

OFFENCES AND PENALTIES

MULTIPLE CHOICE QUESTIONS

- U/s 132 of the CGST Act, 2017, punishment of 3 years and with fine is applicable where the amount of tax evaded or input tax credit wrongly availed or utilised or refund wrongly taken_____
 - Exceeds ₹ 100 lakhs but not exceeding ₹ 200 lakh
 - Exceeds ₹ 200 lakh but not exceeding ₹ 500 lakh
 - Exceeding ₹ 500 lakh
 - Exceeding ₹ 100 lakh
- U/s 132 of the CGST Act, 2017, punishment of 5 years and with fine is applicable where the amount of tax evaded or input tax credit wrongly availed or utilised or refund wrongly taken_____
 - Exceeds ₹ 100 lakhs but not exceeding ₹ 200 lakh
 - Exceeds ₹ 200 lakh but not exceeding ₹ 500 lakh
 - Exceeding ₹ 500 lakh
 - Exceeding ₹ 100 lakh
- U/s 132 of the CGST Act, 2017, if offence involves issuance of invoice without supply in violation of GST law leading to wrongful availment/ utilisation of ITC/ refund of tax exceeding ₹ 100 lakhs but does not exceed ₹ 200 lakhs, the punishment is
 - 5 years and with fine
 - 3 years and with fine
 - 2 years and with fine
 - 1 year and with fine
- U/s 132 of the CGST Act, 2017, all offences where the evasion of tax do not exceed _____ are non-cognizable and bailable offence.
 - ₹ 1 crore
 - ₹ 2 crore
 - ₹ 3 crore
 - ₹ 5 crore
- What punishment is prescribed for second and every subsequent offence u/s 132?
 - 3 year imprisonment with fine
 - 2 years imprisonment with fine
 - 5 years imprisonment with fine
 - 6 months imprisonment or with fine or both
- If a person commits or abets in falsification or substitution of financial records or producing fake accounts, documents or furnishes any false information with an intention to evade payment of GST, he shall be punishable with _____.

- (a) 3 year imprisonment with fine
- (b) 6 months imprisonment or with fine or both
- (c) 5 years imprisonment with fine
- (d) 2 years imprisonment with fine

7. What is the liability of officers and certain other persons, if they willfully disclose any information or the contents of any return furnished under CGST Act or rules made there-under otherwise than in execution of his duties under the said sections?

- (a) Imprisonment for a term which may extend to 6 months with fine which may extend to ₹ 25,000, or with both.
- (b) Imprisonment for a term which may extend to 1 year with fine which may extend to ₹ 25,000, or with both.
- (c) 5 years imprisonment with fine.
- (d) 2 years imprisonment with fine.

8. No court shall take cognizance of any offence punishable under CGST Act or the rules made thereunder except with the previous sanction of the _____.

- (a) Commissioner
- (b) Central Government
- (c) CBIC
- (d) CESTAT

9. Who shall be deemed to be guilty, where an offence under CGST Act, 2017 is committed by a company?

- (a) Every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company.
- (b) Company
- (c) Both (a) and (b)

- (d) Either (a) or (b)

10. As per Section 138(1), any offence under this Act may, either before or after the institution of prosecution, be compounded by the—

- (a) High court
- (b) Magistrate of the first class
- (c) Supreme court
- (d) Commissioner

11. What is the prescribed time limit for allowing and rejecting of compounding application made under CGST Act, 2017?

- (a) 30 days
- (b) 60 days
- (c) 90 days
- (d) 120 days

12. What is the prescribed time limit for payment of compounding amount from the date of compounding order?

- (a) 30 days
- (b) 60 days
- (c) 90 days
- (d) 120 days

13. If any person supplies any goods or services or both without issue of any invoice, in violation of the provisions of the Act and the amount of tax evaded exceeds ₹ 500 lakhs, he shall be punishable with imprisonment for a term which may extend to _____.

- (a) 5 years and with fine
- (b) 3 years and with fine
- (c) 1 year and with fine
- (d) 7 years and with fine



