

(For Internal Dept. Use Only)



Handbook for GST Officers

*Third Edition
(August, 2025)*



**National Academy of Customs, Indirect Taxes and Narcotics (NACIN),
Andhra Pradesh Zonal Institute, Visakhapatnam**

(Accredited as 'Ati Uttam' by Capacity Building Commission, Govt. of India)

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Compiled by
National Academy of Customs, Indirect Taxes and Narcotics
(NACIN)
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For training and internal use within NACIN/CBIC only

**Your valuable suggestions and feedback may be sent to
“”psadg.nacinvsp-cbec@gov.in”**

Disclaimer: *This handbook is a compilation of select provisions of GST law meant for Departmental training and reference purposes. For ease of understanding, the provisions are tabulated and explained in simple terms. The publication is strictly for internal use within NACIN/CBIC and no portion of the publication can be quoted for legal purposes.*

Foreword

It gives me great pleasure to present the Third Edition of the *Handbook for GST Officers*—an effort to simplify and streamline the understanding of the Goods and Services Tax law for trainees, while also providing a practical resource for in-service officers in their daily work. The First Edition (January 2024) and Second Edition (June 2024) of this handbook were well received by the trainees' and officers' fraternity.

Most of the content in this edition has been presented in a tabular format, enabling trainees and officers to grasp/refer provisions easily and quickly. While primarily meant for new trainee officers joining CBIC, it also serves as a handy reference for all GST officers. The inclusion of extracts related to Vigilance and Administration—such as Conduct Rules, Leave Rules, Allowances, GFR, etc.—makes it a comprehensive, one-stop resource for departmental matters.

I trust this edition will continue to serve as a reliable companion in your GST learning journey. I request active feedback and suggestions from the Departmental fraternity to enhance future editions. *(Your valuable comments on corrections, additions, or deletions may be e-mailed to psadg.nacinvsp-cbec@gov.in.)*

I sincerely thank the Director General, NACIN, for the active encouragement and support extended to this endeavour of NACIN, ZTI, Visakhapatnam. I gratefully acknowledge the contributions of Sri K. Venkateswara Rao, AAD, and Sri A Ramesh Kumar, AD for refining the GST-related content for this updated version. My appreciation also extends to Sri P. Raghuveer, CAO, and Sri A.M. Mathews, AD, for updating the sections related to Accounts, Administration, and Vigilance.



(Ravi Kiran Edara)
Additional Director General
NACIN, Visakhapatnam

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Part-A

Introduction

Introduction

1. Taxation Overview

‘Tax’ is defined in different ways. In simple words, it is ‘a compulsory financial contribution upon an activity’. Such an activity in legal terms is called **‘taxable event’**. The person (*individual person or a business organization*) who is undertaking such taxable event is liable to pay tax and he/she is called a **‘taxpayer’**. While the Legislature *levies* the tax by enacting a law, the Executive *collects* the tax and the Judiciary interprets and corrects the tax law and procedures, whenever they are called into question.

Taxation is an important source of revenue to the Governments. As per Article 265 of the Constitution of India, **“No tax shall be levied or collected except by authority of law”**. There are clearly spelt out lists giving powers of taxation to the Union, the States and the Local Bodies.

At the Union government level, Ministry of Finance takes care of tax administration through the Department of Revenue. All the taxes are broadly divided into **Direct Taxes and Indirect Taxes**. The Department of Revenue has two Boards viz Central Board of Direct Taxes (CBDT) and Central Board of Indirect Taxes and Customs (CBIC). They administer direct and indirect taxes, respectively.

Income Tax is tax levied on income earned by individuals. **Corporation Tax** is tax paid on a company’s taxable income. Both these taxes are direct taxes since the *tax is paid directly* by the individual/corporate to the Government.

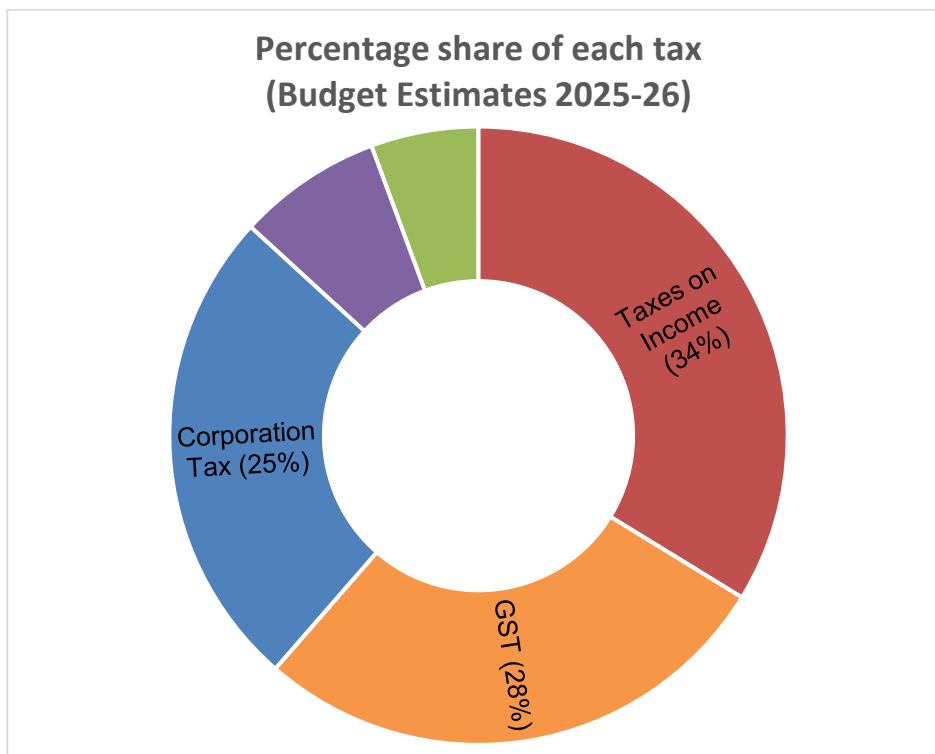
Customs Duty is levied on the value of goods imported or exported. Union Excise duties are levied on the manufacture of goods (*other than liquor for human consumption which is taxed by States and commonly referred as ‘State Excise’ duty.*) Despite the advent of GST, few goods are still subject to **‘Central Excise’**. **‘Service Tax’** which levied earlier on services was fully subsumed under GST. From 1-7-2017, **Goods and Services Tax (GST)** is the new levy on *supply* of goods or services or both. Customs, Central Excise, Service Tax and GST are all indirect taxes. They are indirect in the sense

that they are *indirectly collected* by the Government from consumers/public via business entities. So, in case of indirect taxes, the ultimate consumer is the one who pays tax and the businesses ('Taxpayers') indeed ***collect the tax as a sort of agent of the Government.***

As per the Union Budget 2025-26, the composition of direct and indirect taxes to the Union (Gross Tax Revenue - Budget Estimates for 2025-26) is as below:

Nature of Tax	Name of the Tax and % Share	Budget Estimate for 2025-26 (In Rs. Crores)
Direct Tax	Corporation Tax (25%)	10,82,000
	Taxes on Income (34%)	14,38,000
Indirect Tax	Customs (6%)	2,40,000
	Union Excise Duties (8%)	3,22,000
	Service Tax* (0.02%)	100
	GST (28%)	11,78,000

* Small amounts of Service Tax dues are still accruing as arrears.



2. Basics of Indirect Taxation:

In case of Direct Taxes, the tax burden is *directly borne* by the taxpayer whereas in the indirect taxes, the tax *burden is passed on* to the ultimate consumer. In addition to the value of supply, Consumers pay indirect tax component also which forms part of the Bill/Invoice. Such suppliers/businesses in turn have to pay that tax amount so collected to the Government, within stipulated time. Because of this 'indirect' nature, collection of indirect taxes assumes critical importance so as ***to ensure the taxes paid by the public / consumers indeed reaches the Government kitty and not pocketed by the Business entities***. This aspect explains the significance of close monitoring of tax payments and prevention of revenue leakage by the Departmental officers.

Indirect taxes are basically '***Consumption Taxes***'. Every person who consumes the goods or services or both, pays the tax. These are unlike Direct Taxes which are on Income earned and normally exempt for some persons and up to a certain income limit. Therefore, the rates of indirect taxes are decided based on the needs of economic levels of consumers and items of consumption. Cost of collection of indirect taxes is also very low, especially in India. Certain exemptions are **Provided** in the public interest. Conditional exemptions are also **Provided** sometimes to encourage Trade and investment. Good practices of indirect taxation collection result in growth of GDP and exports, thereby favourable balance of trade and foreign exchange reserves.

Tax on Goods and Services (GST/VAT) is a well-known Indirect Tax. It is based on the principle of Value-Added Taxation. Globally, especially in countries of EU etc., Tax on Goods and Services is called as Value Added Tax (VAT). Thus, 'VAT' connotes both a name of a Tax (GST) and a principle of taxation. As the name suggests, VAT involves collection of tax ***on value addition at each stage of the supply chain***. The net VAT payable by a taxpayer is arrived at by duly deducting the VAT already paid on inputs/input services [***called as Input Tax Credit (ITC)***] from the VAT amount payable on the output goods/services. This approach serves for elimination of '***cascading effect***' of taxation. If VAT is allowed to be levied

and collected on each stage without giving the benefit of deduction of VAT already paid, it results in ***payment of tax on tax***, thereby inflating the value of supply at each stage.

Thus, 'ITC' is almost like 'cash' for the taxpayer and therefore claiming of ITC, its actual eligibility, verification of the same and refund etc., are very important areas in any VAT regime.

3. CBIC – Role & Functions

Central Board of Indirect Taxes and Customs (CBIC) (*earlier known as 'Central Board of Excise & Customs (CBEC)'*) is a part of the Department of Revenue under the Ministry of Finance, Government of India. It deals with tasks of formulation of policy concerning levy and collection of Customs, Central Excise duty, Central Goods and Services Tax (CGST) and Integrated Goods and Services Tax (IGST). CBIC administers these taxes through its subordinate organizations, including Custom Houses, Central GST Commissionerates etc., The updated "Citizen Charter" is reproduced hereunder:

4. CITIZENS' CHARTER (*Last updated on 11.12.2024*)

Vision: Partnering in India's socio-economic growth by formulating and implementing progressive indirect tax policies adopting stakeholder-centric approach and protecting the frontiers.

Mission

A robust indirect tax and border control administration, with a view towards delivery of services, which is –

- Simple and predictable
- Fair and just
- Transparent
- Technology- driven and which -
- Encourages trust – based voluntary compliance
- Protects honest taxpayers' rights
- Facilitates trade with risk-based enforcement

- Enables legitimate movement of people, goods and services
- Supplement the efforts to ensure national security
- Continually invests in capacity building to achieve professional and ethical excellence,
- Promotes Ease of doing Business

Our Motto : “Desh Sevarth Kar Sanchay” Tax collection in Service of the Nation.

Core Values

- Integrity and Judiciousness
- Impartiality and Fairness
- Courtesy and Understanding
- Objectivity and Transparency
- Uprightness and Conscientiousness
- Promptness and Efficiency

Our Expectations : We expect citizens to:

- Uphold and respect the laws of the land
- Voluntarily discharge all tax liabilities
- Fulfil their duties and legal obligations in time
- Be honest in furnishing information
- Be co-operative and forthright in inquiries and verifications
- Avoid unnecessary litigation.

OUR STANDARDS

We aspire to provide the following key services within specified timelines:

S. No.	Key Services	Timelines
1	i. Acknowledgement of all written communication including declarations, intimations, applications and returns	3 days
	ii. Acknowledgement of communication received through electronic media	Immediate

2	Convey decision on matters including declarations or assessments	15 days
3	i. Disposal of refund claim of Customs Duty ii. Disposal of refund claims of GST	90 days from receipt of complete application 60 days from receipt of complete application
4	i. Sanction of Drawback	
	(a) In Case of electronic processing of drawback claims	3 days from Export
	(b) In Case of manual processing of drawback claims	15 days of filing of manual return
	ii. Fixation of Brand rate of Duty Drawback	25 days from date of complete application
	Cargo Release Time	
5	(a) In case of exports, for i. Sea Cargo ii. Air Cargo iii. ICD iv. LCS	i. 24 hours ii. 12 hours iii. 24 hours iv. 24 hours
	(b) In case of imports, for i. Sea Cargo ii. Air Cargo iii. ICD iv. LCS	i. 48 hours ii. 24 hours iii. 48 hours iv. 48 hours
6	GST Registration	i. 7 days (where Aadhaar number is authenticated) ii. 30 days (where Aadhaar Authentication has not been opted, or Aadhaar Authentication fails, or where the applicant is identified for physical verification of the premises.
7	Amendment in registration, if found eligible	15 days
8	Cancellation of GST Registration	30 days from the date of application

9	Advance intimation before undertaking audit	Minimum 15 days
10	Conclusion of Audit, if being conducted at the premises of the auditee GST Audit Customs Audit	a) 90 days from the commencement of audit b) 30 days from the commencement of audit
11	Intimation of findings of audit GST Audit Customs Audit	a) 30 days after conclusion of audit b) 7 days after finalization of audit report
12	Release of seized documents and things, if not required by the Department	30 days after issue of Show Cause Notice
13	Complete examination and clearance of export consignment at factory/warehouse premises	24 hours from receipt of application by proper officer
14	Permission for self-sealing for export consignment	10 days from receipt of application by proper officer
15	Issue of Orders-in-Original/Orders-in-Appeal	GST : O-I-O: 30 days from the date of conclusion of personal hearing where all the requisite information is available O-I-A: 1 year from the date on which appeal is filed. CUSTOMS : O-I-O/ O-I-A: 30 days from the date of conclusion of personal hearing where all the requisite information is available
16	Finalization of provisional assessment	GST : 6 months from the date of passing of the provisional order CUSTOMS : 30 days from the date of conclusion of inquiry or submission of requisite documents
17	Return of Bond and BG in Export Promotion Schemes	
	(a) When not selected by customs	10 days from receipt of

	for verification	complete application including EODC
	(b) Other cases not under investigation	30 days from receipt of complete application including EODC
18	CPGRAMS	21 days
19	Suggestions for Ease of Doing Business (EoDB)- This Key facility has been provisioned for receiving suggestion from Trade/ Trade Associations/ Taxpayers and ensuring due consideration of the same by CBIC.	

OUR COMMITMENT : We shall strive to:

- To encourage voluntary compliance
- To educate citizens about indirect tax laws
- To continuously enhance service delivery standards
- To promote a consultative and collaborative environment
- To provide information and other assistance at the GST Seva Kendras/ Facilitation Counters as also on the website www.cbic.gov.in
- To effectively combat corruption as part of the comprehensive national mission for promotion of integrity

Grievance Redressal

- We will acknowledge grievances within 48 hours of receipt and attempt to provide final reply within 21 days of their receipt.
- In case the grievance is not responded to within the prescribed time norms or the remedy offered is not satisfactory, an appeal can be filed with the next higher authority. The appeal will be decided within 15 days of the receipt
- Common grievances can be taken up in Open House meetings of Public Grievance Committee, Customs Clearance Facilitation Committee, Permanent Trade Facilitation Committee, Regional Advisory Committee

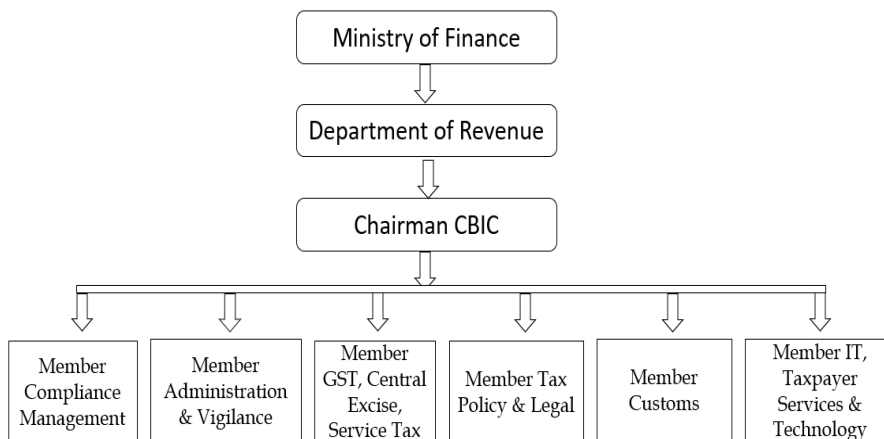
- The grievance redressal mechanism including contact details of public grievance officers are available on the website www.cbic.gov.in

Note:

- Information required to be published under Section 4.1.b of RTI Act, 2005 are available on the website www.cbic.gov.in.
- Time norms for other services, as may be prescribed, shall also be observed.



5. CBIC – Organisational Structure



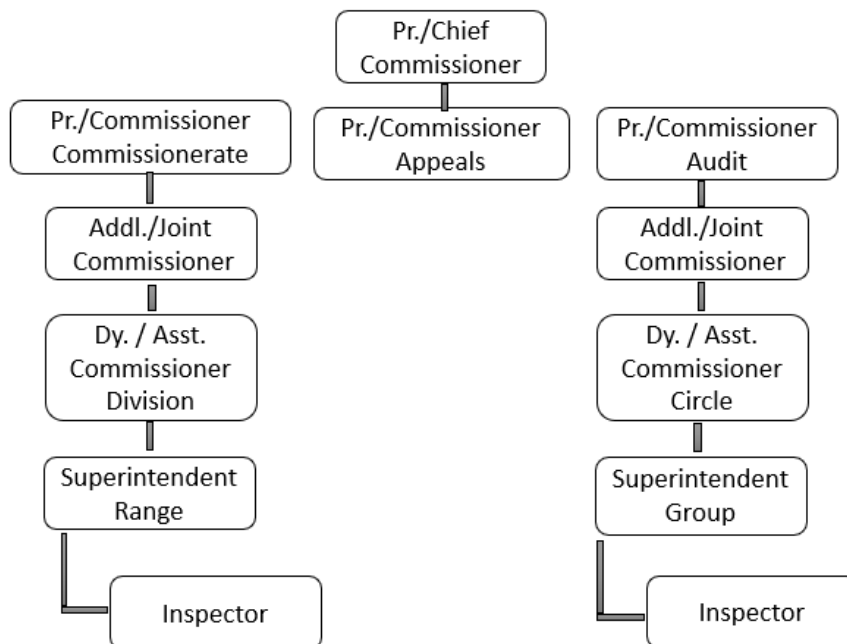
CBIC has various Zones covering the whole country. The Zones are further divided into various ***Commissionerates, Divisions and Ranges*** for administering CGST and IGST (and Customs in case of some zones). In major cities, there are exclusive Customs Commissionerates (***‘Custom Houses’***) and even Zones to administer Customs duties.

