

Demands and Recovery under GST – Part I

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Statutory provisions related to **Demands** under GST

– Chapter XV of CGST Act

Section 73: Determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilized for any reason **other than fraud or any wilful-misstatement or suppression of facts;**

Section 74: Determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilized **by reason of fraud or any wilful-misstatement or suppression of facts;**

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;

Statutory provisions related to **Recovery** under GST – Chapter XV of CGST Act

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;

Statutory provisions related to Demands and Recovery under GST – Chapter XVIII of CGST Rules

Rule No.	Rule Heading
142	Notice and order for demand of amounts payable under the Act.
142A	Procedure for 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.
144A	Recovery from a third person.
145	Recovery of penalty by sale of goods or conveyance detained or seized in transit.
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.

Statutory provisions related to Demands and Recovery under GST – Chapter XVIII of CGST Rules

Rule No.	Rule Heading
150	Assistance by police.
151	Attachment 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 or conveyance and movable or immovable property.
155	Recovery through land revenue authority.
156	Recovery through court.
157	Recovery from surety.
158	Payment of tax and other amounts in instalments.
159	Provisional attachment of property.

Statutory provisions related to Demands and Recovery under GST – Chapter XVIII of CGST Rules

Rule No.	Rule Heading
160	Recovery from company in liquidation.
161	Continuation of certain recovery proceedings.
162	Procedure for compounding of offences.

Forms related to Demands and Recovery under GST

Form	Rule	Description
GST DRC 01	142(1)(a)	Summary of SCN;
GST DRC 01A	142 (1A)	Intimation of tax ascertained as being payable
GST DRC 02	142(1)(b)	Summary of Statement;
GST DRC 03	142 (2) & 142(3)	Intimation of payment made voluntarily or made against SCN or against statement;
GST DRC 04	142 (2)	Acknowledgement of acceptance of payment made voluntarily;
GST DRC 05	142(3)	Intimation of conclusion of proceedings;
GST DRC 06	142(4)	Reply to the SCN;
GST DRC 07	142(5)	Summary of the Order;
GST DRC 07A	142A(1)	Summary of the Order creating demand under existing laws
GST DRC 08	142(7)	Summary of Rectification / Withdrawal Order;
GST DRC 08A	142A(2)	Amendment/Modification of summary of the order creating demand under existing laws
GST DRC 09	143	Order for recovery through specified officer;
GST DRC 10	144	Notice of Auction;
GST DRC 11	144 & 147	Notice to successful bidder;

Forms related to Demands and Recovery under GST

Form	Rule	Description
GST DRC 12	144	Sale Certificate;
GST DRC 13	145	Notice to a third person;
GST DRC 14	145 (2)	Certificate of Payment to a third person;
GST DRC 15	146	Application before a Civil Court requesting execution for a Decree.
GST DRC 16	147(1) & 151(1)	Notice for attachment and sale of immovable / movable goods / shares under Section 78.
GST DRC 17	147(4)	Notice for Auction of Immovable / Movable Property under Section 79(1)(d).
GST DRC 18	155	Certificate of Action U/S 79(1)(c);
GST DRC 19	156	Application to the Magistrate for Recovery of Fine;
GST DRC 20	158(1)	Application for Deferred Payment / Payment in Instalment;
GST DRC 21	158(2)	Order for acceptance / rejection of Application for deferred payment / payment in instalments;

Forms related to Demands and Recovery under GST

Form	Rule	Description
GST DRC 22	159(1)	Provisional attachment of Property U/S 83;
GST DRC 22A	159(5)	Application for filing objection against provisional attachment of property;
GST DRC 23	159	Restoration of provisionally attached property / bank a/c U/S 83;
GST DRC 24	160	Intimation to Liquidator for recovery of amount
GST DRC 25	161	Continuation of Recovery Proceedings;

Understanding of Adjudicating Authority — Section 2(4) of CGST Act

- **Adjudicating Authority** means any authority, appointed or authorized to pass any order or decision under this Act, **but does not include:**
- Central Board of Indirect Taxes and Customs,
- The Revisional Authority,
- The Authority for Advance Ruling,
- The Appellate Authority for Advance Ruling,
- The National Appellate Authority for Advance Ruling,
- The Appellate Authority,
- The Appellate Tribunal; and
- The Authority referred to in Section 171(2) of CGST Act - **Antiprofitteering Authority.**

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- Adjudicating Authority (AA) is empowered to **issue Show Cause Notice (SCN)** to the **Taxable Persons** under various provisions of **GST laws** including under **Chapter XV – Demand and Recovery** - of CGST Act 2017.
- Show Cause Notices are issued to adhere to the **principles of Natural Justice**, before **fastening the demand**.
- The Show Cause Notice seeks **reply or explanation** from the Taxable Person to “**show cause**” to the Department as to why **tax dues**, as demanded under SCN, shall not be recovered from it.
- AA considers the replies furnished by the Taxable Person in response to such Show Cause Notice and **then pass the appropriate Order (known as Order-in-Original)**.

Appropriate Adjudicating Authority – Circular 31/05/2018 dated 09/02/2018

Officer to issue SCN	Issuance of SCN and OIA under Sec 73 & Sec 74 of CGST Act for CGST dues	Issuance of SCN and OIA under Sec 73 & Sec 74 of CGST Act for IGST dues as per U/S 20 of IGST Act	Issuance of SCN and OIA under Sec 73 & Sec 74 of CGST Act for CGST dues and IGST dues as per U/S 20 of IGST Act
Superintendent of Central Tax	Up to Rs. 10 lakhs.	Up to Rs. 20 lakhs.	Upto Rs. 20 lakhs.
Deputy / Assistant Commissioner of Central Tax	> Rs. 10 lakhs and upto Rs. 1 Crore	> Rs. 20 lakhs and up to Rs. 2 Crore	> Rs. 20 lakhs and up to Rs. 2 Crore
Additional / Joint Commissioner of Central Tax	> Rs. 1 Crore	> Rs. 2 Crore	> Rs. 2 Crore

Revisional Authority and Appellate Authority – based on Adjudicating Authority

If Adjudicating Authority is:	Revisional Authority	Appellate Authority
Superintendent of Central Tax, Deputy / Assistant Commissioner of Central Tax	Additional or Joint Commissioner of Central Tax.	Additional or Joint Commissioner of Central Tax (Appeals).
Additional or Joint Commissioner of Central Tax.	The Principal Commissioner or Commissioner of Central Tax	Commissioner of Central Tax (Appeals)

Structure of SCN

Master Circular on Show Cause Notice, Adjudication and Recovery: 1053/2/2017-CX. dated 10-Mar-2017 issued by CBEC:

Introduction of the case;

Legal framework;

Factual statement and appreciation of evidences;

Discussion, facts and legal frame work;

Discussion on Limitation;

Calculation of duty and other amounts due;

Statement of charges;

Authority to adjudicate.