14. If any person collects any amount as tax amounting ₹ 250 lakhs but fails to pay the same to the Government beyond a period of 3 months from the date on which such payment becomes due, he shall be punishable with imprisonment for a term which may extend to ____.
- (a) 5 years and with fine.
 - (b) 3 years and with fine.
 - (c) 1 year and with fine.
 - (d) 7 years and with fine.
15. If any person avails input tax credit of an amount of ₹ 150 lakhs without possession of tax invoice, he shall be punishable for a term which may extend to ____.
- (a) 5 years and with fine.
 - (b) 3 years and with fine.
 - (c) 1 year and with fine.
 - (d) 7 years and with fine.
16. Which of the following offences are cognizable and non bailable if the amount of evasion exceeds ₹ 5 crores.
- (a) supplies any goods or services or both without issue of any invoice, in violation of the provisions of this Act or the rules made thereunder, with the intention to evade tax;
 - (b) issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act, or the rules made thereunder leading to wrongful availment or utilisation of input tax credit or refund of tax.
 - (c) collects any amount as tax but fails to pay the same to the Government beyond a period of 3 months from the date on which such payment becomes due.
 - (d) All of the above
17. ____ includes intention, motive, knowledge of a fact, and belief in, or reason to believe, a fact.
- (a) The state of mind
 - (b) The wrong action
 - (c) The culpable mental state
 - (d) Any of the above
18. What happens after the offence has been compounded?
- (a) Proceedings shall be continued
 - (b) Proceedings, if initiated shall be dropped
 - (c) Person has to pay all the pending dues
 - (d) All of the above
19. Where any goods or conveyance are confiscated under this Act, the title of such goods or conveyance shall thereupon vest in ____.
- (a) Government
 - (b) Assessee
 - (c) GST council
 - (d) Chief Commissioner
20. A person shall not be prosecuted for any offence under CGST Act except with the previous sanction of the ____.
- (a) Government
 - (b) Chief Commissioner
 - (c) GST council
 - (d) Commissioner
21. ABC & Co., a partnership firm committed an offence. Who shall be liable for punishment?
- (a) All the Partners



- (b) All the partners unless they prove offence was committed without their knowledge
- (c) All the employees
- (d) None of the above
22. In which of the following cases, compounding of offence is not allowed u/s 138 of CGST Act, 2017?
- (a) Offence specified in Section 132(1)(a) to (f), (h), (i) and (l), if the person charged with offence had been allowed to compound earlier in respect of any of the said offences;
- (b) a person who has been accused of committing an offence under section 132(1)(b);
- (c) a person who has been convicted for an offence under this Act by a court;
- (d) All of the above.
23. The minimum limit of compounding amount which a person is liable to pay is _____.
- (a) 25% of tax involved
- (b) ₹ 10,000
- (c) (a) or (b) whichever is higher
- (d) (a) or (b) whichever is lower
24. The maximum limit of compounding amount which a person is liable to pay is—
- (a) 100% of tax involved
- (b) ₹ 30,000
- (c) (a) or (b) whichever is higher
- (d) (a) or (b) whichever is lower
25. In case of Offence specified in section 132(1)(a), the compounding amount payable if offence is punishable u/s 132(1)(i) i.e. if tax evasion exceed ₹ 5 crores is –
- (a) Up to 75% of the amount of tax evaded or ITC wrongly availed/utilized or refund wrongly taken
- (b) 50% of the amount of tax evaded or ITC wrongly availed/utilized or refund wrongly taken
- (c) (a) or (b) whichever is higher
- (d) (a) or (b) whichever is lower
26. In case of Offence specified in section 132(1)(a), the compounding amount payable if offence is punishable under section 132(1)(ii) i.e. if tax evasion does not exceed ₹ 5 crores is -
- (a) Up to 60% of the amount of tax evaded or ITC wrongly availed/utilized or refund wrongly taken
- (b) 40% of the amount of tax evaded or ITC wrongly availed/utilized or refund wrongly taken
- (c) (a) or (b) whichever is higher
- (d) (a) or (b) whichever is lower
27. Department initiated prosecution proceedings against a taxable person who had evaded GST of ₹ 8.2 crores. He has approached the Commissioner with a request for compounding the offence. What will be the minimum compounding amount which the Commissioner can fix.
- (a) ₹ 6.15 crores
- (b) ₹ 2.05 crores
- (c) ₹ 4.1 crores
- (d) ₹ 8.2 crores
28. Department initiated prosecution proceedings against a taxable person who had evaded GST of ₹ 8.2 crores. He has approached the Commissioner with a request for compounding the offence. What can be the maximum compounding amount which the Commissioner can fix.



- (a) ₹ 6.15 crores
- (b) ₹ 2.05 crores
- (c) ₹ 4.1 crores
- (d) ₹ 8.2 crores

29. In case of Offence specified in section 132(1)(f) i.e. falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information with an intention to evade payment of tax due under this Act, the compounding amount payable if offence is punishable under section 132(1)(ii) i.e. if tax evasion does not exceed ₹ 5 crores is -

- (a) 60% of tax evaded
- (b) 40% of tax evaded
- (c) 25% of tax evaded
- (d) 15% of tax evaded

30. What are the various types of offences which may be committed by a taxable person which are liable to penalty u/s 122 of the CGST Act, 2017?

- (a) Supplies any goods or services or both without issue of any invoice and issues an invoice or bill without supply of goods or services or both.
- (b) Collects any amount as tax but fails to pay the same to the Government beyond a period of 3 months from the date on which such payment becomes due.
- (c) Takes or utilises input tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the rules made there-under.
- (d) All of the above

31. What is the quantum of penalty for an offence mentioned u/s 122(1)?

- (a) Lower of —
 - ₹ 10,000
 - an amount equivalent to the tax evaded or tax not deducted u/s 51 or tax not collected u/s 52 or the refund claimed fraudulently.
- (b) Higher of —
 - ₹ 10,000
 - an amount equivalent to the tax evaded or tax not deducted u/s 51 or tax not collected u/s 52 or the refund claimed fraudulently.
- (c) ₹ 1,00,000
- (d) ₹ 25,000

32. What is the quantum of penalty for supplies on which tax has not been paid or short-paid or erroneously refunded, or where the ITC has been wrongly availed or utilised, for any reason, other than the reason of fraud or any willful misstatement or suppression of facts to evade tax?

