** after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.

Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt a person or a class of registered persons from issuance of invoice under this sub-rule for a specified period, subject to such conditions and restrictions as may be specified in the said notification.

- (5) Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.
- (6) The provisions of sub-rules (1) and (2) shall not apply to an e-invoice prepared in the manner specified in sub-rule (4).

### E-Invoicing [Rule 48(4)]

E-Invoicing means submitting or uploading of ERP/ accounting software generated invoice into Invoice Registration Portal (IRP) for electronic authentication. It is a process through which a normally generated invoice is authenticated by GSTN. It is applicable only to B2B transactions.

Initially, w.e.f. October 01, 2020, it was made mandatory for registered person whose Aggregate Turnover in a financial year exceeds Rs. 500 crore. In any of the previous financial year. However, the threshold for e-invoicing has been gradually reduced and at present is stands at Rs. 5 crores (w.e.f. August 01, 2023)

<i>Threshold limit</i>	<i>Applicability</i>
>500Cr	1st Oct-2020
>100Cr	1st Jan-2021
>50Cr	1st Apr-2021
>20Cr	1st Apr-2022
>10Cr	1st Oct-2022
>5Cr	1st Aug-2023

Vide Notification No. 69/2019-CT dated 13.12.2019, the Government has further issued Notifications so as to notify the portals where e-invoices in terms of sub-rule (4) of Rule 48 shall be prepared. List of portals are as below;

- (i) www.einvoice1.GST.gov.in;
- (ii) www.einvoice2.GST.gov.in;
- (iii) www.einvoice3.GST.gov.in;
- (iv) www.einvoice4.GST.gov.in;
- (v) www.einvoice5.GST.gov.in;
- (vi) www.einvoice6.GST.gov.in;
- (vii) www.einvoice7.GST.gov.in;
- (viii) www.einvoice8.GST.gov.in;
- (ix) www.einvoice9.GST.gov.in;
- (x) www.einvoice10.GST.gov.in.

E-Invoicing is not applicable in following category of persons:

- Insurance Company
- Banking company, financial institution, NBFC
- Goods Transport Agency (GTA)
- Passenger transportation services
- Movie ticket for a multiplex
- An SEZ unit
- A government department and local authority

#### Self invoice and payment voucher for tax under RCM

<p>Section 31(3)(f) second <i>proviso</i> to Rule 46</p> <p>Section 31(3)(g)</p>	<p>A registered person who is liable to pay tax under RCM (reverse charge mechanism)] shall within the period as may be prescribed issue a self-invoice in respect of goods or services received by him on the date of receipt of goods or services <b>from the unregistered supplier.</b></p> <p>It is also clarified by way of an explanation that the expression “supplier who is not registered” shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.</p> <p>Rule 47A has been inserted w.e.f 1.11.2024 provide that where an invoice is required to be issued under clause (f) of sub-section (3) of section 31 by a registered person, who is liable to pay tax under sub-section (3) or sub-section (4) of section 9, he shall issue the said invoice within a period of thirty days from the date of receipt of the said supply of goods or services, or both, as the case may be.</p>
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#### Contents of Payment Voucher [Rule 52]

A payment voucher referred to in clause (g) of sub-section (3) of section 31 shall contain the following particulars, namely:-

- (a) name, address and Goods and Services Tax Identification Number of the supplier if registered;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number of the recipient;
- (e) description of goods or services;
- (f) amount paid;
- (g) rate of tax (Central tax, State tax, Integrated tax, Union territory tax or cess);

- (h) amount of tax payable in respect of taxable goods or services (Central tax, State tax, Integrated tax, Union territory tax or cess);
- (i) place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce; and
- (j) signature or digital signature of the supplier or his authorised representative.

### Bill of Supply [Rule 49]

A bill of supply referred to in clause (c) of sub-section (3) of section 31 shall be issued by the supplier where the supplies are exempt from payment of tax. The contents of Bill of Supply are as below:-

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) HSN Code of goods or Accounting Code for services;
- (f) description of goods or services or both;
- (g) value of supply of goods or services or both taking into account discount or abatement, if any; and
- (h) signature or digital signature of the supplier or his authorized representative:

The provisos to Rule 46 as pertaining to tax invoice shall, *mutatis mutandis*, apply to the bill of supply.

Any tax invoice or any other similar document issued under any other Act for the time being in force in respect of any non taxable supply shall be treated as a bill of supply for the purposes of the Act.

Signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of an electronic bill of supply in accordance with the provisions of the Information Technology Act, 2000.

### Invoice Cum Bill of Supply:

<p>Section 31(3)(c) Rule 46A fourth proviso to Rule 46</p>	<p>A registered person <b>supplying exempted</b> goods and/or service or <b>paying tax as under Composite scheme</b> can issue a single ‘invoice cum bill of supply’.</p> <p>This provision also applies to a person who is paying GST on services under a simplified scheme (small taxable persons paying GST @ 6% on services). Thus, <b>small taxable persons paying GST @ 6% on services shall issue ‘Bill of Supply’ and not ‘tax invoice’.</b></p> <p>Where a registered person is <b>supplying taxable as well as exempted</b> goods or services or both <b>to an unregistered person</b>, a single “invoice-cum-bill of supply” may be issued for all such supplies.- inserted w.e.f. 13-10-2017.</p> <p><b>Consolidated Tax Invoice:</b> A registered person shall issue a consolidated tax invoice at the end of each day in respect of supplies where (a) the <b>recipient is an unregistered person</b>; and (b) the recipient <b>does not require such invoice.</b></p>
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**Receipt Voucher**

<p>Section 31(3)(d) Rule 50</p>	<p>A registered taxable person shall, on receipt of advance payment with respect to any supply of goods or services by him, issue a receipt voucher, evidencing receipt of such payment <b>Contents of Receipt Voucher:-</b></p> <p>(a) Name, address, and GSTIN of the supplier (b) A consecutive serial number (c) Date of issue of receipt voucher (d) Name, address and GSTIN of the recipient (e) description of goods or services (f) <b>Amount of advance taken</b> (g) Rate of tax (CGST/ SGST/IGST/ UTGST/ cess) Amount of tax charged in respect of taxable services (i) Place of supply along with the name of State and its code, in case of an Inter-State (j) Whether the tax is payable on reverse charge basis (k) signature or digital signature of the supplier or his authorized representative.</p> <p>Provision for payment of tax on advances received has been deleted <i>vides</i> <b>Notification No. 66/2017-CT dated 15-11-2017</b>. This relaxation is only in respect of the supply of goods and not in respect of services.</p>
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**Contents of Receipt Voucher [Rule 50]**

A receipt voucher referred to in clause (d) of sub-section (3) of section 31 shall contain the following particulars:

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number containing alphabets or numerals or special characters -hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) description of goods or services;
- (f) amount of advance taken;
- (g) rate of tax (Central tax, State tax, Integrated tax, Union territory tax or cess);
- (h) amount of tax charged in respect of taxable goods or services (Central tax, State tax, Integrated tax, Union territory tax or cess);
- (i) place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce;
- (j) whether the tax is payable on reverse charge basis; and
- (k) signature or digital signature of the supplier or his authorized representative. Provided that where at the time of receipt of advance,-
  - (i) the rate of tax is not determinable, the tax shall be paid at the rate of eighteen per cent;
  - (ii) the nature of supply is not determinable, the same shall be treated as inter-State supply.

**Refund Voucher**

Section 31(3)(e) Rule 51	<p>If subsequently, supply is not made and tax invoice not issued, <b>refund voucher</b> should be issued against such payment.</p> <p>Contents of Refund Voucher are identical to the requirements of Receipt Voucher except for that cross-reference of Receipt Voucher is required and the amount of refund is to be indicated, instead of the amount received as advance.</p> <p>If refund voucher is made, it should be for the full value of advance including the amount of GST</p>
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### Contents of Refund Voucher [Rule 51]

A refund voucher referred to in clause (e) of sub-section (3) of section 31 shall contain the following particulars, namely:-

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) number and date of receipt voucher issued in accordance with the provisions of Rule 50;
- (f) description of goods or services in respect of which refund is made;
- (g) amount of refund made;
- (h) rate of tax (Central tax, State tax, Integrated tax, Union territory tax or cess);
- (i) amount of tax paid in respect of such goods or services (Central tax, State tax, Integrated tax, Union territory tax or cess);
- (j) whether the tax is payable on reverse charge basis; and
- (k) signature or digital signature of the supplier or his authorised representative.

#### **Illustration:**

Meenakshi enterprises, Kolkata makes a supply of goods to Dhirani enterprises, Ghaziabad. The goods were removed from the factory at Kolkata on 3rd May. Hence, the tax invoice must be issued on or before 3rd May.

#### **Illustration:**

Mohan Ltd. an event management company has provided its services for an event at Photo Film Agencies at Kolkata, on 1st June. The tax invoice must therefore be issued within 30 days, that is, within 30th June.

#### **Illustration:**

Seema & Co. has entered into an AMC (Annual Maintenance Contract) with Vir Enterprises for one-year effective 1st September, 2017 for the stabilisers installed in the factory. As per contract, the invoice must be issued by 9th September, 2018. In this case, since there is a continuous supply of services where the due date is ascertainable from the contract, the tax invoice must be issued before or on 9th September, 2018.

## Credit / Debit Notes

Under Section 2(37) of Central Goods & Services Tax Act, 2017, “credit note” means a document issued by a registered person under sub-section (1) of Section 34. The credit note is a convenient and legal method by which the value of the goods or services in the original tax invoice can be amended or revised. The issuance of the credit note will easily allow the supplier to decrease his tax liability in his returns without requiring him to undertake any tedious process of refunds.



Under Section 2(38) of Central Goods & Services Tax Act, 2017, “debit note” means a document issued by a registered person under sub-section (3) of Section 34. The debit note or a supplementary invoice is a convenient and legal method by which the value of the goods or services in the original tax invoice can be enhanced. The issuance of the debit note will easily allow the supplier to pay his enhanced tax liability in his returns without requiring him to undertake any other tedious process.

Where a tax invoice has been issued for supply of goods / services / both, and where the taxable value in the invoice is greater than the taxable value of supply; the tax charged per invoice is greater than the tax payable in respect of such supply; OR where the goods so supplied have been returned by the recipient OR where the goods / services have been found to be deficit in these cases, the registered supplier may issue a credit note to the recipient.

A registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than the thirtieth day of November following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:

Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

Where a tax invoice has been issued for supply of goods / services / both, and where the taxable value in the invoice is less than the taxable value of supply; the tax charged per invoice is less than the tax payable in respect of such supply; the registered supplier may issue a debit note to the recipient.

Any registered person who issues a debit note in relation to a supply of goods or services or both shall declare the details of such debit note in the return for the month during which such debit note has been issued and the tax liability shall be adjusted in such manner as may be prescribed.

Contents of credit or debit note:–

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) nature of the document;
- (c) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolised as – “-“ and – “/” respectively, and any combination thereof, unique for a financial year;
- (d) date of issue of the document;
- (e) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;

- (f) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;
- (g) serial number(s) and date(s) of the corresponding tax invoice(s) or, as the case may be, bill(s) of supply;
- (h) value of taxable supply of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the recipient; and
- (i) signature or digital signature of the supplier or his authorised representative.

Earlier a credit/debit note, which is issued by the registered person under Section 34, was required to be issued invoice-wise. Now a registered person can issue one (consolidated) note or more debit notes/ credit notes in respect of multiple invoices issued in a financial year without linking the same to individual invoices. This used to cause avoidable compliance burden for tax payers.

### Tax Invoice in special cases [Rule 54]

- (1) An ISD invoice or, as the case may be, an ISD credit note issued by an Input Service Distributor shall contain the following details:-
  - (a) name, address and GSTIN of the Input Service Distributor;
  - (b) a consecutive serial number containing alphabets or numerals or special characters hyphen or dash and slash symbolised as, “-”, “/”, respectively, and any combination thereof, unique for a financial year;
  - (c) date of its issue;
  - (d) name, address and GSTIN (Goods and Services Tax Identification Number) of the recipient to whom the credit is distributed;
  - (e) amount of the credit distributed; and
  - (f) signature or digital signature of the Input Service Distributor or his authorized representative:

Provided that where the Input Service Distributor is an office of a banking company or a financial institution, including a non-banking financial company, a tax invoice shall include any document in lieu thereof, by whatever name called, whether or not serially numbered but containing the information as prescribed above.

- (1A) (a) A registered person, having the same PAN and State code as an Input Service Distributor, may issue an invoice or, as the case may be, a credit or debit note to transfer the credit of common input services to the Input Service Distributor, which shall contain the following details:-
  - i. name, address and Goods and Services Tax Identification Number of the registered person having the same PAN and same State code as the Input Service Distributor;
  - ii. a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash symbolised as – “-“ and “/” respectively, and any combination thereof, unique for a financial year;
  - iii. date of its issue;
  - iv. Goods and Services Tax Identification Number of supplier of common service and original invoice number whose credit is sought to be transferred to the Input Service Distributor;
  - v. name, address and Goods and Services Tax Identification Number of the Input Service Distributor;

- vi. taxable value, rate and amount of the credit to be transferred; and
  - vii. signature or digital signature of the registered person or his authorised representative.
- (b) The taxable value in the invoice issued under clause (a) shall be the same as the value of the common services.

- (2) Where the supplier of taxable service is an insurer or a banking company or a financial institution, including a non-banking financial company, the said supplier may issue a consolidated tax invoice or any other document in lieu thereof, by whatever name called, for the supply of services made during a month at the end of the month, whether or not serially numbered, and whether or not containing the address of the recipient of taxable service but containing other information as prescribed under Rule 46:

Provided that the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of a consolidated tax invoice or any other document in lieu thereof in accordance with the provisions of the Information Technology Act, 2000.

- (3) Where the supplier of taxable service is a goods transport agency supplying services in relation to transportation of goods by road in a goods carriage, the said supplier shall issue a tax invoice or any other document in lieu thereof, by whatever name called, containing the gross weight of the consignment, name of the consignor and the consignee, registration number of goods carriage in which the goods are transported, details of goods transported, details of place of origin and destination, GSTIN of the person liable for paying tax whether as consignor, consignee or goods transport agency, and also containing other information as prescribed under Rule 46.
- (4) Where the supplier of taxable service is supplying passenger transportation service, a tax invoice shall include ticket in any FORM, by whatever name called, whether or not serially numbered, and whether or not containing the address of the recipient of service but containing other information as prescribed under Rule 46.

Provided that the signature or digital signature of the supplier or his authorised representative shall not be required in the case of issuance of ticket in accordance with the provisions of the Information Technology Act, 2000.

- (4A) A registered person supplying services by way of admission to exhibition of cinematography films in multiplex screens shall be required to issue an electronic ticket and the said electronic ticket shall be deemed to be a tax invoice for all purposes of the Act, even if such ticket does not contain the details of the recipient of service but contains the other information as mentioned under rule 46:

Provided that the supplier of such service in a screen other than multiplex screens may, at his option, follow the above procedure.

- (5) The provisions of sub-rule (2) or sub-rule (4) shall apply, *mutatis mutandis*, to the documents issued under Rule 49 or Rule 50 or Rule 51 or Rule 52 or Rule 53.

### **Transportation of Goods without Issue of Invoice [Rule 55]**

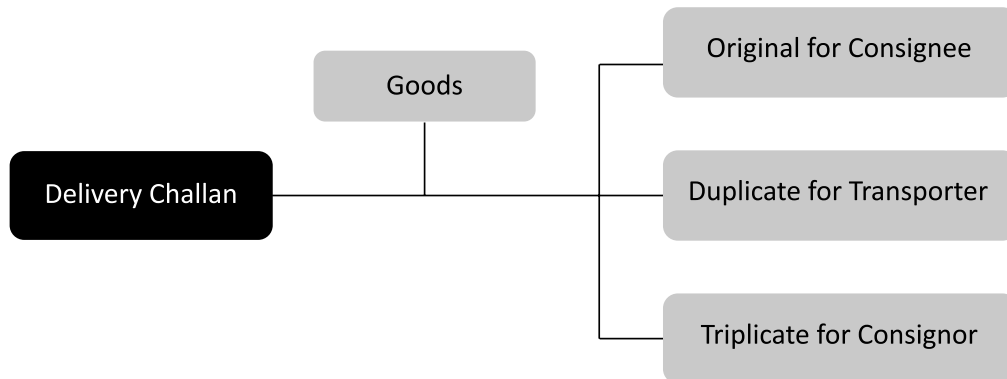
For the purpose of -

- supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known.
- transportation of goods for job work.

- transportation of goods for reasons other than by way of supply, or
- such other supplies as may be notified by the Board.

The consigner may issue delivery Challan, serially numbered not exceeding sixteen characters, in one or multiple series, in lieu of invoice at the time of removal of goods for the transportation, containing date of Challan, details of consigner/consignee, HSN etc.

The delivery Challan shall be prepared in triplicate, in case of supply of goods, as shown in diagram as under:



Where the goods are being transported on a delivery Challan in lieu of invoice the same shall be declared as specified in rule 138.

The supplier is required to issue a tax invoice after delivery of goods where tax invoice could not be issued at the time of removal of goods for the purpose of supply.

Where the goods are being transported in a semi knocked down or completely knocked down condition or in batches or lots –

- the supplier shall issue the complete invoice before dispatch of the first consignment;
- the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;
- each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and
- the original copy of the invoice shall be sent along with the last consignment.

**Rule 55A: Tax Invoice or bill of supply to accompany transport of goods.**

The person-in-charge of the conveyance shall carry a copy of the tax invoice or the bill of supply issued in accordance with the provisions of Rules 46, 46A or 49 in a case where such person is not required to carry an e-way bill under these rules.

## ACCOUNTS AND RECORDS

Assessment in GST is substantially focused around self-assessment. Every taxpayer thereby is expected to self- assess the liability, file the returns and pay the tax by the 20th of the following month. The authenticity and completeness of the same is subject to audits, inspection and that casts a responsibility upon the taxpayer to maintain the necessary accounts and records.

Every registered person is expected to maintain the necessary accounts and records at the principal place of business and these records could be electronic or manual.

**Place of maintenance**

Section 35 of Central Goods & Services Tax Act, 2017 states that every registered person shall maintain books of accounts at his principal place of business and where more than one place of business is specified in the certificate of registration, at every such place of business too.

**Nature of records**

Section 35 of Central Goods and Services Tax Act, 2017: Maintaining Accounts and other Records

- (1) Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of—
  - (a) production or manufacture of goods;
  - (b) inward and outward supply of goods or services or both;
  - (c) stock of goods;
  - (d) input tax credit availed;
  - (e) output tax payable and paid; and
  - (f) such other particulars as may be prescribed.

Provided that where more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business:

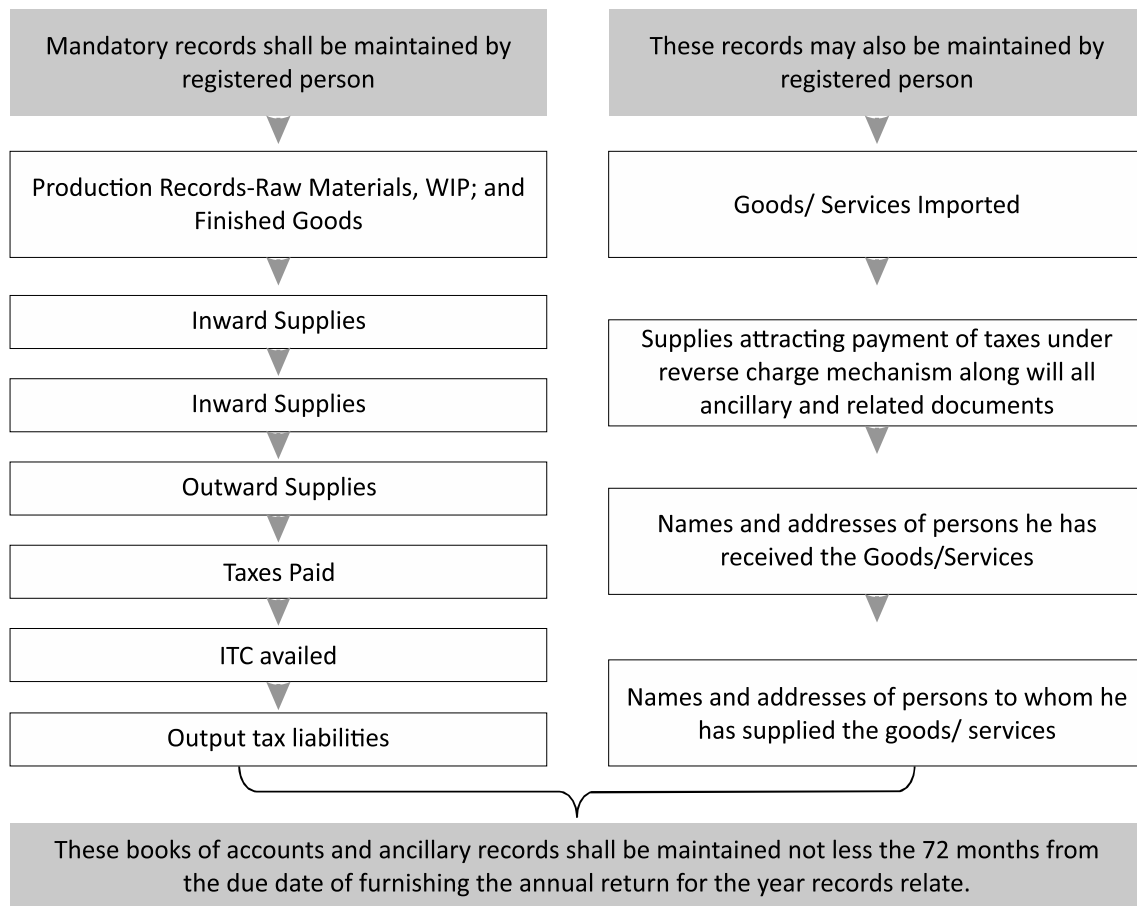
Provided further that the registered person may keep and maintain such accounts and other particulars in electronic FORM in such manner as may be prescribed.

- (2) Every owner or operator of warehouse or godown or any other place used for storage of goods and every transporter, irrespective of whether he is a registered person or not, shall maintain records of the consigner, consignee and other relevant details of the goods in such manner as may be prescribed. Also, the CGST Rules, 2017 prescribes the following records:
  - Goods / services imported
  - supplies attracting payment of taxes under reverse charge mechanism along with all ancillary and
  - related documents
  - Names and addresses of persons who has received the goods / services
  - Names and addresses of persons to whom he has supplied the goods / services
  - The records under the provisions of this Chapter may be maintained in electronic form and the record so maintained shall be authenticated by means of a digital signature.

**Period of retention of accounts [Section 36]**

Every taxpayer shall maintain the books of accounts and ancillary records, until the expiry of 72 months, from the due date of furnishing the annual return for the year to which the records relate.

However, a registered person who is party to an appeal / any other proceedings, before any authority / tribunal, shall have to maintain the accounts and books / records, pertaining to the matters of such appeal for a minimum period of 1 year after disposal of such appeal / revision as the case may be.



## ELECTRONIC WAY BILLS

Electronic- Way Bill (E-Way Bill/ e-way bill) mechanism was introduced by the Government w.e.f. 1.4.2018.

### 1. Basic Conditions

- a. An e-way bill is required to be generated for the transportation of goods of value Rs. 50,000/- or more:
  - i. In relation to a supply [for example, supply of goods to the customer]
  - ii. For reasons other than supply [for example, movement of goods for job work, repairs, etc.]
  - iii. Due to inward supply from Unregistered Persons [i.e. any procurements made from Unregistered Person]
- b. For the purpose of calculating the threshold of Rs.50,000, the value shall be such as shown on the tax invoice/ bill of supply/ delivery challan, as the case may be, including the value of taxes but not including the value of goods which are exempted from the payment of tax, where the invoice is issued in respect of both exempt and taxable goods.