In case of GST (and Central Excise), while ***‘Executive’*** Commissionerates handle matters of general and day-to-day compliance, there are exclusive ***‘Audit’*** and ***‘Appeal’*** Commissionerates for regular auditing of taxpayers’ businesses and to hear appeals filed by aggrieved taxpayers.

Aside from these **‘Field Formations’**, there are many **“Directorates”** which take care of specialized functions of the CBIC such as Human Resources (DGHRD), Revenue Intelligence in Customs (DRI), GST Intelligence and Investigation (DGGI), Training and Capacity Building (NACIN), Taxpayer Services (DGTS), Performance Management (DGPM), Vigilance (DGV), Analytics & Risk Management (DGARM), Legal Affairs (DLA), Logistics, Valuation, Export Promotion, Central Revenues Control Laboratories etc.

National Academy of Customs, Indirect Taxes & Narcotics (**‘NACIN’**) is one of such Directorates with a mandate to train all the new recruits in Group A, B & C cadres and serving officers. The Headquarters of NACIN is located at Palasamudram, Satya Sai District of Andhra Pradesh. It largely caters to the induction training of Direct Recruit Group-A (IRS (C&IT)) officers, Mid-career trainings of IRS (C&IT) Officers, International trainings etc. There are many Zonal Campuses of NACIN (**‘ZTIs’**) with a mandate to take up Induction Trainings for all cadres of officers and in-service training to all cadres.

6. Organisational Chart at Zonal Level



Important Websites

Ministry of Finance : <https://finmin.nic.in>
Department of Revenue : <https://dor.gov.in>
CBIC : <https://www.cbic.gov.in/>
GST Portal for Taxpayers : <https://services.gst.gov.in/>
GST Council : <https://gstcouncil.gov.in>
GST Network : <https://gstn.org.in>
E-way Bill Portal : <https://ewaybillgst.gov.in>
E-Invoice Portal : <https://einvoice1.gst.gov.in>
Intranet portal for Departmental Officers:
<https://antarang.icegate.gov.in/> , <https://saksham.cbic.gov.in/>

7. Checklist for newly joined Officers


S.No.	Name of the procedure
1	Identity Card
2	Enrollment in AEBAS (Aadhar Enabled Biometric Attendance System)
3	PAN Card
4	Opening of PRAN (Permanent Retirement Account Number) Account through NSDL
5	Creation of Profile in PFMS (Public Financial Management System)
6	Opening of Service Book
7	Registering with e-HRMS (e-Human Resources Management System)
8	Enrolling with iGOT (Integrated Government Online Training) Portal
9	Submission of nomination forms viz., Form-1 & 2, Common Nomination Form for CGEGIS (Central Government Employees Group Insurance Scheme) & Gratuity and Home Town

	Declaration.
10	CGHS (Central Government Health Scheme) Application, if eligible
11	Creation of Govt. Mail id.
12	Getting SSOID (Single Sign on Identification)
13	Mapping in VPN (Virtual Private Network) and e-Office
14	Mapping in Sparrow
15	Mapping in GST Back Office (BO) Application
16	Mapping with MS 365 log in using SSOID Based Credentials
17	Name Plate
18	Uniform/Formal Wear
19	Exercising option for enrollment into NPS/UPS by newly joined officers
20	Return of assets (both movable and immovable) and liabilities u/r 18(1) of CCS (Conduct) Rules, 1964, on first appointment.




8. Working Smart

Short videos on Technology Tips for personal and office productivity

S.No.	Items in playlist (Office 365 and GOV Mail)	QR Code of Playlist
1	Microsoft 365 - Overview and Features	
2	Microsoft 365 - How to create and share a document?	
3	Microsoft 365 - How to use it effectively in a CBIC Executive Commissionerate	
4	Conducting online meetings on MS Teams	
5	e-Office Overview for Beginners	

	(7.2.5 Version)
6	e-mailing letters & attachments directly from e-office ('self-dispatch' option in e-office (7.2.5))
7	Basic tips to use GOV mail effectively
8	Syncing GOV mail on mobile / Enabling IMAP for GOV mail

S.No.	Videos on Tech Shortcuts	QR Code of Playlist
1	How to Enable Voice Typing in Android devices	
2	How to scan pages and create single PDF file?	
3	How To Use Voice Typing On iPhone Keyboard?	
4	Voice Typing in Windows 10/11 Voiceto Text in Windows	
5	How to take a screenshot on a PC or laptop with Windows	
6	How to Screen Record with Audio on Windows 11 or 10	
7	The BEST Way to Screen Record on Android	
8	Word: Track Changes and Comments	
9	How to Share Live Location on WhatsApp	
10	How To Use Split Screen on Windows	



Part-B

GST - At a Glance

GST - At a Glance

1. Goods and Services Tax (GST)

The Constitution (101st Amendment) Act, 2016 paved the way for rollout GST in India w.e.f 1-7-2017. Article 246A of the Constitution gave powers to the Parliament ('CGST') and State Legislatures ('SGST') to make law to levy GST on supply of goods or services or both and to Parliament to levy the tax ('IGST') where such supply takes place in the course of inter-State trade or commerce.

Spirit of federalism is one of the basic and fundamental features of our Constitution. The Seventh Schedule to the Constitution contains separate lists viz., Union List, State List and Concurrent List. These lists include powers of taxation by Union and State Legislatures. Accordingly, Income Tax, Corporate Tax, Duties of Central Excise (and earlier Service Tax) etc. were levied by the Parliament and collected by the Central Government. Similarly, "Sales Tax" / "Value Added Tax" was levied by the Legislatures of States on Sales of Goods and collected by the State Executives concerned. In line with this legacy, when Goods and Services Tax (GST) was envisioned for India, a '**Concurrent & Dual GST Model**' was adopted.

2. Taxes subsumed in GST

Taxes levied and collected by the Union	Taxes levied and collected by the States
<ul style="list-style-type: none">➤ Central Excise Duty (CENVAT) Additional Excise Duties➤ Excise Duty levied under the Medicinal and Toiletries Preparations (Excise Duties) Act 1955➤ Service Tax➤ Additional Customs Duty Special Additional Duty of Customs	<ul style="list-style-type: none">➤ Value Added Tax / Sales tax Entertainment tax➤ Luxury tax➤ Taxes on lottery, betting and gambling➤ State Cesses and Surcharges in so far as they relate to supply of goods and services➤ Octroi and Entry Tax Purchase Tax

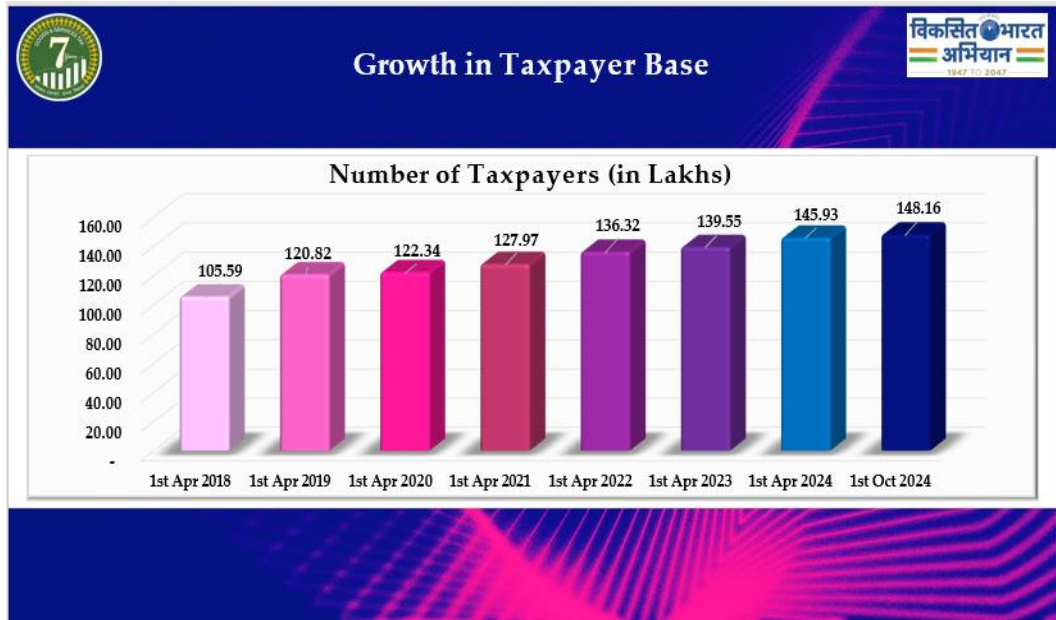
3. Some of the features of India's Goods and Services Tax

- GST Council as Apex federal body (Art 279A)
- Destination-based consumption tax
- Concurrent 'dual' GST
- Components of GST – Central GST, State GST/Union Territory GST and Integrated GST
- Uniform Law by Union and States
- Taxable event is Supply of goods or services or both
- Multiple rates of tax
- Place of supply provisions to determine the destination of consumption
- Input Tax Credit on value addition
- Interface through IT-based system
- E-Way Bill System and Elimination of check posts at the borders of the States
- Provision of threshold limits so as to keep small businesses out of GST net
- Composition Scheme, so as to allow small players to opt out of ITC chain
- Distribution of assesseees between the Centre and the States for administering the tax in normal course (scrutiny, audit etc.) while providing “cross- empowerment” in case of intelligence-based investigation and enforcement
- Distribution of IGST proceeds between the Centre and the States



4. GST Journey So Far

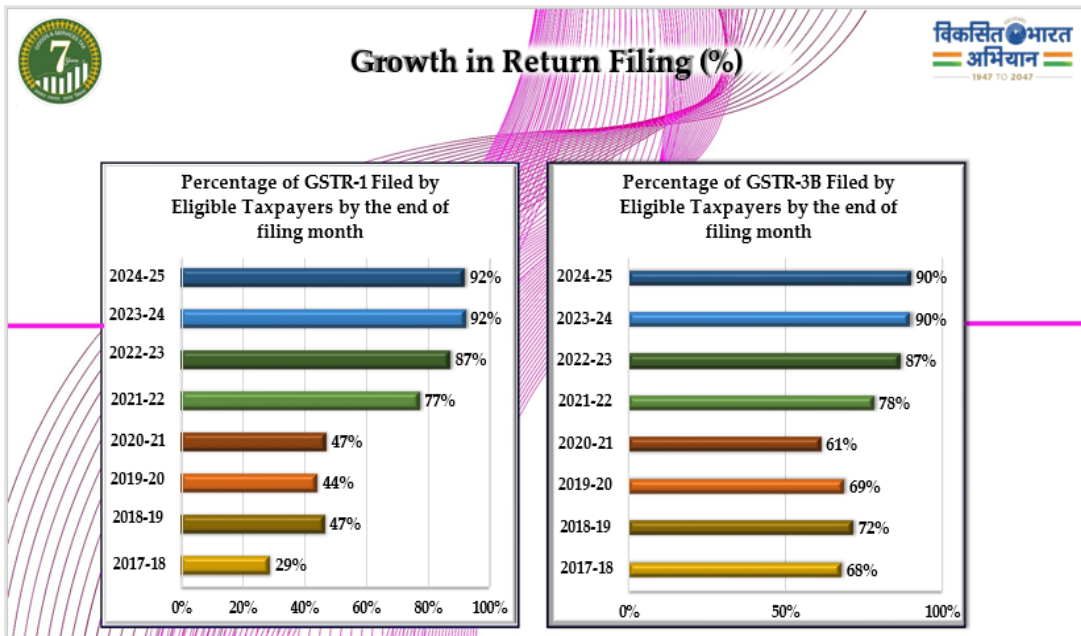
👉 **Growth in Taxpayer Base:** Number of active taxpayers in GST system has shown an increasing trend;



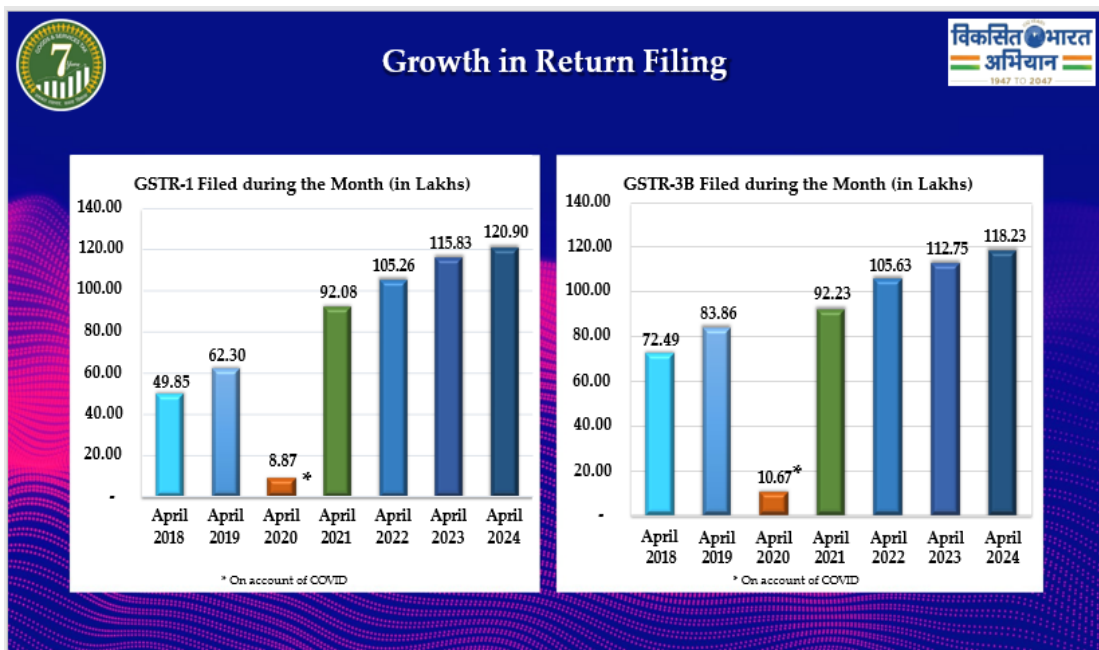
👉 **Growth in Collections:** Rise in GST collection across years is indicative of a robust growth in economy;



- ➡ **Growth in Return Filing:** An increase in return filing across the years indicates an improvement in compliance levels and has propelled India to the rank of developed tax regimes;



- ➡ **Growth in return filing:** Number of Returns Filed during the April Month since beginning shows a regular growth over the years

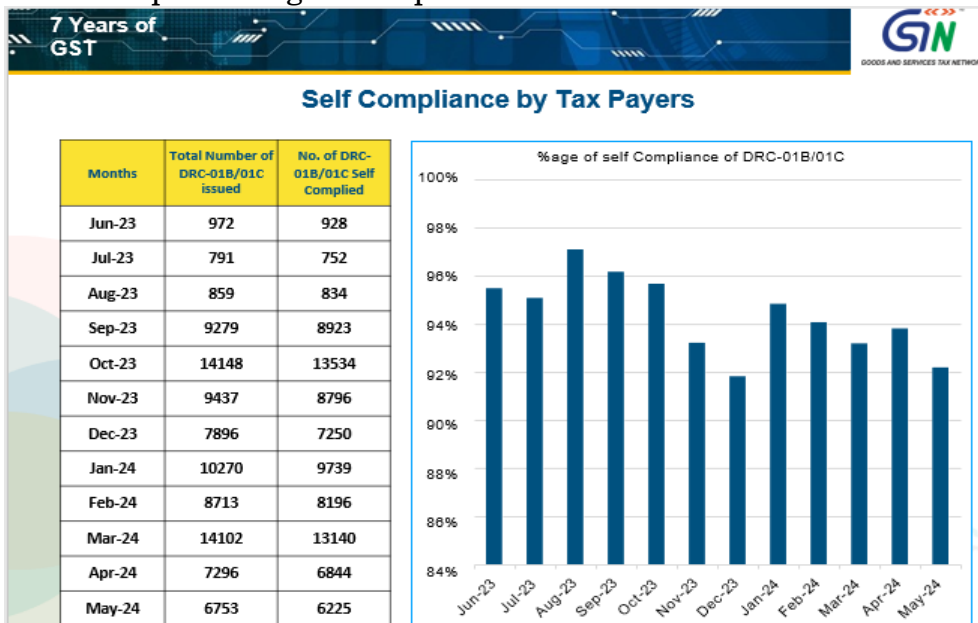


- 👉 **GST Ecosystem in Numbers:** The e-Way Bill, e-invoices generated, payment transactions, tax collections etc., during the year 2024 were found to be highest, surpassing the previous highs set since inception of GST.



👉 Self-Compliance by Tax Payer:

The increased self-compliance rate for DRC-01B and DRC-01C reflects efficient systems, clear communication, and ongoing support, highlighting the success in promoting a transparent and accountable tax environment.