Preparation defence reply against SCN – Allegation / Charges in the SCN;

Nature of allegations;

Basis of allegations;

Evidence;

Interpretation of the statutory provisions;

Judgements;

AAR/AAAR Ruling;

Technical Report;

Third Party statements;

Discrepancies in Records;

CBIC's Circular;

Recurring demand;

Revenue's pending appeal

Preparation defence reply against SCN – Computation of Demand

Classification;

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graph TD; A[Classification] --> B[Valuation]; B --> C[Exemption Notification, if any]; C --> D[Rate of tax]; D --> E[Cum-tax principle, in case it is applicable];
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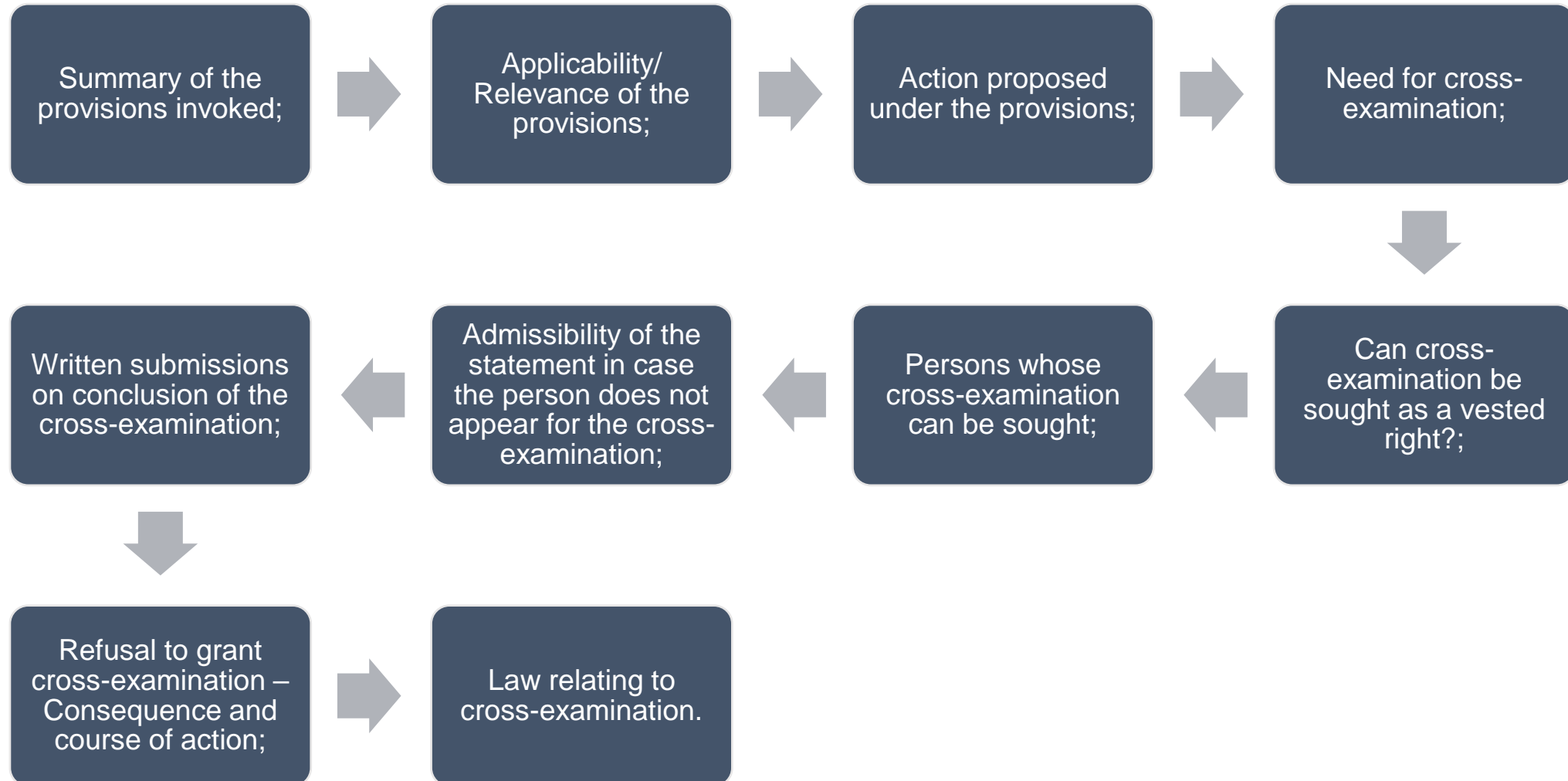
Valuation;

Exemption Notification, if any;

Rate of tax;

Cum-tax principle, in case it is applicable;

Preparation defence reply against SCN – Statutory provisions invoked in SCN and Cross Examination



Preparation defence reply against SCN – Drafting Reply to SCN;

**Background or
Statement of facts:**

Brief background of
the Assessee;

Narration of the
relevant facts;

Chronology of the
events /f acts;

Relevant facts
leading to the issue
of SCN;

Exhibits;

Amount of tax, etc.
demanded and other
action proposed –
statutory provisions
invoked;

Gist of the
allegations;

Preparation defence reply against SCN – Grounds of Defence

Merits of the case;

Limitation;

Computation;

Challenge to the
penal action and
other action
proposed;

Importance of the
Reply to the SCN;

Furnishing of
evidence in
support of each
contention;

Judgements'
compilation –
Relevant para

Section 73(1) of CGST Act

- **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 willful-misstatement or suppression of facts to evade tax,
- PROPER OFFICER shall serve Notice on the person
- 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 as per the provisions of the CGST Act

Overview of Section 73 of CGST Act

Section 73 deals with the cases where there is no invocation of fraud / suppression of facts / mis-statement etc.



The Section stipulates that where it appears to the Proper Officer that due to any reason **other than fraud / mis-statement / suppression of facts to evade tax**, tax has not been:



(a) paid or short paid or erroneously refunded; OR



(b) where input tax credit has been wrongly availed or utilized for,



the Proper Officer shall issue a Show Cause Notice(SCN) as to why the amount of tax should not be paid along with interest and penalty leviable thereon under the provisions CGST Act and Rules made thereunder.




The SCN need to be adjudicated within a **period of three years** from the due date **of filing of Annual Return**.




The SCN is required to be issued **at least three months prior to the time limit set for adjudication**.

Overview of Section 73 of CGST Act


If the person pays the tax along with interest **within 30 days of issue of SCN**, no penalty shall be payable and all proceedings in respect of such notice shall be **deemed to be concluded**.



If a person pays the amount of demand along-with interest **before issue of notice**, as **ascertained either on his own or ascertained by the Proper Officer**, and on such payment, informs the Proper Officer in writing regarding the same, **no notice shall be issued** with respect to the amount of tax so paid.