- (a) An amount equal to ₹ 10,000 or 10% of tax due from such person whichever is higher.
- (b) An amount equal to ₹ 10,000 or 10% of tax due from such person whichever is lower.
- (c) An amount equal to ₹ 10,000 or 100% of tax due from such person whichever is lower.
- (d) An amount equal to ₹ 10,000 or 100% of tax due from such person whichever is higher.

33. What is the quantum of penalty for supplies on which tax has not been paid or short-paid or erroneously refunded, or where the ITC has been wrongly availed or utilised, for reason of fraud or any willful misstatement or suppression of facts to

evade tax?

- (a) An amount equal to ₹ 10,000 or 10% of tax due from such person whichever is higher.
- (b) An amount equal to ₹ 10,000 or 10% of tax due from such person whichever is lower.
- (c) An amount equal to ₹ 10,000 or 100% of tax due from such person whichever is higher.
- (d) An amount equal to ₹ 10,000 or 100% of tax due from such person whichever is lower.

34. In which cases penalty shall be leviable on a person u/s 122(3)?

- (a) Fails to issue invoice in accordance with the provisions of this Act or the rules made there-under or fails to account for an invoice in his books of account.
- (b) Fails to appear before the officer of Central tax, when issued with a summon for appearance to give evidence or produce a document in an inquiry.
- (c) Aids or abets any of the offences specified in clauses (i) to (xxi) of Section 122(1).
- (d) All of the above

35. Any electronic commerce operator who is required to collect tax at source allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply shall be liable to penalty—

- (a) ₹ 10,000, or
- (b) Of an amount equivalent to the amount of tax involved had such

supply been made by a registered person

- (c) (a) or (b) whichever is lower
- (d) (a) of (b) whichever is higher

36. What is the maximum amount of penalty leviable on a person other than registered person u/s 122(3)?

- (a) ₹ 10,000
- (b) ₹ 50,000
- (c) ₹ 25,000
- (d) ₹ 1,00,000

37. Where any taxable person collects any amount as tax but fails to pay the same to the Government beyond a period of _____ from the date on which such payment becomes due, he shall be liable to penalty u/s 122 of the CGST Act, 2017.

- (a) 3 months
- (b) 7 days
- (c) One month
- (d) 6 months

38. Shagun started supply of goods in Vasai, Maharashtra from 01-01-2025. Her turnover exceeded ₹ 40 lakh on 25-01-2025. However, she didn't apply for registration. Determine the amount of penalty, if any, that may be imposed on Shagun on 31-03-2025, if the tax evaded by her, as on said date, on account of failure to obtain registration is ₹ 1,26,000.

- (a) ₹ 10,000
- (b) ₹ 1,26,000
- (c) ₹ 12,600
- (d) ₹ 25,000

39. If a person who is required to furnish an information return u/s 150 fails to do so within the period specified in the notice



issued u/s 150(3) thereof, the proper officer may direct that such person shall be liable to pay a penalty of _____ of the period during which the failure to furnish such return continues.

- (a) ₹ 100 per day
- (b) ₹ 250 per day
- (c) ₹ 500 per day
- (d) ₹ 1,000 per day

40. If any person required to furnish any information or return u/s 151 of CGST Act, 2017 fails to do so, he shall be punishable with a fine which may extend to _____.

- (a) ₹ 10,000
- (b) ₹ 1,00,000
- (c) ₹ 20,000
- (d) ₹ 50,000

41. What is prescribed amount of general penalty can be imposed on a person, who contravenes any of the provisions of CGST Act, 2017 or any rules made thereunder for which no penalty is separately provided for in this Act?

- (a) ₹ 10,000
- (b) ₹ 20,000
- (c) ₹ 25,000
- (d) ₹ 50,000

42. Any person who acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules made thereunder shall be liable to penalty of _____

- (a) ₹ 10,000

- (b) ₹ 25,000
- (c) ₹ 50,000
- (d) ₹ 1,00,000

43. XYZ Ltd. was issued a notice to furnish information return upto 31st July 2024. It furnished the information return on 12th September 2024. Determine the amount of penalty which may be imposed on XYZ Ltd.

- (a) ₹ 4,300
- (b) ₹ 10,000
- (c) ₹ 25,000
- (d) ₹ 5,000

44. XYZ Ltd. was issued a notice to furnish information return upto 31st July 2024. It furnished the information return on 12th November 2024. Determine the amount of penalty which may be imposed on XYZ Ltd under CGST Act, 2017.