5. GST Overview

Law	CGST Act, IGST Act, UTGST Act and SGST Acts of various States
Rules	CGST Rules, IGST Rules, UT GST Rules and SGST Rules of various States
Effective from	01.07.2017
Taxable event	Supply of goods or services or both
Goods that are presently not subjected to levy of GST	Alcoholic liquor for human consumption and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption; (<u>Sec. 9(1)</u>) Petroleum Crude, Motor Spirit, High Speed Diesel, Aviation Turbine Fuel and Natural Gas; (<u>Sec. 9(2)</u>)
Rates	Zero, 5%, 12%, 18% & 28% in general. <i>Separate tax rate for precious metals</i>
Authority to recommend tax rates, changes etc.,	Goods and Services Tax Council
Aggregate Annual Turnover for registration (Supply of Goods)	Rs 40 Lakhs in a FY (for Normal Category States) Rs 20 Lakhs in a FY (for Special Category States) (w.e.f. 01.04.2019) <i>(Revision of limits is optional for the States)</i>
Aggregate Annual Turnover for registration (Supply of Services)	Rs. 20 Lakhs in a FY (for Normal Category States) Rs.10 Lakhs in a FY (for Special Category States) (W.e.f. 01.07.2017)
Eligibility limit for Quarterly Return Monthly Payment (QRMP) & Invoice Furnishing Facility (IFF) Scheme	Rs 5 Cr. of Aggregate Annual Turnover in the previous year
Limit for Composition Levy	Aggregate Annual Turnover of Rs 1.5 Cr for Goods and Rs 50 Lakhs for Services, subject to other conditions
E-Way Bill exemption limit	Consignment value upto Rs. 50,000/-

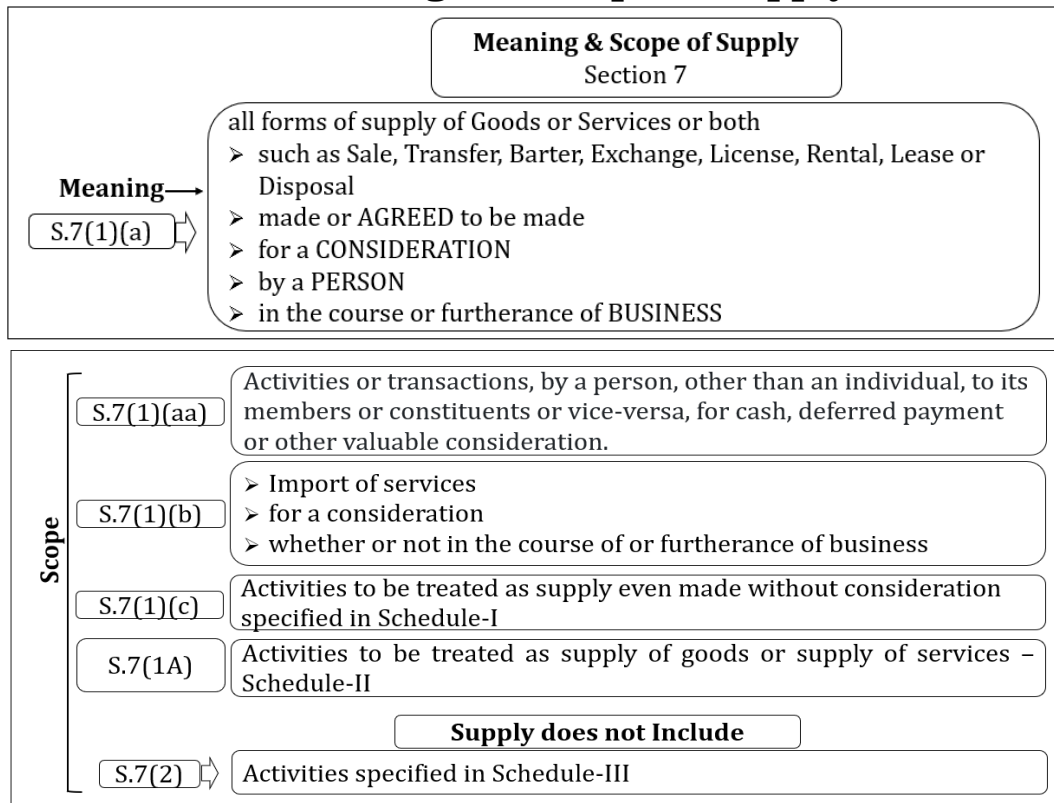
E-Invoice exemption limit (w.e.f. 1.08.2023)	Businesses with < Rs 5 Cr of Aggregate Annual Turnover in any of the previous FY need not generate e-invoice
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6. Goods and Services as defined in the Act:

Goods	Services
<i>(Section 2(52) of CGST Act)</i>	<i>(Section 2(102) of CGST Act)</i>
“Goods means every kind of movable property	“Services” means anything other than goods
Includes - (1) actionable claim, (2) growing crops (3) grass and things attached to or forming part of the land	Includes - activity relating to the use of money or its conversion by cash or by any other mode, for which a separate consideration is charged
Excludes (1) Money and (2) (2) Securities	Excludes (1) Goods; (2) (2) Money; (3) (3) Securities



7. Meaning and Scope of Supply



8. Schedule-I to CGST Act, 2017

Activities to be treated as supply even if made without consideration

1	Permanent transfer or disposal of business assets where ITC has been availed on such assets.
2	Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business: Exception: gifts not exceeding Rs.50,000/- in value in a FY by an employer to an employee shall not be treated as supply.
3	Supply of goods- (a) by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal; or

	(b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
4	Import of services by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

9. Schedule-II to CGST Act, 2017

Activities or transactions to be treated as supply of goods or supply of services

1	<p>Transfer</p> <p>(a) any transfer of the title in goods is a supply of goods;</p> <p>(b) any transfer of right in goods or of undivided share in goods without the transfer of title thereof, is a supply of services;</p> <p>(c) any transfer of title in goods under an agreement which stipulates that property in goods shall pass at a future date upon payment of full consideration as agreed, is a supply of goods.</p>
2	<p>Land and Building</p> <p>(a) any lease, tenancy, easement, licence to occupy land is a supply of services;</p> <p>(b) any lease or letting out of the building including a commercial, industrial or residential complex for business or commerce, either wholly or partly, is a supply of services.</p>
3	<p>Treatment or process:</p> <p>Any treatment or process which is applied to another person's goods is a supply of services.</p>
4	<p>Transfer of business assets</p> <p>(a) where goods forming part of the assets of a business are transferred or disposed of by or under the directions of the person carrying on the business so as no longer to form part of those assets, such transfer or disposal is a supply of goods by the person;</p> <p>(b) where, by or under the direction of a person carrying on a business, goods held or used for the purposes of the business are put to any</p>

	<p>private use or are used, or made available to any person for use, for any purpose other than a purpose of the business, the usage or making available of such goods is a supply of services;</p> <p>(c) where any person ceases to be a taxable person, any goods forming part of the assets of any business carried on by him shall be deemed to be supplied by him in the course or furtherance of his business immediately before he ceases to be a taxable person, unless-</p> <ol style="list-style-type: none"> i. the business is transferred as a going concern to another person; or ii. the business is carried on by a personal representative who is deemed to be a taxable person.
5	<p>Supply of services:</p> <p>The following shall be treated as supply of services, namely:-</p> <ol style="list-style-type: none"> (a) renting of immovable property; (b) construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, except where the entire consideration has been received after issuance of completion certificate, where required, by the competent authority or after its first occupation, whichever is earlier. (c) temporary transfer or permitting the use or enjoyment of any intellectual property right; (d) development, design, programming, customization, adaptation, upgradation, enhancement, implementation of information technology software; (e) agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act; and (f) transfer of the right to use any goods for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.
6	<p>Composite supply:</p> <p>The following composite supplies shall be treated as a supply of services, namely:-</p>

	<p>(a) works contract as defined in clause (119) of section 2; and</p> <p>(b) supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration.</p>
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10. Schedule-III to CGST Act, 2017

Activities or transactions which shall be treated neither as a supply of goods nor a supply of services

1	Services by an employee to the employer in the course of or in relation to his employment.
2	Services by any court or Tribunal established under any law for the time being in force.
3	<p>(a) the functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities;</p> <p>(b) the duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or</p> <p>(c) the duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.</p>
4	Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
5	Sale of land and, subject to clause (b) of paragraph 5 of <u>Schedule II</u> , sale of building.
6	Actionable claims, other than ³ [Specified actionable claims].
7	Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods

	entering into India.
8.	a. Supply of warehoused goods to any person before clearance for home consumption; b. Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.
9	Activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in co-insurance agreements, subject to the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured.
10	Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission.
	<i>Note: 9 & 10 Inserted by section 149 of The Finance Act (No. 2) Act, 2024 No. 15 of 2024 dated 16.08.2024.</i>

11. Types of Supply

Supply	Statute	Definition
Taxable supply	Sec. 2(108) of CGST Act	Taxable supply means a supply of goods or services or both which is leviable to tax under this Act;
Inward supply	Sec. 2(67) of CGST	Inward supply in relation to a person, shall mean receipt of goods or services or both

Supply	Statute	Definition
	Act	whether by purchase, acquisition or any other means with or without consideration;
Outward supply	Sec. 2(83) of CGST Act	Outward supply in relation to a taxable person, means supply of goods or services or both, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business;
Intra-State supply of goods	Sec. 2(64) of CGST Act	“Intra-State supply of goods shall have the same meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;
	Sec. 8(1) of IGST Act	<p>Intra-State supply of Goods - Subject to the provisions of section 10, supply of goods where the location of the supplier and the place of supply of goods are in the same State or same Union territory shall be treated as intra-State supply:</p> <p>Provided that the following supply of goods shall not be treated as intra- State supply, namely: –</p> <ul style="list-style-type: none"> a. supply of goods to or by a Special Economic Zone developer or a Special Economic Zone unit; b. goods imported into the territory of India till they cross the customs frontiers of India; or c. supplies made to a tourist referred to in Section 15.
Intra-State supply of services	Sec. 2(65) of CGST Act	Intra-State supply of services shall have the same meaning as assigned to it in section 8 of the Integrated Goods and Services Tax Act;

Supply	Statute	Definition
Intra-State supply of services	Sec. 8(2) of IGST Act	<p>Intra-State supply of services - Subject to the provisions of section 12, supply of services where the location of the supplier and the place of supply of services are in the same State or same Union territory shall be treated as intra-State supply:</p> <p>Provided that the intra-State supply of services shall not include supply of services to or by a Special Economic Zone developer or a Special Economic Zone unit.</p>
Inter-State supply of Goods	Sec. 7(1) of IGST Act	<p>Inter-State supply of Goods - Subject to the provisions of section 10, supply of goods, where the location of the supplier and the place of supply are in—</p> <p>(a) Two different States</p> <p>(b) Two different Union Territories</p> <p>(c) a State and a Union Territory.</p> <p>shall be treated as a supply of goods in the course of inter-State trade or commerce.</p>
	Sec. 7(2) of IGST Act	<p>Inter-State supply of Goods - Supply of goods imported into the territory of India, till they cross the customs frontiers of India, shall be treated to be a supply of goods in the course of inter-State trade or commerce.</p>
Inter-State supply of Services	Sec. 7(3) of IGST Act	<p>Inter-State supply of Services - Subject to the provisions of section 12, supply of services, where the location of the supplier and the place of supply are in—</p> <p>(a) Two different States</p> <p>(b) Two different Union Territories</p> <p>(c) a State and a Union Territory.</p>

Supply	Statute	Definition
		shall be treated as a supply of services in the course of inter-State trade or commerce.
	Sec. 7(4) of IGST Act	Supply of services imported into the territory of India shall be treated to be a supply of services in the course of inter-State trade or commerce.
Inter-State Supply of goods or services or both	Sec. 7(5) of IGST Act	<p>Inter-State Supply of goods or services or both -</p> <p>a. when the supplier is located in India and the place of supply is outside India;</p> <p>b. to or by a Special Economic Zone developer or a Special Economic Zone unit; or in the taxable territory, not being an intra-State supply and not covered elsewhere in this section, shall be treated to be a supply of goods or services or both in the course of inter-State trade or commerce.</p>
Zero-rated supply	Sec. 2(23) of IGST Act.	“Zero-rated supply shall have the meaning assigned to it in section 16;
	Sec. 16(1) of IGST Act. <i>From 01.07.2017 to 30.09.2023</i>	Zero rated supply means any of the following supplies of goods or services or both, namely: – export of goods or services or both; or supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.
	Sec. 16(1) of IGST Act-	Zero rated supply means any of the following supplies of goods or services or both, namely: – export of goods or services or both; or supply of goods or services or both [for

Supply	Statute	Definition
	<i>w.e.f. 01.10.2023</i>	authorised operations] to a Special Economic Zone developer or a Special Economic Zone unit. <i>[s. 123(a) of FA 2021 dt 28.03.2021-Brought into force w.e.f. 01.10.2023 vide <u>Notfn. No. 27/2023-C.T.</u>, dated 31.07.2023.]</i>
Exempt supply	Sec. 2(47) of CGST Act	attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the IGST Act, and includes non-taxable supply;
Non-taxable supply	Sec. 2(78) of CGST Act	Non-taxable supply means a supply of goods or services or both which is not leviable to tax under this Act or under the Integrated Goods and Services Tax Act;
Continuous supply of goods	Sec. 2(32) of CGST Act	Continuous supply of goods means a supply of goods which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, whether or not by means of a wire, cable, pipeline or other conduit, and for which the supplier invoices the recipient on a regular or periodic basis and includes supply of such goods as the Government may, subject to such conditions, as it by notification, specify;
Continuous supply of services	Sec. 2(33) of CGST Act	Continuous supply of services means a supply of services which is provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding three months with periodic payment obligations and includes supply of such services as the Government may, subject to such conditions, as it may, by notification, specify;



12. Mixed Supply, Composite Supply & Principal Supply

Mixed Supply Sec.2(74)	Composite Supply Sec. 2(30)	Principal Supply Sec.2(90)
<ul style="list-style-type: none"> • Means two or more individual supplies of goods or services, or any combination thereof, • for a single price where such supply does not constitute a composite supply 	<ul style="list-style-type: none"> • Means a supply of two or more taxable supplies of goods or services, or any combination thereof, • which are naturally bundled & supplied in conjunction with each other in the ordinary course of business, • one of which is a principal supply; 	<ul style="list-style-type: none"> • Means the supply of goods or services which constituted the predominant element of a composite supply and • to which any other supply forming part of that composite supply is ancillary
<p>Illustration: A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drink and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other.</p>	<p>Illustration: Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is the principal supply.</p>	

Examples of Mixed Supply

1. Diwali Gift Hamper

- Contains chocolates (18%), dry fruits (12%), and a bottle of perfume (28%)
- Sold for a single price of ₹1,000
- All items are individually identifiable and can be sold separately
- This is a **mixed supply**, and **28% GST** applies (highest rate among the items).

2. Combo Offer – Toothpaste + Shampoo + Soap

- Sold together for ₹150
- Each item has a different tax rate and is not naturally bundled
- **Mixed supply** – GST rate applicable is that of the item with the **highest rate** in the combo.

3. Sale of Watch + Wallet + Sunglasses

- Sold in a single package for a discounted price
- All can be sold separately and are not dependent on each other
- Treated as **mixed supply** under GST

4. Stationery Kit:

- Includes: Pens (12%), Pencils (5%), Notebook (12%), Eraser (18%).
- Sold for a single price of ₹100.
- Not naturally bundled.
- Taxable at **18%**.

5. Holiday Package

- Includes: 2-night hotel stay (18%), Guided Tour (5%), Massage (18%), Meals (5%).
- Total Price: ₹15,000
- Items can be availed separately → **not naturally bundled**.
- **Mixed supply** → Taxed at **18%**.

Some more innovative and thought-provoking examples of Mixed Supply:

Why These Examples Are Thought-Provoking:

- They blend digital and physical goods.

- Highlight modern bundling strategies used in *e-commerce* and *Direct to Consumer startups*.
- Raise questions about **intent vs. perception**: Are they truly independent supplies, or are they packaged for a unified consumer experience?
- Show the impact of classification on pricing, marketing, and taxation strategy.

1. Smartwatch with Free Streaming Subscription (Sold Together)

- Description: A company sells a smartwatch bundled with a 6-month subscription to a music or video streaming service, for a single price of ₹10,000.
- Why it's a Mixed Supply: The smartwatch and the subscription are independent services/products. The buyer could have bought either one separately.
- GST Implication: If the streaming service attracts 18% and the watch 28%, the higher rate (28%) applies to the entire ₹10,000.

2. Home Décor Combo: Painting + Scented Candle + Bluetooth Speaker:

- Description: A lifestyle store offers a curated “Mood Kit” containing a wall painting, a candle, and a Bluetooth speaker for ₹5,000.
- Why it's a Mixed Supply: These are unrelated products bundled for aesthetics, not necessity.
- GST Implication: Highest GST rate among the items applies (e.g., 28% if the speaker falls under that bracket).

3. E-bike with a Solar Charger and Insurance Policy (Optional Add-ons Combined):

- Description: A startup sells an electric bike that includes a solar charger and a one-year accident insurance policy – bundled together under a "Green Travel Kit" at ₹1,20,000.

- Why it's a Mixed Supply: The solar charger and insurance can be bought independently and are not essential for the e-bike's functioning.
- GST Implication: GST rate of the highest-rated component (e.g., the charger or insurance, depending on classification) applies to the entire amount.

4. Gourmet Experience Box: Wine + Cheese + Digital Masterclass:

- Description: A company sells a gift box with artisanal wine, cheese, and access to a sommelier-hosted tasting webinar. One price for all three.
- Why it's a Mixed Supply: Each element—wine, cheese, and digital service—is distinct and not naturally bundled.
- GST Implication: GST rate of the highest-taxed item (likely wine) applies to the full value.

5. Festival Wellness Kit: Ayurvedic Oil + Organic Incense + Spotify Meditation Playlist Access:

- Description: A wellness brand creates a festive kit with physical goods and digital access.
- Why it's a Mixed Supply: Each product/service is independent and can be sold separately.
- Thought Trigger: Digital goods bundled with physical goods challenge traditional classification norms.

6. Fashion Subscription Box with Physical Product + Stylist Consultation:

- Description: Monthly box includes a T-shirt, accessories, and a 30-minute online styling session – all under one subscription price.
- Why it's a Mixed Supply: Physical goods and a consulting service are bundled for marketing purposes, not necessity.
- Implication: Highest tax rate among the goods/services applies.