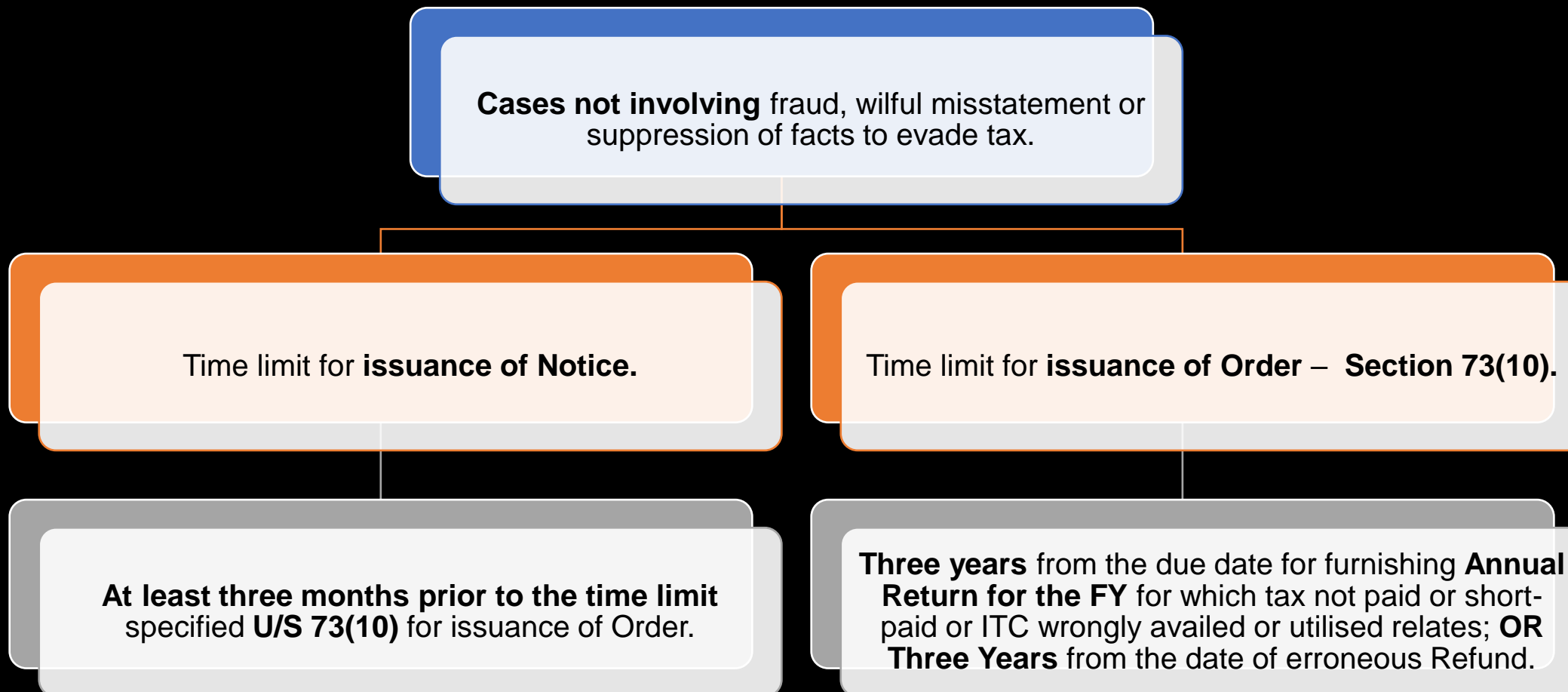


The Proper Officer, after considering the representations made by the person to whom SCN was issued, **shall issue an Order**, determining the **amount of tax, interest and penalty leviable on such person**.



Further the amount of penalty leviable in such order shall be equivalent to **10% of such tax or Rs. 10,000 whichever is higher**.

Time limit for issuance of Notice and Order U/S 73 of the CGST Act 2017



Indicative Period for issuance of Notice and passing of Order U/S 73 of CGST Act

Year	Due Date for filing of Annual Return	SCN Can be issued upto two years and 9 months from due date of AR	Order to be passed within three years from the due date of AR
2017-2018	07-02-2020	05-11-2022	06-02-2023
2018-2019	31-12-2020	29-09-2023	30-12-2023
2019-2020	31-03-2021	29-02-2023	30-03-2024

Ingredients of Section 73 of the CGST Act

Section 73 provides for: Service of notice by proper officer; and

Notice shall be served on the person who is chargeable with tax, who has:

- Not paid or short paid the tax;
- Wrongly availed or utilized Input Tax Credit;
- Received erroneous Refund Claim;

Such amounts shall be required to be determined along with the applicable interest as per Section 50 of CGST Act and penalty leviable under the provisions of CGST Act or the Rules made thereunder.

The Notice need to be issued **at least three months** prior to the **expiry of the time limit of three years for issuance of order.**

The proper office shall along with notice provide a **Summary in Form GST DRC-01** specifying therein the details of the amount payable.

Determination of tax 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 fact – Section 73.

(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 subsection (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.*

Determination of tax 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 fact – Section 73.

*(5) The person chargeable with tax may, **before service of notice** under subsection (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.***

Determination of tax 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 fact – Section 73.

*(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*

Section 74(1) of CGST Act

- **Any tax**
- has not been paid or
- short paid or
- erroneously refunded, or
- where input tax credit has been wrongly availed or utilised
- for reason of fraud or any willful-misstatement or suppression of facts to evade tax,
- PROPER OFFICER shall serve Notice on the person
- 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 as per the provisions of the CGST Act.

Overview of Section 74 of CGST Act

Section 74 deals with cases where the provisions related to fraud /suppression / mis-statement etc. are invoked.

The Section stipulates that where it appears to the Proper Officer that by reason of fraud / mis-statement / suppression of facts to evade tax, tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for, the Proper Officer shall issue a Show Cause Notice (SCN) as to why the amount of tax should not be recovered along with interest and penalty leviable thereon under the provisions of CGST Act and Rules made thereunder.

The SCN need to be adjudicated within a period of five years from the due date of filing of Annual Return.

The SCN needs to be issued at least six months prior to the time limit set for adjudication.

Overview of Section 74 of CGST Act

A person chargeable with tax in cases of fraud / suppression of facts / willful misstatement, pays the amount of demand along-with interest before issue of Notice, then he shall have an option to pay the amount of tax along with interest and penalty equal to **15% percent of the tax** involved, as ascertained either on his own or ascertained by the Proper Officer, and on such payment, **no Notice shall be issued with respect to the tax so paid.**

If notice is issued under Section 74 and thereafter the taxable person makes payment of tax along with interest and with penalty **equal to 25% of such tax within 30 days of issue of Notice**, all proceedings in respect of such notice shall be **deemed to be concluded.**

In case a notice is adjudicated under Section 74 and order is issued confirming tax demand and penalty, and if the person pays the tax determined by the order along with interest and a penalty equivalent to **50% of such tax within thirty days of the communication of order**, all proceedings in respect of the said tax shall be deemed to be concluded.

Time limit for issuance of Notice and Order U/S 74 of the CGST Act 2017

Cases involving fraud, wilful misstatement or suppression of facts to evade tax.

Time limit for **issuance of Notice.**

At least six months prior to the time limit specified U/S 74(10) for issuance of Order.

Time limit for **issuance of Order – Section 74(10).**

Five years from the due date for furnishing **Annual Return for the FY** for which tax not paid or short-paid or ITC wrongly availed or utilised relates; **OR**
Five Years from the date of erroneous Refund.

Indicative Period for issuance of Notice and passing of Order U/S 74 of CGST Act

Year	Due Date for filing of Annual Return	SCN Can be issued up to four years and six months from due date of AR	Order to be passed within five years from the due date of AR
2017-2018	07-02-2020	05-08-2024	06-02-2025
2018-2019	31-12-2020	29-06-2025	30-12-2025
2019-2020	31-03-2021	29-09-2025	30-03-2026

Penalty payable U/S 73 and U/S 74 of CGST Act

Timeline for Compliance	Section 73	Section 74
Before issuance of SCN	No Penalty U/S 73(5);	15% of Tax Amount U/S 74(5);
Within 30 days of issuance of SCN;	No Penalty U/S 73(8);	25% of Tax Amount U/S 74(8);
Determination of Penalty after considering the representations made during the proceedings;	10% of Tax Amount or Rs. 10000-00, whichever is higher U/S 73(9);	50% of Tax Amount where payment of tax dues is made within 30 days of issuance of Order or 100% Tax Amount after 30 days

Provisions related to Section 74 of CGST Act

Section / Rule	Heading
Section 73	Determination of tax 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.
Section 75	General provisions relating to determination of tax.
Section 50	Interest on delayed payment of tax.
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.
Rule 142	Notice and order for demand of amounts payable under the Act.