#### Example:

Taxable value as per Invoice is Rs. 45,000

IGST @ 18% is Rs. 8,100

Total Invoice value is Rs. 53,100/-

*In the above example, E-Way Bill is required to be issued as the value of invoice including taxes exceeds Rs. 50,000/-.*

- c. The limit of Rs. 50,000/- shall not be applicable where the goods are sent for job work from one State to another State. In other words, in such cases, e way bill shall be generated regardless of the value of goods involved.
  - d. E-way bill can be generated voluntarily even if the value of goods is less than Rs. 50,000/-.
  - e. Thus, an E-way bill shall be generated for each movement of goods whether it constitutes a taxable supply or an exempted supply or for reasons other than supply.
  - f. E-way bill is required to be generated regardless of the mode of transportation i.e. railways, air, vessel or road.
  - g. E-way bill shall also be required regardless of whether movement of goods is within a particular State or inter-State.
  - h. E-way bill shall also be required regardless of whether the goods are transported through a transporter or by own conveyance.
  - i. E-way bill is required to be generated against each tax invoice/ bill of supply/ delivery challan regardless of whether consignments pertaining to each such document is being transported in a single conveyance.
  - j. Where goods of one invoice is being moved in multiple vehicles simultaneously, e-way bill shall be generated for each such vehicle based on the delivery challans issued for that portion of the consignment.
- 2. Scheme of generating the e-way bill:** E-way bill shall be generated in **Form GST EWB-01** on the common Portal. At the outset, User name / password need to be generated on the common portal. The address of common portal is *www.ewaybillgst.gov.in*.

The process of generation is divided into two parts i.e. Part A and Part B of **Form GST EWB-01**.

#### PART A

**Contents** - Part A mainly comprise of basic invoice information containing the following fields.

<b>Part A</b>	<b>Particulars</b>	<b>Remarks</b>
A.1	GSTIN of Supplier	GSTIN of the person generating e-way bill
A.2	Place of Dispatch	Self-explanatory/ It is relevant especially where the Place of dispatch is different from the place of the consignor
A.3	GSTIN of Recipient	Self-explanatory. However, where the recipient is unregistered, it is not required and in such cases the option 'URP' shall be ticked
A.4	Place of Delivery	Self-explanatory
A.5	Document Number	Tax Invoice no/ Bill of Supply No. / Delivery Challan No. as the case may be
A.6	Document Date	Date corresponding to the underlying document

<b>Part A</b>	<b>Particulars</b>	<b>Remarks</b>
A.7	Value of Goods	As per invoice/ bill of supply/ delivery challan [inclusive of taxes]
A.8	HSN Code	As per the underlying document
A.9	Reason for Transportation	In common portal, the following reasons have been made available for generation of eWay Bill viz. Supply, Export, Import, Job Work, SKD or CKD, Recipient not known, Line Sales, Sales Return, Exhibition or Fairs, For own use and Others

- i. Who is required to fill Part A? - Any person who causes movement of goods shall be required to fill Part A. Alternatively, Part A can also be filed by the transporter or e-commerce operator or courier agency provided such agencies are specially authorized by the person who is actually causing movement of goods.
- ii. In trade parlance, the person who is a consignor of goods as per the underlying document or arranging transportation as consignor or consignee shall be considered as a person who causes movement.
- iii. In case, the goods are procured by a registered person from an unregistered person [URP], the registered recipient person shall be deemed to have caused movement of goods [and the consequences of generating e way bill will follow].
- iv. Unique Number – The successful filling up of Part A results in the generation of unique number which shall be used for filling up of Part B.

### PART B

The filling up of Part B finally culminates the process with the generation of e way bill.

**Contents** - Part B mainly comprise of transportation details as below;

<b>Part B</b>	<b>Particulars</b>	<b>Remarks</b>
B.1	Vehicle No. [for Road]	To be taken from the transporter
B.2	Transport Document No. / Defence Vehicle No. / Temporary Vehicle Registration No. / Nepal or Bhutan Vehicle Registration No.	LR / RR No.

#### Who is required to fill Part B?

- a. Where the goods are transported by road, Part B shall be filled by the registered person as consignor or recipient as consignee.
- b. Where Part B is not filed as above and the goods are handed over to the transporter, in such case, Part B shall be filled by the transporter provided the consignor or consignee who had furnished Part A should assign the unique e way bill number to such transporter.
- c. Where the goods are transported by vessel, railways or air, Part B can only be filled by the supplier or recipient. [it cannot be filled by the transporter].
- d. Part B has to be filled/ furnished within 15 days from the filling up of PART A.

### Generation of E-way Bill

Upon filling of Part B, the common portal will finally generate e way bill and unique e-way bill number [EBN] shall be made available to the supplier, recipient and the transporter.

#### 3. Where consignor or consignee fails to generate e-way bill

In the circumstances, where consignor or consignee fails to generate e-way bill in **FORM GST EWB-01**, the responsibility to generate e-way bill has been shifted on to the transporter concerned. In such cases, the transporter is mandatorily required to generate e-way bill based on the information available as per invoice/ bill of supply/delivery challan. However, the above is applicable only in case of transport of goods by road [not in case of transport of goods by railways, vessel or air].

#### 4. Consolidated e-way bill by the transporter

Where e-way bill is generated as per the procedure for each individual consignment and transporter intends to transport multiple consignments in a single conveyance, he may generate consolidated e-way bill by mentioning serial number of each individual e-way bill.

#### 5. When to generate e-way bill

Where the goods are transported by road, e-way bill necessarily required to be generated before the commencement of movement of goods. Any movement of goods [above threshold of Rs. 50,000] without a valid e-way bill is liable to penalties and detention.

Where the goods are transported by air, railways or vessel, e-way bill can be generated either before or after the commencement of movement of goods.

However, in case of railways, it is provided that railways shall not give delivery of goods to the consignee until a valid e-way bill is furnished thereto.

#### 6. Territorial validity of e-way bill so generated shall be valid in every State / Union territory.

#### 7. Modification in e-way bill – Where, after the generation of e-way bill, the goods are required to be transferred from one conveyance to another for any reason, the requisite details i.e. vehicle no., etc. shall be updated on common portal in Part B either by the person who originally filled information in Part A or by the transporter.

However, such modification/ updation of e-way bill shall not be necessary where the distance pending to be covered does not exceed 50 kms within the same State or Union territory from the place of the transporter to the place of business of the consignee.

#### 8. Cancellation of e-way bill – Where an e-way bill is generated but the goods are not transported or are not transported as per the details furnished in Part A and Part B of e-way bill, it can be cancelled electronically through common portal [provided the e-way bill is not verified in transit by the GST authorities]. Whether a particular e-way bill is already verified by the GST authorities or not can be checked from the common portal.

Thus, in case, the e-way bill is generated with wrong details or the goods for which e-way bill is generated are not required to be transported, the user must cancel such e-way bill on the common portal. Where the un-used e-way bill is not cancelled, the GST authorities will deem that the underlying goods have been transported and the consequences of demand of tax in such cases will follow.

**9. Validity of e-way bill** - The validity of e-way bill is stated as under

<b>Sr. No.</b>	<b>Vehicle Dimensions</b>	<b>Distance</b>	<b>Validity Period</b>
1.	Other than Over Dimensional Cargo	Upto 200 KM	1 day
2.	Other than Over Dimensional Cargo	For Every 200 KM or part thereof	1 additional day
3	Over Dimensional Cargo	Upto 20 km	1 day
4	Over Dimensional Cargo	For every 20 km or part thereof	1 additional day

**i. How to calculate a 'day'?**

Each day shall be counted from the time at which e-way bill is generated till the expiry at midnight of the day immediately following the date of generation of e-way bill.

*For example - if an e-way bill is generated at 10:00 AM on 1.4.2018, then it shall be valid upto 11.59 pm on 2.4.2018.*

**ii. What is over dimensional cargo?**

The expression "over dimensional cargo" shall mean a cargo carried as a single indivisible unit and which exceeds the dimensional limits prescribed in Rule 93 of the Central Motor Vehicle Rules, 1989.

**iii. Increase in the validity of an existing e-way bill**

The validity of e-way bill can be further increased by the transporter by updating the details in Part B of Form GST EWB-01. However, such facility to the transporter is allowed only under the circumstance of extreme exceptional nature including transshipment.

**10. Exemption to generate e-way bill** – In the following cases, e-way bill shall not be required to be generated;

- a. Where, the value of goods does not exceed Rs. 50,000/- .
- b. Where the goods are being transported in a non-motorized conveyance.
- c. Where empty cargo containers are being transported.
- d. Where the goods are being transported from customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs.
- e. Where the goods are being transported under bond from inland container depot or a container freight station to customs port, airport, air cargo complex and land customs station or from one customs station or customs port to another customs station or customs port.
- f. Where the goods are being transported under customs supervision or under customs seal.
- g. Where the goods are being transported as transit cargo from or to Nepal or Bhutan.
- h. Where any movement is caused by defence formation under the Ministry of Defence.
- i. Where the goods being transported are petroleum crude, high speed diesel, motor spirit / petrol, natural gas or aviation fuel.

- j. Where the consignor of goods is the Central Government, Government of any State or local authority for transport of goods by rail.
- k. Where the goods are being transported upto a distance of twenty (20) kilometres from the place of the business of the consignor to a weighbridge for weighment or vice-versa. However, the movement of goods in such cases shall be accompanied by a delivery challan.

## RETURNS

As per law, a taxpayer is required to report his inward and outward transactions in the form of various returns. The primary return is **GSTR-1** which is meant to report outward transactions made by the supplier. Then, there is a monthly return in summary form i.e. **GSTR-3B** which primarily encompass inward details including input tax credit along with the summarized outward transactions already reported through GSTR-1. There are various other returns for specific scenarios like TDS, TCS, composition suppliers, ISD, etc. Finally, each supplier has to file annual return IN Form GSTR-9 alongside reconciliation of thereof with the books of accounts in the **FORM GSTR-9C**.

### Furnishing details of outward supplies [Section 37]

Section 37 of CGST Act, 2017 mentions that the details of outward supplies (**FORM GSTR-1**), of goods / services both, are required to be furnished by every registered person, including casual taxable person, but excluding:

- a) Input Service Distributor (ISD)
- b) Non-resident taxable person
- c) Person paying tax under composition scheme
- d) Person effecting TDS
- e) Person effecting TCS
- f) supplier of online Information and Data Base Access / Retrieval services (OIDAR)

**GSTR-1** is required to be filed on or before 10<sup>th</sup> of the following month. However, such in terms of the powers granted under section 37, the Government has extended such date till 11<sup>th</sup> of the following month.

Any registered person, who has furnished the details through **GSTR-1** for any tax period, shall, upon discovery of any error or omission therein, rectify such error or omission in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period. However, no such rectification of error or omission shall be allowed after the thirtieth day of November following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.

It is also provided that a registered person shall not be allowed to file outward details/ **GSTR-1** for a tax period, if such details for any of the previous tax periods has not been furnished by him.

A registered person shall also not be allowed to furnish the details of outward supplies for a tax period after the expiry of a period of three years from the due date of furnishing the said details:

The expression “details of outward supplies” shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.

Provided that the Government may, on the recommendations of the Council, allow a registered person or a class of registered persons to furnish the details of outward supplies for a tax period under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said details.

### Communication of details of Inward supplies and Input Tax Credit [Section 38]

The details of outward supplies furnished by the registered persons under section 37 along with other er supplies as may be prescribed, and an auto-generated statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies.

The auto-generated statement shall consist of —

- (a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and
- (b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished, —
  - (i) by any registered person within such period of taking registration as may be prescribed; or
  - (ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or
  - (iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or
  - (iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or
  - (v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed; or
  - (vi) by such other class of persons as may be prescribed.

### Furnishing of Returns [Section 39]

Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in **FORM GSTR-3B** within the prescribed time.

The Government, on the recommendations of the Council, is empowered to notify certain class of registered persons who shall furnish a return for every quarter or part thereof.

A registered person paying tax under the provisions of section 10 i.e. composition scheme shall, for each financial year or part thereof, furnish a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services or both, tax payable, tax paid and such other particulars in **FORM GSTR-4** within the prescribed time.

Every registered person required to deduct tax at source under section 51 shall electronically furnish a return for every calendar month of the deductions made during the month in such form and manner and within such time as may be prescribed: Provided that the said registered person shall furnish a return for every calendar month whether or not any deductions have been made during the said month.

Every taxable person registered as an Input Service Distributor shall, for every calendar month or part thereof, furnish, in Form 6, a return, electronically, within thirteen days after the end of such month.

Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in **FORM**

**GSTR-5**, a return, electronically, within thirteen days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.

The Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of registered persons as may be specified therein. **Provided** that any extension of time limit notified by the Commissioner of State tax or Union territory tax shall be deemed to be notified by the Commissioner.

The registered person who is required to furnish a return and accrues tax liability thereunder shall such tax to the Government along with the return after taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month or Quarter as the case may be.

The return as above is required to be furnished for every tax period whether or not any supplies of goods or services or both have been made during such tax period.

Where any registered person after furnishing a return discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars subject to payment of interest under this Act. However, no such rectification of any omission or incorrect particulars shall be allowed after the thirtieth day of November following the end of the financial year to which such details pertain, or the actual date of furnishing of relevant annual return, whichever is earlier.

A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods or the details of outward supplies under section 37 for the said tax period has not been furnished by him.

A registered person shall not be allowed to furnish a return for a tax period after the expiry of a period of three years from the due date of furnishing the said return

Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return for a tax period, even after the expiry of the said period of three years from the due date of furnishing the said return.

### Section 47 Levy of the Fee

Section 47 of the CGST Act provides that:

1. Any registered person who fails to furnish the details of outward or inward supplies required under section 37 or returns required under section 39 or section 45 or section 52 by the due date shall pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum amount of five thousand rupees.
2. Any registered person who fails to furnish the return required under section 44 by the due date shall be liable to pay a late fee of;
  - Twenty-five rupees per day, subject to a maximum of an amount calculated at 0.02 percent. of turnover in the State or Union territory where Registered persons having an aggregate turnover of upto five crore rupees in the relevant financial year.
  - Fifty-rupees per day, subject to a maximum of an amount calculated at 0.02 percent. of turnover in the State or Union territory where Registered persons having an aggregate turnover of more than five crore rupees in the relevant financial year.

**PAYMENT OF TAX, INTEREST, PENALTY AND OTHER ACCOUNT [SECTION 49]**

As India is moving towards digitisation, GST has provided an easy and simple way of payment of taxes. Under GST regime, all the taxpayers get three electronic ledgers namely E-cash Ledger, E-credit Ledger & E-liability Ledger through their GST profile. The liability to pay tax or other amounts is captured in Electronic liability Ledger while the payment of such tax is made through Electronic Cash Ledger and Electronic Credit Ledger.

**Payment Mechanism**

- (1) Every deposit made towards tax, interest, penalty, fee or any other amount by a person by internet banking or by using credit or debit cards or National Electronic Fund Transfer or Real Time Gross Settlement or by such other mode and subject to such conditions and restrictions as may be prescribed, shall be credited to the electronic cash ledger of such person to be maintained in such manner as may be prescribed.
- (2) The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with Section 41 to be maintained in such manner as may be prescribed.
- (3) The amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of this Act or the rules made thereunder in such manner and subject to such conditions and within such time as may be prescribed.
- (4) The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act, or under the IGST Act in such manner and subject to such conditions and restriction and within such time as may be prescribed.
- (5) The amount of input tax credit available in the electronic credit ledger of the registered person on account of —
  - (a) integrated tax shall first be utilised towards payment of integrated tax and the amount remaining, if any, may be utilised towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in that order;
  - (b) the Central tax shall first be utilised towards payment of Central tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;
  - (c) the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards payment of integrated tax:
 

Provided that the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of Central tax is not available for payment of integrated tax;
  - (d) the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax:
 

Provided that the input tax credit on account of Union territory tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of Central tax is not available for payment of integrated tax;
  - (e) the Central tax shall not be utilised towards payment of State tax or Union territory tax; and
  - (f) the State tax or Union territory tax shall not be utilised towards payment of Central tax.
- (6) The balance in the electronic cash ledger or electronic credit ledger after payment of tax, interest, penalty, fee or any other amount payable under this Act or the rules made thereunder may be refunded in accordance with the provisions of section 54.

- (7) All liabilities of a taxable person under this Act shall be recorded and maintained in an electronic liability register.
- (8) Every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely:-
- (a) self-assessed tax, and other dues related to returns of previous tax periods;
  - (b) self-assessed tax, and other dues related to the return of the current tax period;
  - (c) (a) any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74 or Section 74A.
- (9) Every person who has paid the tax on goods or services or both under this Act shall, unless the contrary is proved by him, be deemed to have passed on the full incidence of such tax to the recipient of such goods or services or both.
- (10) A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for,—
- (a) Integrated Tax, Central tax, State tax, Union territory tax or cess; or
  - (b) Integrated tax or Central tax of a distinct person as specified in sub-section (4) or, as the case may be, sub-section (5) of section 25,
- in such form and manner and subject to such conditions and restrictions as may be prescribed and such transfer shall be deemed to be a refund from the electronic cash ledger under this Act:
- Provided that no such transfer under clause (b) shall be allowed if the said registered person has any unpaid liability in his electronic liability register.
- (11) Where any amount has been transferred to the electronic cash ledger under this Act, the same shall be deemed to be deposited in the said ledger.
- (12) Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, subject to such conditions and restrictions, specify such maximum proportion of output tax liability which may be discharged through the electronic credit ledger by a registered person or a class of registered persons, as may be prescribed.

*Explanation.* For the purposes of section 49 —

- (a) the date of credit to the account of the Government in the authorised bank shall be deemed to be the date of deposit in the electronic cash ledger;
- (b) the expression, —
  - (i) “tax dues” means the tax payable under this Act and does not include interest, fee and penalty; and
  - (ii) “other dues” means interest, penalty, fee or any other amount payable under this Act or the rules made thereunder.

### Electronic Liability Register [Rule 85]

- (1) The electronic liability register specified under sub-section (7) of section 49 shall be maintained in **FORM GST PMT-01** for each person liable to pay tax, interest, penalty, late fee or any other amount on the Common Portal and all amounts payable by him shall be debited to the said register.
- (2) The electronic tax liability register of the person shall be debited by:-
  - (a) the amount payable towards tax, interest, late fee or any other amount payable as per the return furnished by the said person;

- (b) the amount of tax, interest, penalty or any other amount payable as determined by a proper officer in pursuance of any proceedings under the Act or as ascertained by the said person;
  - (c) any amount of interest that may accrue from time to time.
- (3) Subject to the provisions of section 49, section 49A and section 49B payment of every liability by a registered person as per his return shall be made by debiting the electronic credit ledger maintained as per rule 86 or the electronic cash ledger maintained as per rule 87 and the electronic tax liability register shall be credited accordingly.
  - (4) The amount deducted under section 51, or the amount collected under section 52, or the amount payable under sub-section (3) or sub-section (4) of section 9, or the amount payable under section 10, or sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Act or sub-section (3) or sub-section (4) of section 7 of the Union Territory Goods and Services Tax Act any amount payable towards interest, penalty, fee or any other amount under the Act or the Integrated Goods and Services Act shall be paid by debiting the electronic cash ledger maintained as per rule 87 and the electronic tax liability register shall be credited accordingly.
  - (5) Any amount of demand debited in the electronic tax liability register shall stand reduced to the extent of relief given by the appellate authority or Appellate Tribunal or court and the electronic tax liability register shall be credited accordingly.
  - (6) The amount of penalty imposed or liable to be imposed shall stand reduced partly or fully, as the case may be, if the taxable person makes the payment of tax, interest and penalty specified in the show cause notice or demand order and the electronic tax liability register shall be credited accordingly.
  - (7) A registered person shall, upon noticing any discrepancy in his electronic liability ledger, communicate the same to the officer exercising jurisdiction in the matter, through the common portal in **FORM GST PMT-04**.

#### **ELECTRONIC CREDIT LEDGER [RULE 86]**

- (1) The electronic credit ledger shall be maintained in **FORM GST PMT-02** for each registered person eligible for input tax credit under the Act on the common portal and every claim of input tax credit under the Act shall be credited to the said ledger.
  - (2) The electronic credit ledger shall be debited to the extent of discharge of any liability in accordance with the provisions of section 49 or section 49A or section 49B.
  - (3) Where a registered person has claimed refund of any unutilized amount from the electronic credit ledger in accordance with the provisions of section 54, the amount to the extent of the claim shall be debited in the said ledger.
  - (4) If the refund so filed is rejected, either fully or partly, the amount debited under sub-rule (3), to the extent of rejection, shall be re-credited to the electronic credit ledger by the proper officer by an order made in **FORM GST PMT-03**.
- (4A) Where a registered person has claimed refund of any amount paid as tax wrongly paid or paid in excess for which debit has been made from the electronic credit ledger, the said amount, if found admissible, shall be recredited to the electronic credit ledger by the proper officer by an order made in **FORM GST PMT-03**.]
  - (4B) Where a registered person deposits the amount of erroneous refund sanctioned to him, -
    - (a) under sub-section (3) of section 54 of the Act, or

(b) under sub-rule (3) of Rule 96,

along with interest and penalty, wherever applicable, through **FORM GST DRC-03**, by debiting the electronic cash ledger, on his own or on being pointed out, an amount equivalent to the amount of erroneous refund deposited by the registered person shall be re-credited to the electronic credit ledger by the proper officer by an order made in **FORM GST PMT-03A**.

- (5) Save as provided in the provisions of this Chapter, no entry shall be made directly in the electronic credit ledger under any circumstance.
- (6) A registered person shall, upon noticing any discrepancy in his electronic credit ledger, communicate the same to the officer exercising jurisdiction in the matter, through the common portal in **FORM GST PMT-04**.

**Explanation.** — For the purposes of this rule, it is hereby clarified that a refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking to the proper officer that he shall not file an appeal.

#### Conditions of use of amount available in Electronic Credit Ledger [Rule 86A]

Vide Notification No. 75/2019-C.T. dated 26.12.2019, the Government has inserted Rule 86A in the CGST Rules, 2017 which empowers GST officers to block utilization input tax credit in certain scenarios as below.

- (1) The Commissioner or an officer authorised by him in this behalf, not below the rank of an Assistant Commissioner, having reasons to believe that credit of input tax available in the electronic credit ledger has been fraudulently availed or is ineligible inasmuch as -
- (a) the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under Rule 36 -
    - (i) issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
    - (ii) without receipt of goods or services or both; or
  - (b) the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under Rule 36 in respect of any supply, the tax charged in respect of which has not been paid to the Government; or
  - (c) the registered person availing the credit of input tax has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
  - (d) the registered person availing any credit of input tax is not in possession of a tax invoice or debit note or any other document prescribed under Rule 36,

may, for reasons to be recorded in writing, not allow debit of an amount equivalent to such credit in electronic credit ledger for discharge of any liability under section 49 or for claim of any refund of any unutilised amount.

- (2) The Commissioner, or the officer authorised by him under sub-rule (1) may, upon being satisfied that conditions for disallowing debit of electronic credit ledger as above, no longer exist, allow such debit.
- (3) Such restriction shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction.

**Restrictions on use of amount available in electronic credit ledger [Rule 86B]**

Notwithstanding anything contained in these rules, the registered person shall not use the amount available in electronic credit ledger to discharge his liability towards output tax in excess of ninety-nine per cent, of such tax liability, in cases where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds fifty lacs rupees:

Provided that the said restriction shall not apply where -

- (a) the said person or the proprietor or karta or the managing director or any of its two partners, whole-time Directors, Members of Managing Committee of Associations or Board of Trustees, as the case may be, have paid more than one lacs rupees as income tax under the Income-tax Act, 1961 in each of the last two financial years for which the time limit to file return of income under sub-section (1) of section 139 of the said Act has expired; or
- (b) the registered person has received a refund amount of more than one lacs rupees in the preceding financial year on account of unutilised input tax credit under clause (i) of first proviso of sub-section (3) of section 54; or
- (c) the registered person has received a refund amount of more than one lacs rupees in the preceding financial year on account of unutilised input tax credit under clause (ii) of first proviso of sub-section (3) of section 54; or
- (d) the registered person has discharged his liability towards output tax through the electronic cash ledger for an amount which is in excess of 1% of the total output tax liability, applied cumulatively, upto the said month in the current financial year; or
- (e) the registered person is -
  - (i) Government Department; or
  - (ii) a Public Sector Undertaking; or
  - (iii) a local authority; or
  - (iv) a statutory body:

Provided further that the Commissioner or an officer authorised by him in this behalf may remove the said restriction after such verifications and such safeguards as he may deem fit.