- (a) ₹ 10,400
- (b) ₹ 10,000
- (c) ₹ 25,000
- (d) ₹ 5,000

45. The power to waive penalty or late fees imposable under CGST Act, 2017 vests with the _____.

- (a) Central Government
- (b) GST Council
- (c) CBIC
- (d) Chief Commissioner

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46. Sagar, managing director of Telecom Solutions Ltd., is issued a summon to appear before the Central tax officer to produce the books of accounts of Telecom Solutions Ltd. in an inquiry conducted on said company. Determine the amount of penalty, if any, that may be imposed on

Sagar, if he fails to appear before the Central tax officer.

- (a) ₹ 25,000
- (b) ₹ 10,000
- (c) ₹ 5,00,000
- (d) Nil

47. What fine and penalty can be imposed on a person in case of continuous offence, who fails to furnish information or return u/s 151 of the CGST Act, 2017.

- (a) ₹ 100 for each day after the first day during which the offence continues subject to a maximum limit of ₹ 50,000.
- (b) ₹ 100 for each day after the first day during which the offence continues subject to a maximum limit of ₹ 25,000.
- (c) ₹ 200 for each day after the first day during which the offence continues subject to a maximum limit of ₹ 25,000.
- (d) ₹ 100 for each day after the first day during which the offence continues subject to a maximum limit of ₹ 1,00,000.

48. XYZ Ltd. has fraudulently obtained refund of ITC amounting ₹ 5,00,000. The amount of penalty which may be imposed on XYZ Ltd. will be _____.

- (a) ₹ 10,000
- (b) ₹ 5,00,000
- (c) ₹ 50,000
- (d) ₹ 25,000

49. What are the general disciplines to be followed by the Proper Officer while imposing penalties under CGST Act, 2017?

- (a) No penalty shall be imposed without giving a person an opportunity of being heard.

- (b) Voluntary disclosure may be a mitigating factor when quantifying a penalty by the Proper Officer.
- (c) No penalty shall be imposed for minor breaches of tax regulations.
- (d) All of the above

50. No penalty shall be imposed by any officer under CGST Act, 2017 for—

- (a) Minor breaches of tax regulations
- (b) Procedural requirements of the law
- (c) Any omission or mistake in documentation which is easily rectifiable.
- (d) All of the above

51. For the purpose on imposition of penalty, a breach shall be considered a 'minor breach' if the amount of tax involved is less than _____.

- (a) ₹ 100
- (b) ₹ 1,000
- (c) ₹ 5,000
- (d) ₹ 2,500

52. The detained or seized goods (other than exempted goods) or conveyance shall be released u/s 129 of the CGST Act, 2017, where the owner of the goods comes forward for payment of penalty:

- (a) On payment of penalty equal to 200% of the tax payable on such goods
- (b) On payment of an amount equal to 5% of the value of goods, or ₹ 25,000, whichever is less.
- (c) On payment of the applicable tax and penalty equal to the 200% of the value of the goods reduced by the tax amount paid thereon.



- (d) An amount equal to 2% of the value of goods, or ₹ 25,000, whichever is less.
53. The detained or seized exempted goods or conveyance shall be released under Section 129 of the CGST Act, 2017, where the owner of the goods comes forward for payment of penalty :
- (a) On payment of penalty equal to 200% of the tax payable on such goods
 - (b) On payment of an amount equal to 5% of the value of goods, or ₹ 25,000, whichever is less.
 - (c) On payment of an amount equal to 2% of the value of goods, or ₹ 25,000, whichever is less.
 - (d) On payment of the applicable tax and penalty equal to the 50% of the value of the goods reduced by the tax amount paid thereon.
54. The detained or seized goods (other than exempted goods) or conveyance shall be released u/s 129 of the CGST Act, 2017, where the owner does not comes forward for payment of tax and penalty:
- (a) On payment of penalty equal to 200% of the tax payable on such goods
 - (b) On payment of an amount equal to 5% of the value of goods, or ₹ 25,000, whichever is less.
 - (c) On payment of penalty (i) equal to 50% of the value of the goods or (ii) 200% of the tax payable on such goods, whichever is higher.
 - (d) On payment of an amount equal to 2% of the value of goods, or ₹ 25,000, whichever is less.
55. The detained or seized exempted goods or conveyance u/s 129 of the CGST Act, 2017, shall be released, where the owner does not comes forward for payment of tax and penalty :
- (a) On payment of penalty equal to 200% of the tax payable on such goods
 - (b) On payment of an amount equal to 5% of the value of goods, or ₹ 25,000, whichever is less.
 - (c) On payment of the applicable tax and penalty equal to the 50% of the value of the goods reduced by the tax amount paid thereon.
 - (d) On payment of an amount equal to 2% of the value of goods, or ₹ 25,000, whichever is less.
56. The proper officer detaining or seizing goods or conveyance shall issue a notice within _____ of such detention or seizure, specifying the penalty payable, and thereafter, pass an order within a period of _____ from the date of service of such notice, for payment of penalty.
- (a) 7 days, 15 days
 - (b) 7 days, 7 days
 - (c) 15 days, 15 days
 - (d) 15 days, 7 days
57. Where the person transporting any goods or the owner of such goods fails to pay the amount of penalty within _____ from the date of receipt of the copy of the penalty order, the goods or conveyance so detained or seized shall be liable to be sold or disposed of otherwise, in such manner and within such time as may be prescribed, to recover the penalty payable.
- (a) 14 days
 - (b) 15 days
 - (c) 30 days
 - (d) 60 days