Ingredients of Section 74 of the CGST Act

The section covers certain situations for demand of taxes in cases of fraud, or any kind of willful mis-statement or suppression of facts with an intent to evade payment of tax.

Whenever the tax is

not paid or

short paid or

credit wrongly availed or utilized or

erroneously refunded

with an intent to evade tax by way of

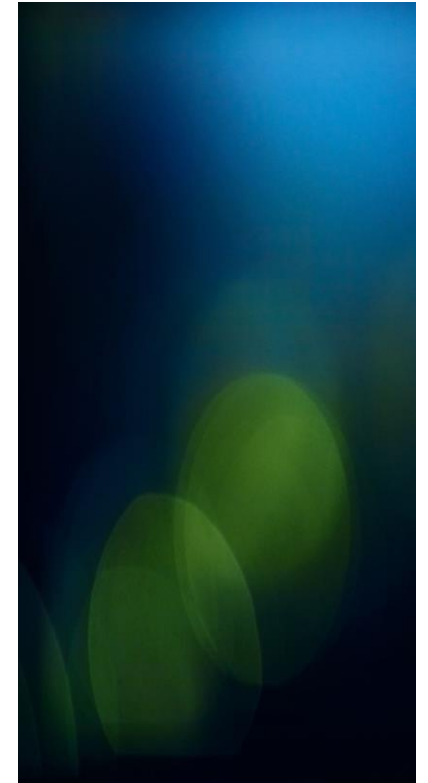
Fraud;

Wilful misstatement;

Suppression of facts;

the Proper Officer shall issue a notice for such amount along with interest as per Section 50 and penalty equivalent to the amount of tax specified in notice.

The Proper Officer shall along with the Notice provide a summary in Form GST DRC-01 specifying therein the details of the amount payable.



Meaning of Fraud

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Fraud is defined to be an intentional act by an individual or a group of them, who are charged with governance (who are in authority), or third parties, **involving the use of deception to obtain an unjust or illegal advantage.**

A fraud could take the form of **misstatement of information (financial or otherwise) or misappropriation of the assets of the entity.**

A fraudster would always find **an illegal way to take undue advantage** of provisions of the tax law and thereby enrich himself by such unlawful means.

GST is no escape for such fraudsters.

Major Areas Where GST Fraud Cases in India Evolved

Input tax credit and Invoices

Refunds

Meaning of Suppression of Facts and Wilful Misstatement

The term “suppression” is specifically explained to mean:

non-declaration of facts or information which a taxable person is statutorily required to declare in the return, statement, report or any other document furnished under the Act or the rules made thereunder; **OR**

failure to furnish any information on being asked for, in writing, by the Proper. Officer.

“**Willful misstatement**” generally covers a case of deceit but generally with the connivance of another.

Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilful-misstatement or suppression of fact – Section 74.

(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 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 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 subsection (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 wilful-misstatement or suppression of facts to evade tax, for periods other than those covered** under subsection (1) **are the same as are mentioned in the earlier notice.***

Determination of tax 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 fact – Section 74.

(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;*

Determination of tax 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 fact – Section 74.

*(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.*

Explanation 1 .- 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 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;

Ingredients of Section 75 of the CGST Act

The provisions U/S 75 of CGST Act are general provisions for determination of tax and are applicable irrespective of whether the Notice invokes the extended period or not.

If an Order of Court or Appellate Tribunal stays the service of Notice or issuance of Order then, the period of such stay will get excluded from the period of issuance of Order, that 3 years or 5 years, whichever is applicable.

When a Notice has been issued considering the case to be for fraud or for willful misrepresentation or for suppression of facts, and whereas the charges of fraud, willful misstatement and suppression of facts were not sustainable or not established by an Order of Appellate Authority or Appellate Tribunal, then in such case the officer shall determine the tax as if the notice is issued for the normal period of 3 years.

An order required to be issued in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a Court, shall be issued within **two years from the date of communication of the said direction.**

Ingredients of Section 75 of the CGST Act

Opportunity of personal hearing has to be granted when requested for in writing by the person chargeable with tax or where any adverse decision is proposed to be taken against the person.

Personal hearing can be adjourned for reasons to be recorded in writing, when sufficient cause is shown by the person chargeable with tax. However, such adjournment can be granted for a maximum of 3 times.

A Departmental SCN which specifies three consecutive dates for personal hearing (failing which an ex-parte order is passed) will not be held to be valid as this is against the principles of natural justice.

The relevant facts and basis of the decision shall be set out in the order, which means a speaking order needs to be placed.

The 'grounds' on which allegations were made cannot be deviated from and the 'Order' must support the demand on the same grounds and not rely on new grounds or cure deficiencies in grounds in SCN.

Failure of adjudication on this aspect alone may be sufficient to get favorable Order in appellate proceedings.

Drafting of SCN has attained more importance.

This provision when read together with section 160(2), provides an important clue as to the 'preliminary objections' that need to be raised while replying to SCN.

Ingredients of Section 75 of the CGST Act

The amount of tax along with interest and penalty should not exceed the amount mentioned in the notice and the grounds shall not go beyond what is mentioned in the notice.

When the decision of Tribunal / Court / Appellate Authority modifies the amount of tax, correspondingly interest and penalty shall also be modified to that extent by the Proper Officer.

Interest shall be payable in all cases whether specifically mentioned or not.

This provision indicates that were 'penalty' is OMITTED from the SCN, even if applicable, the adjudicating authority cannot confirm demand for penalty by furnishing the obvious deficiency in SCN.

This is evident in the fact that Legislature has thoughtfully only save omission of 'interest' from SCN and not 'interest and penalty'.

When the penalty is imposed under Section 73 & 74, no penalties shall be imposed under any other provisions of this Act for the same act or omission.

General provisions relating to determination of tax – Section 75

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(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 , 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**.

(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:

General Provisions relating to determination of Tax – Section 75

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*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 three years as provided for in sub-section (10) of section 73 or within five years as provided for in sub-section (10) of section 74** .*

Recovery of Tax Collected but not paid – Section 76 of CGST Act 2017

Amount(s) collected representing tax to be paid to Govt. –even if underlying supplies are not taxable;

SCN to be issued -no time limit specified for SCN –**Interest** provisions are applicable;

Personal hearing to be granted upon specific written request;

Time limit for issue of Order: **1 year from date of issue of SCN;**

If proceedings stayed by higher court, time spent before higher fora to be excluded from time limit of 1 year;

Amount paid to Govt. shall be adjusted against the tax payable on the said transaction;

Any excess will be credited to Fund or refunded to person who has borne tax incidence;

Tax Collected but not paid to Government

– Section 76

(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 thereunder 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.**

Tax Collected but not paid to Government – Section 76

(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**.*

(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.*


Tax wrongfully collected and paid to CG or SG – Section 77

Type of Tax	Erroneously classified and paid	Remedy	Consequences
IGST;	CGST & SGST or UGST;	File Refund for CGST & SGST or UGST;	To pay IGST without payment of interest;
CGST & SGST or UGST	IGST	File Refund for IGST	To pay CGST and SGST or UGST without payment of interest;

Tax wrongfully collected and paid to Central Government or State Government – Section 77

*(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.***



Initiation of Recovery Proceedings – Section 78

*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;*



Recovery of Tax by Proper Officer – Section 79 of CGST Act 2017

Deduct / recover	Deduct / recover the amount payable out of money owed to Person or detain and sell goods belonging to the person;
Recover	Recover from another person who owes money to the liable person. Notice to be issued. This notice can be amended or revoked or extended for time at any time by the officer.
Seize	Seize any movable or immovable property belonging to or under the control of such person and detain the same until the amount payable is paid.
Prepare and sign	Prepare and sign a certificate specifying the amount due and send it to the Collector of the district who shall proceed to recover the same.
File	File an application to the appropriate Magistrate who shall recover the amount as if it were a fine imposed.