**Electronic Cash Ledger [Rule 87]**

- (1) The electronic cash ledger under sub-section (1) of section 49 shall be maintained in **FORM GST PMT-05** for each person, liable to pay tax, interest, penalty, late fee or any other amount, on the common portal for crediting the amount deposited and debiting the payment therefrom towards tax, interest, penalty, fee or any other amount.
- (2) Any person, or a person on his behalf, shall generate a challan in **FORM GST PMT-06** on the common portal and enter the details of the amount to be deposited by him towards tax, interest, penalty, fees or any other amount:

[Provided that the challan in **FORM GST PMT-06** generated at the common portal shall be valid for a period of fifteen days:

- (3) The deposit under sub-rule (2) shall be made through any of the following modes, namely :-

- (i) Internet Banking through authorised banks;
- (ia) Unified Payment Interface (UPI) from any bank;
- (ib) Immediate Payment Services (IMPS) from any bank;
- (ii) Credit card or Debit card through the authorised bank;
- (iii) National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) from any bank; or
- (iv) Over the Counter payment through authorised banks for deposits up to ten thousand rupees per challan per tax period, by cash, cheque or demand draft:

Provided that the restriction for deposit up to ten thousand rupees per challan in case of an Over the Counter payment shall not apply to deposit to be made by -

- (a) Government Departments or any other deposit to be made by persons as may be notified by the Commissioner in this behalf;
- (b) Proper officer or any other officer authorised to recover outstanding dues from any person, whether registered or not, including recovery made through attachment or sale of movable or immovable properties;
- (c) Proper officer or any other officer authorised for the amounts collected by way of cash, cheque or demand draft during any investigation or enforcement activity or any *ad hoc* deposit:

Provided further that a person supplying online information and database access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 or a person supplying online money gaming from a place outside India to a person in India as referred to in section 14A, of the Integrated Goods and Services Tax Act, 2017 may also make the deposit under sub-rule (2) through international money transfer through Society for Worldwide Interbank Financial Telecommunication payment network, from the date to be notified by the Board.

*Explanation.* – For the purposes of this sub-rule, it is hereby clarified that for making payment of any amount indicated in the challan, the commission, if any, payable in respect of such payment shall be borne by the person making such payment.

- (4) Any payment required to be made by a person who is not registered under the Act, shall be made on the basis of a temporary identification number generated through the common portal as per Rule 16A.
- (5) Where the payment is made by way of National Electronic Fund Transfer or Real Time Gross Settlement [or Immediate Payment Service] mode from any bank, the mandate form shall be generated along with the challan on the common portal and the same shall be submitted to the bank from where the payment is to be made:

Provided that the mandate form shall be valid for a period of fifteen days from the date of generation of challan.

- (6) On successful credit of the amount to the concerned government account maintained in the authorised bank, a Challan Identification Number shall be generated by the collecting bank and the same shall be indicated in the challan.
- (7) On receipt of the Challan Identification Number from the collecting bank, the said amount shall be credited to the electronic cash ledger of the person on whose behalf the deposit has been made and the common portal shall make available a receipt to this effect.

- (8) Where the bank account of the person concerned, or the person making the deposit on his behalf, is debited but no Challan Identification Number is generated or generated but not communicated to the common portal, the said person may represent electronically in **FORM GST PMT-07** through the common portal to the bank or electronic gateway through which the deposit was initiated.
- (9) Any amount deducted under section 51 or collected under section 52 and claimed by the registered taxable person from whom the said amount was deducted or, as the case may be, collected shall be credited to his electronic cash ledger .
- (10) Where a person has claimed refund of any amount from the electronic cash ledger, the said amount shall be debited to the electronic cash ledger.
- (11) If the refund so claimed is rejected, either fully or partly, the amount debited under sub-rule (10), to the extent of rejection, shall be credited to the electronic cash ledger by the proper officer by an order made in **FORM GST PMT-03**.
- (12) A registered person shall, upon noticing any discrepancy in his electronic cash ledger, communicate the same to the officer exercising jurisdiction in the matter, through the common portal in **FORM GST PMT-04**.
- (13) A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for Integrated tax, Central tax, State tax or Union territory tax or cess in **FORM GST PMT-09**.
- (14) A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under the Act to the electronic cash ledger for Central tax or integrated tax of a distinct person as specified in sub-section (4) or, as the case may be, sub-section (5) of section 25, in **FORM GST PMT-09**:

Provided that no such transfer shall be allowed if the said registered person has any unpaid liability in his electronic liability register.]

*Explanation 1.* — The refund shall be deemed to be rejected if the appeal is finally rejected.

*Explanation 2.* — For the purposes of this rule, it is hereby clarified that a refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking to the proper officer that he shall not file an appeal.

### Principles for Utilization of balance in Electronic Credit Ledger

Section 49A - Notwithstanding anything contained in section 49, the input tax credit on account of Central tax, State tax or Union territory tax shall be utilised towards payment of Integrated tax, Central tax, State tax or Union territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilized fully towards such payment.

Section 49B - Notwithstanding anything contained in this Chapter and subject to the provisions of clause (e) and clause (f) of sub-section (5) of section 49, the Government may, on the recommendations of the Council, prescribe the order and manner of utilisation of the input tax credit on account of Integrated tax, Central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.

## Analysis

The newly inserted section 49A of the CGST Act provides that the input tax credit of Integrated tax has to be utilized completely before input tax credit of Central tax/state tax can be utilized for discharge of any tax liability.

Further, as per the provisions of section 49 of the CGST Act, credit of Integrated tax has to be utilized first for payment of Integrated tax, then Central tax and then state tax in that order mandatorily.

This led to a situation, in certain cases, where a taxpayer has to discharge his tax liability on account of one type of tax (say state tax) through electronic cash ledger, while the input tax credit on account of other type of tax (say Central tax) remains un-utilized in electronic credit ledger.

Accordingly, Rule 88A inserted in the Central Goods and services Tax Rules, 2017 in exercise of the powers under section 49B of the CGST Act vide notification No. 16/2019- Central Tax, dated 29th March, 2019.

The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized.

To further clarify the utilization mechanism, the Government has issued Circular No. 98/17/2019-GST, dated 23-4-2019, which clarifies the revised position as under;

<i>Input tax credit on account of</i>	<i>Output liability on account of Integrated tax</i>	<i>Output liability on account of Central tax</i>	<i>Output liability on account of State tax/ Union territory tax</i>
<b>Integrated tax</b>	(I)	(II) – In any order and in any proportion	
(III) Input tax credit on account of Integrated tax to be completely exhausted mandatorily			
<b>Central tax</b>	(V)	(IV)	Not permitted
<b>State tax/ Union territory tax</b>	(VII)	Not permitted	(VI)

<i>Section</i>	<i>Order/ Rank preference</i>	<i>Credit</i>	<i>GST liability</i>
49A	Ist	IGST	I-IGST II-CGST III-SGST

Proviso of 49(5)	IInd	CGST	I-CGST II-IGST
Proviso of 49(5)	IIIrd	SGST	I-SGST II-IGST

**Illustration:**

Amount of Input Tax Credit available and output liability under different tax heads

Head	Output Liability	Input Tax Credit
Integrated tax	1000	1300
Central tax	300	200
State tax / Union territory tax	300	200
<b>Total</b>	<b>1600</b>	<b>1700</b>

**Option 1:**

<i>Input Tax credit on account of</i>	<i>Discharge of output liability on account of Integrated tax</i>	<i>Discharge of output liability on account of Central tax</i>	<i>Discharge of output liability on account of State tax/ Union territory tax</i>	<i>Balance of Input Tax Credit</i>
Integrated tax	1000	200	100	0
<b>Input tax Credit on account of Integrated tax has been completely exhausted</b>				
Central tax	0	100	-	100
State tax / Union territory tax	0	-	200	0
<b>Total</b>	<b>1000</b>	<b>300</b>	<b>300</b>	<b>100</b>

**Option 2:**

<i>Input tax credit on account of</i>	<i>Discharge of output liability on account of Integrated tax</i>	<i>Discharge of output liability on account of Central tax</i>	<i>Discharge of output liability on account of State tax / Union territory tax</i>	<i>Balance of Input Tax Credit</i>
Integrated tax	1000	100	200	0
<b>Input tax Credit on account of Integrated tax has been completely exhausted</b>				
Central tax	0	200	-	0
State tax / Union territory tax	0	-	100	100
<b>Total</b>	<b>1000</b>	<b>300</b>	<b>300</b>	<b>100</b>

**Identification number for each transaction [Rule 88]**

- (1) A unique identification number shall be generated at the Common Portal for each debit or credit to the electronic cash or credit ledger, as the case may be.
- (2) The unique identification number relating to discharge of any liability shall be indicated in the corresponding entry in the electronic tax liability register.
- (3) A unique identification number shall be generated at the Common Portal for each credit in the electronic tax liability register for reasons other than those covered under sub-rule (2).

**QUARTERLY RETURN MONTHLY PAYMENT (QRMP) SCHEME****Section 39**

Proviso to section 39(1) provides that the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a return for every quarter or part thereof, subject to such conditions and restrictions as may be specified therein.

Proviso to section 39(7) further provides that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, in such form and manner, and within such time, as may be prescribed, —

- (a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month; or
- (b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.

**Notified Persons**

- (1) In terms of the proviso to section 39, the Government vide Notification No. 84/2020-C.T., dated 10-11-2020 has notified the registered persons, other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017, having an aggregate turnover of up to five crore rupees in the preceding financial year, and who have opted to furnish a return for every quarter, under sub-rule (1) of Rule 61A of the Central Goods and Services Tax Rules, 2017 as the class of persons who shall, subject to the following conditions and restrictions, furnish a return for every quarter from January, 2021 onwards, and pay the tax due every month in accordance with the proviso to sub-section (7) of section 39 of the said Act, namely:-
  - (i) the return for the preceding month, as due on the date of exercising such option, has been furnished:
  - (ii) where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the same.
- (2) A registered person whose aggregate turnover crosses five crore rupees during a quarter in a financial year shall not be eligible for furnishing of return on quarterly basis from the first month of the succeeding quarter.
- (3) For the registered person falling in the class specified in column (2) of the Table below, who have furnished the return for the tax period October, 2020 on or before 30th November, 2020, it shall be deemed that they have opted under sub-rule (1) of Rule 61A of the said rules for the monthly or quarterly furnishing of return as mentioned in column (3) of the said Table:-

<b>Sl. No.</b>	<b>Class of registered person</b>	<b>Deemed Option</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1.	Registered persons having aggregate turnover of up to 1.5 crore rupees, who have furnished <b>FORM GSTR-1</b> on quarterly basis in the current financial year	Quarterly return
2.	Registered persons having aggregate turnover of up to 1.5 crore rupees, who have furnished <b>FORM GSTR-1</b> on monthly basis in the current financial year	Monthly return
3.	Registered persons having aggregate turnover more than 1.5 crore rupees and up to 5 crore rupees in the preceding financial year	Quarterly return

- (4) The registered persons referred to in column (2) of the said Table, may change the default option electronically, on the common portal, during the period from the 5th day of December, 2020 to the 31st day of January, 2021.

#### Form and Manner of furnishing of monthly return [Rule 61]

Rule 61 - (1) Every registered person other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 or an Input Service Distributor or a non-resident taxable person or a person paying tax under section 10 or section 51 or, as the case may be, under section 52 shall furnish a return in **FORM GSTR-3B**, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner, as specified under -

- (i) sub-section (1) of section 39, for each month, or part thereof, on or before the twentieth day of the month succeeding such month:
- (ii) proviso to sub-section (1) of section 39, for each quarter, or part thereof, for the class of registered persons mentioned in column (2) of the Table given below, on or before the date mentioned in the corresponding entry in column (3) of the said Table, namely:-

<b>S. No.</b>	<b>Class of registered persons</b>	<b>Due Date</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>
1.	Registered persons whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.	Twenty-second day of the month succeeding such quarter.
2.	Registered persons whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.	Twenty-fourth day of the month succeeding such quarter.

- (2) Every registered person required to furnish return, under sub-rule (1) shall, subject to the provisions of section 49, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or the provisions of this Chapter by debiting the electronic cash ledger or electronic credit ledger and include the details in the return in **FORM GSTR-3B**.
- (3) Every registered person required to furnish return, every quarter, under clause (ii) of sub-rule (1) shall pay the tax due under proviso to sub-section (7) of section 39, for each of the first two months of the quarter, by depositing the said amount in **FORM GST PMT-06**, by the twenty fifth day of the month succeeding such month:

Provided that the Commissioner may, on the recommendations of the Council, by notification, extend the due date for depositing the said amount in **FORM GST PMT-06**, for such class of taxable persons as may be specified therein:

Provided further that any extension of time limit notified by the Commissioner of State tax or Union territory tax shall be deemed to be notified by the Commissioner:

Provided also that while making a deposit in **FORM GST PMT-06**, such a registered person may -

- (a) for the first month of the quarter, take into account the balance in the electronic cash ledger.
  - (b) for the second month of the quarter, take into account the balance in the electronic cash ledger excluding the tax due for the first month.
- (4) The amount deposited by the registered persons under sub-rule (3) above, shall be debited while filing the return for the said quarter in **FORM GSTR-3B**, and any claim of refund of such amount lying in balance in the electronic cash ledger, if any, out of the amount so deposited shall be permitted only after the return in **FORM GSTR-3B** for the said quarter has been filed.

#### Manner of opting for furnishing quarterly return [Rule 61A]

- (1) Every registered person intending to furnish return on a quarterly basis under proviso to sub-section (1) of section 39, shall in accordance with the conditions and restrictions notified in this regard, indicate his preference for furnishing of return on a quarterly basis, electronically, on the common portal, from the 1st day of the second month of the preceding quarter till the last day of the first month of the quarter for which the option is being exercised:

Provided that where such option has been exercised once, the said registered person shall continue to furnish the return on a quarterly basis for future tax periods, unless the said registered person, -

- (a) becomes ineligible for furnishing the return on a quarterly basis as per the conditions and restrictions notified in this regard; or
- (b) opts for furnishing of return on a monthly basis, electronically, on the common portal:

Provided further that a registered person shall not be eligible to opt for furnishing quarterly return in case the last return due on the date of exercising such option has not been furnished.

- (2) A registered person, whose aggregate turnover exceeds 5 crore rupees during the current financial year, shall opt for furnishing of return on a monthly basis, electronically, on the common portal, from the first month of the quarter, succeeding the quarter during which his aggregate turnover exceeds 5 crore rupees.

**Clarification issued by the Government on Quarterly Return Monthly Payment (QRMP) Scheme -C.B.I. & C. Circular No. 143/13/2020-GST, dated 10-11-2020**

**1. Eligibility for the Scheme**

In terms of Notification No. 84/2020-Central tax, dated 10-11-2020, a registered person who is required to furnish a return in **FORM GSTR-3B**, and who has an aggregate turnover of up to 5 crore rupees in the preceding financial year, is eligible for the QRMP Scheme. It is clarified that the aggregate annual turnover for the preceding financial year 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 preceding financial year. This new Scheme will be effective from 1-1-2021. Further, in case the aggregate turnover exceeds 5 crore rupees during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.

**2. Exercising option for QRMP Scheme**

- 2.1 Facility to avail the Scheme on the common portal would be available throughout the year. In terms of Rule 61A of the Central Goods and Services Tax Rules, 2017 (hereinafter referred as CGST Rules), 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. In order to exercise this option, the registered person must have furnished the last return, as due on the date of exercising such option.

***For example:** A registered person intending to avail of the Scheme for the quarter 'July to September' can exercise his option during 1st of May to 31st of July.*

*If he is exercising his option on 27th July for the quarter (July to September), in such case, he must have furnished the return for the month of June which was due on 22/24th July.*

- 2.2 Registered persons are not required to exercise the option every quarter. Where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the said option.
- 2.3 For the first quarter of the Scheme, i.e., for the quarter January, 2021 to March, 2021, in order to facilitate the taxpayers, it has been decided that all the registered persons, whose aggregate turnover for the FY 2019- 20 is up to 5 crore rupees and who have furnished the return in **FORM GSTR-3B** for the month of October, 2020 by 30th November, 2020, shall be migrated on the common portal as below. Therefore, taxpayers are advised to furnish the return of October, 2020 in time so as to be eligible for default migration. The taxpayers who have not filed their return for October, 2020 on or before 30th November, 2020 will not be migrated to the Scheme. They will be able to opt for the Scheme once the **FORM GSTR-3B** as due on the date of exercising option has been filed.

<b>Sl. No.</b>	<b>Class of registered person</b>	<b>Default Option</b>
1	Registered persons having aggregate turnover of up to 1.5 crore rupees who have furnished <b>FORM GSTR-1</b> on quarterly basis in the current financial year	Quarterly return
2	Registered persons having aggregate turnover of up to 1.5 crore rupees who have furnished <b>FORM GSTR-1</b> on monthly basis in the current financial year	Monthly Return
3	Registered persons having aggregate turnover more than 1.5 crore rupees and up to 5 crore rupees in the preceding financial year	Quarterly return

Above default option has been provided for the convenience of registered persons based on their anticipated behaviour. However, such registered persons are free to change the option as above, if they so desire, from 5th of December, 2020 to 31st of January, 2021. It is re-iterated that any taxpayer whose aggregate turnover has exceeded 5 crore rupees in the financial year 2020-21, shall opt out of the Scheme.

- 2.4 Similarly, the facility for opting out of the Scheme for a quarter will be available from first day of second month of preceding quarter to the last day of the first month of the quarter.
- 2.5 All persons who have obtained registration during any quarter or the registered persons opting out from paying tax under Section 10 of the CGST Act during any quarter shall be able to opt for the Scheme for the quarter for which the opting facility is available on the date of exercising option as in para 4.1.
- 2.6 It is also clarified that such registered person, whose aggregate turnover crosses 5 crore rupees during a quarter in current financial year, shall opt for furnishing of return on a monthly basis, electronically, on the common portal, from the succeeding quarter. In other words, in case **the aggregate turnover exceeds 5 crore rupees** during any quarter in the current financial year, the registered person shall not be eligible for the Scheme from the next quarter.
- 2.7 It is further clarified that the option to avail the QRMP Scheme is GSTIN wise and therefore, distinct persons as defined in Section 25 of the CGST Act (different GSTINs on same PAN) have the option to avail the QRMP Scheme for one or more GSTINs. In other words, some GSTINs for that PAN can opt for the QRMP Scheme and remaining GSTINs may not opt for the Scheme.

### 3. Furnishing of details of outward supplies under section 37 of the CGST Act

- 3.1 The registered persons opting for the Scheme would be required to furnish the details of outward supply in **FORM GSTR-1** quarterly as per the rule 59 of the CGST Rule.
- 3.2 For each of the first and second months of a quarter, such a registered person will have the facility (Invoice Furnishing Facility - IFF) to furnish the details of such outward supplies to a registered person, as he may consider necessary, between the 1st day of the succeeding month till the 13th day of the succeeding month. The said details of outward supplies shall, however, not exceed the value of fifty lacs rupees in each month. It may be noted that after 13th of the month, this facility for furnishing IFF for previous month would not be available. As a facilitation measure, continuous upload of invoices would also be provided for the registered persons wherein they can save the invoices in IFF from the 1st day of the month till 13th day of the succeeding month. The facility of furnishing details of invoices in IFF has been provided so as to allow details of such supplies to be duly reflected in the **FORM GSTR-2A** and **FORM GSTR-2B** of the concerned recipient.

*For example, a registered person who has availed the Scheme wants to declare two invoices out of the total ten invoices issued in the first month of quarter since the recipient of supplies covered by those two invoices desires to avail ITC in that month itself. Details of these two invoices may be furnished using IFF. The details of the remaining 8 invoices shall be furnished in **FORM GSTR-1** of the said quarter. The two invoices furnished in IFF shall be reflected in **FORM GSTR-2B** of the concerned recipient of the first month of the quarter and remaining eight invoices furnished in **FORM GSTR-1** shall be reflected in **FORM GSTR-2B** of the concerned recipient of the last month of the quarter. The said facility would however be available, say for the month of July, from 1st August till 13th August. Similarly, for the month of August, the said facility will be available from 1st September till 13th September.*

*It is re-iterated that said facility is not mandatory and is only an optional facility made available to the registered persons under the QRMP Scheme.*

- 3.3 The details of invoices furnished using the said facility in the first two months are not required to be furnished again in **FORM GSTR-1**. Accordingly, the details of outward supplies made by such a registered person during a quarter shall consist of details of invoices furnished using IFF for each of the first two months and the details of invoices furnished in **FORM GSTR-1** for the quarter. At his option, a registered person may choose to furnish the details of outward supplies made during a quarter in **FORM GSTR-1** only, without using the IFF.

#### 4. Monthly Payment of Tax

- 4.1 The registered person under the QRMP Scheme would be required to pay the tax due in each of the first two months of the quarter by depositing the due amount in **FORM GST PMT-06**, by the **twenty fifth day of the month succeeding such month**. While generating the challan, taxpayers should select “Monthly payment for quarterly taxpayer” as reason for generating the challan. The said person can use any of the following two options provided below for monthly payment of tax during the first two months -

- (a) **Fixed Sum Method:** A facility is being made available on the portal for generating a pre-filled challan in **FORM GST PMT-06** for an amount equal to thirty five per cent. of the tax paid in cash in the preceding quarter where the return was furnished quarterly; or equal to the tax paid in cash in the last month of the immediately preceding quarter where the return was furnished monthly.

For easy understanding, the same is explained by way of illustration in table below:

- (i) *In case the last return filed was on quarterly basis for Quarter Ending March, 2021:*

<b>Tax paid in Cash in Quarter (January - March, 2021)</b>		<b>Tax required to be paid in each of the months - April and May, 2021</b>	
CGST	100	CGST	35
SGST	100	SGST	35
IGST	500	IGST	175
Cess	50	Cess	17.5

- (ii) *In case the last return filed was monthly for tax period March, 2021:*

<b>Tax paid in Cash in March, 2021</b>		<b>Tax required to be paid in each of the months - April and May, 2021</b>	
CGST	50	CGST	50
SGST	50	SGST	50
IGST	80	IGST	80
Cess	-	Cess	-

Monthly tax payment through this method would not be available to those registered persons who have not furnished the return for a complete tax period preceding such month. A complete tax period means a tax period in which the person is registered from the first day of the tax period till the last day of the tax period.

**(b)Self-Assessment Method:** The said persons, in any case, can pay the tax due by considering the tax liability on inward and outward supplies and the input tax credit available, in **FORM GST PMT-06**. In order to facilitate ascertainment of the ITC available for the month, an auto-drafted input tax credit statement has been made available in **FORM GSTR-2B**, for every month.

- 4.2 The said registered person is free to avail either of the two tax payment method above in any of the two months of the quarter.
- 4.3 It is clarified that in case the balance in the electronic cash ledger and/or electronic credit ledger is adequate for the tax due for the first month of the quarter or where there is nil tax liability, the registered person may not deposit any amount for the said month. Similarly, for the second month of the quarter, in case the balance in the electronic cash ledger and/or electronic credit ledger is adequate for the cumulative tax due for the first and the second month of the quarter or where there is nil tax liability, the registered person may not deposit any amount.
- 4.4 Any claim of refund in respect of the amount deposited for the first two months of a quarter for payment of tax shall be permitted only after the return in **FORM GSTR-3B** for the said quarter has been furnished. Further, this deposit cannot be used by the taxpayer for any other purpose till the filing of return for the quarter.