Examples of Composite Supply

1. Construction Service (Turnkey Project)

- **Principal supply:** Construction service
- **Ancillary supplies:** Materials (cement, steel), labour, engineering service
- Since it's a bundled service provided under one contract, **entire supply is treated as construction service.**

2. Air Travel with Onboard Meals

- Principal supply: Air transport service
- Ancillary supply: Meals served during the flight
- These are naturally bundled and usually provided together
- Taxed as **air travel service**

3. Hotel Stay with Complimentary Breakfast

- Principal supply: Accommodation service
- Ancillary supply: Breakfast
- Tax rate for hotel accommodation applies to the whole package

4. Purchase of Mobile Phone with Warranty and Charger

- Principal supply: Mobile phone
- Ancillary supplies: Warranty and charger
- Sold as a package, naturally bundled
- GST rate for mobile phone applies

5. Banking Services – Issuance of Credit Card

- Principal: Issuance and usage of credit card
- Ancillary: Free insurance or reward programs included

- Treated as a single composite supply of financial service

6. Goods Transportation with Insurance

- Principal: Transportation of goods
- Ancillary: Insurance service provided along with it
- Taxed under transportation services

Some more innovative and thought-provoking examples of Composite Supply:

Why These Examples Matter:

- They explore **edge cases**, not just textbook scenarios.
- Reflect **real-world business innovations**.
- Especially relevant in the **tech, D2C, service, and e-commerce** ecosystems.
- Raise GST classification questions that affect **pricing, compliance, and input credit**.

1. E-learning Platform Subscription + Hardware Kit

- **Example:** An edtech startup offers a course (online classes) along with a tablet pre-loaded with content, sold as one package.
- **Why it's Composite Supply:** The **principal supply is the course**; the tablet is incidental to access the service.
- **GST Rate:** Course GST rate applies to the whole package.
- *Thought trigger:* Is the tablet a necessary medium or an optional add-on?

2. Electric Vehicle (EV) Sale with Built-in Charging Service

- **Example:** A D2C EV brand sells an e-scooter along with **free home charger installation** and **1-year charging at partner stations**.
- **Composite Supply:** The EV is the principal supply; the installation and charging services are ancillary.

- **GST Rate:** EV's GST rate applies.
 - *Edge case:* If charging is offered as a separate subscription later, it becomes an independent supply.
3. **Hotel Accommodation with Complimentary Breakfast and Wi-Fi**
- **Example:** Hotel offers room stay, buffet breakfast, and Wi-Fi as one price.
 - **Composite Supply: Room stay** is the principal supply; breakfast and Wi-Fi are standard additions in the hotel industry.
 - **GST Rate:** Hotel room rate GST applies.
 - *What if customer refuses breakfast?* Still considered composite as it's part of the offer.
4. **Cloud Storage Subscription + Free Technical Support**
- **Example:** SaaS company offers 1TB storage with 24/7 chat support and onboarding help, under one plan.
 - **Composite Supply: Cloud storage** is the principal supply; support is incidental.
 - **GST Rate:** Storage service's GST rate applies.
 - *How different is it from bundled services in telecom or OTT? Where does it cross into mixed supply?*
5. **Smartphone with Pre-installed Paid Apps or OS License**
- **Example:** A smartphone comes with a pre-installed licensed OS, plus one year of a premium app or cloud service (e.g., Google One).
 - **Composite Supply:** Smartphone is the principal; app or service is bundled and cannot be used independently.
 - **GST Rate:** Smartphone's GST rate applies.
 - *Can the digital service be treated separately if user redeems it later via a code?*

6. Gym Membership with Health Checkup & Diet Plan

- **Example:** 1-year gym membership includes one free annual health checkup and a personalized diet consultation.
- **Composite Supply: Gym service** is principal; the checkup and diet consult support it.
- **GST Rate:** GST rate of fitness service applies.
- *When do these extra services cross the line into “value adds” vs. standalone services?*

7. Furnishing Contract with Delivery and Installation

- **Example:** A startup offers modular kitchens sold with delivery, on-site assembly, and 1-year maintenance.
- **Composite Supply: Sale of furniture** is the principal; the services are naturally bundled.
- **GST Rate:** Furniture’s rate applies.
- *What if customer opts out of installation? Still composite if it's standard offering.*

8. B2B IT Solution: Software License + Implementation + Training

- **Example:** A company provides ERP software, with installation, employee training, and 6-month support – one price.
- **Composite Supply: Software license** is the principal supply; others are support functions.
- **GST Rate:** Software GST applies.
- *In large IT projects, at what point does training/support become separate contracts (i.e., multiple supplies)?*



13. Registration

i. Persons liable to get registered on crossing the prescribed threshold limit of aggregate turnover: (Section 22 of CGST Act, 2017)

Sl. No	Activity	State Type	Threshold limit Until 31.03.2019	Threshold limit From 1 st Apr, 2019(*)
1	Sale of Goods	Normal	Exceeds Rs. 20 lakh	Exceeds Rs. 40 lakh
		Special	Exceeds Rs. 10 lakh	Exceeds Rs. 20 lakh
2	Supply of Services	Normal	Exceeds Rs. 20 lakh	Exceeds Rs. 20 lakh (no change)
		Special	Exceeds Rs. 10 lakh	Exceeds Rs. 10 lakh (no change)
	(*) w.e.f. 01.04.2019 vide Notification No.10/2019CT, dt.7 th Mar-2019.			
3	Persons holding registrations under existing laws (<i>Excise, VAT, Service Tax</i>)			
4	On transfer as a going concern, the successor shall be liable to be registered with effect from the date of such transfer or succession.			
5	In case of amalgamation or demerger of two or more companies pursuant to an order of a High Court, Tribunal or otherwise, the transferee shall be liable to be registered.			

ii. Persons liable to get registered compulsorily irrespective of threshold limits: (Section 24 of GST Act, 2017)

i	A person making inter-state supply; <i>Exception: Inter-state supply of services whose turnover is below threshold limit vide Notfn.10/2017-CT, dt.13.10.2017.</i>
ii	Casual taxable persons making taxable supply

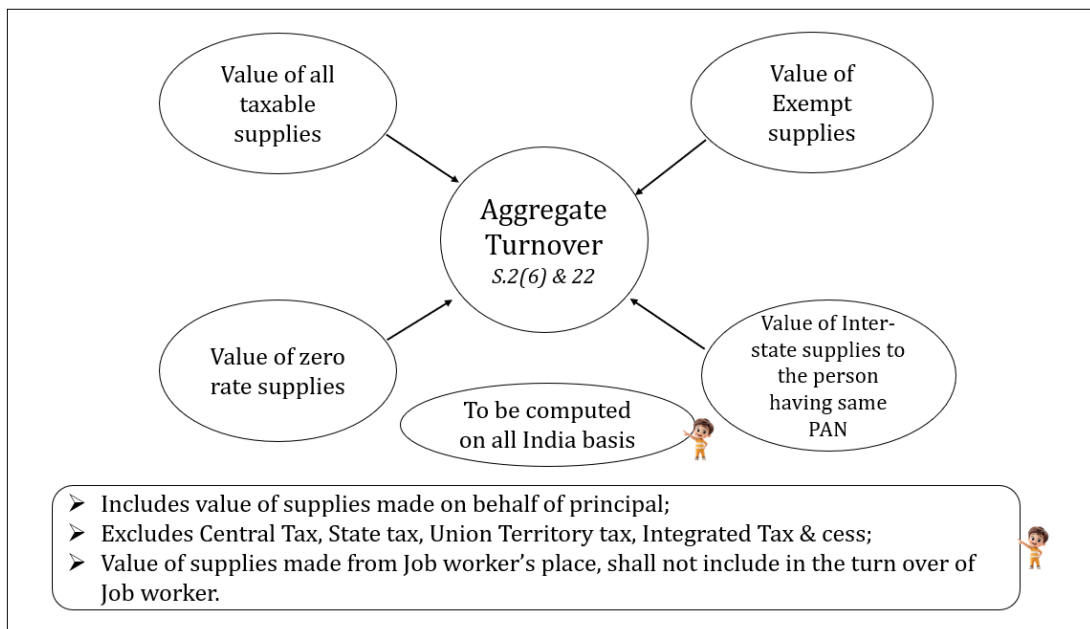
iii	Persons who are required to pay tax under reverse charge
iv	Person who are required to pay tax under RCM;
v	Non-resident taxable persons making taxable supply
vi	Persons who are required to deduct tax (TDS), whether or not separately registered under this Act
vii	Persons acting as agents;
viii	Input Service Distributor, whether or not separately registered under this Act;
ix	Persons making supplies through ECO;
x	ECO who is required to collect tax at source (TCS);
xi	Person supplying online information and database access or retrieval (OIADAR) services from a place outside India to a person in India, other than a registered person;
xia	Every person supplying online money gaming from a place outside India to a person in India; (w.e.f. <i>from 01-10-2023 by Notfn. No. 48/2023-CT, dt. 28-09-2023.</i>)

iii. Persons not liable to get registered (Section 23 of CGST Act, 2017)

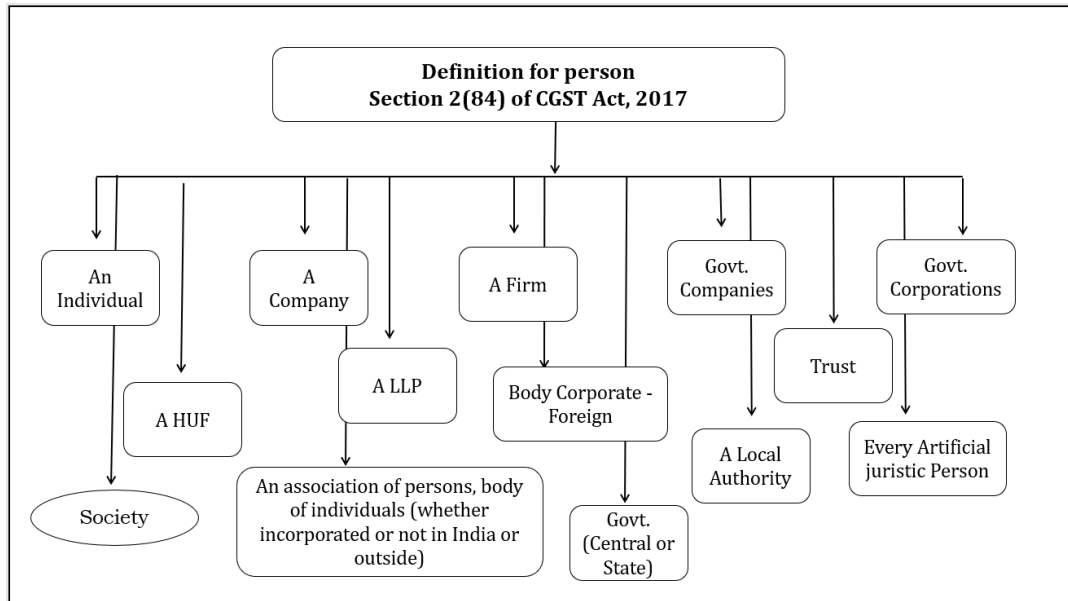
1	Person engaged exclusively in supplies that are not liable to tax or wholly exempt from tax;
2	An agriculturist, to the extent of supply of produce out of cultivation of land.
3	Persons making inter-State supplies of services whose AT < Rs.20 or Rs.10 lacs is exempt from registration.
4	Job worker engaged in inter-state supply of services to RPs is exempt from registration subject to conditions
5	Person making inter-state supplies of handicraft goods or specified products and whose AT < threshold limit as per section 22(1) is exempt from registration
6	CTP making inter-state supplies of handicraft goods or products specified in Notification and whose AT < threshold limit as per section 22(1) is exempt from registration

7	Persons making only outward supplies on which tax is liable to be paid on RCM by the recipient; <i>Exception: Persons engaged in the supply of metal scrap, falling under Chapters 72 to 81 in the first schedule to the Customs Tariff Act, 1975 (51 of 1975). (w.e.f. 10th Oct, 2024 vide Notfn. No.24/2024-CT, dated 09th Oct, 2024)</i>
8	Persons making supply of services, other than supplies specified u/s 9(5) through an ECO and whose AT < Rs.20/10 lacs is exempt from registration
9	persons supplying services through ECO are not required to register if their AT is less than Rs. 20 Lakhs per annum (Rs. 10 Lakhs in case of specified states) subject to the conditions mentioned in Notfn. No. 34/2023- CT, dated 31.07.2023.

14. Aggregate Turnover



15. Definition of person



16. Timelines for grating registration

R.9(1)	Non risky cases	Within seven working days of submission of application
Proviso to R.9(1)	Risky cases where-	within thirty days of submission of application.
	a) fails to undergo authentication of Aadhaar number b) undergone Aadhaar authentication but is identified for carrying out physical verification.	
R.9(2)	REG-03 Notice seeking clarification / additional information or documents	within a period of seven working days.
R.9(2)	REG-04 Taxpayer's response	within a period of seven working days from date of

		receipt of notice, REG-03
Proviso to R.9(2)	Risky cases where-	not later than thirty days from the date of submission of the application
	a. fails to undergo authentication of Aadhaar number	
	b. undergone Aadhaar authentication but is identified for carrying out physical verification.	
R.9(3)	In case the clarification is satisfactory	REG-06 : grant of registration to the applicant within a period of seven working days from the date of the receipt of such clarification
R.9(4)	If clarification is not satisfactory	Reject the application via REG-05 endorsing reasons for rejection.
R.9(5)	If the Proper officer fails to take action within the timelines specified-	The application for grant of registration shall be deemed to have been approved.



17. Revised Guidelines for processing applications for registration

(Instruction No.03/2025-GST, dt.17.04.2025)

Documents to be sought from applicant while processing applications

SNO	Subject	Guidelines	Standards / Clarifications
1	General Objective	Officers must follow uniform guidelines and accept only documents listed in FORM GST REG-01; extras only if justified.	
2	Proof of	Physical documents not	PAN, Aadhaar, other

	Principal Place of Business.	needed if digitally uploaded.	photos not required unless specified.
3	Owned Premises	Any document, listed in REG-01, in support of ownership of the premises: latest Property Tax Receipt or Municipal Khata copy or copy of Electricity Bill or water bill. (<i>referred to as listed documents in the following paragraphs</i>)	No extra documents for ownership proof or original physical copies should be requested from the applicant.
4	Rented Premises	<p>a. Where Rent / Lease Agreement is not registered - one of the listed documents and a copy of the identity proof of the lessor.</p> <p>b. Where Rent / Lease Agreement is registered - agreement along with any one of the listed documents should suffice. No identity proof of the lessor should be sought.</p>	If electricity or water bill is in the tenant applicant's name, the same and the rent agreement are valid proof; no documents from the lessor are needed.
5	Consent Letter Cases (Spouse / Relatives)	Consent letter on plain paper + ID of owner + one of the listed documents for ownership proof.	No further documents shall be sought for.
6	Shared Premises	a. Where rent / lease agreement is not registered - agreement along with any one of the	Rent agreement + utility bill + ID of applicant is

		<p>listed documents and a copy of the identity proof of the lessor should be sufficient.</p> <p>b. In case where Rent/Lease Agreement is registered - agreement along with any one of the listed documents should suffice and no identity proof of the lessor should be sought.</p>	sufficient.
7	No Agreement	<p>a. In case of rented/leased premises, where rent or lease agreement is not available –</p> <p>b. An affidavit to that effect along with any one of the listed documents in support of the possession of the premises of the applicant should suffice.</p>	Affidavit shall be executed on non-judicial stamp paper of minimum value in the presence of First-Class Judicial Magistrate or Executive Magistrate or Notary Public.
8	SEZ Location	Must upload SEZ approval certificate.	SEZ authority-issued document required.
9	Constitution of Business	<p>a. If the applicant is a partner, the Partnership Deed must be uploaded as proof of business constitution.</p> <p>b. Applicants like Societies, Trusts, Clubs, Govt. Depts., AOPs, Local Authorities, etc., must upload Registration</p>	No additional document like Udhyam certificate, MSME certificate, shop establishment certificate, trade license etc. should be sought from the applicant.

		Certificate/Proof of Constitution.	
10	Prohibited Queries	Officers must avoid irrelevant queries like location mismatch, goods suitability, etc.	Unwarranted assumptions are to be avoided.

Application Processing:

- The proper officer must scrutinize the documents to ensure they are:
 - Legible
 - Complete
 - Relevant
- The officer should also examine the application details to:
 - Check for completeness
 - Correlate and cross-verify with uploaded documents
 - Verify the authenticity of the applicant
- Particular attention should be paid to:
 - Address details of principal and additional places of business
 - Proof of address documents uploaded with the application
- The scrutiny should include verification of:
 - Completeness and correctness of the address
 - Authenticity of address proof documents
- Wherever possible, cross-verification should be done using publicly available sources, such as:
 - Land registry websites
 - Electricity distribution company websites
 - Municipality portals
 - Local government or authority websites

Avoiding Presumptive and Irrelevant Queries

- Officers are advised **not to raise irrelevant concerns**, such as:
- Applicant's residential address being in a different city/state,
- Nature of goods/services being unsuitable for location,
- Suspicion without factual basis.

Time line:

Non-Risky	Approve within 7 working days if Aadhaar verified.
Risky	Approve within 30 days after physical verification in case of following cases: a) The applicant has undergone authentication of Aadhaar number and is flagged as risky; or b) The applicant fails to undergo authentication of Aadhar number, or does not opt for Aadhar authentication, or c) The officer deems it fit to carry out physical verification of place of business, with the approval of the officer not below the rank of Assistant Commissioner.

Physical Verification:

- In cases requiring physical verification, the proper officer must immediately initiate the physical verification process of the place of business.
- This should be done in accordance with Rule 9 of the CGST Rules, read with Rule 25.
- The officer must upload the physical verification report, supporting documents, and photographs in FORM GST REG-30 at least 5 days before the 30-day deadline from the application date.
- The officer carrying out physical verification shall ensure the following:
 - a) Report on existence or non-existence of the declared principal place of business.
 - b) If non-existing, record efforts made to locate the premises in the verification report.
 - c) Upload GPS-enabled site photos and relevant documents during the visit.
 - d) If ARN belongs to another jurisdiction, reassign it promptly through the portal.