Recovery of Tax – Section 79

(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;

Recovery of Tax – Section 79

(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;

Recovery of Tax – Section 79

(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**.

Recovery of Tax – Section 79

(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** .

Section 80: Payment of taxes and other amounts 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.

Transfer of Property – when void - Section 81 of CGST Act 2017

Charge created on property (sale / mortgage / exchange / other mode of transfer) **with the intention of defrauding the Government revenue.**



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graph TD; A[Charge created on property (sale / mortgage / exchange / other mode of transfer) with the intention of defrauding the Government revenue.] --> B[transfer is void against any claim in respect of tax or any other sum payable.]; B --> C[Charge or Transfer not void if: (a) For adequate consideration; (b) in good faith; (c) without notice of the pendency of proceedings against transferor; (d) without notice that tax or other sum is payable by transferor; (e) With prior permission of the Proper Officer.];
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transfer is void against any claim in respect of tax or any other sum payable.

Charge or Transfer not void if:

(a) For adequate consideration; **(b)** in good faith; **(c)** without notice of the pendency of proceedings against transferor; **(d)** without notice that tax or other sum is payable by transferor; **(e)** With prior permission of the Proper Officer.

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 81: *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.

Section 82: *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.*

Section 83: (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)

Preventive measures for Recovery of Tax – provisions under Section 81 to Section 83;

Section	Particulars	Preventive Measures
81	Transfer of property to be void in certain cases where it is done with the intention of defrauding the Govt revenue;	Such transfer or charge void against any claim of tax dues except where the transfer is made for adequate consideration and in good faith and without notice of pending tax litigation proceedings;
82	Tax to be first charge on property;	Save (exception) as otherwise provided under IBC;
83	Provisional attachment to protect revenue in certain cases;	Commissioner may attach provisionally any property or bank account belonging to the taxable person for maximum period of one year;

Continuation and validation of certain recovery proceedings – Section 84

*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.*

Notice and Order of Demand of amounts payable under the Act – Rule 142

63

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

(a) Notice issued under section 52 or section 73 or section 74 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 , **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 subsection (1) of Section 73 or sub-section (1) of Section 74 , 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, as the case may be, tax, interest and penalty in accordance with the provisions of **subsection (5) of section 74**, 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 the proper officer shall issue an **acknowledgement, accepting the payment made by the said person in FORM GST DRC-04**.

Notice and Order of Demand of amounts payable under the Act – Rule 142

64

(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**.

(3) Where the person chargeable with tax makes payment of tax and interest under sub-section (8) of section 73 or, as the case may be, tax, interest and penalty under sub-section (8) of section 74 **within thirty days of the service of a Notice** under sub-rule (1), 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 Section 129 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 order 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 (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**.

Notice and Order of Demand of amounts payable under the Act – Rule 142

65

(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 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.***

Recovery by deduction from money owed – Rule 143

*Where any amount payable by a person (hereafter referred to in this rule as "the defaulter") to the Government under any of the provisions of the Act or the rules made thereunder is **not paid**, the proper officer may require, in **FORM GST-DRC-09**, a **specified officer** to **deduct the amount from any money owing to such defaulter** in accordance with the provisions of clause (a) of sub-section (1) of section 79.*

Explanation** - For the purposes of this rule, "specified officer" shall mean any officer of the **Central Government or a State Government or the Government of a Union territory or a local authority**, or of a **Board or Corporation or a company owned or controlled, wholly or partly, by the Central Government or a State Government or the Government of a Union territory or a local authority.

Recovery by deduction from money owed – Rule 144

(1) Where any amount **due from a defaulter** is to be recovered by selling goods belonging to such person in accordance with the provisions of **clause (b) of sub-section (1) of section 79**, the proper officer **shall prepare an inventory and estimate the market value of such goods and proceed to sell only so much of the goods** as may be required for recovering the amount payable along with the **administrative expenditure incurred on the recovery process**.

(2) The said goods **shall be sold through a process of auction, including e-auction**, for which a Notice **shall be issued in FORM GST DRC-10** clearly indicating the **goods to be sold and the purpose of sale**.

(3) The **last day for submission** of bid or the date of auction shall not be **earlier than fifteen days** from the date of issue of the Notice referred to in sub-rule (2):

Provided that where the **goods are of perishable or hazardous nature** or where the **expenses of keeping them in custody** are likely to **exceed their value**, the proper officer may **sell them forthwith**.

(4) The proper officer may **specify the amount of pre-bid deposit** to be furnished in the manner specified by such officer, to make the bidders eligible to participate in the auction, which may **be returned to the unsuccessful bidders, forfeited in case the successful bidder fails to make the payment** of the full amount, as the case may be.

Recovery by deduction from money owed – Rule 144

(5) The proper officer shall issue a **Notice to the successful bidder in FORM GST DRC-11** requiring him to make the payment **within a period of fifteen days** from the date of auction. **On payment of the full bid amount**, the proper officer shall **transfer the possession of the said goods to the successful bidder and issue a certificate in FORM GST DRC-12**.

(6) Where **the defaulter pays the amount under recovery, including any expenses incurred on the process** of recovery, before the **issue of the Notice** under sub-rule (2), the proper officer shall cancel the process of auction and release the goods.

(7) The proper officer **shall cancel the process and proceed for re-auction where no bid is received or the auction is considered to be non-competitive due to lack of adequate participation or due to low bids**.

Recovery from a third person – Rule 145

(1) *The proper officer may serve upon a person referred to in clause (c) of sub-section (1) of section 79 (hereafter referred to in this rule as "**the third person**"), a Notice in **FORM GST DRC-13** directing him to deposit the amount specified in the Notice.*

(2) *Where **the third person** makes the payment of the amount specified in the Notice issued under sub-rule (1), the proper officer shall issue a certificate in **FORM GSTDRC-14** to the third person clearly indicating the details of the liability so discharged.*

Rule 146. Recovery through execution of a decree, etc.

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*Where any amount is payable to the defaulter in the execution of a decree of a civil court for the payment of money or for sale in the enforcement of a mortgage or charge, the proper officer shall send a request in **FORM GST DRC- 15** to the said court and the court shall, subject to the provisions of the Code of Civil Procedure, 1908 (5 of 1908), execute the attached decree, and credit the net proceeds for settlement of the amount recoverable.*

Rule 147. Recovery by sale of movable or immovable property

*(1) The proper officer shall prepare a list of movable and immovable property belonging to the defaulter, estimate their value as per the prevalent market price and issue an order of attachment or distraint and a Notice for sale in **FORMGST DRC- 16** prohibiting any transaction with regard to such movable and immovable property as may be required for the recovery of the amount due:*

***Provided** that the attachment of any property in a debt not secured by a negotiable instrument, a share in a corporation, or other movable property not in the possession of the defaulter except for property deposited in, or in the custody of any Court, shall be attached in the manner provided in rule 151 .*

(2) The proper officer shall send a copy of the order of attachment or distraint to the concerned Revenue Authority or Transport Authority or any such Authority to place encumbrance on the said movable or immovable property, which shall be removed only on the written instructions from the proper officer to that effect.