#### 5. Quarterly filing of FORM GSTR-3B

Such registered persons would be required to furnish **FORM GSTR-3B**, for each quarter, on or before 22nd or 24th day of the month succeeding such quarter. In **FORM GSTR-3B**, they shall declare the supplies made during the quarter, ITC availed during the quarter and all other details required to be furnished therein. The amount deposited by the registered person in the first two months shall be debited solely for the purposes of offsetting the liability furnished in that quarter's **FORM GSTR-3B**. However, any amount left after filing of that quarter's **FORM GSTR-3B** may either be claimed as refund or may be used for any other purpose in subsequent quarters. In case of cancellation of registration of such person during any of the first two months of the quarter, he is still required to furnish return in **FORM GSTR-3B** for the relevant tax period.

#### 6. Applicability of Interest

- 6.1 For registered person making payment of tax by opting Fixed Sum Method
  - (i) No interest would be payable in case the tax due is paid in the first two months of the quarter by way of depositing auto-calculated fixed sum amount as detailed in para 6.1(a) above by the due date. In other words, if while furnishing return in **FORM GSTR-3B**, it is found that in any or both of the first two months of the quarter, the tax liability net of available credit on the supplies made/received was higher than the amount paid in challan, then, no interest would be charged provided they deposit system calculated amount for each of the first two months and discharge their entire liability for the quarter in the **FORM GSTR-3B** of the quarter by the due date.
  - (ii) In case such payment of tax by depositing the system calculated amount in **FORM GST PMT-06** is not done by due date, interest would be payable at the applicable rate, from the due date of furnishing FORM GST PMT-06 till the date of making such payment.
  - (iii) Further, in case **FORM GSTR-3B** for the quarter is furnished beyond the due date, interest would be payable as per the provisions of Section 50 of the CGST Act for the tax liability net of ITC.

**Illustration**

A registered person, who has opted for the Scheme, had paid a total amount of Rs. 100/- in cash as tax liability in the previous quarter of October to December. He opts to pay tax under fixed sum method. He therefore pays Rs. 35/- each on 25th February and 25th March for discharging tax liability for the first two months of quarter viz. January and February. In his return for the quarter, it is found that liability, based on the outward and inward supplies, for January was Rs. 40/- and for February it was Rs. 42/-. No interest would be payable for the lesser amount of tax (i.e. Rs. 5 and Rs. 7 respectively) discharged in these two months provided that he discharges his entire liability for the quarter in the **FORM GSTR-3B** of the quarter by the due date.

**Illustration**

A registered person, who has opted for the Scheme, had paid a total amount of Rs. 100/- in cash as tax liability in the previous quarter of October to December. He opts to pay tax under fixed sum method. He therefore pays Rs. 35/- each on 25th February and 25th March for discharging tax liability for the first two months of quarter viz. January and February. In his return for the quarter, it is found that total liability for the quarter net of available credit was Rs. 125 but he files the return on 30th April. Interest would be payable at applicable rate on Rs. 55 [Rs. 125 - Rs. 70 (deposit made in cash ledger in M1 and M2)] for the period between due date of quarterly **GSTR-3B** and 30th April.

- 6.2 For registered person making payment of tax by opting Self-Assessment Method Interest amount would be payable as per the provision of Section 50 of the CGST Act for tax or any part thereof (net of ITC) which remains unpaid/paid beyond the due date for the first two months of the quarter.
- 6.3 Interest payable, if any, shall be paid through **FORM GSTR-3B**.
7. **Applicability of late Fee** - Late fee is applicable for delay in furnishing of return/details of outward supply as per the provision of Section 47 of the CGST Act. As per the Scheme, the requirement to furnish the return under the proviso to sub-section (1) of Section 39 of the CGST Act is quarterly. Accordingly, late fee would be the applicable for delay in furnishing of the said quarterly return/details of outward supply. It is clarified that no late fee is applicable for delay in payment of tax in first two months of the quarter.

**QRMP Scheme – Payment of Tax by Fixed Sum Method**

1. W.e.f. 1st January, 2021, following two options are available to the Taxpayers who are under Quarterly Returns and Monthly Payment of Tax (QRMP) Scheme for tax payment for first 02 months of a quarter:
  - (a) *Fixed Sum Method*: Portal can generate a pre-filled challan in Form GST PMT-06 based on his past record.
  - (b) *Self-Assessment Method*: The Tax due is to be paid on actual supplies after deducting the Input Tax Credit available.

2. In fixed sum method, the 35% Challan can be generated by selecting the *Reason For Challan>Monthly Payment for Quarterly Return> 35% Challan* which is in turn calculated as per following situation:
  - (a) 35% of amount paid as tax from Electronic Cash Ledger in their preceding quarter GSTR-3B return, if it was furnished on *quarterly basis*; or
  - (b) 100% of the amount paid as tax from Electronic Cash Ledger in their GSTR-3B return for the last month of the immediately preceding quarter, if it was furnished on *monthly basis*.
3. It is to note that, *for the months of Jan and Feb., 2021*, in Q4 of 2020-21, the *auto-populated challan generated under 35% Challan would contain 100% of the tax liability discharged from Electronic Cash Ledger for the month of December, 2020 (and not 35%)*. **[Reason: Till December 2020, all taxpayers were filing GSTR-3B return on a monthly basis.]**
4. From April, 2021 onwards, the pattern as suggested at Para 2(a) and (b) would follow.
5. It is noteworthy, that the taxpayers are not required to deposit any amount for the first 02 months of a quarter, if:
  - (a) Balance in Electronic Cash Ledger/Electronic Credit Ledger is sufficient for tax due for the first/second month of the quarter; or
  - (b) There is NIL tax liability

Source: <https://www.gst.gov.in>

## REFUND PROCEDURES

Refund refers to an amount that is due to the tax payer from the tax administration.

### Refund of tax [Section 54]

According to section 54 of the CGST Act, 2017, any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date.

#### Refund may be claimed in following situations :

- Goods / services / both are exported / supplied to a SEZ on payment of IGST and a refund of such IGST so paid is claimed;
- Refund claim for accumulated unutilised ITC, in case of supplies to a SEZ / exports of goods/ services/both;
- Refund claim for accumulated unutilised ITC, in case of supplies on account of an inverted duty structure;
- Refund of any balance in the electronic cash ledger after payment of tax / interest / penalty; and on finalization of provisional assessment if tax becomes refundable to the assessee.

### Refund of un-utilised Input Tax Credit

Section 54(3) of CGST Act, 2017 states that, subject to the provisions of section 54(10), a registered person may claim refund of any un-utilised input tax credit at the end of any tax period, in the following cases:

- (i) zero rated supplies made without payment of tax;

- (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies).

However, refund of unutilized Input Tax Credit shall not be allowed if the supplier of goods or services or both avails of drawback in respect of Central tax or claims refund of the integrated tax paid on such supplies.

No refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.

Thus, refund of balance in electronic credit ledger is allowed only where the accumulation is due to zero rated supplies made by the registered person without payment of tax and in case of inverted rate structure i.e. input tax rate exceed output tax rate.

### Procedure to claim refund

Rule 89 – The application for refund shall be made in **FORM RFD-01** and accompanied by –

- (a) the reference number of the order and a copy of the order passed by the proper officer or an appellate authority or Appellate Tribunal or court resulting in such refund or reference number of the payment of the amount specified in sub-section (6) of section 107 and sub-section (8) of section 112 claimed as refund;
- (b) a statement containing the number and date of shipping bills or bills of export and the number and the date of the relevant export invoices, in a case where the refund is on account of export of goods, other than electricity;
- (ba) a statement containing the number and date of the export invoices, details of energy exported, tariff per unit for export of electricity as per agreement, along with the copy of statement of scheduled energy for exported electricity by Generation Plants issued by the Regional Power Committee Secretariat as a part of the Regional Energy Account (REA) under clause (nnn) of sub-regulation 1 of Regulation 2 of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 and the copy of agreement detailing the tariff per unit, in case where refund is on account of export of electricity;
- (c) a statement containing the number and date of invoices and the relevant Bank Realisation Certificates or Foreign Inward Remittance Certificates, as the case may be, in a case where the refund is on account of the export of services;
- (d) a statement containing the number and date of invoices as provided in Rule 46 along with the evidence regarding the endorsement specified in the second proviso to sub-rule (1) in the case of the supply of goods made to a Special Economic Zone unit or a Special Economic Zone developer;
- (e) a statement containing the number and date of invoices, the evidence regarding the endorsement specified in the second proviso to sub-rule (1) and the details of payment, along with the proof thereof, made by the recipient to the supplier for authorised operations as defined under the Special Economic Zone Act, 2005, in a case where the refund is on account of supply of services made to a Special Economic Zone unit or a Special Economic Zone developer;
- (f) a declaration to the effect that tax has not been collected from the Special Economic Zone unit or the Special Economic Zone developer, in a case where the refund is on account of supply of goods or services or both made to a Special Economic Zone unit or a Special Economic Zone developer;
- (g) a statement containing the number and date of invoices along with such other evidence as may be notified in this behalf, in a case where the refund is on account of deemed exports;

- (h) a statement containing the number and the date of the invoices received and issued during a tax period in a case where the claim pertains to refund of any unutilised input tax credit under sub-section (3) of section 54 where the credit has accumulated on account of the rate of tax on the inputs being higher than the rate of tax on output supplies, other than nil-rated or fully exempt supplies;
- (i) the reference number of the final assessment order and a copy of the said order in a case where the refund arises on account of the finalisation of provisional assessment;
- (j) a statement showing the details of transactions considered as intra-State supply but which is subsequently held to be inter-State supply;
- (k) a statement showing the details of the amount of claim on account of excess payment of tax *and interest, if any, or any other amount paid*;
- (ka) a statement containing the details of invoices viz. number, date, value, tax paid and details of payment, in respect of which refund is being claimed along with copy of such invoices, proof of making such payment to the supplier, the copy of agreement or registered agreement or contract, as applicable, entered with the supplier for supply of service, the letter issued by the supplier for cancellation or termination of agreement or contract for supply of service, details of payment received from the supplier against cancellation or termination of such agreement along with proof thereof, in a case where the refund is claimed by an unregistered person where the agreement or contract for supply of service has been cancelled or terminated;
- (kb) a certificate issued by the supplier to the effect that he has paid tax in respect of the invoices on which refund is being claimed by the applicant; that he has not adjusted the tax amount involved in these invoices against his tax liability by issuing credit note; and also, that he has not claimed and will not claim refund of the amount of tax involved in respect of these invoices, in a case where the refund is claimed by an unregistered person where the agreement or contract for supply of service has been cancelled or terminated;]
- (l) a declaration to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lacs rupees except where the refund relates to the cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of sub-section (8) of section 54;
- (m) a Certificate in Annexure 2 of **FORM GST RFD-01** issued by a chartered accountant or a cost accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lacs rupees except where the refund relates to the cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of sub-section (8) of section 54. However, such a certificate is not required to be furnished in cases where refund is claimed by an unregistered person who has borne the incidence of tax.

**Rule 90. Acknowledgement.** – (1) Where the application relates to a claim for refund from the electronic cash ledger, an acknowledgement in **FORM GST RFD-02** shall be made available to the applicant through the common portal electronically, clearly indicating the date of filing of the claim for refund and the time period specified in sub-section (7) of section 54 shall be counted from such date of filing.

(2) The application for refund, other than claim for refund from electronic cash ledger, shall be forwarded to the proper officer who shall, within a period of fifteen days of filing of the said application, scrutinize the application for its completeness and where the application is found to be complete in terms of sub-rules (2), (3) and (4) of Rule 89, an acknowledgement in **FORM GST RFD-02** shall be made available to the applicant through the common portal electronically, clearly indicating the date of filing of the claim for refund and the time period specified in sub-section (7) of section 54 shall be counted from such date of filing.

(3) Where any deficiencies are noticed, the proper officer shall communicate the deficiencies to the applicant in **FORM GST RFD-03** through the common portal electronically, requiring him to file a fresh refund application after rectification of such deficiencies.

**Provided** that the time period, from the date of filing of the refund claim in **FORM GST RFD-01** till the date of communication of the deficiencies in **FORM GST RFD-03** by the proper officer, shall be excluded from the period of two years as specified under sub-section (1) of Section 54, in respect of any such fresh refund claim filed by the applicant after rectification of the deficiencies.]

(4) Where deficiencies have been communicated in **FORM GST RFD-03** under the State Goods and Services Tax Rules, 2017, the same shall also deemed to have been communicated under this rule along with the deficiencies communicated under sub-rule (3).

(5) The applicant may, at any time before issuance of provisional refund sanction order in **FORM GST RFD-04** or final refund sanction order in **FORM GST RFD-06** or payment order in **FORM GST RFD-05** or refund withhold order in **FORM GST RFD-07** or notice in **FORM GST RFD-08**, in respect of any refund application filed in **FORM GST RFD-01**, withdraw the said application for refund by filing an application in **FORM GST RFD-01W**.

(6) On submission of application for withdrawal of refund in **FORM GST RFD-01W**, any amount debited by the applicant from electronic credit ledger or electronic cash ledger, as the case may be, while filing application for refund in **FORM GST RFD-01**, shall be credited back to the ledger from which such debit was made.

**Rule 91. Grant of provisional refund.** – (1) The provisional refund in accordance with the provisions of sub-section (6) of section 54 shall be granted subject to the condition that the person claiming refund has, during any period of five years immediately preceding the tax period to which the claim for refund relates, not been prosecuted for any offence under the Act or under an existing law where the amount of tax evaded exceeds two hundred and fifty lacs rupees.

(2) The proper officer, after scrutiny of the claim and the evidence submitted in support thereof and on being *prima facie* satisfied that the amount claimed as refund under sub-rule (1) is due to the applicant in accordance with the provisions of sub-section (6) of section 54, shall make an order in **FORM GST RFD-04**, sanctioning the amount of refund due to the said applicant on a provisional basis within a period not exceeding seven days from the date of the acknowledgement under sub-rule (1) or sub-rule (2) of Rule 90.

Provided that the order issued in **FORM GST RFD-04** shall not be required to be revalidated by the proper officer.

(3) The proper officer shall issue a payment order] in **FORM GST RFD-05** for the amount sanctioned under sub-rule (2) and the same shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund on the basis of a consolidated payment advice:

Provided that the [payment order] in **FORM GST RFD-05** shall be required to be revalidated where the refund has not been disbursed within the same financial year in which the said payment advice was issued.

(4) The Central Government shall disburse the refund based on the consolidated payment advice issued under sub-rule (3).

### Order sanctioning refund [Rule 92]

- (1) Where, upon examination of the application, the proper officer is satisfied that a refund under sub-section (5) of section 54 is due and payable to the applicant, he shall make an order in **FORM GST RFD-06** sanctioning the amount of refund to which the applicant is entitled, mentioning therein the amount, if any, refunded to him on a provisional basis under sub-section (6) of section 54, amount adjusted against any outstanding demand under the Act or under any existing law and the balance amount refundable:

(1A) Where, upon examination of the application of refund of any amount paid as tax other than the refund of tax paid on zero-rated supplies or deemed export, the proper officer is satisfied that a refund under sub-section (5) of section 54 of the Act is due and payable to the applicant, he shall make an order in **FORM RFD-06** sanctioning the amount of refund to be paid, in cash, proportionate to the amount debited in cash against the total amount paid for discharging tax liability for the relevant period, mentioning therein the amount adjusted against any outstanding demand under the Act or under any existing law and the balance amount refundable and for the remaining amount which has been debited from the electronic credit ledger for making payment of such tax, the proper officer shall issue **FORM GST PMT-03** recrediting the said amount as Input Tax Credit in electronic credit ledger.

(2) Where the proper officer or the Commissioner is of the opinion that the amount of refund is liable to be withheld under the provisions of sub-section (10) or, as the case may be, sub-section (11) of section 54, he shall pass an order in [Part A] of **FORM GST RFD-07** informing him the reasons for withholding of such refund.

Provided that where the proper officer or the Commissioner is satisfied that the refund is no longer liable to be withheld, he may pass an order for release of withheld refund in Part B of **FORM GST RFD-07**.

(3) Where the proper officer is satisfied, for reasons to be recorded in writing, that the whole or any part of the amount claimed as refund is not admissible or is not payable to the applicant, he shall issue a notice in **FORM GST RFD-08** to the applicant, requiring him to furnish a reply in **FORM GST RFD-09** within a period of fifteen days of the receipt of such notice and after considering the reply, make an order in **FORM GST RFD-06** sanctioning the amount of refund in whole or part, or rejecting the said refund claim and the said order shall be made available to the applicant electronically and the provisions of sub-rule (1) shall, *mutatis mutandis*, apply to the extent refund is allowed:

Provided that no application for refund shall be rejected without giving the applicant an opportunity of being heard.

(4) Where the proper officer is satisfied that the amount refundable under sub-rule (1) or sub-rule (1A) or sub-rule (2) is payable to the applicant under sub-section (8) of section 54, he shall make an order in **FORM GST RFD-06** and issue a [payment order] in **FORM GST RFD-05** for the amount of refund and the same shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund on the basis of a consolidated payment advice:

Provided that the order issued in **FORM GST RFD-06** shall not be required to be revalidated by the proper officer:

Provided further that the [payment order] in **FORM GST RFD-05** shall be required to be revalidated where the refund has not been disbursed within the same financial year in which the said [payment order] was issued.

(4A) The Central Government shall disburse the refund based on the consolidated payment advice issued under sub-rule (4).

(5) Where the proper officer is satisfied that the amount refundable under sub-rule (1) [or sub-rule (1A)] or sub-rule (2) is not payable to the applicant under sub-section (8) of section 54, he shall make an order in **FORM GST RFD-06** and issue [a payment order] in **FORM GST RFD-05**, for the amount of refund to be credited to the Consumer Welfare Fund.

**Rule 93. Credit of the amount of rejected refund claim.** — (1) Where any deficiencies have been communicated under sub-rule (3) of Rule 90, the amount debited under sub-rule (3) of Rule 89 shall be re-credited to the electronic credit ledger.

(2) Where any amount claimed as refund is rejected under Rule 92, either fully or partly, the amount debited, to the extent of rejection, shall be re-credited to the electronic credit ledger by an order made in **FORM GST PMT-03**.

*Explanation.* — For the purposes of this rule, a refund shall be deemed to be rejected, if the appeal is finally rejected or if the claimant gives an undertaking in writing to the proper officer that he shall not file an appeal.

**Section 54(5) of CGST Act, 2017** states that if, on receipt of any such application, if the proper officer is satisfied that the whole or part of the amount claimed as refund is refundable, he may make an order accordingly and the amount so determined shall be credited to the Fund referred to in section 57.

- (6) Notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety per cent. of the total amount so claimed, excluding the amount of input tax credit provisionally accepted, in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant.
- (7) The proper officer shall issue the order under sub-section (5) within sixty days from the date of receipt of application complete in all respects.
- (8) Notwithstanding anything contained in sub-section (5), the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to –
  - (a) refund of tax paid on [export] of goods or services or both or on inputs or input services used in making such [exports];
  - (b) refund of unutilised input tax credit under sub-section (3);
  - (c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued;
  - (d) refund of tax in pursuance of section 77;
  - (e) the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person; or
  - (f) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.
- (8A) The Government may disburse the refund of the State tax in such manner as may be prescribed.]
- (9) Notwithstanding anything to the contrary contained in any judgment, decree, order or direction of the Appellate Tribunal or any court or in any other provisions of this Act or the rules made thereunder or in any other law for the time being in force, no refund shall be made except in accordance with the provisions of sub-section (8).
- (10) Where any refund is due to a registered person who has defaulted in furnishing any return or who is required to pay any tax, interest or penalty, which has not been stayed by any court, Tribunal or Appellate Authority by the specified date, the proper officer may –
  - (a) withhold payment of refund due until the said person has furnished the return or paid the tax, interest or penalty, as the case may be;
  - (b) deduct from the refund due, any tax, interest, penalty, fee or any other amount which the taxable person is liable to pay but which remains unpaid under this Act or under the existing law.

**Explanation.** — For the purposes of this sub-section, the expression “specified date” shall mean the last date for filing an appeal under this Act.

- (11) Where an order giving rise to a refund is the subject matter of an appeal or further proceedings or where any other proceedings under this Act is pending and the Commissioner is of the opinion that grant of such refund is likely to adversely affect the revenue in the said appeal or other proceedings on account of malfeasance or fraud committed, he may, after giving the taxable person an opportunity of being heard, withhold the refund till such time as he may determine.
- (12) Where a refund is withheld under sub-section (11), the taxable person shall, notwithstanding anything contained in section 56, be entitled to interest at such rate not exceeding six per cent. as may be notified on the recommendations of the Council, if as a result of the appeal or further proceedings he becomes entitled to refund.
- (13) Notwithstanding anything to the contrary contained in this section, the amount of advance tax deposited by a casual taxable person or a non-resident taxable person under sub-section (2) of section 27, shall not be refunded unless such person has, in respect of the entire period for which the certificate of registration granted to him had remained in force, furnished all the returns required under section 39.
- (14) Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees.
- (15) Notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.”.

**Explanation.** — For the purposes of this section, —

- (1) “refund” includes refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilised input tax credit as provided under sub-section (3).
- (2) “relevant date” means —
  - (a) in the case of goods exported out of India where a refund of tax paid is available in respect of goods themselves or, as the case may be, the inputs or input services used in such goods, —
    - (i) if the goods are exported by sea or air, the date on which the ship or the aircraft in which such goods are loaded, leaves India; or
    - (ii) if the goods are exported by land, the date on which such goods pass the frontier; or
    - (iii) if the goods are exported by post, the date of despatch of goods by the Post Office concerned to a place outside India;
  - (b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is available in respect of the goods, the date on which the return relating to such deemed exports is furnished;
  - (ba) in case of zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit where a refund of tax paid is available in respect of such supplies themselves, or as the case may be, the inputs or input services used in such supplies, the due date for furnishing of return under section 39 in respect of such supplies;
  - (c) in the case of services exported out of India where a refund of tax paid is available in respect of services themselves or, as the case may be, the inputs or input services used in such services, the date of —

- (i) receipt of payment in convertible foreign exchange [or in Indian rupees wherever permitted by the Reserve Bank of India], where the supply of services had been completed prior to the receipt of such payment; or
- (ii) issue of invoice, where payment for the services had been received in advance prior to the date of issue of the invoice;
- (d) in case where the tax becomes refundable as a consequence of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court, the date of communication of such judgment, decree, order or direction;
- (e) in the case of refund of unutilised input tax credit under clause (ii) of the first proviso to sub-section (3), the due date for furnishing of return under section 39 for the period in which such claim for refund arises;
- (f) in the case where tax is paid provisionally under this Act or the rules made thereunder, the date of adjustment of tax after the final assessment thereof;
- (g) in the case of a person, other than the supplier, the date of receipt of goods or services or both by such person; and
- (h) in any other case, the date of payment of tax.

#### Refund in Certain Cases [Section 55]

A specialised agency of the United Nations organisation or any Multilateral Financial Institution and organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries or any other person or class of persons, as notified under section 55, entitled to a refund of tax paid by it on inward supplies of goods or services or both, may make an application for such refund, in such FORM and manner as may be prescribed, before the expiry of six months from the last day of the quarter in which such supply was received.

However, vide Notification No. 20/2018-C.T., dated 28-3-2018, the Central Government, has allowed the persons notified under section 55 to file refund application before the expiry of eighteen months from the last date of the quarter in which such supply was received.

#### Interest on Delayed Refunds [Section 56]

Section 56 of the CGST Act, 2017 states that if any tax ordered to be refunded under section 54 is not refunded within sixty days from the date of receipt of application interest at such rate not exceeding six per cent as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax.