Seeking Clarifications (FORM GST REG-03)

- a) Where any document is incomplete or not legible, the proper officer may seek complete or legible copy of the same.
- b) Where the address of place of business does not match with the document or does not appear to be a valid proof of the address, the proper officer may seek additional documents from the listed documents;
- c) If the address is vague or incomplete, the officer may ask for full details with proof.
- d) If any GSTIN linked to the PAN is cancelled or suspended, clarification may be sought.

Time line for issuing REG-03:

- Within **7 working days** from the date of submission of application **if not flagged as risky** (as per para 8(ii)).
- Within **30 days** from the date of submission of application **if flagged as risky** (as per para 8(v)).

Key guidelines to Tax Officer while issuing notice via REG-03:

- Prior approval from the Deputy/Assistant Commissioner must be obtained for any additional documents not listed.
- It must be ensured that No registration application is approved on a deemed basis due to delay or inaction by tax officers.
- Only the prescribed documents are requested.
- No information/clarifications are sought based on presumptive grounds.
- No queries are raised for minor deficiencies that are not relevant for proving:
 - Proof of Place of Business
 - Constitution of Business
- The **applicant** must furnish a **reply in FORM GST REG-04** within **7 working days** from the **date of receipt** of the notice issued in **FORM GST REG-03**.

Decision After Clarification

- If satisfied with applicant's reply (FORM GST REG-04), approve within 7 days.
- If not satisfied, **reject** within 7 days via **FORM GST REG-05**.
- If no reply is received in time, reject based on written reasoning.

Administrative Measures for Implementation

- Principal Chief Commissioners and Chief Commissioners have been instructed to:
- Monitor registration processing closely,
- Take disciplinary action for deviations,
- Ensure sufficient staffing,
- Issue trade notices to specify acceptable documentary evidence based on local system requirements.

18. Grievance Redressal Mechanism

(Instruction No.04/2025-GST, dt.2nd May 2025)

Applicants under Central jurisdiction with grievances against queries or rejections violating Instruction 03/2025, dt.17.04.2025, may approach the Pr.CC/CC.

In order to provide a quick and effective grievance redressal mechanism to applicants, the following instructions are issued:

- i. Pr.CC/CC should widely publicize an email ID for applicants to submit grievances.
- ii. Applicants must include ARN, jurisdiction (Centre/State), and a brief issue description in their emails.
- iii. Grievances related to State jurisdiction should be forwarded to the concerned State authority, with a copy to the GST Council Secretariat.
- iv. Pr.CC/CC must ensure timely grievance resolution and inform applicants; if queries are valid, applicants should be appropriately advised.
- v. A monthly grievance redressal report should be submitted to DGGST for compilation and submission to the Board.

19. Cancellation of Registration by Tax Payer

Circumstances where the Taxpayer go for cancellation of registration

(S.29 / R.22)

- business has been discontinued,
- transferred fully for any reason including death of the proprietor,
- amalgamated with other legal entity,
- demerged or otherwise disposed of; or
- there is any change in the constitution of the business (like a proprietorship being converted into a private limited company).; or
- the taxable person is no longer liable to be registered; or
- intends to opt out of the registration voluntarily.
- in the event of the death of a sole proprietor, the legal heirs have the authority to apply for the cancellation of the GST registration

Application for cancellation of registration (R.20)

A registered person, seeking cancellation of his registration shall

- electronically submit an application in FORM GST REG-16;
- the details of inputs held in stock or inputs contained in semi-finished or finished goods held in stock and of capital goods held in stock on the date from which the cancellation of registration is sought,
- liability thereon;
- the details of the payment, if any, made against such liability;

Time line

Shall apply for cancellation within a period of thirty days of the occurrence of the event warranting the cancellation.

Issuance of Cancellation Order [R.22(3)]

- the proper officer issues the cancellation order in FORM GST REG-19;

- Indicating the date of cancellation effective from the date specified by the applicant in their cancellation request.

Note: In any case the effective date cannot be a date earlier to the date of application for the same.

- Proper Officer may direct the Tax Payer to pay all the dues, if any.

Time line:

- Cancellation order shall be issued within a period of thirty days from the date of application for cancellation;

Suspension:

- During pendency of the proceedings of cancellation of registration, the registration may be suspended. Proviso to R.29

(Read SOP is in Circular No.69/43/2018-GST, dt.26.10.2018)



20. Suo moto cancellation by Tax Officer [S.29(2)]

Suo moto cancellation by the tax officer can be initiated in the following circumstances;

- The taxpayer has registered their business through fraud, suppression or misrepresentation of facts.
- The taxpayer has failed to file returns for six months consecutively. The criteria for filing returns are three months in the case of a composition taxpayer.
- The taxpayer has indulged in supplying goods or services without the issue of an invoice in violation of the provisions of the CGST Act to evade taxes.
- It is observed that the taxpayer has issued an invoice without a supply of goods or services, thereby again violating the provisions of the Act to evade input tax credit or get a refund of tax.
- Failure to deposit taxes collected with the treasury within 90 days.
- Display of misconduct during any proceedings under the GST Act.

21. Revocation of cancelled registration (S.30 / R.23)

- The registered person may apply for revocation of the cancellation to the Proper Officer,
- within **ninety days** from the date of the service of the order of cancellation of registration] at the common portal; (90 days wef 1st Oct 2023 38/2023-CT dt. 04-08-2023);
- The period of may be extended by the Commissioner not more than 180 days, on sufficient ground shown by the TP;
- TP has to file all the returns by paying the tax along with interest before applying for revocation;
- TP shall file all the returns from the date of cancellation to the date of revocation, within 30 days from the date of revocation;
- If the proper officer is satisfied that,
- -there are sufficient grounds for revocation of cancellation, he may revoke the cancellation of registration,
- by an order within 30 days of receipt of application and communicate the same to applicant;
- In case, if TP failed to follow the procedure enumerated above, the proper officer may issue a notice requiring the TP to furnish the reply within 7 working days;
- In case reply is not satisfactory, the revocation application may be rejected;
- In case reply is satisfactory, the proper officer shall revoke the cancellation within 30 days of receipt of clarification;

Related SOP is in Circular No. 148/04/2021-GST, dt.18.05.2021

Payment of dues [S.29(5)]

A person whose registration is cancelled must pay an amount equal to the higher of:

- (i) the input tax credit on inputs in stock, semi-finished or finished goods, capital goods, or plant and machinery, or
- (ii) the output tax payable on those goods, as of the day before the cancellation, through their electronic credit or cash ledger.

Cancellation won't affect the liability

Cancellation of registration does not affect the person's liability to pay taxes or fulfill obligations under the Act for periods before the cancellation, regardless of whether the tax and dues are determined before or after the cancellation (S.29(3)).

22. Supply of Goods taxable on Reverse Charge Mechanism

Relevant Sections: Section 9(3) of CGST Act and 5(3) of IGST Act:

Principal Notification: 04/2017-CT(R), dt.28.06.2017.

The important change since last edition is that the supply of “Metal Scrap” by unregistered person to registered person is chargeable under RCM w.e.f. 10.010.2024.

S. No.	Tariff heading	Description of supply of Goods	Supplier of goods	Recipient of supply
1	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person
2	14049010	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person
3	2401	Tobacco leaves	Agriculturist	Any registered person
3A (w.e.f. 01.01.2023)	33012400, 33012510, 33012520, 33012530, 33012540, 33012590	Following essential oils other than those of citrus fruit namely: - (a) Of peppermint; (b) Of other mints	Any unregistered person	Any registered person

S. No.	Tariff heading	Description of supply of Goods	Supplier of goods	Recipient of supply
		: Spearmint oil, Water mint-oil, Horsemint oil, Bergament oil, Mentha arvensis.		
		<i>Notification No. 14/2022 Central Tax (Rate) dt. 30-12-2022;</i>		
4	5004 to 5006	Silk yarn	Person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn	Any registered person
4A. (w.e.f. 15.11.2017)	5201	Raw Cotton	Agriculturist	Ant registered person
		<i>Notification No. 43/2017 Central Tax (Rate) dt. 15-11-2017</i>		
5	-	Supply of lottery.	State Govt., Union Territory or any local authority	Lottery distributor or selling agent.
6 (w.e.f. 13.10.2017)	Any Chapter	Used vehicles, seized and confiscated goods, old and used goods, waste and scrap	Central Govt. excluding Indian Railways, State Govt., Union territory or a local authority. (w.e.f.20.10.2	Any registered person

S. No.	Tariff heading	Description of supply of Goods	Supplier of goods	Recipient of supply
			023)	
		<i>Notification No. 36/2017 Central Tax (Rate) dt. 13-10-2017 ; Notification No. 19/2023 Central Tax (Rate) dt. 19-10-2023.</i>		
7 (w.e.f. 28.05.2018)	Any Chapter	Priority Sector Lending Certificate	Any registered Person	Any registered person.
		<i>Notification No. 11/2018 Central Tax (Rate) dt. 28-05-2018</i>		
8 (w.e.f. 10.10.2024)	72, 73, 74, 75, 76, 77, 78, 79, 80 or 81	Metal scrap	Any unregistered person	Any registered person
		<i>Notification No. 06/2024 Central Tax (Rate) dt. 08-08-2024 w.e.f 10-10-2024</i>		

23. Supply of services taxable on Reverse Charge Mechanism

Under Section 9(3) of CGST Act and 5(3) of IGST Act.

Important changes since last edition, in payment of tax on RCM basis on services:

- (i) The payment of tax on RCM for Sponsorship services applies only when received from non-body corporate entities, as per Notification No. 07/2025-Central Tax (Rate) dated 16-01-2025.
- (ii) Effective from 10th Oct, 2024, any registered person receiving “Renting of any immovable property other than residential dwelling” from any unregistered person, is liable to pay tax on RCM. This is further amended – effective from 16.01.2025 the Composition Taxpayer is not liable to pay tax on RCM on receipt of subject service.

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
1	Transportation of Goods by Road Service.	Goods Transport Agency <i>(who has not opted for FCM option, 5% or 12%)</i>	Any person other than a non-business entity. <i>(See Note-1)</i>
2	Services provided by an individual advocate including a senior advocate or firm of advocates by way of legal services , directly or indirectly.	An individual advocate including a senior advocate or firm of advocates.	Any business entity located in the taxable territory
3	Services supplied by an arbitral tribunal to a business entity.	An arbitral tribunal	Any business entity located in the taxable territory.
4	Services provided by way of sponsorship to anybody corporate or partnership firm.	Any person, other than a body corporate . <i>(Notfn.No. 07/2025-CT(R) dt. 16-01-2025)</i>	Anybody corporate or partnership firm located in the taxable territory.
5	Services supplied by the Central/ State Govt., Union territory or local authority to a business entity excluding... <i>(See Note-2 for exclusion)</i>	Central/State Govt., Union territory or local authority	Any business entity located in the taxable territory.

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
5A	Services supplied by the Central Govt. excluding the Indian Railways, State Govt., Union territory or local authority by way of <u>renting of immovable property</u> to a person registered under the CGST Act, 2017. <i>(Notfn. No. 03/2018-CT (R) dt. 25-01-2018)</i>	Central / State Govt., Union territory or Local authority	Any person registered under the CGST Act, 2017.
5AA	Service by way of renting of residential dwelling to a registered person. <i>(w.e.f 18-07-2022 vide Notification No. 05/2022-CT(R), dt. 13-07-2022)</i>	Any person	Any registered person.
5AB	Service by way of renting of any immovable property other than residential dwelling. <i>(w.e.f 10-10-2024 vide Notification No. 09/2024-CT(R),</i>	Any unregistered person	Any registered person other than Composition Taxpayer. <i>(Notfn. No. 07/2025-CT(Rate) dt. 16-01-2025)</i>

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
	dt. 08-10-2024)		
5B	Services supplied by any person by way of transfer of development rights or Floor Space Index (FSI) (including additional FSI) for construction of a project by a Promoter. (w.e.f. 01.04.2019 vide Notification No. 05/2019-CT(R), dt. 29-03-2019)	Any Person	Promoter
5C	Long term lease of land (30 yrs or more) by any person against consideration in the form of upfront amount (called as premium, salami, cost, price, development charges or by any other name) and/or periodic rent for construction of a project by a promoter. (w.e.f. 01.04.2019 vide Notfn. No. 05/2019-CT(R), dt. 29-03-2019)	Any Person	Promoter

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
6	Services supplied by a director of a company or a body corporate to the said company or the body corporate.	A director of a company or a body corporate	The company or a body corporate located in the taxable territory.
7	Services supplied by an insurance agent to any person carrying on insurance business.	An insurance agent	Any person carrying on insurance business, located in the taxable territory.
8	Services supplied by a recovery agent to a banking company or a financial institution or a non-banking financial company.	A recovery agent	A banking company or a financial institution or a NBFC, located in the taxable territory.
9	Supply of services by a music composer, photographer, artist or the like by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957	Music composer, photographer, artist, or the like	Music company, producer or the like, located in the taxable territory.

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
	relating to original dramatic, musical or artistic works to a music company, producer or the like. <i>(w.e.f. 01.10.2019 vide Notification No. 22/2019-CT(R), dt. 30-09-2019)</i>		
9A	Supply of services by an author by way of transfer or permitting the use or enjoyment of a copyright covered under clause (a) of sub-section (1) of section 13 of the Copyright Act, 1957 relating to original literary works to a publisher. <i>(w.e.f. 01.10.2019 vide Notification No. 22/2019-CT(R), dt. 30-09-2019)</i>	Author	Publisher located in the taxable territory. <i>(See Note-3 for exception)</i>
10	Supply of services by the members of Overseeing Committee to Reserve Bank of India. <i>(w.e.f. 13.10.2017 vide Notification</i>	Members of Overseeing Committee constituted by the Reserve Bank of India	Reserve Bank of India.

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
	<i>No. 33/2017-CT(R), dt. 13-10-2017)</i>		
11	Services supplied by individual Direct Selling Agents (DSAs) other than a <u>body corporate</u> , partnership or <u>limited liability partnership</u> firm to bank or non-banking financial company (NBFCs). <i>(w.e.f. 27.07.2018 vide Notification No. 15/2018-CT(R), dt. 26-07-2018)</i>	Individual Direct Selling Agents (DSAs) other than a <u>body corporate</u> , partnership or <u>limited liability partnership</u> firm.	A banking company or a non-banking financial company, located in the taxable territory.
12	Services provided by business facilitator (BF) to a banking company. <i>(w.e.f. 01-01-2019 vide Notification No. 29/2018-CT(R), dt. 31-12-2018)</i>	Business facilitator (BF)	A banking company, located in the taxable territory.
13	Services provided by an agent of business correspondent (BC) to business correspondent (BC). <i>(w.e.f. 01-01-2019 vide Notification</i>	An agent of business correspondent (BC)	A business correspondent, located in the taxable territory.

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
	<i>No. 29/2018-CT(R), dt. 31-12-2018)</i>		
14	Security services (supply of security personnel) provided to a registered person: <i>(see Note-4 for exception) (w.e.f. 01-01-2019 vide Notification No. 29/2018-CT(R), dt. 31-12-2018).</i>	Any person other than a body corporate	A registered person, located in the taxable territory.
15	Services provided by way of renting of any motor vehicle designed to carry passengers where cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate. <i>(w.e.f. 1st Oct, 2019 vide N No. 22/2019-CT(R) dt.30-09-2019)</i>	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging central tax at the rate of 6 per cent. to the service recipient	Anybody corporate located in the taxable territory
16	Services of lending of securities under Securities Lending Scheme, 1997 (“Scheme”) of Securities and	Lender i.e. a person who deposits the securities registered in his name or in the name of any other person duly	Borrower i.e. a person who borrows the securities under the Scheme through an

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service
	Exchange Board of India (“SEBI”), as amended. <i>(w.e.f. 1st Oct, 2019 vide Notfn. No. 22/2019-CT(R) dt.30-09-2019)</i>	authorised on his behalf with an approved intermediary for the purpose of lending under the Scheme of SEBI	approved intermediary of SEBI.

Note-1: The following persons are liable to pay tax on RCM on receipt of GTA service.

- (a) Any factory registered under or governed by the Factories Act, 1948(63 of 1948); or
- (b) any society registered under the Societies Registration Act, 1860 (21 of 1860) or under any other law for the time being in force in any part of India; or
- (c) any co-operative society established by or under any law; or
- (d) any person registered under the Central Goods and Services Tax Act or the Integrated Goods and Services Tax Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act; or
- (e) any body corporate established, by or under any law; or
- (f) any partnership firm whether registered or not under any law including association of persons; or
- (g) any casual taxable person; located in the taxable territory

Note-2: This entry excludes the following services:

- (1) renting of immovable property, and
- (2) services specified below-
 - (i) services by the Department of Posts and the Ministry of Railways (Indian Railways;

- (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;
- (iii) transport of goods or passengers.

Note-3: Provided that nothing contained in this entry shall apply where, -

- (i) the author has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017), and filed a declaration, in the form at Annexure I, within the time limit prescribed therein, with the jurisdictional CGST or SGST commissioner, as the case may be, that he exercises the option to pay central tax on the service specified in column (2), under forward charge in accordance with Section 9 (1) of the Central Goods and Service Tax Act, 2017 under forward charge, and to comply with all the provisions of Central Goods and Service Tax Act, 2017 (12 of 2017) as they apply to a person liable for paying the tax in relation to the supply of any goods or services or both and that he shall not withdraw the said option within a period of 1 year from the date of exercising such option;
- (ii) the author makes a declaration, as prescribed in Annexure II on the invoice issued by him in Form GST Inv-I to the publisher. ”;

Note-4: Provided that nothing contained in this entry shall apply to, -

- (i)(a) a Department or Establishment of the Central Government or State Government or Union territory; or
- (b) local authority; or
- (c) Governmental agencies;

which has taken registration under the Central Goods and Services Tax Act, 2017 (12 of 2017) only for the purpose of deducting tax under section 51 of the said Act and not for making a taxable supply of goods or services; or

- (iii) a registered person paying tax under section 10 of the said Act.