(3) Where the property subject to the attachment or distraint under sub-rule (1) is -

(a) an immovable property, the order of attachment or distraint shall be affixed on the said property and shall remain affixed till the confirmation of sale;

(b) a movable property, the proper officer shall seize the said property in accordance with the provisions of chapter XIV of the Act and the custody of the said property shall either be taken by the proper officer himself or an officer authorised by him.

*(4) The property attached or distrained shall be sold through auction, including e-auction, for which a Notice shall be issued in **FORM GST DRC-17** clearly indicating the property to be sold and the purpose of sale.*

Rule 147. Recovery by sale of movable or immovable property

(5) Notwithstanding anything contained in the provision of this Chapter, where the property to be sold is a negotiable instrument or a share in a corporation, the proper officer may, instead of selling it by public auction, sell such instrument or a share through a broker and the said broker shall deposit to the Government so much of the proceeds of such sale, reduced by his commission, as may be required for the discharge of the amount under recovery and pay the amount remaining, if any, to the owner of such instrument or a share.

(6) The proper officer may specify the amount of pre-bid deposit to be furnished in the manner specified by such officer, to make the bidders eligible to participate in the auction, which may be returned to the unsuccessful bidders or, forfeited in case the successful bidder fails to make the payment of the full amount, as the case may be.

(7) 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 Notice referred to in sub-rule (4):

Provided *that where the goods are of perishable or hazardous nature or where the expenses of keeping them in custody are likely to exceed their value, the proper officer may sell them forthwith.*

Rule 147. Recovery by sale of movable or immovable property

(8) Where any claim is preferred or any objection is raised with regard to the attachment or distraint of any property on the ground that such property is Not liable to such attachment or distraint, the proper officer shall investigate the claim or objection and may postpone the sale for such time as he may deem fit.

(9) The person making the claim or objection must adduce evidence to show that on the date of the order issued under sub-rule (1) he had some interest in, or was in possession of, the property in question under attachment or distraint.

(10) Where, upon investigation, the proper officer is satisfied that, for the reason stated in the claim or objection, such property was Not, on the said date, in the possession of the defaulter or of any other person on his behalf or that, being in the possession of the defaulter on the said date, it was in his possession, Not on his own account or as his own property, but on account of or in trust for any other person, or partly on his own account and partly on account of some other person, the proper officer shall make an order releasing the property, wholly or to such extent as he thinks fit, from attachment or distraint.

Rule 147. Recovery by sale of movable or immovable property

(11) Where the proper officer is satisfied that the property was, on the said date, in the possession of the defaulter as his own property and Not on account of any other person or was in the possession of some other person in trust for him, or in the occupancy of a tenant or other person paying rent to him, the proper officer shall reject the claim and proceed with the process of sale through auction.

*(12) The proper officer shall issue a Notice to the successful bidder in **FORMGST DRC-11** requiring him to make the payment within a period of fifteen days from the date of such Notice and after the said payment is made, he shall issue a certificate in **FORM GST DRC-12** specifying the details of the property, date of transfer, the details of the bidder and the amount paid and upon issuance of such certificate, the rights, title and interest in the property shall be deemed to be transferred to such bidder:*

Provided *that where the highest bid is made by more than one person and one of them is a co- owner of the property, he shall be deemed to be the successful bidder.*

Rule 147. Recovery by sale of movable or immovable property

(13) Any amount, including stamp duty, tax or fee payable in respect of the transfer of the property specified in sub-rule (12), shall be paid to the Government by the person to whom the title in such property is transferred.

(14) Where the defaulter pays the amount under recovery, including any expenses incurred on the process of recovery, before the issue of the notice under sub-rule (4), the proper officer shall cancel the process of auction and release the goods.

(15) The proper officer shall cancel the process and proceed for re-auction where no bid is received or the auction is considered to be Non-competitive due to lack of adequate participation or due to low bids.

Rule 148 - Prohibition against bidding or purchase by officer;
Rule 149 - Prohibition against sale on holidays
Rule 150 - Assistance by police

Rule 148: *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: *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: *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.*

Rule 151. Attachment of debts and shares, etc

*(1) A debt Not secured by a negotiable instrument, a share in a corporation, or other movable property Not in the possession of the defaulter except for property deposited in, or in the custody of any court shall be attached by a written order in **FORM GST DRC-16** prohibiting.-*

(a) in the case of a debt, the creditor from recovering the debt and the debtor from making payment thereof until the receipt of a further order from the proper officer;

(b) in the case of a share, the person in whose name the share may be standing from transferring the same or receiving any dividend thereon;

(c) in the case of any other movable property, the person in possession of the same from giving it to the defaulter.

(2) A copy of such order shall be affixed on some conspicuous part of the office of the proper officer, and another copy shall be sent, in the case of debt, to the debtor, and in the case of shares, to the registered address of the corporation and in the case of other movable property, to the person in possession of the same.

(3) A debtor, prohibited under clause(a) of sub-rule (1), may pay the amount of his debt to the proper officer, and such payment shall be deemed as paid to the defaulter.

Rule 152. Attachment of property in custody of courts or Public Officer

Rule 153. Attachment of interest in partnership

Rule 152: *Where the property to be attached is in the custody of any court or Public Officer, the proper officer shall send the order of attachment to such court or officer, requesting that such property, and any interest or dividend becoming payable thereon, may be held till the recovery of the amount payable.*

Rule 153: *(1) Where the property to be attached consists of an interest of the defaulter, being a partner, in the partnership property, the proper officer may make an order charging the share of such partner in the partnership property and profits with payment of the amount due under the certificate, and may, by the same or subsequent order, appoint a receiver of the share of such partner in the profits, whether already declared or accruing, and of any other money which may become due to him in respect of the partnership, and direct accounts and enquiries and make an order for the sale of such interest or such other order as the circumstances of the case may require.*

(2) The other partners shall be at liberty at any time to redeem the interest charged or, in the case of a sale being directed, to purchase the same.

Rule 154. Disposal of proceeds of sale of goods or conveyance and movable or immovable property

(1) The amounts so realised from the sale of goods or conveyance, movable or immovable property, for the recovery of dues from a defaulter or for recovery of penalty payable under sub-section (3) of section 129 shall,-

(a) first, be appropriated against the administrative cost of the recovery process;

(b) next, be appropriated against the amount to be recovered or to the payment of the penalty payable under sub-section (3) of section 129 , as the case may be;

(c) next, be appropriated against any other amount due from the defaulter under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017 and the rules made thereunder; and

(d) the balance, if any, shall be credited to the electronic cash ledger of the owner of the goods or conveyance as the case may be, in case the person is registered under the Act, and where the said person is not required to be registered under the Act, the said amount shall be credited to the bank account of the person concerned;

(2) where it is not possible to pay the balance of sale proceeds, as per clause (d) of sub-rule (1), to the person concerned within a period of six months from the date of sale of such goods or conveyance or such further period as the proper officer may allow, such balance of sale proceeds shall be deposited with the Fund;

Rule 155. Recovery through land revenue authority

Rule 156. Recovery through court

Rule 157. Recovery from surety

Rule 155: *Where an amount is to be recovered in accordance with the provisions of clause (e) of sub-section (1) of section 79 , 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.*