Where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or court which has attained finality and the same is not refunded within sixty days from the date of receipt of application filed consequent to such order, interest at such rate not exceeding nine per cent as may be notified by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application till the date of refund.

**Rule 94** — Where any interest is due and payable to the applicant under section 56, the proper officer shall make an order along with a [payment order] in **FORM GST RFD-05**, specifying therein the amount of refund which is delayed, the period of delay for which interest is payable and the amount of interest payable, and such amount of interest shall be electronically credited to any of the bank accounts of the applicant mentioned in his registration particulars and as specified in the application for refund.

The following periods shall not be included in the period of delay under sub-rule (1)

- (a) any period of time beyond fifteen days of receipt of notice in FORM GST RFD-08 under sub-rule (3) of rule 92, that the applicant takes to-
  - (i) furnish a reply in FORM GST RFD-09, or
  - (ii) submit additional documents or reply; and
- (b) any period of time taken either by the applicant for furnishing the correct details of the bank account to which the refund is to be credited or for validating the details of the bank account so furnished, where the amount of refund sanctioned could not be credited to the bank account furnished by the applicant.

### Refund Amount

**Formula to claim refund of credit in case of zero rated supplies:**

$$\text{Refund Amount} = \frac{\text{Turnover of zero-rated supply of goods} + \text{Turnover of zero-rated supply of services}}{\text{Net ITC} \div \text{Adjusted Total Turnover}} \times$$

Where, -

- (A) "Refund amount" means the maximum refund that is admissible;
- (B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both;
- (C) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking or the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, whichever is less, other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both;
- (D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:-  
Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;
- (E) "Adjusted Total Turnover" means the sum total of the value of –
  - (a) the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the turnover of services; and
  - (b) the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services, excluding -
    - (i) the value of exempt supplies other than zero-rated supplies; and
    - (ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any, during the relevant period.
- (F) "Relevant period" means the period for which the claim has been filed.

*Explanation.* - For the purposes of this sub-rule, the value of goods exported out of India shall be taken as -

- (i) the Free on Board (FOB) value declared in the Shipping Bill or Bill of Export form, as the case may be, as per the Shipping Bill and Bill of Export (Forms) Regulations, 2017; or
- (ii) the value declared in tax invoice or bill of supply,

whichever is less.

Formula to claim refund of credit in case of inverted rate structure:

$$\text{Maximum Refund Amount} = \frac{\{(\text{Turnover of inverted rated supply of goods and services}) \times \text{Net ITC} \div \text{Adjusted Total Turnover}\} - \{\text{tax payable on such inverted rated supply of goods and services} \times (\text{Net ITC} \div \text{ITC availed on inputs and input services})\}}{1}$$

*Explanation:* - For the purposes of this sub-rule, the expressions -

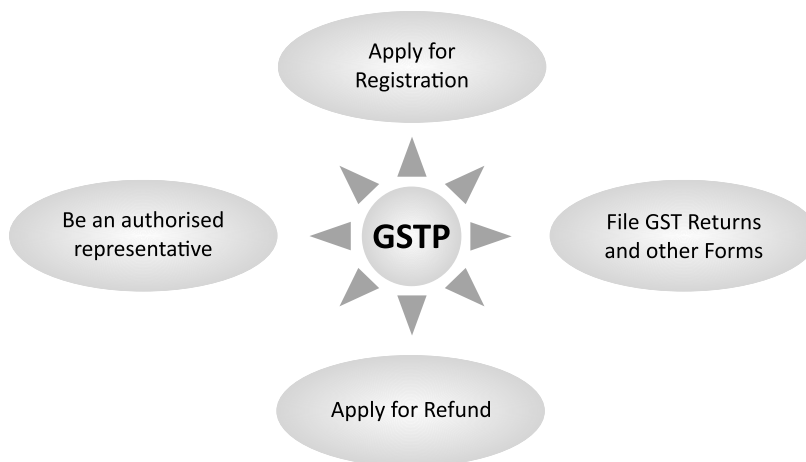
- (a) Net ITC shall mean input tax credit availed on inputs during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both; and
- (b) “Adjusted Total turnover” and “relevant period” shall have the same meaning as assigned to them in sub-rule (4).

## GST PRACTITIONERS

Goods and Services Tax Practitioner (GSTP) is a person recognized and authorized under section 48 of CGST Act, 2017 to act as GST Professional. GSTP is authorized to provide prescribed services to GST Registered persons. Concept of GSTP ensures smooth implementation of GST in true letter and spirit.

# GST PRACTITIONER

Company Secretaries are eligible to apply for GST Practitioner and can become GST Practitioner after fulfilling conditions mentioned in Section 48 of CGST Act, 2017.



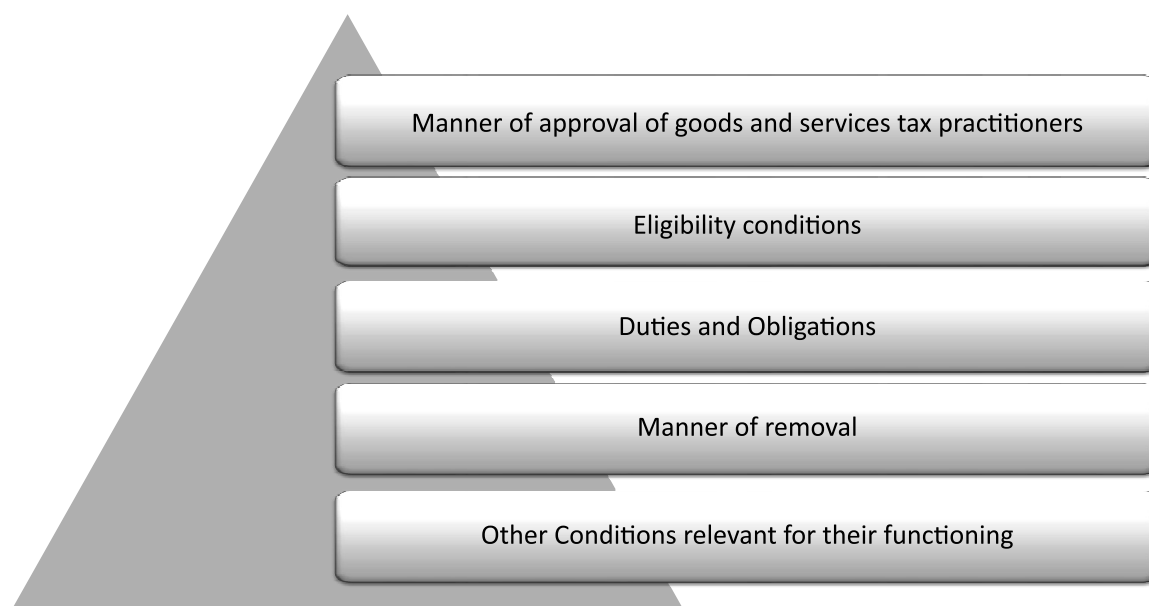
**Statutory provisions:** The relevant provisions of the CGST Act, 2017 are as under:

The definition of GST Practitioner is provided under Section 2(55) of CGST Act, 2017. It states that “Goods and

Services Tax Practitioner” means any person who has been approved under section 48 to the act as such practitioner.

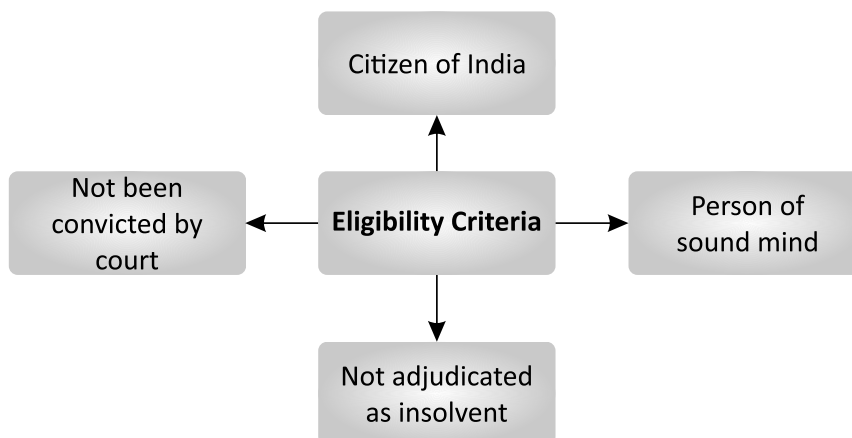
**Section 48:**

- (1) The manner of approval of goods and services tax practitioners, their eligibility conditions, duties and obligations, manner of removal and other conditions relevant for their functioning shall be such as may be prescribed.
- (2) A registered person may authorise an approved goods and services tax practitioner to furnish the details of outward supplies under section 37, and the return under section 39 or section 44 or section 45 and to perform such other functions in such manner as may be prescribed.
- (3) Notwithstanding anything contained in sub-section (2), the responsibility for correctness of any particulars furnished in the return or other details filed by the goods and services tax practitioners shall continue to rest with the registered person on whose behalf such return and details are furnished.



**Eligibility Criteria for becoming GST Practitioner**

Any person can apply for registration as a GST Practitioner under Rule 83(1) of CGST Act, 2017, if he qualifies as per following criteria:



**RELEVANT RULES OF CGST RULES, 2017**

Rule 83. Provisions relating to a goods and services tax practitioner

- (1) An application in **FORM GST PCT-01** may be made electronically through the common portal, i.e., *www.gst.gov.in* either directly or through a Facilitation Centre notified by the Commissioner for enrolment as goods and services tax practitioner by any person who,
- (i) is a citizen of India;
  - (ii) is a person of sound mind;
  - (iii) is not adjudicated as insolvent;
  - (iv) has not been convicted by a competent court;

and satisfies any of the following conditions, namely:-

- (a) that he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Indirect taxes and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower than the rank of a Group-B gazetted officer for a period of not less than two years; or
  - (b) that he has enrolled as a sales tax practitioner or tax return preparer under the existing law for a period of not less than five years;
  - (c) he has passed,
    - (i) a graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force; or
    - (ii) a degree examination of any Foreign University recognised by any Indian University as equivalent to the degree examination mentioned in sub-clause (i); or
    - (iii) any other examination notified by the Government, on the recommendation of the Council, for this purpose; or
    - (iv) has passed any of the following examinations, namely:-
      - (a) final examination of the Institute of Chartered Accountants of India; or
      - (b) final examination of the Institute of Cost Accountants of India; or
      - (c) final examination of the Institute of Company Secretaries of India.
- (2) On receipt of the application referred to in sub-rule (1), the officer authorised in this behalf shall, after making such enquiry as he considers necessary, either enroll the applicant as a goods and services tax practitioner and issue a certificate to that effect in **FORM GST PCT-02** or reject his application where it is found that the applicant is not qualified to be enrolled as a goods and services tax practitioner.

[Note: For details, students can refer Circular No 9/9/2017 dated 18th October 2017 <https://www.cbic.gov.in/resources/htdocs-cbec/gst/circularno-9-gst.pdf>]

- (3) The enrolment made under sub-rule (2) shall be valid until it is cancelled:

Provided that no person enrolled as a goods and services tax practitioner shall be eligible to remain enrolled unless he passes such examination conducted at such periods and by such authority as may be notified by the Commissioner on the recommendations of the Council:

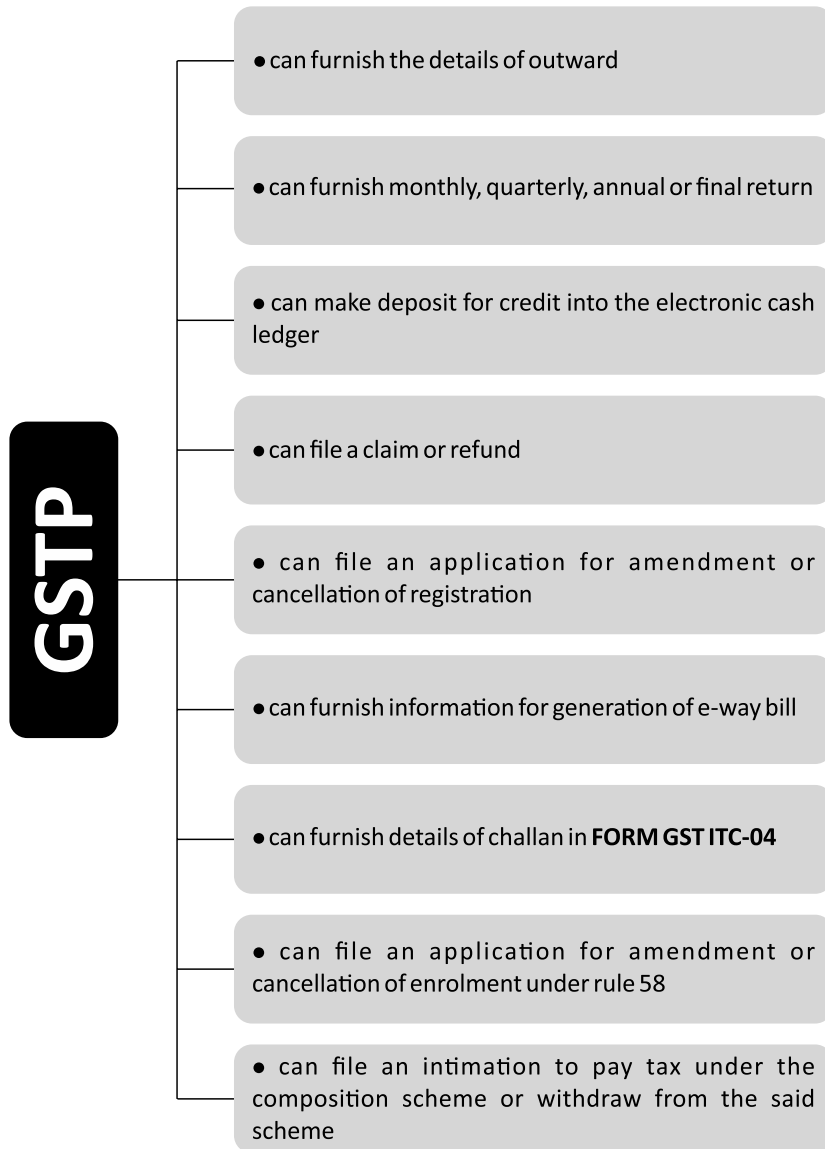
Provided further that no person to whom the provisions of clause (b) of sub-rule (1) apply shall be eligible to remain enrolled unless he passes the said examination within a period of thirty months from the appointed date.

- (4) If any goods and services tax practitioner is found guilty of misconduct in connection with any proceedings under the act, the authorised officer may, after giving him a notice to show cause in **FORM GST PCT-03** for such misconduct and after giving him a reasonable opportunity of being heard, by order in **FORM GST PCT- 04** direct that he shall henceforth be disqualified under section 48 to function as a goods and services tax practitioner.
- (5) Any person against whom an order under sub-rule (4) is made may, within thirty days from the date of issue of such order, appeal to the Commissioner against such order.
- (6) Any registered person may, at his option, authorise a goods and services tax practitioner on the common portal in **FORM GST PCT-05** or, at any time, withdraw such authorisation in **FORM GST PCT-05** and the goods and services tax practitioners authorised shall be allowed to undertake such tasks as indicated in the said authorization during the period of authorisation.
- (7) Where a statement required to be furnished by a registered person has been furnished by the goods and services tax practitioner authorised by him, a confirmation shall be sought from the registered person over email or SMS and the statement furnished by the goods and services tax practitioner shall be made available to the registered person on the common portal.

Provided that where the registered person fails to respond to the request for confirmation till the last date of furnishing of such statement, it shall be deemed that he has confirmed the statement furnished by the goods and services tax practitioner.

- (8) A goods and services tax practitioner can undertake any or all of the following activities on behalf of a registered person, if so authorised by him-
  - (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 by the goods and services tax practitioner authorised by the registered person, a confirmation shall be sought from the registered person and the application submitted by the said practitioner shall be made available to the registered person on the common portal and such application shall not be proceeded with further until the registered person gives his consent to the same.



- (9) Any registered person opting to furnish his return through a goods and services tax practitioner shall-
- (a) give his consent in **FORM GST PCT-05** to any goods and services tax practitioner to prepare and furnish his return; and
  - (b) before confirming submission of any statement prepared by the goods and services tax practitioner, ensure that the facts mentioned in the return are true and correct.
- (10) The goods and services tax practitioner shall-
- (a) prepare the statements with due diligence; and
  - (b) affix his digital signature on the statements prepared by him or electronically verify using his credentials.
- (11) A goods and services tax practitioner enrolled in any other State or Union territory shall be treated as enrolled in the State or Union territory for the purposes specified in sub-rule (8).

**EXAMINATION OF GST PRACTITIONERS****Rule 83A. examination of Goods and Services Tax Practitioners-**

- (1) Every person referred to in clause (b) of sub-rule (1) of Rule 83 and who is enrolled as a goods and services tax practitioner under sub-rule (2) of the said rule, shall pass an examination as per sub-rule (3) of the said rule.
- (2) The National Academy of Customs, Indirect Taxes and Narcotics (“NACIN”) shall conduct the examination.  
*[Note: For details students can visit [www.nacin.gov.in](http://www.nacin.gov.in) and know more about NACIN and latest updates on Examination]*
- (3) The examination shall be conducted twice in a year as per the schedule of the examination published by NACIN every year on the official websites of the Board, NACIN, common portal, GST Council Secretariat and in the leading English and regional newspapers.
- (4) Registration for the examination and payment of fee.
  - (i) A person who is required to pass the examination shall register online on a website specified by NACIN.
  - (ii) A person who registers for the examination shall pay examination fee as specified by NACIN, and the amount for the same and the manner of its payment shall be specified by NACIN on the official websites of the Board, NACIN and common portal.
- (5) Examination centers- The examination shall be held across India at the designated centers. The candidate shall be given an option to choose from the list of centers as provided by NACIN at the time of registration.
- (6) Period for passing the examination and number of attempts allowed.
  - (i) Every person referred to in clause (b) of sub-rule (1) of Rule 83 and who is enrolled as a goods and services tax practitioner under sub-rule (2) of the said rule is required to pass the examination within the period as specified in the other sub-rule (3) of the said rule.
  - (ii) A person required to pass the examination may avail of any number of attempts but these attempts shall be within the period as specified in clause (i).
  - (iii) A person shall register and pay the requisite fee every time he intends to appear at the examination.
  - (iv) In case the goods and services tax practitioner having applied for appearing in the examination is prevented from availing one or more attempts due to unforeseen circumstances such as critical illness, accident or natural calamity, he may make a request in writing to the jurisdictional Commissioner for granting him one additional attempt to pass the examination, within thirty days of conduct of the said examination. NACIN may consider such requests on merits based on recommendations of the jurisdictional Commissioner.
- (7) Nature of examination -The examination shall be a Computer Based Test. It shall have one question paper consisting of Multiple Choice Questions (MCQs). A person shall be required to secure fifty per cent. of the total marks.
- (8) Guidelines for the candidates. –
  - (i) The National Academy of Customs, Indirect Taxes and Narcotics (NACIN) shall issue examination

guidelines covering issues such as procedure of registration, payment of fee, nature of identity documents, provision of admit card, manner of reporting at the examination center, prohibition on possession of certain items in the examination center, procedure of making representation and the manner of its disposal.

- (ii) Any person who is or has been found to be indulging in unfair means or practices shall be dealt in accordance with the provisions of sub-rule (10). An illustrative list of use of unfair means or practices by a person is as under:
  - (a) obtaining support for his candidature by any means;
  - (b) impersonating;
  - (c) submitting fabricated documents;
  - (d) resorting to any unfair means or practices in connection with the examination or in connection with the result of the examination;
  - (e) found in possession of any paper, book, note or any other material, the use of which is not permitted in the examination center;
  - (f) communicating with others or exchanging calculators, chits, papers etc. (on which something is written);
  - (g) misbehaving in the examination center in any manner;
  - (h) tampering with the hardware and/or software deployed; and
  - (i) attempting to commit or, as the case may be, to abet in the commission of all or any of the Acts specified in the foregoing clauses.
- (9) Disqualification of person using unfair means or practice- If any person is or has been found to be indulging in use of unfair means or practices, NACIN may, after considering his representation, if any, declare him disqualified for the examination.
- (10) Declaration of result- NACIN shall declare the results within one month of the conduct of examination on the official websites of the Board, NACIN, GST Council Secretariat, common portal and State Tax Department of the respective States or Union territories, if any. The results shall also be communicated to the applicants by e-mail and/or by post.
- (11) Handling representations- A person not satisfied with his result may represent in writing, clearly specifying the reasons therein to NACIN or the jurisdictional Commissioner as per the procedure established by NACIN on the official websites of the Board, NACIN and common portal.
- (12) Power to relax- Where the Board or State Tax Commissioner is of the opinion that it is necessary or expedient to do so, it may, on the recommendations of the Council, relax any of the provisions of this rule with respect to any class or category of persons.

*Explanation:-* For the purposes of this sub-rule, the expressions –

- (a) “jurisdictional Commissioner” means the Commissioner having jurisdiction over the place declared as address in the application for enrolment as the GST Practitioner in FORM GST PCT-1. It shall refer to the Commissioner of Central tax if the enrolling authority in FORM GST PCT-1 has been selected as Centre, or the Commissioner of State Tax if the enrolling authority in FORM GST PCT1 has been selected as State;

(b) NACIN means as notified by notification No. 24/2018-Central tax, dated 28.05.2018.

**Rule 83B. Surrender of enrolment of Goods and Services Tax Practitioner.** - (1) A goods and services tax practitioner seeking to surrender his enrolment shall electronically submit an application in **FORM GST PCT-06**, at the common portal, either directly or through a facilitation centre notified by the Commissioner.

(2) The Commissioner, or an officer authorised by him, may after causing such enquiry as deemed fit and by order in **FORM GST PCT-07**, cancel the enrolment of such practitioner.

**Rule 84. Conditions for purposes of appearance-** (1) No person shall be eligible to attend before any authority as a goods and services tax practitioner in connection with any proceedings under the act on behalf of any registered or un-registered person unless he has been enrolled under Rule 83.

(2) A goods and services tax practitioner attending on behalf of a registered or an unregistered person in any proceedings under the act before any authority shall produce before such authority, if required, a copy of the authorisation given by such person in **FORM GST PCT-05**.

#### Prescribed forms for GST practitioner

Form GST PCT-01	Application for enrolment as GST practitioner
Form GST PCT-02	enrolment certificate for GST practitioner
Form GST PCT-03	Show cause notice for disqualification
Form GST PCT-04	Order for disqualification to function as GST practitioner
Form GST PCT-05	Authorization / Withdrawal of authorization to GST practitioner

# ASSESSMENT

Chapter XII of the CGST Act, 2017 deals with the assessment (Section 59 to 64).