All the above services have also been notified for reverse charge under IGST Act vide Notification No. 10/2017-Integrated Tax (Rate) dt. 28-06-2017 as amended. In addition to them, following service is also notified by said notification under reverse charge for IGST purposes:

Sl. No.	Category of Supply of Services	Supplier of service	Recipient of Service / liable to pay on RCM basis
(1)	(2)	(3)	(4)
1.	Any service supplied by any person who is located in a non-taxable territory to any person other than non-taxable online recipient.	Any person located in a non-taxable territory	Any person located in the taxable territory other than non-taxable online recipient.
10.	Services supplied by a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India.	A person located in non-taxable territory	Importer, as defined in clause (26) of section 2 of the Customs Act, 1962(52 of 1962), located in the taxable territory.

24. Supplies taxable on RCM u/s 9(4) CGST Act & 5(4) IGST Act

Notification No.07/2019-CT(R), dt.29.03.2019 effective from 1st Apr, 2019:

Sl. No.	Category of Supply of Goods & Services	Supplier	Recipient of Goods and services
(1)	(2)	(3)	(3)
1	Transfer of development rights / FSI	Un-registered person	Promoter

2	Cement falling in chapter heading 2523 in the first schedule to the Customs Tariff Act, 1975. (w.e.f 01-10-2019 vide Notification No.24/2019-CT(R) dt. 30-09-2019)	Un-registered person	Promoter
3	Capital goods falling under any chapter in the first schedule to the Customs Tariff Act, 1975 supplied to a promoter for construction of a project on which tax is payable or paid. at the rate prescribed for items (i), (ia), (ib), (ic) and (id) against serial number 3 in the Table, in Notfn. No. 11/ 2017- CT(R), dated 28th June, 2017.	Un-registered person	Promoter

25. Renting of immovable property service

Descripti on	Service Provider	Service Recipient	Who Pays GST?	Effective from	Authority
Renting commercial Property: 997212	Registered	Any Person	Service Provider (Landlord)	01.07.2017	Entry No.16 of N No. 11/2017-CT(R), dt.28.06.2017
Service by way of renting of any immovable property other than residential dwelling: 997212	Any Un-registered Person	Any registered Person	Service Recipient (except Composition Tax Payer) on RCM	10.10.2024	Entry No.5AB of N No. 09/2024-CT(R), dt.08.10.2024 & Corrigendum dt.22.10.2024 and 07/2025-CT(R),

Descripti on	Service Provider	Service Recipient	Who Pays GST?	Effective from	Authority
					<i>dt.16.01.202 5.</i>
Renting Residential Property for Residential Use : 997211	Any Person	Any Person	Exempted	01.07.20 17	<i>Entry No.12 of N NO.12/2017 -CT(R), dt.28.06.201 7</i>
Service by way of renting of residential dwelling to a registered person : 997211	Any Person	Any registered Person	Service Recipient on RCM	18.07.20 22	<i>Entry No.5AA of N NO.05/2022 -CT(R), dt.13.07.202 2.</i>

26. Notifications and Circulars on renting of immovable property

i. Notification No. 12/2017-Central Tax (Rate), dated 28-06-2017

Exempts renting of residential dwellings used for residential purposes from GST.

Commercial property rental continues to attract GST at 18%.

ii. Notification No. 5/2022-Central Tax (Rate), dated 13-07-2022

Introduced Reverse Charge Mechanism (RCM) for renting of residential dwellings to a registered person. The tenant (if registered under GST) is liable to pay GST under RCM instead of the landlord.

iii. Notification No. 15/2022-Central Tax (Rate), dated 30-12-2022

Clarified that if an individual rents out a residential dwelling in a personal capacity (not as a business), it remains exempt from GST. If rented for commercial purposes, GST applies under RCM.

iv. Notification No. 07/2025-Central Tax (Rate), dated 16-01-2025

Allowed composition taxpayers to be excluded from RCM on renting of immovable property. Regularized GST applicability for commercial property rental under RCM for the period 10.10.2024 to 15.01.2025.

v. Circular No. 101/20/2019-GST, dated 30-04-2019

Provided exemption for long-term leases (30 years or more) related to industrial plots or financial infrastructure development.

27. Intra-state supply of services : ECO is liable to pay tax

Section 9(5) of the CGST Act and 5(5) of the IGST Act.

The principal Notification No.17/2017-CT(R), dt. 28.06.2017 as amended.

Sl.No	Description	Supplier of service
i.	Services by way of transportation of passengers by a radio-taxi, motor-cab, maxi-cab, motor cycle, or any other motor vehicle except omnibus	Any Person
i(a).	Services by way of transportation of passengers by an omnibus. <i>(wef 20-10-2023 vide Notfn. No. 16/2023-CT(R) dt. 19-10-2023)</i>	Any person, except where the person supplying such service through electronic commerce operator is a company.
ii.	Services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for	Any person, except where the person supplying such service through electronic commerce operator is

	residential or lodging purposes,	liable for registration u/s 22(1) of the CGST Act.
iii.	Services by way of house-keeping, such as plumbing, carpentering etc,	Same as above.
iv.	Supply of restaurant service other than the services supplied by restaurant, eating joints etc. located at specified premises. <i>(w.e.f. 01-01-2022 vide Notification No. 17/2021-CT(R) dt.18-09-2021)</i>	Any Person

28. Composition Scheme

Section	Supplier	Turnover Limit	Rate of GST	Limit of service portion
10(1) & 10(2) (Regular Composition Scheme)	Manufacturers	1.50 Crore# In Current FY & Previous FY (Special category States 75 Lakh)	1% of Aggregate Turnover (w.e.f. 01-01-2018)*	10% of turnover of Previous Financial Year OR 5 Lakhs Whichever is Higher (w.e.f. 01- 02-2019)
	Restaurant service		5% of Aggregate Turnover (w.e.f. 01-07-2017)	
	Traders		1% of Taxable Supply (w.e.f. 01-07-2017)	

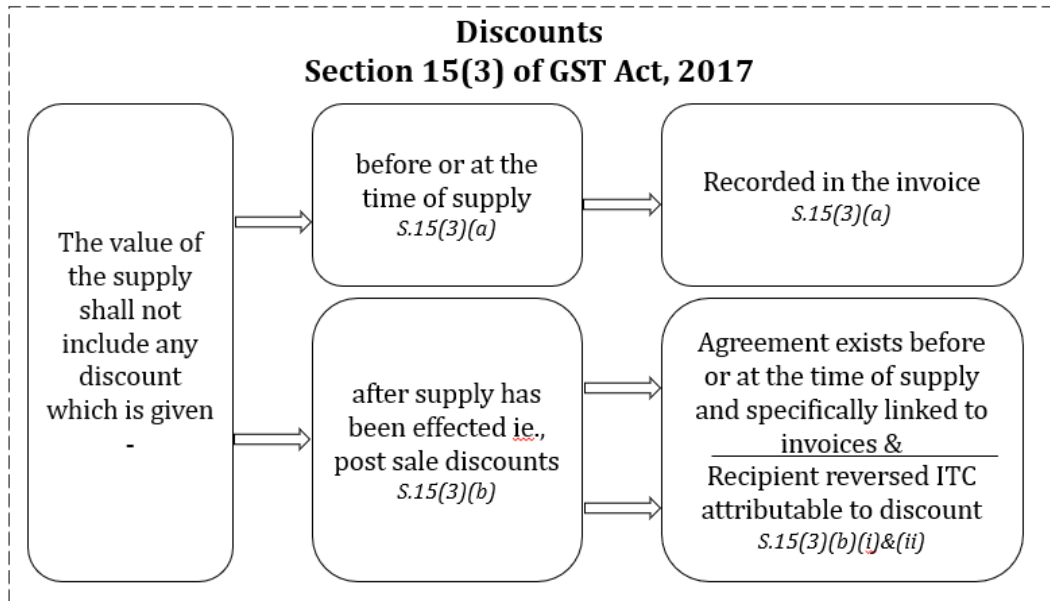
10(2A)Mixed Composition Scheme	Tax payers not eligible for above composition scheme (may opt to pay)	50 Lakhs in Current FY & Previous FY	6% of Aggregate Turnover of goods and services (w.e.f. 01-04-2019)	50 Lakhs (w.e.f. 01-04-2019)
<ul style="list-style-type: none"> ➤ *Prior to 01-01-2018 it was 2% ➤ <u>Conditions for Eligibility under Composition Scheme</u> ➤ He is not engaged in supply of service (other than restaurant services) more than the limit specified above. ➤ He is not engaged in making supply of goods and services which are not leviable to tax. (u/s.10(2A)) ➤ He is not engaged in making inter-state outward supplies of goods and services (u/s S.10(2A)). ➤ He is not engaged in making supply of services through an electronic commerce operator who is required to collect tax at source under section 52 (under S.10(2A)). ➤ He is not a manufacturer of Tobacco, Pan masala, Aerated water & Ice- cream (u/s.10(2A)). ➤ He is not a Casual Taxable Person or Non-Resident Taxable Person (u/s 10(2A)). ➤ The composition scheme is applicable on a PAN basis, so if a firm opts for it in one state, it must opt for it in all other states where it is registered. ➤ The value of deposits, loans, and advances is not considered for computing aggregate turnover to determine eligibility, tax payable under the scheme, or turnover in a state/UT for the purpose of the second proviso to Section 10(1). ➤ Supplies made from 1st April of the financial year up to the date the person becomes liable for registration are included in aggregate turnover for eligibility but are excluded when calculating tax payable under Section 10. 				

29. Valuation- Inclusion in transaction value

Section	Inclusions	Example/Analysis
15(2)(a)	Any taxes, duties, cesses, fees and charges levied under any law for time being in force other than this Act	<u>Example</u> : Tobacco and Tobacco products. Basic Price + Excise Duty + NCCD is the value for GST.
15(2)(b)	3rd party payment : Any payment incurred by the recipient for which supplier is liable to pay	<u>Example</u> : ABC provided catering service to XYZ under a contract. The function hall rent was paid by ABC on behalf of XYZ even through it is not in the agreement. The rent paid by ABC will form part of value.
15(2)(c)	<u>Incidental expenses</u> including commission and packing and any other amount charged by the supplier at the time or before supply.	<u>Examples</u> : Packing, labeling, designing, Royalty, Warranty Charges, insurance charges, Loading, Weighing, Coolie, Freight shown separately in invoice, Erection, installation charges, Pre delivery inspection charges., etc.
15(2)(d)	Interest or late fee or penalty for delayed payment of consideration	To include in the value of supply in case the payment of consideration is delayed.
		Not to include in case interest is on loan, advances or deposits.
15(2)(e)	<u>Subsidies directly linked to the price</u> excluding subsidies provided by the Central / State Governments.	Given by other than Government; Directly linked to the price; <u>Need to be included</u> in the value of supply.
		Given by other than Government; Not linked to the price; Need not be included in the value of supply.
		Given by Government, need not be included in the value.

30. Exclusion from value of supply

Section 15(3): The value of the supply shall not include any discount as explained in the chart.



31. Discount and its treatment under GST law

It is a common practice for the companies to give discounts of different types, from time to time, to survive in the competitive market. Section 15(3) of CGST Act, 2017 deals with the valuation of value of supply in case of discounts offered to the customers. Circular No.92/11/2019-GST, dt. 7th Mar, 2019 clarified certain discounts being offered by the businesses. The statutory provisions and clarifications are illustrated in the following tables:

Secondary or Post sale Discounts

Not known at the time of supply or are offered after supply.

*Example: M/s A supplies 10,000 packets of biscuits to M/s B at Rs.10/- per packet. Afterwards M/s A re-values it at Rs. 9/- per packet. Subsequently, M/s A issues **credit note** to M/s B for Rs.1/- per packet, as post sale discount.*

In terms of S.34(1) of the Act, financial / commercial credit note(s) can be issued by the supplier even if the conditions mentioned in S.15(3)(b) of the Act are not satisfied.

However, secondary discounts shall not merit exclusion from value of supply as the discounts are not known at the time of supply and the conditions laid down in S.15(3)(b) of the Act are not satisfied.

There is no impact on availability or otherwise of ITC in the hands of supplier in this case. The recipient need not reverse the ITC proportionate to credit note.

Discounts : 'Buy more, save more' offers:

⇒ Volume discounts : Given at the time of supply; Shown in invoices. *Example:*

>Rs.5,000 purchase 10% discount;

>Rs.10,000 purchase 15% discount;

⇒ Volume discounts : Year ending.

Example- Discount of 1% if 10000 pieces purchased in a year, get addl. discount of 2% if 15000 pieces are purchased in a year in terms of agreement entered into.

Treatment of discount

Merits exclusion from the value of supply, as the discounts are shown in the invoice.

Merits exclusion from value of supply as discounts are established by agreement; provided the recipient reversed proportionate ITC.

The supplier is entitled to avail ITC for such inputs, input services and capital goods used in relation to the supply of goods or services or both on such discounts.

Sales promotion activities

Free samples or Gifts

samples or gifts which are supplied free of cost, without any consideration, do not qualify as "supply".

In terms of Section 7(1)(a) of CGST Act, 2017, supply shall be made for a consideration.

Exception:
Schedule-I activities

ITC : Not eligible
Sec.17(5)(h)

Buy one get one free offer

→ It may appear at first glance that one item is supplied free of cost without any consideration.

→ It is not an individual supply of free goods but a case of two or more individual supplies where a single price is being charged for the entire supply.

Needs to be examined u/s 8, whether it is mixed or composite supply





ITC : Eligible







32. Blocked Credit


No credit can be claimed on following purchases. [Section 17(5)]




1. Motor Vehicles / Air Crafts / Vessels




	Motor vehicles and conveyances: S.17(5)(a)	Motor vehicles used for transportation of passengers having capacity of 13 or less than 13 persons (including the driver).
	Air Craft: S.17(5)(aa)	Input Tax Credit under GST is also not available on purchase of aircraft and vessels. This includes not only purchase but also leasing, hiring or renting thereof.
	Vessel: S.17(5)(aa)	
<p>Exception: When motor vehicle or vessel or aircraft is used for</p> <ul style="list-style-type: none">• Further supply of such vehicles, vessels or aircraft• Transportation of passengers• Imparting training on driving such vehicles (including training to operate vessels / aircraft) <p>Example:</p> <p>(a) Vehicle purchased for personal use – ITC not available / ineligible</p> <p>(b) Vehicle purchased by driving school to provide training – ITC available as per above exception</p> <p>(c) Vehicle purchased by car dealer for sale – ITC available as per above exception</p>		
2. Services of general insurance, servicing, repairs and maintenance		
	Services of general insurance, servicing, repairs and maintenance:	Where a service of general insurance, servicing, repairs and maintenance is used for vehicles / vessels or aircraft.

	S.17(5)(ab)	
	<p>Exception</p> <p>A taxable person engaged in manufacturing of such motor vehicles, vessels or aircraft.</p> <p>A taxable person involved in the supply of general insurance services</p> <p>Vehicle purchased by driving school to provide training – ITC available as per above exception.</p> <p>Example:</p> <p>(a) General insurance of motor vehicle purchased for personal use – ITC not available / blocked;</p> <p>(b) Repairs and maintenance of vehicle used for driving school – ITC available as per above exception</p>	
<p>3. Supply of food, beverages, club memberships, beauty treatment, etc.</p>		
	Supply of food, beverages, club memberships, beauty treatment, etc.: S.17(5)(b)(i)	Supply of food, beverages, outdoor catering, beauty treatment, health treatment, cosmetic and plastic surgery, leasing, renting or hiring of motor vehicles, vessels or aircraft, life insurance and health insurance:
	<p>Exception</p> <ul style="list-style-type: none">• When such services are used for furtherance of business and not end use or as an element of taxable composite or mixed supply• Where it is obligatory for an employer to provide such supplies to its employees under any law for the time being in force. <p>Example:</p> <p>(a) ABC ltd. used outdoor catering services for its annual function – ITC not available / blocked;</p> <p>(b) Beauty products bought by a salon – ITC available as per</p>	

	above exception	
4. Membership of a club, health and fitness centre		
	Membership of a club, health and fitness centre : S.17(5)(b)(ii)	Membership fees paid for a club, health or fitness center.
	Exception Where it is obligatory for an employer to provide such supplies to its employees under any law for the time being in force. Example: (a) Membership of health centre paid by Mr. X, a businessman – ITC not available / blocked.	
5. Travel		
	Travel : S.17(5)(b)(iii)	In case where travel benefits like leave travel concession or home travel concession are provided to employees.
	Exception (a) Travel is for business purposes (b) Where it is obligatory for an employer to provide such supplies to its employees under any law for the time being in force. Example: (a) XYZ Ltd. allows its employees to book flight tickets for personal under company’s name – ITC not available / blocked (b) GST on flight tickets for sales personnel travel (business) – ITC available as per above exception	
6. Works Contract		
	Works contract: S.17(5)(c)	ITC on works contract service used for construction of immovable property.
	Exception:	

	<p>Input service of works contract used for further supply of works contract service, Construction of Plant & Machinery.</p> <p>Example:</p> <p>(a) ABC Contractors constructing a building (immovable property) – ITC not available / blocked.</p> <p>(b) ABC Contractors hires PQR Contractors for works contract (an input service) – ITC available as per above exception</p>	
7. Construction of an immovable property on own account		
	<p>Construction of an immovable property on own account : S.17(5)(d)</p>	<p>Goods or services received for construction of immovable property on his own account.</p> <p>ITC is blocked, on construction for themselves, not for supplying to someone else (i.e., not for sale), even if the construction is for business use (like office building),</p> <p><i>(Construction includes re-construction, renovation, additions or alterations or repairs, to the extent of capitalisation, to the said immovable property).</i></p>
<p>Exception</p> <p>(a) Goods or services used in construction of plant and machinery.</p> <p><i>(Plant and machinery means apparatus, equipment, and machinery fixed to earth by foundation or structural support that are used for making outward supply of goods or services or both and includes such foundation and structural supports but excludes—</i></p> <ul style="list-style-type: none">• <i>Land, building or any other civil structures;</i>• <i>Telecommunication towers; and</i>		

	<ul style="list-style-type: none">• Pipelines laid outside the factory premises) Example: (a) XYZ Ltd hires ABC Contractors for construction of a building (immovable property) – ITC not available / blocked. (b) XYZ ltd. buys a motor for machinery – ITC available as per exception	
8. Composition Scheme		
	Composition Scheme : S.17(5)(e)	Goods or services or both on which tax has been paid under section 10 i.e. composition scheme
	Exception: No exceptions for composition dealer under GST Example: Purchases from composition dealer - ITC not available as tax is not applied	
9. Non-Residents		
	NRI: S.17(5)(f)	Goods or services or both received by a non-resident taxable person
	Exception : Goods imported by him. Example: (a) Goods or services purchased within India – ITC not available; (b) Goods imported from outside India – ITC available as per above exception	
	Activities related to corporate social responsibility: S.17(5)(fa)	Goods or services or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013; <i>(w.e.f. 01.10.2023 vide S.139 of FA 2023 read with vide Notfn.No.28/2023-CT,dt.31.07.2023)</i>

10. Personal Consumption		
	Personal consumption: S.17(5)(g)	Goods or services or both used for personal consumption.
	Exception : No Exceptions Example: Goods purchased in business name for personal use	
11. Free Samples and goods destroyed		
	Free samples / goods destroyed. S.17(5)(h)	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.
	Exception ; No Exceptions Example: XYZ Ltd distributed goods as free samples – ITC not available on such goods.	
12. Fraud Cases		
	Any tax paid in accordance with the provisions of section 74 in respect of any period up to FY 2023-24. S.17(5)(i)	Restriction is applicable for the period upto 2023-24 only. (S. 119 of FA, 2024, dt. 16.08.2024 read with Notfn. No.17/2024-CT, dt.27.09.2024, effective from 1 st Nov, 2024.)
	Example: Ms. ABC Ltd. paid the tax demand for 2024-25 in response to the SCN under section 74. Before the amendment, the buyer was ineligible for credit, but from 1 st Nov-2024, the buyer is eligible to claim the credit.	