Rule 156: *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.*

Rule 157: *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.*

Rule 158. Payment of tax and other amounts in instalments

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- (1) On an application filed electronically by a taxable person, in **FORM GST DRC- 20** , seeking extension of time for the payment of taxes or any amount due under the Act or for allowing payment of such taxes or amount in instalments in accordance with the provisions of section 80 , the Commissioner shall call for a report from the jurisdictional officer about the financial ability of the taxable person to pay the said amount.
- (2) Upon consideration of the request of the taxable person and the report of the jurisdictional officer, the Commissioner may issue an order in **FORM GST DRC- 21** allowing the taxable person further time to make payment and/or to pay the amount in such monthly instalments, not exceeding twenty-four, as he may deem fit.
- (3) The facility referred to in sub-rule (2) shall not be allowed where-
- (a) the taxable person has already defaulted on the payment of any amount under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017, for which the recovery process is on;
 - (b) the taxable person has Not been allowed to make payment in instalments in the preceding financial year under the Act or the Integrated Goods and Services Tax Act, 2017 or the Union Territory Goods and Services Tax Act, 2017 or any of the State Goods and Services Tax Act, 2017;
 - (c) the amount for which instalment facility is sought is less than twenty-five thousand rupees.

Rule 159. Provisional attachment of property

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(1) *Where the Commissioner decides to attach any property, including bank account in accordance with the provisions of section 83 , he shall pass an order in **FORM GST DRC-22** to that effect mentioning therein, the details of property which is attached.*

(2) *The Commissioner shall send a copy of the order of attachment in **FORM GST DRC-22** to the concerned Revenue Authority or Transport Authority or any such Authority to place encumbrance on the said movable or immovable property, which shall be removed only on the written instructions from the Commissioner to that effect.*

(3) *Where the property attached is of perishable or hazardous nature, and if the person, whose property has been attached pays an amount equivalent to the market price of such property or the amount that is or may become payable 3 [by such person, whichever is lower, then such property shall be released forthwith, by an order in **FORM GST DRC-23** , on proof of payment.*

(4) *Where such person fails to pay the amount referred to in sub-rule (3) in respect of the said property of perishable or hazardous nature, the Commissioner may dispose of such property and the amount realized thereby shall be adjusted against the tax, interest, penalty, fee or any other amount payable such person.*

Rule 159. Provisional attachment of property

83

*(5) Any person whose property is attached may file an objection in **FORM GST DRC-22A** to the effect that the property attached was or is Not liable to attachment, and the Commissioner may, after affording an opportunity of being heard to the person filing the objection, release the said property by an order in **FORM GST DRC- 23** .*

*(6) The Commissioner may, upon being satisfied that the property was, or is No longer liable for attachment, release such property by issuing an order in **FORM GST DRC- 23** .*

Rule 160. Recovery from company in liquidation

Rule 161. Continuation of certain recovery proceedings

84

Rule 160: 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 161: The order for the reduction or enhancement of any demand under section 84 shall be issued in **FORM GST DRC- 25** .

Recovery of Credit wrongly availed – Rule 121

85

*The amount credited under sub-rule (3) of rule 117 **may be verified and proceedings under section 73 or, as the case may be, section 74 shall be initiated** in respect of any credit wrongly availed, whether wholly or partly;*

Manner of calculating interest on delayed payment of tax – Rule 88B

86

(1) In case, where the supplies made during a tax period are declared by the registered person in the return for the said period and the said return is furnished after the due date in accordance with provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, the interest on tax payable in respect of such supplies shall be calculated on the portion of tax which is paid by debiting the electronic cash ledger, for the period of delay in filing the said return beyond the due date, at such rate as may be notified under sub-section (1) of section 50.

(2) In all other cases, where interest is payable in accordance with sub section (1) of section 50, the interest shall be calculated on the amount of tax which remains unpaid, for the period starting from the date on which such tax was due to be paid till the date such tax is paid, at such rate as may be notified under sub-section (1) of section 50.

(3) In case, where interest is payable on the amount of input tax credit wrongly availed and utilised in accordance with subsection (3) of section 50, the interest shall be calculated on the amount of input tax credit wrongly availed and utilised, for the period starting from the date of utilisation of such wrongly availed input tax credit till the date of reversal of such credit or payment of tax in respect of such amount, at such rate as may be notified under said sub-section (3) of section 50.

Manner of calculating interest on delayed payment of tax – Rule 88B

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Explanation. -For the purposes of this sub-rule, -

(1) input tax credit wrongly availed shall be construed to have been utilised, when the balance in the electronic credit ledger falls below the amount of input tax credit wrongly availed, and the extent of such utilisation of input tax credit shall be the amount by which the balance in the electronic credit ledger falls below the amount of input tax credit wrongly availed.

(2) the date of utilisation of such input tax credit shall be taken to be, -

(a) the date, on which the return is due to be furnished under section 39 or the actual date of filing of the said return, whichever is earlier, if the balance in the electronic credit ledger falls below the amount of input tax credit wrongly availed, on account of payment of tax through the said return; or

(b) the date of debit in the electronic credit ledger when the balance in the electronic credit ledger falls below the amount of input tax credit wrongly availed, in all other cases.

Recovery of Refund of unutilised Input Tax Credit or Integrated tax paid on export of goods where export proceeds not realised – Rule 96B

88

(1) Where any refund of unutilised **input tax credit on account of export of goods or of integrated tax paid on export of goods** has been paid to an applicant but the sale proceeds in respect of such export goods have not been realised, in full or in part, in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period, **the person to whom the refund has been made shall deposit the amount so refunded, to the extent of non-realisation of sale proceeds, along with applicable interest within thirty days of the expiry of the said period or, as the case may be, the extended period, failing which the amount refunded shall be recovered** in accordance with the provisions of section 73 or 74 of the Act, as the case may be, as is applicable for recovery of erroneous refund, along with interest under section 50 :

Provided that where sale proceeds, or any part thereof, in respect of such export goods are not realised by the applicant within the period allowed under the **Foreign Exchange Management Act, 1999 (42 of 1999)**, but **the Reserve Bank of India** writes off the requirement of realisation of sale proceeds on merits, the refund paid to the applicant shall not be recovered.

(2) Where the sale proceeds are realised by the applicant, in full or part, after the amount of refund has been recovered from him under sub-rule (1) and the applicant produces evidence about such realisation within a period of three months **from the date of realisation of sale proceeds, the amount so recovered shall be refunded by the proper officer**, to the applicant to the extent of realisation of sale proceeds, provided the sale proceeds have been **realised within such extended period as permitted by the Reserve Bank of India.**

Extract of Rule 89 – Application for refund of tax, interest, penalty, fees or any other amount

89

*(1A) Any person, **claiming refund under section 77 of the Act** of any tax paid by him, in respect of a transaction considered by **him to be an intra-State supply, which is subsequently held to be an inter-State supply**, may, before the expiry of a **period of two years from the date of payment of the tax on the inter-State supply**, file an application electronically in **FORM GST RFD-01** through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:*

*Provided that the said application may, **as regard to any payment of tax on inter-State supply** before coming into force of this sub-rule, be **filed before the expiry of a period of two years from the date on which this sub-rule comes into force**;*

Q.1

As per provisions contained in Section 73 of the CGST Act, 2017, the Proper Officer is empowered to issue an Order with a maximum demand up to _____?