## REGULATORY FRAMEWORK

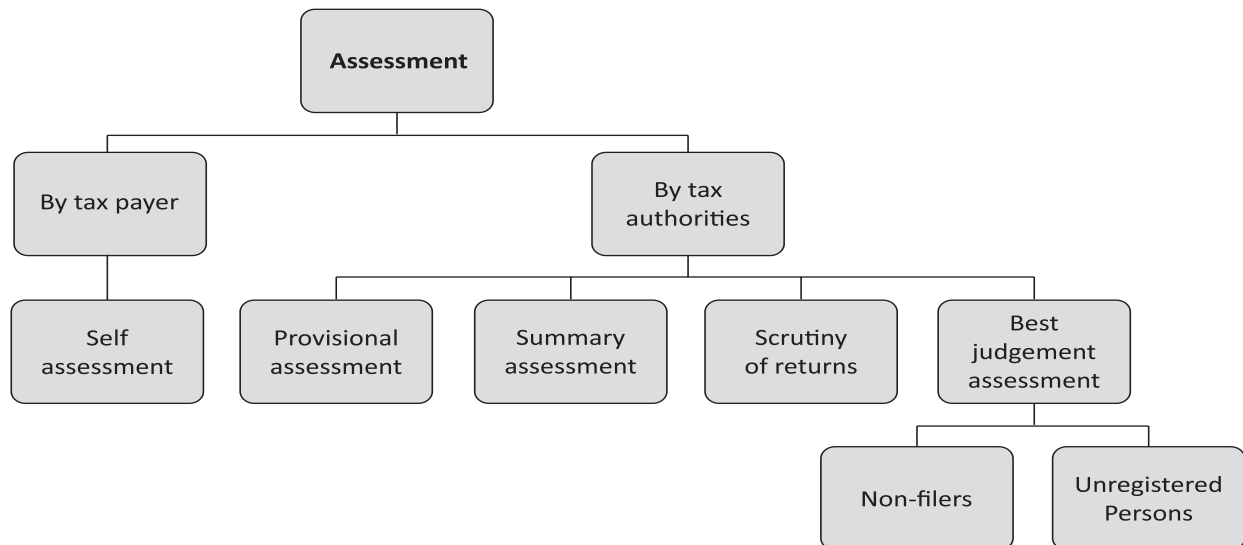
### Central Goods and Services Tax Act, 2017

Section	Deals with
Section 59	Self-Assessment
Section 60	Provisional Assessment
Section 61	Scrutiny of Returns
Section 62	Assessment of non-filers of returns
Section 63	Assessment of unregistered persons
Section 64	Summary assessment in certain special cases

## ASSESSMENT

According to **Section 2(11)** of the CGST Act, 2017 “assessment” means determination of tax liability under this Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgment assessment.

In short, the assessment under GST means the determination of tax liability. It has been further categorized as below:



## Self-Assessment

Section 59 of the CGST Act, 2017 states that every registered person shall self assess the taxes payable under this Act and furnish a return for each tax period as specified under section 39.

Thus, GST has continued with the legacy of tax philosophy of self-assessment where trust is placed on the assessee to determine its tax liability on its own volition and file its returns.

### Provisional Assessment

Section 60 of the CGST Act, 2017 provides that:

1. Subject to the provisions of sub-section (2), where the taxable person is unable to determine the value of goods or services or both or determine the rate of tax applicable thereto, he may request the proper officer in writing giving reasons for payment of tax on a provisional basis and the proper officer shall pass an order, within a period not later than ninety days from the date of receipt of such request, allowing payment of tax on provisional basis at such rate or on such value as may be specified by him.
2. The payment of tax on provisional basis may be allowed, if the taxable person executes a bond in such FORM as may be prescribed, and with such surety or security as the proper officer may deem fit, binding the taxable person for payment of the difference between the amount of tax as may be finally assessed and the amount of tax provisionally assessed.
3. The proper officer shall, within a period not exceeding six months from the date of the communication of the order issued under sub-section (1), pass the final assessment order after taking into account such information as may be required for finalizing the assessment:

Provided that the period specified in this sub-section may, on sufficient cause being shown and for reasons to be recorded in writing, be extended by the Joint Commissioner or Additional Commissioner for a further period not exceeding six months and by the Commissioner for such further period not exceeding four years.

4. The registered person shall be liable to pay interest on any tax payable on the supply of goods or services or both under provisional assessment but not paid on the due date specified under sub-section (7) of section 39 or the rules made thereunder, at the rate specified under sub-section (1) of section 50, from the first day after the due date of payment of tax in respect of the said supply of goods or services or both till the date of actual Consumer payment, whether such amount is paid before or after the issuance of order for final assessment.
5. Where the registered person is entitled to a refund consequent to the order of final assessment under sub-section (3), subject to the provisions of sub-section (8) of section 54, interest shall be paid on such refund as provided in section 56.

**Rule 98** of CGST Rules provides that:

1. Every registered person requesting for payment of tax on a provisional basis in accordance with the provisions of sub-section (1) of section 60 shall furnish an application along with the documents in support of his request, electronically in **FORM GST ASMT-01** on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.
2. The proper officer may, on receipt of the application under sub-rule (1), issue a notice in **FORM GST ASMT-02** requiring the registered person to furnish additional information or documents in support of his request and the applicant shall file a reply to the notice in **FORM GST ASMT-03**, and may appear in person before the said officer if he so desires.
3. The proper officer shall issue an order in **FORM GST ASMT-04** allowing the payment of tax on a provisional basis indicating the value or the rate or both on the basis of which the assessment is to be allowed on a provisional basis and the amount for which the bond is to be executed and security to be furnished **not exceeding twenty-five per cent** of the amount covered under the bond.

4. The registered person shall execute a bond in accordance with the provisions of sub-section (2) of section 60 in **FORM GST ASMT-05** along with a security in the FORM of a bank guarantee for an amount as determined under sub-rule (3):

Provided that a bond furnished to the proper officer under the State Goods and Services Tax Act or Integrated Goods and Services Tax Act, 2017 shall be deemed to be a bond furnished under the provisions of the Act and the rules made thereunder.

*Explanation-* For the purposes of this rule, the expression amount shall include the amount of integrated tax, Central tax, State tax or Union territory tax and cess payable in respect of the transaction.

5. The Proper Officer shall issue a notice in **FORM GST ASMT-06**, calling for information and records required for finalization of assessment under sub-section (3) of section 60 and shall issue a final assessment order, specifying the amount payable by the registered person or the amount refundable, if any, in **FORM GST ASMT-07**.
6. The applicant may file an application in **FORM GST ASMT-08** for the release of the security furnished under sub-rule (4) after issue of the order under sub-rule (5).
7. The proper officer shall release the security furnished under sub-rule (4), after ensuring that the applicant has paid the amount specified in sub-rule (5) and issue an order in **FORM GST ASMT-09** within a period of seven working days from the date of the receipt of the application under sub-rule (6).

### Analysis

Thus, the aforesaid provisions relating to provisional assessment gives an opportunity to the registered person to determine its tax liability on provisional basis without attracting penal provisions under the Act. It requires prior permission from the proper officer and he is required furnish bond or such security as the proper offer seeks to secure the interest of revenue. The proper officer is, however, mandated to finalize the assessment within the prescribed timelines.

### Scrutiny Assessment

As such, the registered person is entitled to determine its tax liability on its own, GST officer is however empowered to scrutinize the return to verify its correctness. The officer will ask for explanations on any discrepancies noticed in the returns.

Section 61 of the CGST Act, 2017 provides that:

1. The proper officer may scrutinize the return and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner as may be prescribed and seek his explanation thereto.
2. In case the explanation is found acceptable, the registered person shall be informed accordingly and no further action shall be taken in this regard.
3. In case no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under section 65 or section 66 or section 67, or proceed to determine the tax and other dues under section 73 or section 74.

### Scrutiny of Returns

**Rule 99** of the CGST Rules provides that:

1. Where any return furnished by a registered person is selected for scrutiny, the proper officer shall scrutinize the same in accordance with the provisions of section 61 with reference to the information available with him, and in case of any discrepancy, he shall issue a notice to the said person in **FORM GST ASMT-10**, informing him of such discrepancy and seeking his explanation thereto within such time, not exceeding thirty days from the date of service of the notice or such further period as may be permitted by him and also, where possible, quantifying the amount of tax, interest and any other amount payable in relation to such discrepancy.
2. The registered person may accept the discrepancy mentioned in the notice issued under sub-rule (1), and pay the tax, interest and any other amount arising from such discrepancy and inform the same or furnish an explanation for the discrepancy in **FORM GST ASMT-11** to the proper officer.
3. Where the explanation furnished by the registered person or the information submitted under sub-rule (2) is found to be acceptable, the proper officer shall inform him accordingly in **FORM GST ASMT-12**.

### Summary assessment in Certain Special Cases

**Section 64** of the CGST Act, 2017 provides that:

1. The proper officer may, on any evidence showing a tax liability of a person coming to his notice, with the previous permission of Additional Commissioner or Joint Commissioner, proceed to assess the tax liability of such person to protect the interest of revenue and issue an assessment order, if he has sufficient grounds to believe that any delay in doing so may adversely affect the interest of revenue:

Provided that where the taxable person to whom the liability pertains is not ascertainable and such liability pertains to supply of goods, the person in charge of such goods shall be deemed to be the taxable person liable to be assessed and liable to pay tax and any other amount due under this section.

**Rule 100 (3).** The order of assessment under sub-section (1) of section 64 shall be issued in **FORM GST ASMT-16** and a summary of the order shall be uploaded electronically in **FORM GST DRC-07**.

2. On an application made by the taxable person within thirty days from the date of receipt of order passed under sub-section (1) or on his own motion, if the Additional Commissioner or Joint Commissioner considers that such order is erroneous, he may withdraw such order and follow the procedure laid down in section 73 or section 74 or Section 74A.

**Rule 100 (4).** The person referred to in sub-section (2) of section 64 may file an application for withdrawal of the assessment order in **FORM GST ASMT-17**.

**Rule 100 (5).** The order of withdrawal or, as the case may be, rejection of the application under sub-section (2) of section 64 shall be issued in **FORM GST ASMT-18**.

### Best Judgement Assessment

#### (i) Assessment of non-filers of returns

Section 62 of the CGST Act, 2017 provides that:

1. Notwithstanding anything to the contrary contained in section 73 or section 74 or section 74A, where a registered person fails to furnish the return under section 39 or section 45, even after the service of a notice under section 46, the proper officer may proceed to assess the tax liability of the said person to the best of his judgement taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.

**Rule 100.** Assessment in certain cases – (1) The order of assessment made under sub-section (1) of section 62 shall be issued in **FORM GST ASMT-13** and a summary thereof shall be uploaded electronically in **FORM GST DRC-07**.

2. Where the registered person furnishes a valid return within sixty days of the service of the assessment order under sub-section (1), the said assessment order shall be deemed to have been withdrawn but the liability for payment of interest under sub-section (1) of section 50 or for payment of late fee under section 47 shall continue.

Provided that where the registered person fails to furnish a valid return within sixty days of the service of the assessment order under sub-section (1), he may furnish the same within a further period of sixty days on payment of an additional late fee of one hundred rupees for each day of delay beyond sixty days of the service of the said assessment order and in case he furnishes valid return within such extended period, the said assessment order shall be deemed to have been withdrawn, but the liability to pay interest under sub-section (1) of section 50 or to pay late fee under section 47 shall continue.

**Rule 100.** (2) The proper officer shall issue a notice to a taxable person in accordance with the provisions of section 63 in **FORM GST ASMT-14** containing the grounds on which the assessment is proposed to be made on best judgment basis and shall also serve a summary thereof electronically in **FORM GST DRC-01**, and after allowing a time of fifteen days to such person to furnish his reply, if any, pass an order in **FORM GST ASMT-15** and summary thereof shall be uploaded electronically in **FORM GST DRC-07**.

#### Standard Operating Procedure to be followed in case of non-filers of returns

[Circular No. 129/48/2019-GST, dated 24-12-2019]

Section 46 of the CGST Act read with rule 68 of the Central Goods and Services Tax Rules, 2017 requires issuance of a notice in FORM GSTR-3A to a registered person who fails to furnish return under section 39 or section 44 or section 45 (hereinafter referred to as the “defaulter”) requiring him to furnish such return within fifteen days. Further section 62 provides for assessment of non-filers of return of registered persons who fails to furnish return under section 39 or section 45 even after service of notice under section 46. **FORM GSTR-3A** provides as under:

#### “Notice to return defaulter u/s 46 for not filing return

Tax Period -

Type of Return -

*Being a registered taxpayer, you are required to furnish return for the supplies made or received and to discharge resultant tax liability for the aforesaid tax period by due date. It has been noticed that you have not filed the said return till date.*

1. *You are, therefore, requested to furnish the said return within 15 days failing which the tax liability may be assessed under section 62 of the Act, based on the relevant material available with this office. Please note that in addition to tax so assessed, you will also be liable to pay interest and penalty as per provisions of the Act.*
2. *Please note that no further communication will be issued for assessing the liability.*
3. *The notice shall be deemed to have been withdrawn in case the return referred above, is filed by you before issue of the assessment order.”*

As such, no separate notice is required to be issued for best judgment assessment under section 62 and in case of failure to file return **within 15 days** of issuance of **FORM GSTR-3A**, the best judgment assessment in **FORM ASMT-13** can be issued without any further communication.

4. Following guidelines are hereby prescribed to ensure uniformity in the implementation of the provisions of law across the field formations:
  - (i) Preferably, a system generated message would be sent to all the registered persons **3 days before the due date** to nudge them about filing of the return for the tax period by the due date;
  - (ii) Once the due date for furnishing the return under section 39 is over, a system generated mail/message would be sent to all the defaulters immediately after the due date to the effect that the said registered person has not furnished his return for the said tax period; the said mail/message is to be sent to the authorized signatory as well as the proprietor/partner/director/karta, etc;
  - (iii) Five days after the due date of furnishing the return, a notice in **FORM GSTR-3A** (under section 46 of the CGST Act read with rule 68 of the CGST Rules) shall be issued electronically to such registered person who fails to furnish return under section 39, requiring him to furnish such return within fifteen days;
  - (iv) In case the said return is still not filed by the defaulter **within 15 days** of the said notice, the proper officer may proceed to assess the tax liability of the said person under section 62 of the CGST Act, 2017, to the best of his judgement taking into account all the relevant material which is available or which he has gathered and would issue order under Rule 100 of the CGST Rules in **FORM GST ASMT-13**. The proper officer would then be required to upload the summary thereof in **FORM GST DRC-07**;
  - (v) For the purpose of assessment of tax liability under section 62 of the CGST Act, the proper officer may take into account the details of outward supplies available in the statement furnished under section 37 (**FORM GSTR-1**), details of supplies auto populated in **FORM GSTR-2A**, information available from e-way bills, or any other information available from any other source, including from inspection under section 71;
  - (vi) In case the defaulter furnishes a valid return within thirty days of the service of assessment order in **FORM GST ASMT-13**, the said assessment order shall be deemed to have been withdrawn in terms of provision of sub-section (2) of section 62 of the CGST Act, 2017. However, if the said return remains unfurnished within the statutory period of 30 days from issuance of order in **FORM ASMT-13**, then proper officer may initiate proceedings under section 78 and recovery under section 79 of the CGST Act, 2017;
5. Above general guidelines may be followed by the proper officer in case of non-furnishing of return. In deserving cases, based on the facts of the case, the Commissioner may resort to provisional

attachment to protect revenue under section 83 of the CGST Act, 2017 before issuance of **FORM GST ASMT-13**.

6. Further, the proper officer would initiate action under sub-section (2) of section 29 of the CGST Act, 2017 for cancellation of registration in cases where the return has not been furnished for the period specified in section 29.

### (ii) Assessment of Unregistered Persons

Section 63 of the CGST Act, 2017 provides notwithstanding anything to the contrary contained in section 73 or section 74 or Section 74A, where a taxable person fails to obtain registration even though liable to do so or whose registration has been cancelled under sub-section (2) of section 29 but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgment for the relevant tax periods and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates:

Provided that no such assessment order shall be passed without giving the person an opportunity of being heard.

Assessment in Certain Cases: **Rule 100(2)** of the CGST Rules provides that the proper officer shall issue a notice to a taxable person in accordance with the provisions of section 63 in **FORM GST ASMT-14** containing the grounds on which the assessment is proposed to be made on best judgment basis and shall also serve a summary thereof electronically in **FORM GST DRC-01**, and after allowing a time of fifteen days to such person to furnish his reply, if any, pass an order in **FORM GST ASMT-15** and summary thereof shall be uploaded electronically in **FORM GST DRC-07**.

## DEMAND AND RECOVERY CGST ACT, CHAPTER XV

### REGULATORY FRAMEWORK

#### Central Goods and Services Act, 2017

<i>Section</i>	<i>Deals with</i>
Section 50	Interest on delayed payment of tax
Section 73	Determination of tax pertaining to the period upto Financial Year 2023-24 not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any willful misstatement or suppression of facts
Section 74	Determination of tax pertaining to the period upto Financial Year 2023-24 not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any willful misstatement or suppression of facts
Section 74A	Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onwards
Section 75	General provisions relating to determination of tax
Section 76	Tax Collected but not paid to Government
Section 77	Tax wrongfully collected and paid to Central Government or State Government
Section 78	Initiation of Recovery Proceedings
Section 79	Recovery of Tax
Section 80	Payment of Tax and other amount in instalments
Section 81	Transfer of Property to be void in Certain Cases
Section 82	Tax to be first Charge on Property
Section 83	Provisional Attachment to Protect Revenue in Certain Cases
Section 84	Continuation and Validation of Certain Recovery Proceedings
Section 122	Penalty for Certain Offences
Section 125	General Penalty
Section 129	Detention, Seizure and Release of Goods and Conveyances in Transit
Section 130	Confiscation of Goods or Conveyances and Levy of Penalty
Section 132	Punishment for Certain Offences

**CGST Rules, Chapter XVIII**

<i>Rules</i>	<i>Provisions</i>
142	Notice and Order for Demand of Amounts Payable under the Act
142A	Recovery of Dues under Existing Laws
143	Recovery by Deduction from any Money Owed
144	Recovery by Sale of Goods under the Control of Proper Officer
145	Recovery from a Third Person
146	Recovery through Execution of a Decree, etc.
147	Recovery by Sale of Movable or Immovable Property
148	Prohibition against Bidding or Purchase by Officer
149	Prohibition against Sale on Holidays
150	Assistance by Police
151	Attachments of Debts and Shares, etc.
152	Attachment of Property in Custody of Courts or Public Officer
153	Attachment of Interest in Partnership
154	Disposal of Proceeds of Sale of Goods and Movable or Immovable Property
155	Recovery through Land Revenue Authority
156	Recovery through Court
157	Recovery through Surety
158	Payment of Tax and Other Amounts in Instalments
159	Provisional Attachment of Property
160	Recovery from Company in Liquidation
161	Continuation of Certain Recovery Proceedings

**Relevant definitions for the purpose of this Chapter:**

<i>Section</i>	<i>Defines</i>
2(4)	Adjudicating Authority
2(8)	Appellate Authority
2(9)	Appellate Tribunal
2(17)	Business

2(24)	Commissioner
2(73)	Market Value
2(84)	Person
2(91)	Proper officer

**Demand and Recovery FORMs prescribed:**

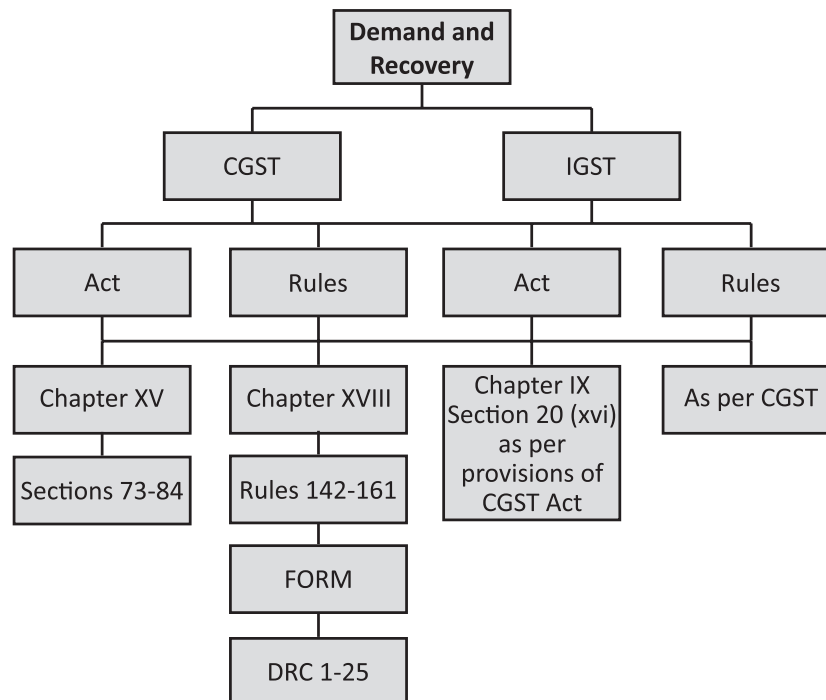
<i>Forms</i>	<i>Deals with</i>
GST DRC 01A	Communication of the details of tax, interest or penalty ascertained by the proper officer in Part A and response thereto by the assessee in Part B
GST DRC 01	Summary of Show Cause Notice
GST DRC 02	Summary of Statement
GST DRC 03	Intimation of payment made voluntarily or made against the Show Cause Notice (SCN) or statement
GST DRC 04	Acknowledgement of acceptance of payment made voluntarily
GST DRC 05	Intimation of Conclusion of Proceedings
GST DRC 06	Reply to the Show Cause Notice
GST DRC 07	Summary of the Order
GST DRC 08	Summary of rectification or withdrawal of the Order
GST DRC 07A	Summary of Order issued under existing Laws
GST DRC 08A	Summary of Rectification, Modification or Quashing of Order issued under existing Laws
GST DRC-09	Order for recovery through specified officer under section 79
GST DRC-10	Notice for Auction of Goods under section 79 (1) (b) of the Act
GST DRC-11	Notice to Successful Bidder
GST DRC-12	Sale Certificate
GST DRC-13	Notice to a third person under section 79(1) (c)
GST DRC-14	Certificate of Payment to a Third Person
GST DRC-15	Application before the civil court requesting execution for a decree
GST DRC-16	Notice for attachment and sale of Immovable/Movable Goods/Shares under section 79
GST DRC-17	Notice for Auction of Immovable/Movable Property under section 79(1) (d)
GST DRC-18	Certificate action under clause (e) of sub-section (1) section 79
GST DRC-19	Application to the Magistrate for Recovery as Fine
GST DRC-20	Application for Deferred Payment/ Payment in Instalments

<b>Forms</b>	<b>Deals with</b>
GST DRC-21	Order for acceptance/rejection of application for deferred payment / payment in instalments
GST DRC-22	Provisional attachment of Property under section 83
GST DRC-23	Restoration of Provisionally attached Property / Bank Account under section 83
GST DRC-24	Intimation to Liquidator for Recovery of Amount
GST DRC-25	Continuation of Recovery Proceedings

## DEMAND AND RECOVERY

The liability for payment of Goods and Services Tax (GST) rests on the taxpayer, as it is payable on self-assessment basis. Under self-assessment system of tax determination and payment of tax in the GST regime, there is every possibility of inadvertently short payment of tax and sometimes deliberately taxes are also not paid by the certain assesseees. GST provisions have embedded the elaborate provisions for the recovery of tax under various situations such as tax short paid or erroneously refunded or Input tax credit wrongly availed and non-payment of self-assessed tax or amount collected but not deposited to the Government. If such liability is assessed wrongly, it may be a result of taxes collected but not paid or short paid, input tax credit wrongly availed & utilized, erroneous refund claimed & subsequent to its identification, demand may be raised by GST officials. Sections 73 & 74 of the CGST Act, 2017 for the period upto Financial Year 2023-24 and under section 74A for the period Financial year 2024-25 onwards, states the circumstances under which a proper officer can serve a show cause notice for recovery of tax along with interest or penalty applicable.

Chapter XV and Section 73 to Section 84 of the CGST Act, 2017 contains the provisions of demand and recovery of tax under GST. The recovery process of tax start with communication of demand details, the issuance of show cause notice and end with Adjudication proceedings.



### Pre-Show Cause Notice Consultation

To avoid detailed litigation procedures, the Government has obligated the proper officer to communicate the details of tax, interest or penalty to the concerned assessee as ascertained by him enable the assessee to deposit the ascertained amount voluntarily or make submissions against the proposed liability. The relevant provisions have been inserted in the CGST Rules, 2017.