58. The conveyance shall be released on payment by the transporter of _____
- Penalty so determined
 - ₹ 1,00,000
 - penalty so determined or ₹ 1,00,000, whichever is less:
 - penalty so determined or ₹ 1,00,000, whichever is higher
59. Whenever confiscation of any goods is authorised by CGST Act, 2017, the officer adjudging it shall give to the owner of the goods an option to pay in fine lieu of confiscation u/s 130 of the Act, which shall not exceed _____.
- Market value of the goods confiscated
 - Tax chargeable on goods confiscated
 - Market value of the goods confiscated less tax chargeable thereon.
 - ₹ 25,000.
60. Where any conveyance is liable to confiscation is used for the carriage of the goods or passengers for hire, the owner of the conveyance shall be given an option to pay fine in lieu of the confiscation of the conveyance which shall be equal to _____.
- Market value of the goods confiscated less tax chargeable thereon.
 - Tax payable on goods being transported thereon.
 - Market value of the goods confiscated
 - ₹ 50,000.
61. Radhaswamy owns and supplies certain goods costing ₹ 30,00,000 in a conveyance hired from Manikaran Transporters. Market value of said goods is ₹ 40,00,000 and tax chargeable thereon is ₹ 4,80,000. The goods supplied by Radhaswamy and the conveyance [owned by Manikaran

Transporters] used for carriage of such goods are confiscated since Radhaswamy has supplied said goods in contravention of the provisions of the CGST Act, 2017 with an intent to evade payment of tax. The amount of redemption fine payable for release of the goods However, the proper officer intends to give an option to Radhaswamy and Manikaran Transporters to pay in lieu of confiscation, a fine leviable under section 130 of the CGST, Act, 2017. Determine the maximum amount of the fine in lieu of confiscation on the goods liable for confiscation.

- ₹ 30,00,000
- ₹ 35,20,000
- ₹ 40,00,000
- ₹ 4,80,000

62. Radhaswamy owns and supplies certain goods costing ₹ 30,00,000 in a conveyance hired from Manikaran Transporters. Market value of said goods is ₹ 40,00,000 and tax chargeable thereon is ₹ 4,80,000. The goods supplied by Radhaswamy and the conveyance [owned by Manikaran Transporters] used for carriage of such goods are confiscated since Radhaswamy has supplied said goods in contravention of the provisions of the CGST Act, 2017 with an intent to evade payment of tax. The amount of redemption fine payable for release of the goods However, the proper officer intends to give an option to Radhaswamy and Manikaran Transporters to pay in lieu of confiscation, a fine leviable under section 130 of the CGST, Act, 2017. Determine the maximum amount of the fine in lieu of confiscation on the conveyance used for carriage of such goods.

- ₹ 30,00,000
- ₹ 35,20,000



- (c) ₹ 40,00,000
(d) ₹ 4,80,000

63. The proper officer may, after satisfying himself that the confiscated goods or conveyance are not required in any other proceedings under this Act and after giving reasonable time not exceeding _____ to pay fine in lieu of confiscation, dispose of such goods or conveyance and deposit the sale proceeds thereof with the Government.

- (a) 1 month
(b) 2 months
(c) 3 months
(d) 4 months

64. The aggregate of such fine and penalty leviable under Section 130 shall not be less than the amount of penalty equal to _____ of the tax payable on such goods.

- (a) 25%
(b) 50%
(c) 100%
(d) 200%

ANSWERS TO MCQ'S

Question No.	Answer
1.	(b) U/s 132 of the CGST Act, 2017, punishment of 3 years and with fine is applicable where the amount of tax evaded or input tax credit wrongly availed or utilised or refund wrongly taken exceeds ₹ 200 lakh but not exceeding ₹ 500 lakh.
2.	(c) U/s 132 of the CGST Act, 2017, punishment of 3 years and with fine is applicable where the amount of tax evaded or input tax credit wrongly availed or utilised or refund wrongly taken exceeds ₹ 500 lakh.
3.	(d) U/s 132 of the CGST Act, 2017, if offence involves issuance of invoice without supply in violation of GST law leading to wrongful availment/ utilisation of ITC/ refund of tax exceeding ₹ 100 lakhs but does not exceed ₹ 200 lakhs, the punishment is 1 year and with fine.
4.	(d) U/s 132 of the CGST Act, 2017, all offences where the evasion of tax do not exceed ₹ 5 crore are non-cognizable and bailable offence.
5.	(c) Where any person convicted of an offence u/s 132 is again convicted of an offence under this section, then, he shall be punishable for the second and for every subsequent offence with imprisonment for a term which may extend to five years and with fine.