- A. Amount of Tax + Interest + Penalty @ 10% of Tax;
- B. Amount of Tax + Interest + Penalty @ 10% of Tax or Rs. 10,000-00, **whichever is higher;**
- C. Amount of Tax + Interest + Penalty @ 10% of Tax or Rs. 10,000-00, **whichever is lower;**
- D. Amount of Tax + Interest + Penalty @ 20% of Tax or Rs. 10,000-00, **whichever is lower;**

Answer:- B

The time limit for issue of Order in cases not involving fraud, willful misstatement or suppression of facts to evade tax as per provisions U/S 73 of CGST Act is _____?

- A. 1 Year;
- B. 2 Years;
- C. 3 Years;
- D. 5 Years;

Answer:- C

The time limit for issue of Order in cases involving fraud, willful misstatement or suppression of facts to evade tax as per provisions U/S 74 of CGST Act is _____?

- A. 1 Year;
- B. 2 Years;
- C. 3 Years;
- D. 5 Years;

Answer:- D

As per provisions contained in Section 76 CGST Act / relevant CGST Rules, any amount of tax collected shall be deposited to the credit of the Central or a State Government in circumstances _____?

- A. where the supplies in respect of which such amount was collected are taxable;
- B. regardless of whether the supplies in respect of which such amount was collected are taxable or not;
- C. where the supplies in respect of which such amount was collected are not taxable;
- D. where the amount of tax collected is in excess of input tax credit;

Answer:- B

Q.5

The time limit for issue of Order in cases where tax collected but not paid to the Government as per provisions U/S 76 of CGST Act is _____?

- A. 1 Year;
- B. 2 Years;
- C. 3 Years;
- D. 5 Years;

Answer:- A

Section _____ CGST Act deals with tax erroneously collected and deposited with the Central or a State Government?

- A. 57;
- B. 74;
- C. 76;
- D. 77;

Answer:- D

_____ are consequences of IGST erroneously classified and paid to the Central Government or a State Government instead of CGST and SGST or UGST?

- A. Seek refund of IGST and make payment of CGST and SGST or UGST with interest;
- B. Seek refund of IGST and make payment of CGST and SGST or UGST without interest;
- C. Adjust against future tax liability;
- D. Seek refund of CGST and SGST or UGST and make payment of IGST;

Answer:- B

SCN stands for _____?

- A. Special Cause Notification;
- B. Serve the Cause Notice;
- C. Suppression Cause Notice;
- D. Show Cause Notice;

Answer:- D

As per provisions under GST law / GST Rules, Notice can be served to the taxable person by _____ of the following modes of communication?

- A. By Registered Post;
- B. By sending a communication to the registered email id of the taxable person, if any;
- C. By making it available on the Common Portal;
- D. Any or All of the above;

Answer:- D

As per provisions under CGST Act / CGST Rules, the prescribed monetary limit for issuance of Notice and Orders by the Superintendent of Central Tax for CGST dues is _____?

- A. Not exceeding Rs. 10 lakhs;
- B. Not exceeding Rs. 20 lakhs;
- C. Above Rs. 10 lakhs but not exceeding Rs. 1 crore;
- D. Above Rs. 20 lakhs but not exceeding Rs. 2 crore;

Answer:- A

_____ is the Rate of Penalty in situations involving defaults U/S 74 of CGST Act if the payment has been made within 30 days of the issuance of the Notice (SCN)?

- A. Ten per cent;
- B. Fifteen per cent;
- C. Twenty per cent;
- D. Twenty-five per cent;

Answer:- D

_____ is the Rate of Penalty in situations involving defaults U/S 74 of CGST Act if the payment has been made within 30 days of the issuance of the Notice (SCN)?

- A. Ten per cent;
- B. Fifteen per cent;
- C. Twenty per cent;
- D. Twenty-five per cent;

Answer:- D

**As per provisions under CGST Act / CGST Rules,
_____ is the maximum number of times for which
Personal Hearing can be adjourned?**

- A. one;
- B. two;
- C. three;
- D. four;

Answer:- C

As per provisions under CGST Act / CGST Rules, in a situation where Notice is issued for total tax dues (tax, interest and penalty) amounting to Rs. 1.00 crore, can Proper Officer issue Order in excess of Rs. 1.00 crore?

- A. Yes, where it is necessary to do so;
- B. No, Proper Officer is not empowered to do so;
- C. Yes, at the discretion of Proper Officer;
- D. Yes, at the discretion of Principal Commissioner of Central Tax;

Answer:- B

_____ is the time limit for payment of tax dues from the date of service of Order?

- A. One month;
- B. Two months;
- C. Three months;
- D. Four Months;

Answer:- C

As per provisions under Section 84 of CGST Act and Rules made thereunder, the Commissioner shall issue a fresh Notice to recover Government dues when _____?

- A. the amount of Demand is enhanced;
- B. the amount of Demand is reduced;
- C. the amount of Demand is enhanced, and the amount of Demand is reduced;
- D. the amount of Demand is amended;

Answer:- A

As per provisions under Section 84 of CGST Act and Rules made thereunder, the Notice for enhanced Demand in Appeal, Revision of Application or other proceedings can be issued by the _____?

- A. Joint Commissioner of Central Tax;
- B. Commissioner of Central Tax;
- C. Additional Commissioner of Central Tax;
- D. Deputy Commissioner of Central Tax;

Answer:- B

As per provisions under Section 83 of CGST Act and Rules made thereunder, the Order passed for provisional attachment is valid for a period of _____?

- A. One Year;
- B. Two Years;
- C. Five Years;
- D. Infinite Period;

Answer:- A

As per provisions under Section 83 of CGST Act and Rules made thereunder, the Competent Authority for passing an order for provisional attachment is _____?

- A. Commissioner of Central Tax;
- B. Joint Commissioner of Central Tax;
- C. Additional Commissioner of Central Tax;
- D. Deputy Commissioner of Central Tax;

Answer:- A

As per provisions under Section 83 of CGST Act and Rules made thereunder, the attachment of the property can be done _____?

- A. before completion of the proceedings;
- B. after completion of the proceedings;
- C. during on-going proceedings;
- D. only after multiple attempts of recovery and after taking taxable person into confidence ;

Answer:- A

As per provisions under Section 82 of CGST Act and Rules made thereunder, the _____ of the following property of Mr. X, against whom proceedings for recovery of tax dues is initiated, could be treated as attracting first charges?



- A. Flat in a posh area of the city which is in the name of Mrs. X;
- B. Flat in a posh area of the city which is in the name of Mr. X;
- C. Flat in a posh area of the city which is in the name of Mrs. Y, close relative of Mr. X;
- D. Fixed Deposit in the name of Mrs. X;

Answer:- B

As per provisions under Section 81 of CGST Act and Rules made thereunder, under the circumstances when the _____, the transfer of property would be considered as void?

- A. transaction is done with intention to defraud the Government revenue;
- B. transaction is done without intention to defraud the Government revenue;
- C. transaction is done without permission of Government Authority;
- D. transaction is done at below the market price;

Answer:- A



**SUCCESS IS NOT FINAL;
FAILURE IS NOT FATAL:
IT IS THE COURAGE TO CONTINUE
THAT COUNTS.**

WINSTON V. CHURCHILL

This PPT is prepared purely for academic and knowledge sharing purposes with the aid of information / material / law provisions freely available on the internet. This PPT does not claim coverage of exhaustive provisions under CGST Act.

Thanks for your Attention!!!

Any Questions???