33. Calculation sheet for reversal of ITC under Rule 42

GSTIN :

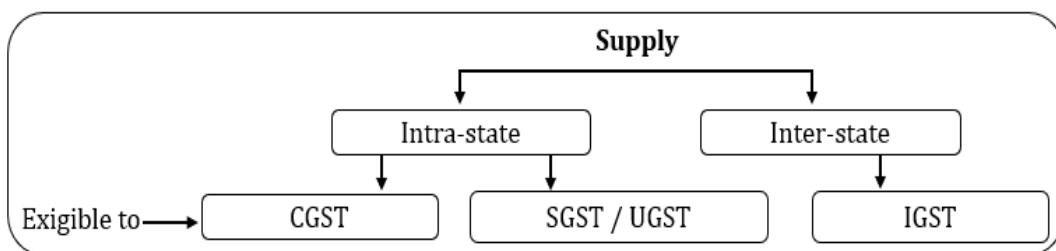
Legal Name :

		FY	FY	FY
T	Total ITC availed			
T1	Out of total ITC, credit exclusively used for other than business			
T2	Out of total ITC, credit exclusively used for effecting exempted supplies			
T3	Out of total ITC, credit not eligible u/s 17(5)			
C1	Amount of ITC credited to the Electronic Credit Ledger (T-T1-T2-T3)			
T4	Credit attributable to the taxable supplies including zero rated supplies.			
C2	Common credit ($C2 = C1 - T4$)			
E	Aggregate value of exempted supplies			
F	Total turnover (including taxable, zero rated, exempted and non-business supply)			
D1	input tax credit attributable towards exempt supplies ($D1 = E/F * C2$)			
	<u>Reversals</u>			
	input tax credit attributable towards exempt supplies, actually REVERSED			
	Balance, if any, to be reversed			
D2	input tax credit attributable towards non-business supplies ($D2 = 5\%$ of C2)			
	input tax credit attributable towards non- business supplies actually reversed.			
	Balance, if any, to be reversed			

Returns	GSTR-3B, GSTR-9 and 9C
Note:1	Specify the nature of exempted supplies.
Note:2	Enclose the invoice-wise statement of common credit
Note:3	Enclose the invoice-wise statement of exclusive credit used in relation to supply of exempted / non-business supplies

34. Place of Supply

i. Importance of Place of Supply : GST is destination-based tax. Tax should accrue to the taxing authority which has jurisdiction over the place of consumption. For this purpose, there is a need to determine Place of Supply i.e. the place where goods or services have been supplied so as to decide the taxing jurisdiction, intra-state or inter-state.



ii. Consequences of incorrect determination of place of supply: Incorrect determination of the place of supply can lead to payment of tax under the wrong head (IGST instead of CGST+SGST/UGST or vice versa). According to Section 77 of the CGST Act, Section 19 of the IGST Act and Rule 89 of the CGST Rules, tax paid under the wrong head can be refunded if the correct tax is paid. (No interest is payable). Therefore, ensuring accurate determination of the place of supply is crucial to avoid this process.

Type of Sale	Applicable Tax	Actually paid	Rectification	Interest /Penalty
Intra-state	CGST&SGST	IGST	Pay CGST&SGST Refund IGST	No
Inter-state	IGST	CGST&SGST	Pay IGST Refund CGST&SGST	No

35. Place of Supply of Goods

The following table provides the place of supply of goods and services in various situations:

Situation	Example	Place of supply as per statute
Movement of Goods <i>S.10(1)(a) of IGST Act.</i>	ABC (AP), sells goods to XYZ (UP). The goods are delivered in UP through transport arranged by ABC (the supplier).	Place where movement of goods terminates for delivery to the recipient. <i>Here, the movement of goods terminates for delivery at UP.</i>
Supply on direction of Third Person <i>S.10(1)(b) of IGST Act.</i>	ABC, Vijayawada (AP) buys goods from Mr. Tarun in Lucknow (UP). The buyer instructs the seller to send the goods to XYZ in Kanpur (UP). <i>(Bill to-ship to model)</i>	Principal Place of Supply of 3 rd Person. <i>Tarun (UP) : Supplier</i> <i>XYZ (UP) : Recipient</i> <i>ABC (AP) : 3rd person</i>
Supply without movement <i>S.10(1)(c) of IGST Act.</i>	ABC of AP took a building on rent from Mr. Y in Bangalore and installed machinery for providing certain outward supplies. After 3 years ABC vacated the building selling the machinery <i>as-is-where-is</i> condition to the Landlord.	Location of goods at the time of delivery to recipient (at the time of ownership transfer). <i>The supply of machinery by the tenant to the Landlord does not involve movement of goods and the place of supply shall be where the machinery is fixed ie. B'lore.</i>
Supply of goods to other than registered person. <i>S.10(1)(ca) of</i>	(i) Mr. A from State X orders a mobile phone to be delivered to State Y and provides State X as the billing address. (ii) Mr. A from State X supplied goods to an unregistered person	Location as per the <u>address of the said person recorded in the invoice</u> and the location of the supplier where the address of the said person is not recorded

Situation	Example	Place of supply as per statute
<i>IGST Act.</i> w.e.f. 01-10-2023 Notfn. No. <u>02/2023-IT</u> , dt. 29-09-2023.	whose address is not recorded in invoice.	in the invoice. <i>(i) State Y as address of Y is recorded in invoice;</i> <i>(ii) Place of supplier address is not available on invoice.</i>
Supply of goods assembled or installed at site <i>S.10(1)(d) of IGST Act.</i>	XYZ (Delhi) supplied a machine to ABC(Delhi) for installation at ABC's factory in Faridabad (Haryana).	Place where such assembly or installation took place. Here, the installation took place in Haryana and it is the PoS.
Supply on Board Conveyance <i>S.10(1)(e) of IGST Act.</i>	ABC boarded Vijayawada-Delhi train at Vijayawada (AP) and, during the journey, sold the goods that were taken on board <i>en route</i> at Warangal (Telangana).	Location at which goods are taken on board. <i>In this case the PoS is Telangana, the location at which the goods are taken on board.</i>

36. Place of supply of goods imported into, or exported from India

(Section 11 of IGST Act)

Situation	Situation	Place of supply
Importation of goods into India	ABC, Gujarat, imported coal from Vizag Port.	Location of the importer in India. <i>Gujarat is PoS</i>
Export goods from India	ABC, AP, exported 'shrimp' to USA from Vizag Port.	Outside India <i>USA is PoS</i>

37. Place of supply of services - supplier and recipient are in India

(Section 12 of IGST Act, 2017)

Section	Description of activity	Place of supply
S.12(2)	<u>General Provision:</u> <i>[applicable to the services specified in sub-section (3) to (14)]</i> Supply to Registered Person	Location of Registered recipient.
	Supply to Unregistered Person whose address is available on record	Location of unregistered recipient.
	and in other cases,	location of supplier of service;
	<p><u>Example:</u> <i>A Registered Person in Vijayawada (AP) provided designing services to an Advertisement Agency, a registered person in Hyderabad (Telangana).</i></p> <p><i>Since the recipient is registered, the place of supply is Hyderabad (Telangana).</i></p> <p><u>In case the person in Hyderabad is un-registered</u></p> <p>(i) <i>the PoS is Hyderabad, if his address is available on record.</i></p> <p>(ii) <i>the PoS is Vijayawada, if his address is not available on record,.</i></p>	
S.12(3)	Services in relation to immovable property: a. Services directly in relation to an immovable property; or	Location of the immovable property or boat or vessel. Location of recipient, in case the immovable property is outside India.

Section	Description of activity	Place of supply
	<p>b. grant of rights to use IP; or</p> <p>c. lodging accommodation by a hotel, inn, guest house, home stay, club or campsite, house boat or any other vessel; or</p> <p>d. accommodation for organising marriage or reception or matters related thereto, official, social, cultural, religious or business function including services provided in relation to such function; or</p> <p>e. any services ancillary to the services referred to in clauses (a), (b) and (c)</p>	
	<p><u>Example:</u></p> <p>(i) Mr. X of Chennai (Tamil Nadu) hired the services of interior decorator Mr. Y of Surat (Gujarat) for redoing his home in Singapore. <i>PoS is Chennai because the immovable property is located outside India.</i></p> <p>(ii) Mr. X of Delhi leased out his warehouse in Haryana to Mr. Y of Delhi under lease agreement. <i>PoS is Haryana where the warehouse is located.</i></p>	

Section	Description of activity	Place of supply
S.12(4)	Restaurant and catering services, personal grooming, fitness, beauty treatment, health service including cosmetic and plastic surgery.	Location where the services are performed.
	<p><u>Example:</u> Mr. A stays in Delhi but visits a nearby Gymnasium in Noida (UP).</p> <p><i>The place of supply will be Noida, where services are actually performed.</i></p>	
S.12(5)	Training & Performance Appraisal Service	Supply to Registered Person– Location of Registered recipient.
		Supply to unregistered person – Location where services are performed
	<p><u>Example:</u> ABC Ltd., carries performance appraisal of the employees of XYZ, a firm which is not registered. XYZ is located in Hyderabad and the appraisal was conducted in Andhra Pradesh.</p> <p><i>As XYZ is not registered, the place of supply shall be the place where services are actually performed i.e. Andhra Pradesh.</i></p>	
S.12(6)	Supply by way of admission to a cultural, artistic, sporting, scientific, educational, entertainment event or amusement park or any other place and services ancillary thereto.	Place where the event is actually held or where the park or such other place is located.
	<p><u>Example:</u> ABC from Andhra Pradesh visits Hyderabad. He enjoyed a play in a theatre in Hyderabad and pays for the same.</p>	

Section	Description of activity	Place of supply
	<i>The place of supply will be the place where the play is actually held and the theater is located i.e. Hyderabad.</i>	
S.12(7)	Supply by way of organising a cultural, artistic, sporting, scientific, educational or entertainment event including supply of services in relation to a conference, fair, exhibition, celebration or similar events and services ancillary thereto.	i. Supply to Registered Person- Location of registered recipient. ii. Supply to any other person: Location where event is held; iii. If event is held outside India – Location of recipient
	<p>Example: ABC Co., Hyderabad (Telangana), duly registered under GST, hires the services of X of Delhi for organizing promotional event for the company at various places in Haryana. <i>The place of supply is Hyderabad, as “A” is a registered company. If A is not registered, the place of supply will be place where the event is held ie., Haryana.</i></p> <p><i>If the event was held in New York and London, the place of supply would be the location of recipient i.e. Hyderabad.</i></p>	
S.12(8)	Supply of Goods Transportation service, including mail & Courier	i. Supply to Registered Person- Location of registered recipient. ii. Supply to any other person: Location where goods are handed over for their transportation;
	<p>Example: XYZ Pvt. Ltd. is a registered company in New Delhi. It sends its courier to Pune through M/s Brue Air Courier Service. <i>The recipient being registered person, the place of supply is the location of recipient, i.e. New Delhi.</i></p>	
S.12(9)	Passenger transportation	i. Supply to Registered Person-

Section	Description of activity	Place of supply
	service.	Location of registered recipient. ii. Supply to any other person: Place from where the passenger embarks on the conveyance for a continuous journey
	<p><u>Example:</u> ABC travels from Mumbai to Nagpur. ABC is registered person in Delhi and therefore the place of supply is the location of recipient ie., Delhi. ABC, unregistered person, lives in Kolkata. He boards a train at Jaipur to travel to Kolkata. The place of supply is Jaipur.</p>	
S.12(10)	Supply of services on board a conveyance, including a vessel, an aircraft, a train or a motor vehicle.	Location of the first scheduled point of departure of that conveyance for the journey
	<p><u>Example:</u> “Enjoy on wheels” is a train which runs from Jaipur to Kanyakumari and provides entertainment services. <i>For outward journey, the PoS is Jaipur; and For return journey, it is Kanyakumari.</i></p>	
S.12(11)	Services by way of fixed telecommunication line, leased circuits, internet leased circuit, cable or dish antenna	Place where they are installed.
	➤ Post-paid mobile connection and post-paid internet services	The billing address of recipient of services.
	➤ Pre-paid mobile connection / internet / DTH services through a voucher or any other means, through a	The address of the selling agent or the re-seller, as per the records of the supplier.

Section	Description of activity	Place of supply
	selling agent or a re-seller or a distributor of subscriber identity module card or re-charge voucher	
	➤ If payment is made through net banking or E mode	The address of the recipient as per the records of the supplier of services
	<p>Example-1: B takes a lease line connection at his house TN state from C of AP state.</p> <p><i>The place of supply is the location of B where lease line is installed ie.,TN.</i></p>	
	<p>Example-2: A takes a post-paid telephone connection.</p> <p><i>Place of supply will be the address of A on records with the supplier.</i></p>	
S.12(12)	Supply of banking and other financial services, including stock broking services.	<p>Location of the recipient of services on the records.</p> <p>In case location is not available, the location of the supplier of services.</p>
	<p>Example: A from Kota (Rajasthan) buys shares from a stock broker “C” in Mumbai.</p> <p><i>Place of supply is the address of A in the records of “C”, which is Kota.</i></p> <p><i>Place of supply, in case the address of the A is not available, is supplier’s place, “C”.</i></p>	
S.12(13)	Insurance services	<p>(a) to a registered person, be the location of registered recipient;</p> <p>(b) to a person other than a registered person, be the location of the recipient on the records of the supplier.</p>

Section	Description of activity	Place of supply
	<p>Example: XY Ltd. is registered in Gurgaon and gets his assets insured.</p> <p><i>The place of supply is the location of recipient i.e., Gurgaon.</i></p> <p>X is unregistered but he takes an insurance policy for his health.</p> <p><i>The place of supply is location of X i.e. the address of X in the records of the insurer.</i></p>	
S.12(14)	Advertisement service to the Central /State Govt. / Statutory body/ Local authority meant for the State or Union Territory identified in contract or agreement.	Each of such States or Union territories where the advertisement is broadcasted/run/played.
	<p>Example: Delhi Govt. contracts with an advertisement agency for promotion of a major event to be held in Delhi. The bill boards for the same to be displayed all over India.</p> <p><i>The place of Supply is all the States and the UTs where the bill boards are displayed.</i></p>	

38. Place of Supply of Services – Non-Domestic

S.13(1)	where either location of supplier of services or location of the recipient of services is outside India -	Location of recipient of services.
	If location of recipient is not available in ordinary course of business	Location of supplier of services
S.13(8) (a)	services supplied by a banking company, or a financial institution, or a non-banking financial	Location of Supplier of Service

	company, to account holders;	
<i>S.13(8)(b)</i>	Intermediary Services	Location of Supplier of Service
<i>S.13(8)(c)</i>	Services consisting of hiring of <u>means of transport</u> , including yachts but excluding aircrafts and vessels, up to a period of one month.	Location of Supplier of Service
<i>S.13(12)</i>	Online information and database access or retrieval services (OIDAR)	Location of recipient of service

39. Time of Supply of Goods

Section	Situation	Time of supply
<i>12(2)</i>	Normal / Continuous Supply	<p>Earliest of</p> <p>a. the date of issue of invoice by the supplier or the last date on which he is required, u/s 31; or</p> <p>b. the date on which the supplier receives the payment with respect to the supply:</p> <p>(Invoice shall be issued on the date of removal of goods or date on which goods made available to recipient)</p>
<i>12(3)</i>	In case tax payable on RCM	<p>Earliest of</p> <p>a. Date of receipt of goods</p> <p>b. Date of payment - earlier of entered in books or debited in bank</p> <p>c. Date immediately following <u>thirty days</u> from the date of issue of invoice by supplier</p> <p>Proviso: If not possible to determine under above</p>

		clauses, TOS is date of entry in books of recipient
12(4)	Supply of Vouchers	<p>a. the date of issue of voucher, if the supply is identifiable at that point; or</p> <p>b. the date of redemption of voucher, in all other cases.</p>
	Note: It is proposed in Budget 2025 to remove the above sub-clause, 12(4), as the supply of vouchers is neither supply of goods nor supply of services.	
12(5)	Cases where it is not possible to determine under above clauses	<p>➤ in a case where a periodical return has to be filed, be the date on which such return is to be filed, or</p> <p>➤ in any other case, be the date on which tax is paid.</p>
12(6)	Addition in the value of supply - interest, late fee or penalty for delayed payment	Date on which the supplier receives such addition in value.