6.	(b)	If a person commits or abets in falsification or substitution of financial records or producing fake accounts, documents or furnishes any false information with an intention to evade payment of GST, he shall be punishable with 6 months imprisonment or with fine or both.
7.	(a)	Where any person engaged in connection with the collection of statistics u/s 151 or compilation or computerization thereof or if any officer of Central tax having access to information specified u/s 150(1), or if any person engaged in connection with the provision of service on the common portal or the agent of common portal, wilfully discloses any information or the contents of any return furnished under this Act or rules made thereunder otherwise than in execution of his duties under the said sections or for the purposes of prosecution for an offence under this Act or under any other Act for the time being in force, he shall be punishable with imprisonment for a term which may extend to 6 months or with fine which may extend to ₹ 25,000, or with both.
8.	(a)	According to Section 134 of the CGST Act, no court shall take cognizance of any offence punishable under this Act or the rules made thereunder except with the previous sanction of the Commissioner, and no court inferior to that of a Magistrate of the First Class, shall try any such offence.
9.	(c)	Where an offence committed by a person under this Act is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.
10.	(d)	As per Section 138(1), any offence under this Act may, either before or after the institution of prosecution, be compounded by the Commissioner on payment, by the person accused of the offence, to the Central Government or the State Government, as the case be, of such compounding amount in such manner as may be prescribed.
11.	(c)	The Commissioner, after taking into account the contents of the compounding application, may, by order, on being satisfied that the applicant has co-operated in the proceedings before him and has made full and true disclosure of facts relating to the case, allow the application indicating the compounding amount and grant him immunity from prosecution or reject such application within 90 days of the receipt of the application.
12.	(a)	The applicant shall, within a period of 30 days from the date of the receipt of the order, pay the compounding amount as ordered by the Commissioner and shall furnish the proof of such payment to him.
13.	(a)	If any person supplies any goods or services or both without issue of any invoice, in violation of the provisions of the Act and the amount of tax evaded exceeds ₹ 500 lakhs, he shall be punishable with imprisonment for a term which may extend to 5 years and with fine.

14.	(b)	If any person collects any amount as tax amounting ₹ 250 lakhs but fails to pay the same to the Government beyond a period of 3 months from the date on which such payment becomes due, he shall be punishable with imprisonment for a term which may extend to 3 years and with fine.
15.	(c)	If any person avails input tax credit of an amount of ₹ 150 lakhs without possession of tax invoice, he shall be punishable for a term which may extend to 1 year and with fine.
16.	(d)	The offences specified in Section 132(1)(a)/(b)/(c)/(d) and punishable where the amount of tax evasion exceeds ₹ 5 crores shall be cognizable and non-bailable.
17.	(c)	"Culpable mental state" includes intention, motive, knowledge of a fact, and belief in, or reason to believe, a fact.
18.	(b)	According to Section 138(3), on payment of such compounding amount as may be determined by the Commissioner, no further proceedings shall be initiated under this Act against the accused person in respect of the same offence and any criminal proceedings, if already initiated in respect of the said offence, shall stand abated.
19.	(a)	According to Section 130(5), where any goods or conveyance are confiscated under this Act, the title of such goods or conveyance shall thereupon vest in the Government.
20.	(d)	A person shall not be prosecuted for any offence under CGST Act except with the previous sanction of the Commissioner.
21.	(b)	According to Section 137(3), where an offence under this Act has been committed by a taxable person being a partnership firm, the partner shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly unless he proves that the offence was committed without his knowledge or he has exercised due diligence in preventing the commission such offence.
22.	(d)	Cases, where compounding is not possible : The following offences cannot be compounded— (a) Offence specified in Section 132(1)(a) to (f), (h), (i) and (l), if the person charged with offence had been allowed to compound earlier in respect of any of the said offences; (b) a person who has been accused of committing an offence u/s 132(1)(b); (c) a person who has been convicted for an offence under this Act by a court; (d) any other class of persons or offences as may be prescribed.
23.	(a)	The amount for compounding of offences under this section shall be such as may be prescribed, subject to the minimum amount is not less than 25% of tax involved.
24.	(a)	The amount for compounding of offences under this section shall be such as may be prescribed, subject to the maximum limit for compounding amount is 100% of tax involved.