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

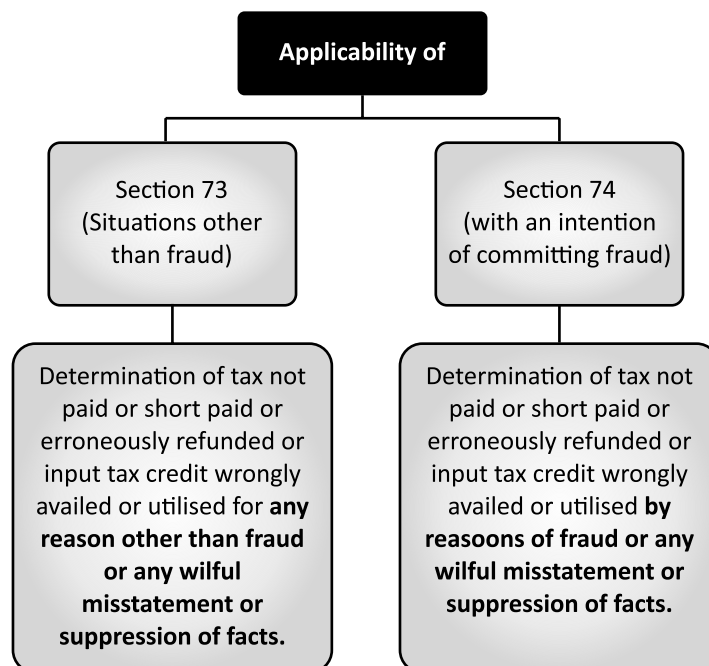
Rule 142(2A) Where the person referred to in sub-rule (1A) has made partial payment of the amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in Part B of **FORM GST DRC-01A**.

The aforesaid provisions provide for communication of the ascertained amount of tax, interest and penalty to the assessee in Part A of **DRC-01A**. The aforesaid provisions are intending to reduce litigation by affording the registered person an opportunity to pay the tax dues, wholly or partially. Where the registered person opts to pay the tax dues as demanded under Rule 142(1A), the proper office shall not proceed to issue Show Cause Notice to the extent the amount is paid.

As per the process, the proper officer shall communicate the ascertained amount of tax, interest and penalty to the assessee in Part A of **DRC-01A**. Upon receipt thereof, the assessee, if it feels that the proposed liability is payable at its end, may choose to deposit the same. In case, it has reasons for not payment of the proposed liability, it should submit its response in Part B of **FORM GST DRC-01A**.

### Initiation of Show Cause Notice

Further proceedings under Section 73 / Section 74 or section 74A of the CGST Act, 2017 , as applicable, shall be initiated only upon consideration of response, if any, received in Part B of FORM GST DRC-01A. A brief overview of the applicability of Section 73 / Section74 or section 74A of the CGST Act, 2017 as applicable, may be represented hereunder:



### Determination of Tax Not Paid

Section 73 of the CGST Act, 2017, Determination of tax pertaining to the period up to Financial Year 2023-24, not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful misstatement or suppression of facts.

- (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this act or the rules made thereunder.
- (2) The proper officer shall issue the notice under sub-section (1) at least three months prior to the time limit specified in sub-section (10) for issuance of order.
- (3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.
- (4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.
- (5) The person chargeable with tax may, before service of notice under sub-section (1) or, as the case may be, the statement under sub-section (3), pay the amount of tax along with interest payable thereon under section 50 on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.
- (6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1) or, as the case may be, the statement under sub-section (3), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.
- (7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.
- (8) Where any person chargeable with tax under sub-section (1) or sub-section (3) pays the said tax along with interest payable under section 50 **within thirty days of issue of show cause notice**, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.
- (9) The proper officer shall, after considering the representation, if any, made by person chargeable with tax, determine the amount of tax, interest and a penalty **equivalent to ten per cent of tax or ten thousand rupees**, whichever is higher, due from such person and issue an order.
- (10) The proper officer shall issue the order under sub-section (9) **within three years from the due date** for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within three years from the date of erroneous refund.
- (11) Notwithstanding anything contained in sub-section (6) or sub-section (8), penalty under sub-section (9)

shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid **within a period of thirty days from the due date of payment of such tax.**

- (12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.

### **Analysis of Section 73 of the CGST Act, 2017**

This section deals with determination of tax and its demand & subsequent recovery in situations resulting into:

- Taxes not paid;
- Taxes short paid;
- Tax erroneously refunded;
- Input tax credit wrongly availed or utilised;
- Recovery of interest payable which is not paid or partly paid or interest erroneously refunded.

but not involving any fraud, willful misstatement or suppression of facts.

The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24. For subsequent period, the newly inserted section 74A shall be applicable.

### **Procedure [Rule 142]**

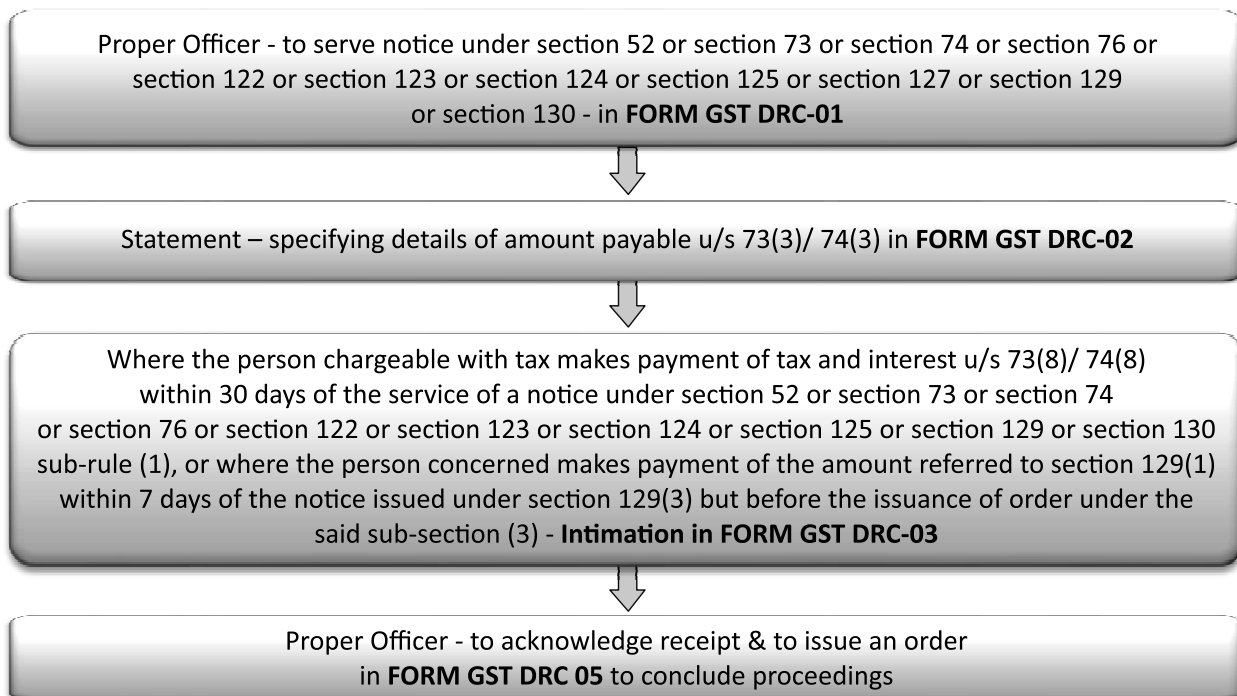
Notice and order for demand of amounts payable under the Act –

- (1) The proper officer shall serve, along with the-
- (a) notice issued under section 52 or section 73 or section 74 or section 74A or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130, a summary thereof electronically in **FORM GST DRC-01**.
  - (b) statement under sub-section (3) of section 73 or sub-section (3) of section 74 or sub-section (3) of section 74A , a summary thereof electronically in **FORM GST DRC-02**, specifying therein the details of the amount payable.
- (1A) The proper officer may, before service of notice to the person chargeable with tax, interest and penalty, under sub-section (1) of Section 73 or sub-section (1) of Section 74 or sub-section (1) of section 74A, as the case may be, communicate the details of any tax, interest and penalty as ascertained by the said officer, in **Part A of FORM GST DRC-01A**.
- (2) Where, before the service of notice or statement, the person chargeable with tax makes payment of the tax and interest in accordance with the provisions of sub-section (5) of section 73 or clause (i) of sub-section (8) of section 74A, as the case may be, or tax, interest and penalty in accordance with the provisions of subsection (5) of section 74 or clause (i) of sub-section (9) of section 74A , or where any person makes payment of tax, interest, penalty or any other amount due in accordance with the provisions of the Act, whether on his own ascertainment or, as communicated by the proper officer under sub-rule (1A),he shall inform the proper officer of such payment in FORM GST DRC-03 and an acknowledgement, in FORM GST DRC-04 shall be made available to the person through the common portal electronically.

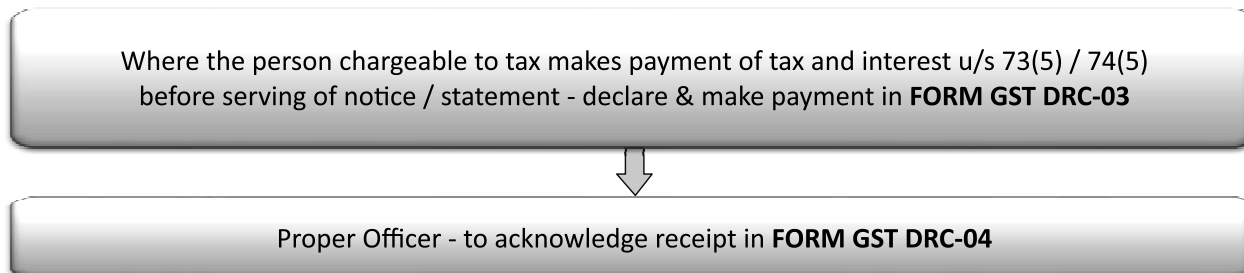
- (2A) Where the person referred to in sub-rule (1A) has made partial payment of the amount communicated to him or desires to file any submissions against the proposed liability, he may make such submission in **Part B of FORM GST DRC-01A and thereafter the proper officer may issue an intimation in Part-C of FORM GST DRC-01A, accepting the payment or the submissions or both, as the case may be, made by the said person.**
- (2B) Where an amount of tax, interest, penalty or any other amount payable by a person under section 52 or section 73 or section 74 or section 74A or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130, has been paid by the said person through an intimation in FORM GST DRC-03 under sub-rule (2), instead of crediting the said amount in the electronic liability register in FORM GST PMT –01 against the debit entry created for the said demand, the said person may file an application in FORM GST DRC-03A electronically on the common portal, and the amount so paid and intimated through FORM GST DRC-03 shall be credited in Electronic Liability Register in FORM GST PMT –01 against the debit entry created for the said demand, as if the said payment was made towards the said demand on the date of such intimation made through FORM GST DRC-03: Provided that where an order in FORM GST DRC-05 has been issued in terms of sub-rule (3) concluding the proceedings, in respect of the payment of an amount in FORM GST DRC-03, an application in FORM GST DRC-03A cannot be filed by the said person in respect of the said payment.
- (3) Where the person chargeable with tax makes payment of tax and interest under sub-section (8) of section 73 or under clause (ii) of sub-section (8) of section 74A, as the case may be, or tax, interest and penalty under sub-section (8) of section 74 or under clause (ii) of sub-section (9) of section 74A, as the case may be, within the period specified therein, or where the person concerned makes payment of the amount referred to in sub-section (1) of section 129 within seven days of the notice issued under sub-section (3) of that Section but before the issuance of order under the said sub-section (3), he shall intimate the proper officer of such payment in FORM GST DRC-03 and the proper officer shall issue an intimation in FORM GST DRC-05 concluding the proceedings in respect of the said notice.
- (4) The representation referred to in sub-section (9) of section 73 or sub-section (9) of section 74 or sub-section (6) of section 74A or sub-section (3) of section 76 or the reply to any notice issued under any section whose summary has been uploaded electronically in **FORM GST DRC-01** under sub-rule (1) shall be furnished in **FORM GST DRC-06**.
- (5) A summary of the order issued under section 52 or section 62 or section 63 or section 64 or section 73 or section 74 or section 74A, section 75 or section 76 or section 122 or section 123 or section 124 or section 125 or section 127 or section 129 or section 130 shall be uploaded electronically in **FORM GST DRC-07**, specifying therein the amount of [tax, interest and penalty, as the case may be, payable by the person concerned.
- (6) The order referred to in sub-rule (5) shall be treated as the notice for recovery.
- (7) Where a rectification of the order has been passed in accordance with the provisions of section 161 or where an order uploaded on the system has been withdrawn, a summary of the rectification order or of the withdrawal order shall be uploaded electronically by the proper officer in **FORM GST DRC-08**.

**Flow Diagram:**

**(i) Where notice is served**



**(ii) Where notice is not served but the taxpayer pays voluntarily**



<i>Payment of Penalty</i>	<i>Amount of Penalty</i>
Dues paid before issuance of show cause notice.	No penalty
Dues paid within 30 days of issuance of show cause notice.	No penalty
Dues paid after 30 days of issuance of Order.	10% of tax dues or INR 10,000 Whichever is higher.
Any other case	10% of tax dues or INR 10,000 Whichever is higher.

**Example:****Calculation of Time Limit for issuance of Notice under section 73**

<i>Financial Year</i>	<b>2021-22</b>
Due Date for filing of Annual Return	31.12.2022
<i>Add:</i> Time period under section 73(10) of 3 years from the due date of furnishing annual return	3 years
Time Period for issuance of order as per Section73(10)	31.12.2025
<i>Less:</i> Notice to be issued under section 73(2) at least 3 months prior to the due date as per Section73(10)	3 months
Time period within which notice under section 73(1) to be issued	30.09.2025

**Section 74: Determination of tax pertaining to the period up to Financial Year 2023-24,] not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any willful-misstatement or suppression of facts.**

- (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any willful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice.
- (2) The proper officer shall issue the notice under sub-section (1) **at least six months** prior to the time limit specified in sub-section (10) for issuance of order.
- (3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.
- (4) The service of statement under sub-section (3) shall be deemed to be service of notice under sub-section (1) of section 73, subject to the condition that the grounds relied upon in the said statement, except the ground of fraud, or any willful- misstatement or suppression of facts to evade tax, for periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.
- (5) The person chargeable with tax may, before service of notice under sub- section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.
- (6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.
- (7) Where the proper officer is of the opinion that the amount paid under sub- section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

- (8) Where any person chargeable with tax under sub-section (1) pays the said tax along with interest payable under section 50 and a penalty **equivalent to twenty-five per cent. of such tax within thirty days of issue of the notice**, all proceedings in respect of the said notice shall be deemed to be concluded.
- (9) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.
- (10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or **within five years from the date of erroneous refund**.
- (11) Where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty **equivalent to fifty per cent. of such tax within thirty days of communication of the order**, all proceedings in respect of the said notice shall be deemed to be concluded.
- (12) The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.

*Explanation.* – For the purposes of section 73 and this section,–

- (i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;
- (ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under sections 122, 125, 129 and 130 are deemed to be concluded.

#### **Analysis of Section 74 of the CGST Act, 2017**

This section deals with determination of tax and its demand & subsequent recovery in situations resulting **into by way of any fraud, wilful misstatement or suppression of facts:**

- Taxes not paid;
- Taxes short paid;
- Tax erroneously refunded;
- Input tax credit wrongly availed or utilised;
- Recovery of interest payable which is not paid or partly paid or interest erroneously refunded.

The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24. For subsequent period, the newly inserted section 74A shall be applicable.

#### **Statutory provisions of Rule 142 of the CGST Rules 2017**

Procedure contained in Rule 142 is equally applicable for the statutory provision in Section 74 and Section 74A. Thus, Students may refer the bare contents of Rule 142 in the forgoing paragraphs.

#### **Time Limit for Issue of Notice, Penalty and Adjudication under Section 74**

<i>Payment of Penalty</i>	<i>Amount of Penalty</i>
Dues paid before issuance of show cause notice.	15% of tax amount due

<b>Payment of Penalty</b>	<b>Amount of Penalty</b>
Dues paid within 30 days of issuance of show cause notice.	25% of tax amount due
Dues paid after 30 days of issuance of Order.	50% of tax amount due
Any other case.	100% of tax amount due

<b>Financial Year</b>	<b>2019-20</b>
Due Date for filing of Annual Return	31.12.2020
Add: Time period under section 74(10) of 5 years from the due date of furnishing annual return	5 years
Time Period for issuance of order as per Section 74(10)	31.12.2025
Less: Notice to be issued under section 74(2) at least 6 months prior to the due date as per Section 74(10)	6 months
Time period within which notice under section 74(1) to be issued	30.06.2025

#### Comparative Analysis of Section 73 & 74 of the CGST Act, 2017

<b>Basis of comparison</b>	<b>Section 73</b>	<b>Section 74</b>
<b>Applicability</b>	Non-payment or short payment of tax without fraud or wilful misstatement or suppression of facts	Non-payment or short payment of tax with fraud or wilful-misstatement or suppression of facts
<b>Time limit for proper officer to issue notice</b>	At least 3 months prior to issuance of order	At least 6 months prior to issuance of order
<b>Time limit for proper officer to issue order</b>	Within 3 years from the due date for furnishing of annual return	Within 5 years from the due date for furnishing of annual return
<b>Penalty – before issuance of show cause notice</b>	No penalty	15% of the tax amount
<b>Penalty – within 30 days after the issuance of show cause notice</b>	No penalty	25% of the tax amount
<b>Penalty – after 30 days of issuance of show cause notice or after the issuance of order</b>	10% of tax or Rs. 10,000, whichever is higher	50% of the tax amount
<b>In any other case</b>	10% of tax or Rs. 10,000, whichever is higher	100% of the tax amount (equivalent to tax)

**Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to Financial Year 2024-25 onward.[Section 74A]**

- (1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:

Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.

- (2) The proper officer shall issue the notice under sub-section (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.
- (3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.
- (4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.
- (5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—
  - (i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;
  - (ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax shall be equivalent to the tax due from such person.
- (6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.
- (7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.
- (8) Where any person chargeable with tax under sub-section (1) pays the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within thirty days of issue of the notice, all proceedings in respect of the said notice shall be deemed to be concluded.
- (9) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.
- (10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due

date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous refund.

- (11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of sub-section (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax within thirty days of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded.
- (12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.

*Explanation 1.*— For the purposes of this section,—

- (i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;
- (ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.

*Explanation 2.*— 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.

#### **Analysis of section 74A**

1. Section 74A has been inserted to unify the provisions of section 73 and section 74 for the period financial year 2024-25 onwards.
2. It provides a common limitation period of 42 months for issuance of show cause notice from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.
3. Further, it provides a period of 12 months from the date of show cause notice for the proper officer to issue an order.

#### **Section 75: General Provisions relating to determination of tax**

- (1) Where the service of notice or issuance of order is stayed by an order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74 or sub-sections (2) and (7) of section 74A, as the case may be.
- (2) Where any Appellate Authority or Appellate Tribunal or court concludes that the notice issued under sub-section (1) of section 74 is not sustainable for the reason that the charges of fraud or any wilful-misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the proper officer shall determine the tax payable by such person, deeming as if the notice were issued under sub-section (1) of section 73.
- (2A) Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty under clause

(ii) of sub-section (5) of section 74A is not sustainable for the reason that the charges of fraud or any wilful misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of section 74A

(3) Where any order is required to be issued in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court, such order shall be issued within two years from the date of communication of the said direction.

(4) An opportunity of hearing shall be granted where a request is received in writing from the person chargeable with tax or penalty, or where any adverse decision is contemplated against such person.

(5) The proper officer shall, if sufficient cause is shown by the person chargeable with tax, grant time to the said person and adjourn the hearing for reasons to be recorded in writing:

Provided that no such adjournment shall be granted for more than three times to a person during the proceedings.

(6) The proper officer, in his order, shall set out the relevant facts and the basis of his decision.

(7) The amount of tax, interest and penalty demanded in the order shall not be in excess of the amount specified in the notice and no demand shall be confirmed on the grounds other than the grounds specified in the notice.

(8) Where the Appellate Authority or Appellate Tribunal or Court modifies the amount of tax determined by the proper officer, the amount of interest and penalty shall stand modified accordingly, taking into account the amount of tax so modified.

(9) The interest on the tax short paid or not paid shall be payable whether or not specified in the order determining the tax liability.

(10) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of section 73 or in sub-section (10) of section 74 or in sub-section (7) of section 74A.

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

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

*Explanation.*- "self-assessed tax" shall include the tax payable in respect of details of outward supplies furnished under section 37, but not included in the return furnished under section 39.

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

**Analysis of Section 75 of the CGST Act, 2017**

Section 75 of the CGST Act, 2017 deals with the general provisions relating to determination of tax and demand under GST. The following are some of the important provisions under Section 75 of GST Act.

- **Stay of Notice**

If the service of notice or issuance of order is stayed by an order of Court or Appellate Tribunal, the period of stay will be excluded in computing the period 3 years or 5 years – the time limit for issue of notice or adjudication.

- **No Fraud or Wilful Misrepresentation**

If any Appellate Authority or Appellate Tribunal or Court concludes that the notice issued under Section 74 is not sustainable for the reason that the charges of fraud or wilful misstatement or suppression of facts to evade tax has not been established, the officer shall determine the tax payable deeming as if the notice were issued under Section 73.

- **Time Limit for Passing Order**

Where any order is required to be issued in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court, such order should be issued **within 2 years** from the date of communication of the said direction.

- **Opportunity for Being Heard**

An opportunity of hearing should be granted where a request is received in writing from the person chargeable with tax or penalty, or where any adverse decision is proposed against such person.

- **Maximum Adjournments Allowed**

The officer can, if sufficient cause is shown by the person chargeable with tax, adjourn the hearing for reasons to be recorded in writing. Adjournment will be allowed for maximum of 3 times.

- **Passing Order**

The officer, in his order, should set out the relevant facts and the basis of his decision.

- **Limitations**

The amount of tax, interest and penalty demanded in the order should not be in excess of the amount specified in the notice and no demand can be confirmed on the grounds other than the grounds specified in the notice.

Further, where any penalty is imposed under section 73 or section 74, no penalty for the same act or omission can be imposed on the same person under any other provision of this Act.

Finally, if the order is not issued within 3 years or 5 years as provided under section 73 and 74, respectively, then it shall be deemed that the adjudication proceedings are completed and no order can be issued afterwards.

- **Applicability of Interest**

The interest on the tax short paid or not paid should be payable whether or not specified in the order determining the tax liability.

**Monetary Limits fixed by the Board for issuance of show cause notices and orders under Section 73 and 74 of the Act**

<b>Sl. No.</b>	<b>Officer of Central tax</b>	<b>Monetary limit of the amount of Central tax (including cess) not paid or short paid or erroneously refunded or input tax credit of Central tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act, 2017</b>	<b>Monetary limit of the amount of integrated tax (including cess) not paid or short paid or erroneously re- funded or input tax credit of integrated tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act, 2017 made applicable to matters in relation to integrated tax vide Section 20 of the IGST Act</b>	<b>Monetary limit of the amount of Central tax and integrated tax (including cess) not paid or short paid or erroneously re- funded or input tax credit of Central tax and integrated tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73 and 74 of CGST Act, 2017 made applicable to integrated tax vide Section 20 of the IGST Act</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1.	Superintendent of Central tax	Not exceeding Rupees 10 lacs	Not exceeding Rupees 20 lacs	Not exceeding Rupees 20 lacs
2.	Deputy or Assistant Commissioner of Central tax	Above Rupees 10 lacs and not exceeding Rupees 1 crore	Above Rupees 20 lacs and not exceeding Rupees 2 crores	Above Rupees 20 lacs and not exceeding Rupees 2 crores
3.	Additional or Joint Commissioner of Central tax	Above Rupees 1 crore without any limit	Above Rupees 2 crores without any limit	Above Rupees 2 crores without any limit

**Illustration:**

Notice issued by the proper officer demanding suppression of turnover INR 35,00,000, GST @5% thereon. Assuming the amount was challenged by the respondent taxpayer before the Appellate Tribunal. The Tribunal awarded the judgement of addition to the tune of INR 12,50,000, GST @5%.