25.	(c)	In case of Offence specified in section 132(1)(a), the compounding amount payable if offence is punishable under section 132(1)(i) i.e. if tax evasion exceed ₹ 5 crores is Up to 75% of the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken, subject to minimum of 50% of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken.
26.	(c)	In case of Offence specified in section 132(1)(a), the compounding amount payable if offence is punishable under section 132(1)(i) i.e. if tax evasion does not exceed ₹ 5 crores is Up to 60% of the amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken, subject to minimum of 40% of such amount of tax evaded or the amount of input tax credit wrongly availed or utilised or the amount of refund wrongly taken.
27.	(c)	The minimum compounding amount will be 50% of such amount of tax evaded i.e. ₹ 4.1 crores
28.	(a)	The maximum compounding amount will be 75% of such amount of tax evaded i.e. ₹ 6.15 crores
29.	(c)	In case of Offence specified in section 132(1)(f) i.e. falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information with an intention to evade payment of tax due under this Act, the compounding amount payable if offence is punishable under section 132(1)(ii) i.e. if tax evasion does not exceed ₹ 5 crores is 25% of tax evaded.
30.	(d)	All of the above offences are specified in Section 122 of the CGST Act, 2017.
31.	(b)	The quantum of penalty specified under Section 122 of the CGST Act, 2017 is— Higher of — – ₹ 10,000 – an amount equivalent to the tax evaded or tax not deducted u/s 51 or tax not collected u/s 52 or the refund claimed fraudulently.
32.	(a)	The quantum of penalty for supplies on which tax has not been paid or short-paid or erroneously refunded, or where the ITC has been wrongly availed or utilised, for any reason, other than the reason of fraud or any willful misstatement or suppression of facts to evade tax shall be liable to a penalty for an amount equal to ₹ 10,000 or 10% of the tax due from such person, whichever is higher.
33.	(c)	The quantum of penalty for supplies on which tax has not been paid or short-paid or erroneously refunded, or where the ITC has been wrongly availed or utilised, for any reason of fraud or any willful misstatement or suppression of facts to evade tax Shall be liable to a penalty for an amount equal to ₹ 10,000 or 100% of the tax due from such person, whichever is higher.

34.	(d)	As per Section 122(3), Any person who— (a) aids or abets any of the offences specified in clauses (i) to (xxi) of Section 122(1); (b) acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules made there-under; (c) receives or is in any way concerned with the supply of, or in any other manner deals with any supply of services which he knows or has reasons to believe are in contravention of any provisions of this Act or the rules made there-under; (d) fails to appear before the officer of Central tax, when issued with a summon for appearance to give evidence or produce a document in an inquiry; (e) fails to issue invoice in accordance with the provisions of this Act or the rules made there-under or fails to account for an invoice in his books of account, shall be liable to a penalty which may extend to ₹ 25,000.
35.	(d)	Any electronic commerce operator who allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply shall be liable to penalty of ₹ 10,000, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.
36.	(c)	The maximum amount of penalty leviable on a person other than registered person u/s 122(3) is ₹ 25,000.
37.	(a)	Where any taxable person collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due, he shall be liable to penalty u/s 122 of the CGST Act, 2017.
38.	(b)	Section 122(1)(xi) of the CGST Act, 2017 stipulates that a taxable person who is liable to be registered under the CGST Act, 2017 but fails to obtain registration shall be liable to pay a penalty of ₹ 10,000 or an amount equivalent to the tax evaded [₹1,26,000 in the given case], whichever is higher. Thus, the amount of penalty that can be imposed on Shagun is ₹ 1,26,000.
39.	(a)	According to Section 123, if a person who is required to furnish an information return under Section 150 fails to do so within the period specified in the notice issued under Section 150(3) thereof, the proper officer may direct that such person shall be liable to pay a penalty of ₹ 100 for each day of the period during which the failure to furnish such return continues.
40.	(a)	According to Section 124, if any person required to furnish any information or return u/s 151,— (a) without reasonable cause fails to furnish such information or return as may be required under that section, or

		(b) wilfully furnishes or causes to furnish any information or return which he knows to be false, he shall be punishable with a fine which may extend to ₹ 10,000 and in case of a continuing offence to a further fine which may extend to ₹ 100 for each day after the first day during which the offence continues subject to a maximum limit of ₹ 25,000.
41.	(c)	Any person, who contravenes any of the provisions of this Act or any rules made thereunder for which no penalty is separately provided for in this Act, shall be liable to a penalty which may extend to ₹ 25,000.
42.	(b)	According to Section 122(3), any person who acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules made there-under shall be liable to penalty of ₹ 25,000.
43.	(a)	If a person who is required to furnish an information return u/s 150 fails to do so within the period specified in the notice, the proper officer may direct that such person shall be liable to pay a penalty of ₹ 100 for each day of the period during which the failure to furnish such return continues. However, the penalty imposed under this section shall not exceed ₹ 5,000. There is delay of 43 days in furnishing information return. Hence, penalty of ₹ 4,300 shall be levied.
44.	(d)	If a person who is required to furnish an information return u/s 150 fails to do so within the period specified in the notice, the proper officer may direct that such person shall be liable to pay a penalty of ₹ 100 for each day of the period during which the failure to furnish such return continues. However, the penalty imposed under this section shall not exceed ₹ 5,000. There is delay of 104 days in furnishing information return. Hence, penalty of ₹ 5,000 shall be levied.
45.	(a)	The power to waive penalty or late fees imposable under CGST Act, 2017 vests with the Central Government.
46.	(a)	Section 122(3)(d) of the CGST Act, 2017 stipulates that any person who fails to appear before the officer of Central tax, when issued with a summon for appearance to give evidence or produce a document in an inquiry is liable to a penalty which may extend to ₹ 25,000. Therefore, penalty upto ₹ 25,000 can be imposed on Sagar, in the given case.
47.	(b)	According to Section 124 If any person required to furnish any information or return u/s 151,— (a) without reasonable cause fails to furnish such information or return as may be required under that section, or (b) wilfully furnishes or causes to furnish any information or return which he knows to be false,

		he shall be punishable with a fine which may extend to ₹ 10,000 and in case of a continuing offence to a further fine which may extend to ₹ 100 for each day after the first day during which the offence continues subject to a maximum limit of ₹ 25,000.
48.	(b)	In case if any person fraudulently avails refund of ITC shall be liable to penalty amounting ₹ 5,00,000.
49.	(d)	All of the points specified above are specified as general disciplines to be followed by the Proper Officer while imposing penalties under CGST Act, 2017 u/s 126 of the CGST Act, 2017.
50.	(d)	According to Section 126(1), no penalty shall be imposed by any officer under this Act for minor breaches of tax regulations, or procedural requirements of the law, or any omission or mistake in documentation which is easily rectifiable.
51.	(c)	A breach shall be considered a 'minor breach' if the amount of tax involved is less than ₹ 5,000.
52.	(a)	According to Section 129, the detained or seized goods or conveyance shall be released where the owner of the goods comes forward for payment of penalty equal to 200% of the tax payable on such goods
53.	(c)	The detained or seized exempted goods or conveyance shall be released under section 129 of the CGST Act, 2017, where the owner of the goods comes forward for payment of tax and penalty on payment of an amount equal to 2% of the value of goods, or ₹ 25,000, whichever is less.
54.	(c)	The detained or seized goods (other than exempted goods) or conveyance shall be released u/s 129 of the CGST Act, 2017, where the owner does not comes forward for payment of penalty, on payment of penalty - (i) equal to 50% of the value of the goods or (ii) 200% of the tax payable on such goods, whichever is higher.
55.	(b)	The detained or seized exempted goods or conveyance u/s 129 of the CGST Act, 2017, shall be released, where the owner does not comes forward for payment of tax and penalty, on payment of an amount equal to 5% of the value of goods, or ₹ 25,000, whichever is less.
56.	(b)	The proper officer detaining or seizing goods or conveyance shall issue a notice within 7 days of such detention or seizure, specifying the penalty payable, and thereafter, pass an order within a period of 7 days from the date of service of such notice, for payment of penalty.
57.	(b)	Where the person transporting any goods or the owner of such goods fails to pay the amount of penalty within 15 days from the date of receipt of the copy of the penalty order, the goods or conveyance so detained or seized shall be liable to be

		sold or disposed of otherwise, in such manner and within such time as may be prescribed, to recover the penalty payable.
58.	(c)	The conveyance shall be released on payment by the transporter of penalty so determined or ₹ 1,00,000, whichever is less.
59.	(c)	Whenever confiscation of any goods or conveyance is authorised by this Act, the officer adjudging it shall give to the owner of the goods an option to pay in lieu of confiscation, such fine as the said officer thinks fit. Such fine leviable shall not exceed the market value of the goods confiscated, less the tax chargeable thereon.
60.	(b)	Where any conveyance is liable to confiscation is used for the carriage of the goods or passengers for hire, the owner of the conveyance shall be given an option to pay fine in lieu of the confiscation of the conveyance which shall be equal to tax payable on goods being transported thereon.
61.	(b)	As per first proviso to Section 130(2) of CGST Act, 2017, in case of goods liable for confiscation, the maximum amount of fine leviable in lieu of confiscation is the market value of the goods confiscated, less the tax chargeable thereon. Therefore, in the given case, maximum fine leviable = ₹ 40,00,000 – ₹ 4,80,000 = ₹ 35,20,000.
62.	(d)	As per third proviso to Section 130(2) of CGST Act, 2017, In case where conveyance used for carriage of such goods is liable for confiscation, the maximum amount of fine leviable in lieu of confiscation is equal to tax payable on the goods being transported thereon. Therefore, in the given case, maximum fine leviable = ₹ 4,80,000.
63.	(c)	The proper officer may, after satisfying himself that the confiscated goods or conveyance are not required in any other proceedings under this Act and after giving reasonable time not exceeding 3 months to pay fine in lieu of confiscation, dispose of such goods or conveyance and deposit the sale proceeds thereof with the Government.
64.	(c)	The aggregate of such fine and penalty leviable under section 130 shall not be less than the amount of penalty equal to 100% of the tax payable on such goods.