The liability for payment of GST shall be as follows:

GST liability 5% of INR 12,50,000	INR 62,500
Add: Interest @ 24% p.a. on INR 62,500 from the date of liability till the date of actual payment	
Add: Penalty (depending upon the date of issuance of notice)	

### Procedure for Recovery of Dues under existing Laws [Rule 142A]

- (1) A summary of order issued under any of the existing laws creating demand of tax, interest, penalty, fee or any other dues which becomes recoverable consequent to proceedings launched under the existing law before, on or after the appointed day shall, unless recovered under that law, be recovered under the Act and may be uploaded in **FORM GST DRC-07A** electronically on the common portal for recovery under the Act and the demand of the order shall be posted in Part II of Electronic Liability Register in **FORM GST PMT-01**.
- (2) Where the demand of an order uploaded under sub-rule (1) is rectified or modified or quashed in any proceedings, including in appeal, review or revision, or the recovery is made under the existing laws, a summary thereof shall be uploaded on the common portal in **FORM GST DRC-08A** and Part II of Electronic Liability Register in **FORM GST PMT-01** shall be updated accordingly.]

### Analysis

Vide Notification No. 60/2018-C.T., dated 30-10-2018, the Government has inserted Rule 142A to provide that the dues arisen under pre-GST laws, unless recovered under the said laws, be recovered under the CGST Act, 2017.

Where a Penalty is imposed u/s 73 or 74, no penalty for the same act or omission shall be imposed on the same person under any other provision of this Act.

### Intimation of certain amounts liable to be recovered under section 79 of the Act [Rule 142B]

- (1) Where, in accordance with section 75 read with rule 88C, or otherwise, any amount of tax or interest has become recoverable under section 79 and the same has remained unpaid, the proper officer shall intimate, electronically on the common portal, the details of the said amount in FORM GST DRC-01D, directing the person in default to pay the said amount, along with applicable interest, or, as the case may be the amount of interest, within seven days of the date of the said intimation and the said amount shall be posted in Part-II of Electronic Liability Register in FORM GST PMT-01.
- (2) The intimation referred to in sub-rule (1) shall be treated as the notice for recovery.
- (3) Where any amount of tax or interest specified in the intimation referred to in sub rule (1) remains unpaid on the expiry of the period specified in the said intimation, the proper officer shall proceed to recover the amount that remains unpaid in accordance with the provisions of rule 143 or rule 144 or rule 145 or rule 146 or rule 147 or rule 155 or rule 156 or rule 157 or rule 160.”.

### Section 76: Tax Collected but not Paid to Government

- (1) Notwithstanding anything to the contrary contained in any order or direction of any Appellate Authority or Appellate Tribunal or court or in any other provisions of this Act or the rules made there under or

any other law for the time being in force, every person who has collected from any other person any amount as representing the tax under this Act, and has not paid the said amount to the Government, shall forthwith pay the said amount to the Government, irrespective of whether the supplies in respect of which such amount was collected are taxable or not.

- (2) Where any amount is required to be paid to the Government under sub-section (1), and which has not been so paid, the proper officer may serve on the person liable to pay such amount a notice requiring him to show cause as to why the said amount as specified in the notice, should not be paid by him to the Government and why a penalty equivalent to the amount specified in the notice should not be imposed on him under the provisions of this Act.
- (3) The proper officer shall, after considering the representation, if any, made by the person on whom the notice is served under sub-section (2), determine the amount due from such person and thereupon such person shall pay the amount so determined.
- (4) The person referred to in sub-section (1) shall in addition to paying the amount referred to in sub-section (1) or sub-section (3) also be liable to pay interest thereon at the rate specified under section 50 from the date such amount was collected by him to the date such amount is paid by him to the Government.
- (5) An opportunity of hearing shall be granted where a request is received in writing from the person to whom the notice was issued to show cause.
- (6) The proper officer shall issue an order within one year from the date of issue of the notice.
- (7) Where the issuance of order is stayed by an order of the court or Appellate Tribunal, the period of such stay shall be excluded in computing the period of one year.
- (8) The proper officer, in his order, shall set out the relevant facts and the basis of his decision.
- (9) The amount paid to the Government under sub-section (1) or sub-section (3) shall be adjusted against the tax payable, if any, by the person in relation to the supplies referred to in sub-section (1).
- (10) Where any surplus is left after the adjustment under sub-section (9), the amount of such surplus shall either be credited to the Fund or refunded to the person who has borne the incidence of such amount.
- (11) The person who has borne the incidence of the amount, may apply for the refund of the same in accordance with the provisions of section 54.

### **Section 77: Tax wrongfully Collected and Paid to Central Government or State Government**

- (1) A registered person who has paid the Central tax and State tax or, as the case may be, the Central tax and the Union territory tax on a transaction considered by him to be an intra-State supply, but which is subsequently held to be an inter-State supply, shall be refunded the amount of taxes so paid in such manner and subject to such conditions as may be prescribed.
- (2) A registered person who has paid integrated tax on a transaction considered by him to be an inter-State supply, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of Central tax and State tax or, as the case may be, the Central tax and the Union territory tax payable.

**Illustrations:**

<b>Situation</b>	<b>Suggested procedure</b>
A Registered person has wrongly paid Central tax and State Tax / Union Tax on a transaction, which is considered to be intra-State, subsequently held to be inter-State, shall be refunded the amount of taxes so paid	There is no actual refund back of the tax paid. Rather, there shall have to be an amendment of invoice/invoices to be made while filing return of any subsequent tax period.
A registered person who has paid integrated tax on a transaction considered to be an inter-State supply, shall not be required to pay any interest on the amount of Central tax and State tax/Union territory tax.	Similar procedure as above & no interest is payable.

**Section 78: Initiation of Recovery Proceedings**

Any amount payable by a taxable person in pursuance of an order passed under this Act shall be paid by such person within a period of three months from the date of service of such order failing which recovery proceedings shall be initiated:

Provided that where the proper officer considers it expedient in the interest of revenue, he may, for reasons to be recorded in writing, require the said taxable person to make such payment within such period less than a period of three months as may be specified by him.

**Section 79: Recovery of Tax**

- (1) Where any amount payable by a person to the Government under any of the provisions of this Act or the rules made thereunder is not paid, the proper officer shall proceed to recover the amount by one or more of the following modes, namely:—
  - (a) The proper officer may deduct or may require any other specified officer to deduct the amount so payable from any money owing to such person which may be under the control of the proper officer or such other specified officer;
  - (b) The proper officer may recover or may require any other specified officer to recover the amount so payable by detaining and selling any goods belonging to such person which are under the control of the proper officer or such other specified officer;
  - (c)
    - (i) the proper officer may, by a notice in writing, require any other person from whom money is due or may become due to such person or who holds or may subsequently hold money for or on account of such person, to pay to the Government either forthwith upon the money becoming due or being held, or within the time specified in the notice not being before the money becomes due or is held, so much of the money as is sufficient to pay the amount due from such person or the whole of the money when it is equal to or less than that amount;
    - (ii) every person to whom the notice is issued under sub-clause (i) shall be bound to comply with such notice, and in particular, where any such notice is issued to a post office, banking company or an insurer, it shall not be necessary to produce any pass book, deposit receipt, policy or any other document for the purpose of any entry, endorsement or the like being made before payment is made, notwithstanding any rule, practice or requirement to the contrary;

- (iii) in case the person to whom a notice under sub-clause (i) has been issued, fails to make the payment in pursuance thereof to the Government, he shall be deemed to be a defaulter in respect of the amount specified in the notice and all the consequences of this Act or the rules made thereunder shall follow;
  - (iv) the officer issuing a notice under sub-clause (i) may, at any time, amend or revoke such notice or extend the time for making any payment in pursuance of the notice;
  - (v) any person making any payment in compliance with a notice issued under sub-clause (i) shall be deemed to have made the payment under the authority of the person in default and such payment being credited to the Government shall be deemed to constitute a good and sufficient discharge of the liability of such person to the person in default to the extent of the amount specified in the receipt;
  - (vi) any person discharging any liability to the person in default after service on him of the notice issued under sub-clause (i) shall be personally liable to the Government to the extent of the liability discharged or to the extent of the liability of the person in default for tax, interest and penalty, whichever is less;
  - (vii) where a person on whom a notice is served under sub-clause (i) proves to the satisfaction of the officer issuing the notice that the money demanded or any part thereof was not due to the person in default or that he did not hold any money for or on account of the person in default, at the time the notice was served on him, nor is the money demanded or any part thereof, likely to become due to the said person or be held for or on account of such person, nothing contained in this section shall be deemed to require the person on whom the notice has been served to pay to the Government any such money or part thereof;
- (d) the proper officer may, in accordance with the rules to be made in this behalf, distrain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid; and in case, any part of the said amount payable or of the cost of the distress or keeping of the property, remains unpaid for a period of thirty days next after any such distress, may cause the said property to be sold and with the proceeds of such sale, may satisfy the amount payable and the costs including cost of sale remaining unpaid and shall render the surplus amount, if any, to such person;
  - (e) the proper officer may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the district in which such person owns any property or resides or carries on his business or to any officer authorised by the Government and the said Collector or the said officer, on receipt of such certificate, shall proceed to recover from such person the amount specified thereunder as if it were an arrear of land revenue;
  - (f) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, the proper officer may file an application to the appropriate Magistrate and such Magistrate shall proceed to recover from such person the amount specified thereunder as if it were a fine imposed by him.
- (2) Where the terms of any bond or other instrument executed under this Act or any rules or regulations made thereunder provide that any amount due under such instrument may be recovered in the manner laid down in sub-section (1), the amount may, without prejudice to any other mode of recovery, be recovered in accordance with the provisions of that sub-section.
  - (3) Where any amount of tax, interest or penalty is payable by a person to the Government under any of the provisions of this Act or the rules made thereunder and which remains unpaid, the proper officer of State tax or Union territory tax, during the course of recovery of said tax arrears, may recover the amount from the said person as if it were an arrear of State tax or Union territory tax and credit the amount so recovered to the account of the Government.

- (4) Where the amount recovered under sub-section (3) is less than the amount due to the Central Government and State Government, the amount to be credited to the account of the respective Governments shall be in proportion to the amount due to each such Government.

*Explanation.* – For the purposes of this section, the word person shall include “distinct persons” as referred to in sub-section (4) or, as the case may be, sub-section (5) of section 25.

#### Analysis of Section 79:

Proper officer can adopt one or more of the methods for recovery of the amounts payable	<ul style="list-style-type: none"> <li>➤ Deduction out of any money owing to defaulter.</li> <li>➤ By detaining and selling the goods belonging to the defaulter.</li> <li>➤ Recovery from any other person who owes money to defaulter.</li> <li>➤ Collection by detention of any moveable or immoveable property.</li> <li>➤ Recovery through District Collector.</li> <li>➤ Recovery through Magistrate.</li> </ul>
Bonds or any other instruments may be executed towards amount due	Bonds or any other similar instruments may be executed towards the amount due.
<p>By way of an explanation, the scope of Section 79 has been expanded to include distinct person, which means that recovery proceedings can be initiated against any of the persons falling under the same PAN.</p> <p><i>For example</i> – LLT Limited has business places in all 29 states of India and accordingly registered with the GST authorities in each state. One of its branch located in Gujarat defaulted for payment of tax for the month of April 2019. Upon conclusion of adjudication proceedings, the authorities can proceed against any of the registration of LLT Limited located in 29 states [although the default is made by of its branch located in Gujarat].</p>	

#### Rules pertaining to recovery of tax

Rule	Provision	Forms
143	Recovery by deduction from any money owed	GST DRC-09
144	Recovery by sale of goods under the control of proper officer	GST DRC-10
		GST DRC-11
		GST DRC-12
145	Recovery from a third person	GST DRC-13
		GST DRC-14
146	Recovery through execution of a decree, etc.	GST DRC-15

#### Section 80: Payment of Tax and Other Amount in instalments

On an application filed by a taxable person, the Commissioner may, for reasons to be recorded in writing, extend the time for payment or allow payment of any amount due under this Act, other than the amount due as per the liability self- assessed in any return, by such person in monthly instalments not exceeding twenty

four, subject to payment of interest under section 50 and subject to such conditions and limitations as may be prescribed:

Provided that where there is default in payment of any one instalment on its due date, the whole outstanding balance payable on such date shall become due and payable forthwith and shall, without any further notice being served on the person, be liable for recovery.

<i>Rule</i>	<i>Provision</i>	<i>Forms</i>	<i>Relates to</i>
158	Payment of tax and other amounts in instalments <sup>1</sup>	GST DRC-20	Application to be filed electronically by the taxable person
		GST DRC-21	Grant of permission & issue of order

### Section 81: Cases where the Transfer of Property is Void

Where a person, after any amount has become due from him, creates a charge on or parts with the property belonging to him or in his possession by way of sale, mortgage, exchange, or any other mode of transfer whatsoever of any of his properties in favour of any other person with the intention of defrauding the Government revenue, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the said person:

Provided that, such charge or transfer shall not be void if it is made for adequate consideration, in good faith and without notice of the pendency of such proceedings under this Act or without notice of such tax or other sum payable by the said person, or with the previous permission of the proper officer.

#### Analysis of Section 81:

<i>Situations / cases – Valid</i>	<i>Situations / Cases – Void</i>
Made for adequate consideration	Creates a charge on ; or
Without notice of the pendency of proceeding	Parts with the property; or
Without notice of such tax or other sum payable by the said person	Belonging to the tax payer; or
With previous permission of the proper officer	In the possession of the tax payer, by way of sale, mortgage, exchange or any other mode of transfer whatsoever of any of his properties.

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

Notwithstanding anything to the contrary contained in any law for the time being in force, save as otherwise provided in the Insolvency and Bankruptcy Code, 2016, any amount payable by a taxable person or any other person on account of tax, interest or penalty which he is liable to pay to the Government shall be a first charge on the property of such taxable person or such person.

#### Analysis of Section 82:

- The provisions would apply to a taxable person or any other person who is liable to pay tax, interest or penalty to Central or State Government;

- Any liability payable to the Central or State Government would be given priority in the matter of effecting recovery by placing a first charge on the property of the taxable person or any other person;
- This provision also covers recovery from any person, other than the taxable person like a legal representative, member of partitioned HUF, etc.

<b>Rule</b>	<b>Provision</b>	<b>Forms</b>	<b>Deals with</b>
147	Recovery by sale of moveable or immoveable property	GST DRC-16	Proper officer shall prepare a list of moveable and immoveable property, issue an order of attachment and a notice for sale prohibiting any transaction in relation thereto
		GST DRC-17	Notice for auction including e- auction indicating the property to be sold and the purpose of sale
		GST DRC- 11	Proper officer to inform successful bidder requesting him to pay the amount within 15 days
		GST DRC -12	Issue a Certificate after payment indicating date of transfer, details of property, details of bidder, amount paid, rights, title, interest on the property
151	Attachment of Debts and Shares, etc.	GST DRC -16	Proper officer to issue written order
152	Attachment of property in custody of courts or Public officer	–	Copy of attachment to be sent to courts or public officer requesting property, interest receivable or any other income be held
153	Attachment of interest in Partnership	–	Charge may be created by the Proper Officer to recover dues by issuing attachment order of interest in partnership property and profits
154	Disposal of proceeds of sale of goods and moveable or immoveable property	–	Amount recovered be appropriated towards recovery expenses and then towards principal recovery amount
155	Recovery through land revenue authority	GST DRC-18	The proper officer shall send a certificate to the Collector or Deputy Commissioner of the district or any other officer authorised in this behalf in FORM GST DRC-18 to recover from the person concerned, the amount specified in the certificate as if it were an arrear of land revenue.

<i>Rule</i>	<i>Provision</i>	<i>Forms</i>	<i>Deals with</i>
156	Recovery through Court	GST DRC-19	Where an amount is to be recovered as if it were a fine imposed under the Code of Criminal Procedure, 1973, the proper officer shall make an application before the appropriate Magistrate in accordance with the provisions of clause (f) of sub-section (1) of section 79 in FORM GST DRC- 19 to recover from the person concerned, the amount specified thereunder as if it were a fine imposed by him.
157	Recovery from surety	–	Where any person has become surety for the amount due by the defaulter, he may be proceeded against under this Chapter as if he were the defaulter
160	Recovery from company in liquidation	GST DRC-24	Where the company is under liquidation as specified in section 88, the Commissioner shall notify the liquidator for the recovery of any amount representing tax, interest, penalty or any other amount due under the Act in FORM GST DRC -24.

#### **Rule 147: Recovery by Sale of Moveable or Immoveable Property**

- List of properties to be seized is to be prepared by the proper officer
- Property shall be seized by the proper officer
- Notice for sale in **FORM GST DRC-16**
- All such properties shall remain affixed till the confirmation of sale
- Notice for auction / e-auction in **FORM GST DRC-17**
- Proper officer may mention the pre-bid deposit amount
- The last day for the submission of the bid or the date of the auction shall not be **earlier than fifteen days** from the date of issue of the **GST DRC-17**, subject to deviation in number of days in cases of perishable/ hazardous goods or where the proper officer finds the cost of holding is more than the expected realisable value
- Any amount relating to stamp duty, etc. for transfer of property to the bidder would be borne by the Government
- If the defaulter pays the amount due under recovery including recovery expenses before the issuance of GST DRC 17, then the proper officer shall cancel the process of auction
- If there is no bidder found then re-auction can also be initiated by the proper officer.

**Section 83: Provisional Attachment to Protect Revenue in Certain Cases**

- (1) Where, after the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue it is necessary so to do, he may, by order in writing, attach provisionally, any property, including bank account, belonging to the taxable person or any person specified in sub-section (1A) of section 122, in such manner as may be prescribed.
- (2) Every such provisional attachment shall cease to have effect after the **expiry of a period of one year** from the date of the order made under sub-section (1).

**Analysis of Section 83:**

- This section applies only during the pendency of any proceedings under
- Provisional attachment of the property of taxable person can be initiated by the Commissioner
- Such provisional attachment would be valid for one year from the date of the order made by the Commissioner

<i>Rule</i>	<i>Provision</i>	<i>Forms</i>	<i>Relates to</i>
159	Provisional attachment of property	GST DRC-22	Commissioner to pass an order detailing property including bank account to be attached
		GST DRC-23	Release of property to the taxable person if he pays the lower of amount due or equal to the market value of the property

**Section 84: Continuation and Validation of Certain Recovery Proceedings**

Where any notice of demand in respect of any tax, penalty, interest or any other amount payable under this Act, (hereafter in this section referred to as “Government dues”), is served upon any taxable person or any other person and any appeal or revision application is filed or any other proceedings is initiated in respect of such Government dues, then –

- (a) where such Government dues are enhanced in such appeal, revision or other proceedings, the Commissioner shall serve upon the taxable person or any other person another notice of demand in respect of the amount by which such Government dues are enhanced and any recovery proceedings in relation to such Government dues as are covered by the notice of demand served upon him before the disposal of such appeal, revision or other proceedings may, without the service of any fresh notice of demand, be continued from the stage at which such proceedings stood immediately before such disposal;
- (b) Where such Government dues are reduced in such appeal, revision or in other proceedings –
  - (i) It shall not be necessary for the Commissioner to serve upon the taxable person a fresh notice of demand;
  - (ii) The Commissioner shall give intimation of such reduction to him and to the appropriate authority with whom recovery proceedings is pending;

- (iii) Any recovery proceedings initiated on the basis of the demand served upon him prior to the disposal of such appeal, revision or other proceedings may be continued in relation to the amount so reduced from the stage at which such proceedings stood immediately before such disposal.

#### Analysis of Section 84:

- Deals with continuation of proceedings, where a notice is already served;
- Refers to any notice of demand in respect of Government dues (tax, interest and penalty) served on taxable person;
- Any appeal, revision application is filed or other proceedings are initiated with reference to recovery of such Government dues;
- Continue recovery proceedings for the reduction or enhancement of any demand in **FORM GST DRC-25** Other rules in support of the Demand and Recovery proceedings.

#### Rule 148: Prohibition against bidding or purchase by officer

Prohibition against bidding or purchase by officer – No officer or other person having any duty to perform in connection with any sale under the provisions of this Chapter shall, either directly or indirectly, bid for, acquire or attempt to acquire any interest in the property sold.

#### Rule 149: Prohibition against sale on holidays

Prohibition against sale on holidays – No sale under the rules under the provision of this chapter shall take place on a Sunday or other general holidays recognized by the Government or on any day which has been notified by the Government to be a holiday for the area in which the sale is to take place.

#### Rule 150: Assistance by police

Assistance by police – The proper officer may seek such assistance from the officer-in-charge of the jurisdictional police station as may be necessary in the discharge of his duties and the said officer-in-charge shall depute sufficient number of police officers for providing such assistance.

#### LESSON ROUND-UP

- Registration: In terms of Section 22 of the CGST/SGST Act 2017, every supplier (including his agent) who makes a taxable supply of goods and / or services which are leviable to tax under GST law, and his aggregate turn over in a financial year exceeds the threshold limit of twenty lacs rupees shall be liable to register himself in the State or the Union territory, as the case may be, from where he makes the taxable supply.
- E-Way Bill system has been introduced under GST.
- Requirements and exemptions from Registration under GST have been provided in the law A registered person is required to maintain prescribed Books of Accounts.
- Any transaction under GST is vouched by various kinds of documents including Debit / Credit Notes, Tax Invoice, Bill of supply and Delivery Challans.
- Various monthly, quarterly and annual returns are filed under GST.
- Payment options available under GST include NEFT, RTGs, net banking, debit/credit card.

**TEST YOURSELF**

*(These are meant for re-capitulation only. Answers to these questions are not to be submitted for evaluation.)*

**Multiple Choice Questions (MCQs)**

1. Which section of CGST Act 2017 deals with Persons liable for registration?
  - a) section 29
  - b) section 22
  - c) section 44
  - d) section 54
2. GSTIN is a digit number
  - a) 10
  - b) 12
  - c) 15
  - d) None of the above
3. Aggregate Turnover under CGST Act includes
  - a) All taxable supplies
  - b) Exempt supplies
  - c) Zero-rated supplies
  - d) All of the above
4. When an e-way bill is not required to be generated?
  - a) where the goods are being transported by a non-motorised conveyance
  - b) where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs
  - c) Where the goods being transported are specified in Annexure to Rule 138 of the CGST Rules
  - d) All of the above cases
5. Every registered person required to keep and maintain books of account or other records in accordance with section 35(1) of CGST Act 2017, shall retain them until the expiry of \_\_\_\_\_ from the due date of furnishing of annual return for the year pertaining to such accounts and records.
  - a) 60 months
  - b) 72 months
  - c) 36 months
  - d) 24 months

**Answers:** 1 (b), 2 (c), 3 (d), 4 (d), 5 (b)

**Descriptive Questions**

1. Mr. Mohan is located in Sikkim. He provides the following informations:

<i>Particulars</i>	<i>Amount (Rs.)</i>
Value of taxable supply in Uttar Pradesh	12 Lacs
Value of exempt supply	6 Lacs

Does Mohan require any registration? What if he located in Uttar Pradesh?

2. What do you understand by Suo Moto & Deemed Registration under GST Laws?
3. Explain the Content of Tax Invoice as per applicable provisions of GST Act and GST Rule 2017.
4. What is the e-way bill? Explain the validity period for e-way in the context of distance.
5. What is the QRMP?
6. Who are GST practitioners? What is the eligibility criteria for becoming GST Practitioner?

**LIST OF FURTHER READINGS**

- Goods & Services Tax, Laws, Concepts and Impact Analysis-Bloomsbury – Dr. Sanjiv Agarwal & Sanjeev Malhotra
- GST Ready Reckoner- Taxmann – V.S. Datey
- A complete guide to Goods & services Tax Ready Reckoner in Q & A FORM at- Bloomsbury – Dr. Sanjiv Agarwal & Sanjeev Malhotra.
- Students may also visit [HTTP://cbic.gov.in/](http://cbic.gov.in/) for regular updates on GST and other Indirect tax laws.

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