40. Time of Supply of Services

13(2)	Normal / Continuous Supply	<p>Earliest of</p> <p>a. the date of issue of invoice, if the invoice is issued within the period prescribed u/s 31 or the date of receipt of payment, whichever is earlier; or</p> <p>b. the date of provision of service, if the invoice is not issued within the period prescribed u/s 31 or the date of receipt of payment, whichever is earlier; or</p> <p>c. the date on which the recipient shows the receipt of services in his books of account, in</p>
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		a case where the provisions of clause (a) or clause (b) do not apply.
13(3)	In case tax payable on RCM	<p>Earliest of</p> <ol style="list-style-type: none"> the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier, in cases where invoice is required to be issued by the supplier; or the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient. <p><i>[Clause (C) Inserted by section 117 of The Finance Act (No. 2) Act, 2024 No. 15 of 2024 dated 16.08.2024]</i></p>
13(4)	Supply of Vouchers	<ol style="list-style-type: none"> the date of issue of voucher, if the supply is identifiable at that point; or the date of redemption of voucher, in all other cases.
	Note: It is proposed in Budget 2025 to remove the above sub-clause, 12(4), as the supply of vouchers is neither supply of goods nor supply of services.	
13(5)	Cases where it is not possible to determine under above	<ul style="list-style-type: none"> ➤ in a case where a periodical return has to be filed, be the date on which such return is to be filed, or ➤ in any other case, be the date on which tax is paid.

	clauses	
13(6)	Addition in the value of supply - interest, late fee or penalty for delayed payment	Date on which the supplier receives such addition in value.

41. Time of Supply in Case of Rate Change

(Section 14 of CGST Act)

Sl. No.	Date of supply of service	Date of issue of invoice	Date of receipt of payment	Time of supply shall be	Applicable rate
1.	Before the change in rate of tax	After change in rate of tax	After change in rate of tax	Date of receipt of payment or Date of issue invoice, whichever is earlier	New rate
2.		Before the change in rate of tax	After change in rate of tax	Date of issue of invoice	Old rate
3.		After change in rate of tax	Before change in rate of tax	Date of receipt payment	Old rate

Sl. No.	Date of supply of service	Date of issue of invoice	Date of receipt of payment	Time of supply shall be	Applicable rate
1.	After the Change in rate of tax	Before change in rate of tax	After change in rate of tax	Date of receipt of payment	Old rate
2.		Before change in rate of tax	Before change in rate of tax	Date of receipt of payment or Date of issue of invoice, whichever is earlier	New rate
3.		After the change in rate of tax	Before the change in rate of tax	Date of issue of invoice	Old rate



42. Timeline for issuance of Tax Invoice:

In case of supply Goods:

Type of Supply	Time of Issuance of Tax Invoice	Statutory Reference
Where the supply involves movement of goods	Before or at the time of removal of goods for supply	Section 31(1)(a), CGST Act
Where the supply does not involve movement of goods	Before or at the time of delivery or making available the goods	Section 31(1)(b), CGST Act
Continuous Supply of Goods	On or before the date of issuance of statement of accounts or receipt of	Section 31(4), CGST Act

	payment, whichever is earlier	
Goods sent on approval for sale or return	At the time of supply or within 6 months from the date of removal (whichever is earlier)	Proviso to Section 31(7), CGST Act

In case of supply of Services:

Type of Supply	Time of Issuance of Tax Invoice	Type of Supply
Normal Supply of Services	Within 30 days from the date of supply of service	Normal Supply of Services
Banks, NBFCs, Insurance companies	Within 45 days from the date of supply of service	Banks, NBFCs, Insurance companies
Continuous Supply of Services	<p>(a) where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;</p> <p>(b) where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment;</p> <p>(c) where the payment is linked to the completion of an event, the invoice shall</p>	Continuous Supply of Services

	be issued on or before the date of completion of that event.	
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43. Returns and Due Dates

Return	Who has to file	Return is about	Periodicity
GSTR 1 <i>Sec.37-R.59(1)</i>	Every RTP, including all regular and casual RPs, <i>other than ISD / composition taxpayer/ person collecting or deducting tax at source.</i>	Details of outward supplies	In case of QRMP, Quarterly, by 13th of month following reporting quarter.
			In case of Regular TP, Monthly, by 11th of following month
GSTR-2A <i>Sec.38-R.60(1)</i>	It is a read-only auto-generated statement of inward supplies <i>taking the details from GSTR-1, GSTR-5(NRTP), GSTR-6 (ISD), GSTR-7 (TDS), GSTR-8 (TCS).</i>	Details of availability of Input Tax Credit	It is a read-only auto-generated statement. Accessible to the TP at any point of time.
GSTR-2B <i>Sec.38-R.60(7)</i>	It is a read-only auto-generated statement of inward supplies <i>taking the details from GSTR-1, GSTR-5(NRTP), GSTR-6 (ISD),</i>	Details of availability of Input Tax Credit	Static month-wise auto-drafted statement can be accessed on or after 14 th of every month.

Return	Who has to file	Return is about	Periodicity
	<i>GSTR-7 (TDS), GSTR-8 (TCS).</i>		
	<i>GSTR-2B made available from 08/2020 onwards. Till Jan-2021, the recipient could generate it once in a month on 12th of the succeeding month. From Jan-2021 onwards it could be generated on after 14th of the succeeding month.</i>		
GSTR-3B <i>Sec.39 / R-61(1)</i>	Every registered person, <i>other than</i> <i>ISD or a NRTP or a Composition Taxpayer/Tax Deductor/Tax Collector</i>	Inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid.	Monthly by 20 th of the subsequent month. In case of QRMP by 22 nd / 24 th of the month following the reporting quarter.
GSTR-4 <i>Rule-62 (2019-20 onwards)</i>	All Composition taxpayers	It includes all the information furnished in the quarterly returns filed by the composition taxpayers during that financial year.	Annually. 30 th day of April(*) following the end of such financial year. (*) <i>From 2024-25 onwards it is 30th day of June.</i> (12/2024-CT, dt.10 th Jul,2024)
GSTR-5 <i>Rule 39(5) & 63</i>	Non-Resident Taxable Persons	All business details including the details of sales & purchases. <i>Information from GSTR-5 will flow into GSTR-2A/2B of buyers.</i>	Monthly by 20 th of succeeding month (till 30.09.2022) By 13 th of succeeding month. (From 1 st Oct 2022 vide Notfn. No. 18/2022-CT, dt.28.09.2022)

Return	Who has to file	Return is about	Periodicity
GSTR-5A <i>Rule 64</i>	Non-resident OIDAR service providers, providing services to unregistered Indian service recipients;	Outward supplies made to consumers in India	Monthly by 20th day of the succeeding month.
GSTR-6 <i>Sec.20 / Rule-65</i>	All Input Service Distributors	Details of ITC received and distributed.	Monthly by 13 th of the succeeding month.
GSTR-7 <i>(Secs.51 /39(3) and 66(1))</i>	All taxpayers registered under GST and liable to deduct TDS	<p>Details of the TDS deducted, TDS liability payable and paid, TDS refund claimed, etc.</p> <p>The amount of such TDS will be reflected in Part C of Form GSTR-2A.</p>	<p>Monthly, within 10 days after the end of the month in which deductions have been made.</p> <p><i>[Rule 39(3)]</i></p> <p><i>w.e.f. 1st Nov, 2024, the due date specified in Sec 39(3) was deleted and inserted in Rule 66 vide Notfn. No. 20/2024-CT, dt.08th Oct-2024).</i></p>
			<p><i>Effective from 1st Nov-2024 the return shall be filed sequentially every month whether or not any deductions have been made during the said month vide Notfn. No. 17/2024-CT, dt.27.09.2024 read with S.124 of FA-2024 amending Sec 39(3).</i></p>
GSTR-8 <i>(Sec.52 /Rule-67(1))</i>	All e-commerce operators. (TCS)	The details of supplies effected through e-commerce platform and	Within ten days after the end of the month in which the tax has been collected.

Return	Who has to file	Return is about	Periodicity
		amount of TCS collected on such supplies. <i>(The amount of such TCS will be reflected in Part C of Form GSTR-2A.)</i>	
GSTR-9 (Sec.44 /Rule-80)	All the registered taxable persons. <i>Except Composition TPs / CTP /ISD/ NRTP/ TDS deductor / Tax Collector at source/ RTPs with turnover < 2 Cr.</i>	It is a compilation of inward supplies, outward supplies; ITC and tax-liability for the FY.	Annually. 31st December of the year subsequent to the relevant FY.
GSTR-9C (Sec.44 /Rule-80(3))	All registered persons except following persons. (*)	Reconciliation statement. Self-certification from 2020-21 onwards (vide Notfn.No.29/2021, dt.30.07.2021)	Annually. 31st December of the year subsequent to the relevant FY.
	(*) <i>Casual taxable person/Input Service Distributor (ISD)/Non-resident taxable persons/Tax collector/Tax deductor/Taxpayers under Composition Scheme/Government departments/Taxpayers with a total turnover <= Rs.5 crore, are not liable to file the GSTR-9C.</i>		
GSTR-9A	Composition taxpayers	It includes all the information furnished in the	Annual return(*) On or before 31st December of the

Return	Who has to file	Return is about	Periodicity
(Sec/44 /Rule-80)		quarterly returns filed by the composition taxpayers during that financial year.	year following the closure of a particular financial year.
(*) <i>Applicable for the years 2017-18 & 2018-19. It is replaced with GSTR-4 from 2019-20 onwards.</i>			
GSTR-10 (Sec-45 / Rule-81) (Final Return)	All the taxpayer whose registration got cancelled or surrendered except ISD/NRTP/TDS or TCS deductor and composition TP.	Details of closing stock held and ITC payable. Tax/interest/late fee payable and paid.	within three months from the date of cancellation or date of cancellation order whichever is later.
GSTR-11 (Rule-82)	UIN (Unique Identity Number) holders viz foreign diplomatic missions and embassies who are not liable to taxes in Indian territory.	Inward supplies received, and the refund claimed	28th of the month following the month in which inward supply is received by the UIN holders
GST ITC-04 [Rule 45(3)]	Registered Taxpayer who send the goods for job work.	Details of Goods sent for job work and received back from job worker.	Upto 30 th Sep, 2021: Quarterly by 25 th of the month succeeding the said quarter. Effective from 1st Oct, 2021 - → Turnover >Rs.5

Return	Who has to file	Return is about	Periodicity
			Cr.– HY, Apr-Sep - due on 25th Oct. and Oct-Mar due on 25th April. → Turnover up to Rs.5 Cr. – Yearly from FY 2021-22 due on 25th April.



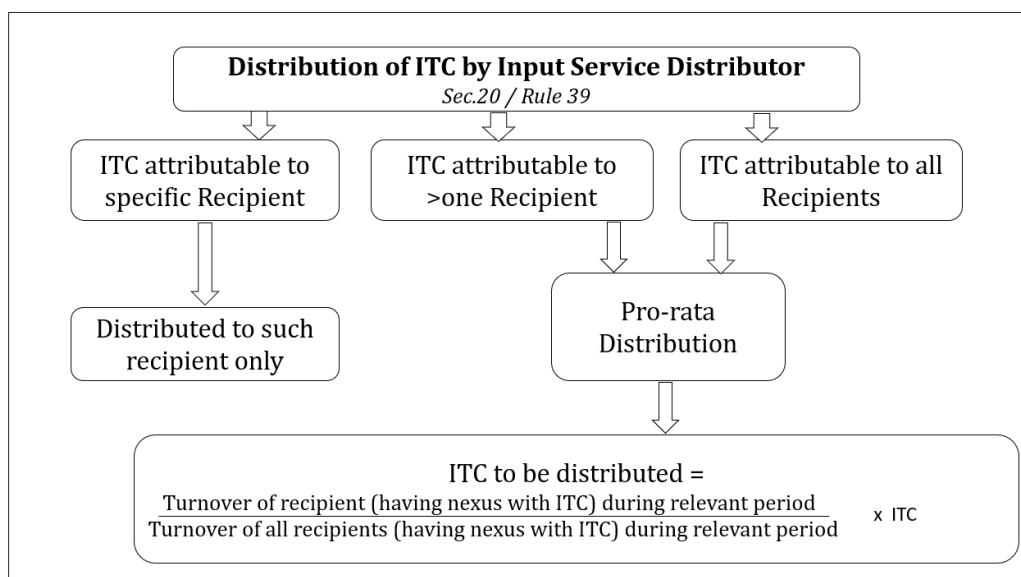
44. Input Service Distributor

As per Section 2(61) of CGST Act, “Input Service Distributor” means *an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute input tax credit in respect of such invoices in the manner provided in section 20.*

Example: The head office of M/s XYZ limited is located in Andhra Pradesh and has branches in Hyderabad, Bangalore, and Chennai. The software maintenance expenses for the year were incurred by the head office on behalf of all the branches and the invoice was received in the head office. Since all the branches use the software, the entire input tax credit cannot be claimed in Andhra Pradesh. The same must be distributed to all the locations. The head office in Bangalore works as the input service distributor.

Registration : In terms of section 24(1)(viii) of CGST Act, the ISD needs to be registered compulsorily whether or not separately registered under this Act.

Mandatory : Section 11 of FA 2024, dt.15.02.2024 read with notification No.16/2024-CT, dt.06.08.2024, the ISD is mandatory from 1st April, 2025. The ISD is explained in a pictorial form hereunder for ease of reference:



45. e-Invoicing

What is 'e-invoicing'?	As per Rule 48(4) of CGST Rules, notified class of taxpayers have to “prepare” invoice by uploading specified particulars of invoice (in FORM GST INV-01) on Invoice Registration Portal (IRP) and obtain an Invoice Reference Number (IRN). After following above ‘e-invoicing’ process, the invoice copy containing <i>inter alia</i> , the IRN (with QR Code) issued by the notified supplier to buyer is commonly referred to as ‘e-invoice’.
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Threshold limit for generating e-invoice:

Sl. No.	Threshold limit	Date of applicability	Notification No. & Date
1	500 Cr	1 st Apr 2020	70/2019-CT, dt.13 th Dec, 2019 (This notification superseded by 13 of 2020 Dt. 21-3-20)

2	500 Cr	1 st Oct 2020	13/2020-CT, dt.21 st Mar 2020 as amended by 61/2020-CT, dt.30.07.2020
3	100 Cr	1 st Jan 2021	13/2020-CT, dt.21 st Mar 2020 & 88/2020-CT, dt.10 th Nov, 2020
4	50 Cr	1st Apr, 2021	05/2021-Dt.Dt.8 th Mar, 2021
5	20 Cr	1st Apr, 2022	01/2022-CT, dt.1 st Apr, 2022
6	10 Cr	1st Oct, 2022	17/2022-CT, dt.1 st Aug, 2022
7	5 Cr	1st Aug, 2023	10/2023-CT, dt.10 th May 2023

46. Exceptions to the Applicability of e-invoicing

The following registered persons are exempt from generating e-invoice.

Sl.No.	Registered person	Notification No.& Date
1	Banking, Non-Banking financial institutions and insurance companies;	13/2020-CT, dt.21 st Mar, 2020
2	Goods Transport Agency;	
3	Passenger Transport Service Provider	
4	Admission to an exhibition of cinematograph films in Multiplex	
5	Unit in Special Economic Zone;	61/2020-CT, dt.30 th Jul 2020
6	Government Department & Local Authority;	23/2021-CT, dt.1 st Jun 2021.
7	Persons registered in terms of rule 14 of CGST Rules (OIDAR)	

47. Transactions and Documents to which e-Invoicing Apply

Documents	Transactions
<ul style="list-style-type: none"> ➤ Tax invoices, and ➤ credit notes & debit notes (issued u/s 34) 	<ul style="list-style-type: none"> ➤ Business-to-Business, ➤ Business-to-government, ➤ exports, deemed exports, ➤ supplies to SEZ (with or without tax payment), ➤ stock transfers or supply of services to distinct persons, ➤ SEZ developers, and ➤ supplies under RCM covered by S.9(3) of the CGST Act.

48. Time Limit for Reporting E-invoice

- Before 30th April 2023: No time limit for reporting e-invoices.
- From 1st May 2023: Initially required e-Invoices within 7 days for businesses with AATO \geq Rs. 100 crore (not enforced).
- From 1st November 2023: Mandated a 30-day reporting window for businesses with AATO \geq Rs. 100 crore.
- From 1st April 2025: Extended the 30-day reporting requirement to businesses with AATO \geq Rs. 10 crore.

Note: Please see the advisory dated 5th Nov 2024.

<https://einvoice.gst.gov.in/einvoice/newsandupdates/time-limit>

49. Invoice by notified person valid only with IRN

- As per Rule 48(4), notified person has to prepare invoice by uploading specified particulars in FORM GST INV-01 on Invoice Registration Portal and after obtaining Invoice Reference Number (IRN).

→ As per Rule 48(5), any invoice issued by a notified person in any manner other than the manner specified in Rule 48(4), the same shall not be treated as an invoice.

50. Consequences of Non-Compliance with E-invoicing

1. Incorrect Tax Invoice

As per Rule 46 (r), a QR code must be mentioned on the invoice. The QR code is received upon the generation of the IRN. If the invoice is not registered on the IRP then it is invalid and liable to a penalty. An incorrect invoice will be penalized for Rs. 25,000.

2. Non-Generation of e-Invoice

According to Rule 48(5), if IRN is not generated and the invoice remains unissued, it leads to a penalty of Rs. 10,000 or 100% of the tax due - whichever is higher.

3. Detention of Goods

According to Section 129 of CGST Act, if any goods are being transported without a valid invoice or one without a QR code, the goods and/or the vehicles may be confiscated. It also makes you liable for penalties for non-compliance with E-way bills.

4. Input Tax Credit (ITC) Claim

Section 16 of the CGST Act states that ITC cannot be claimed without a tax invoice. In case the supplier crossed the e-invoice turnover limit and are not generating IRN for the tax invoices, then the invoices are not considered valid as per the e-invoicing mandate. Further, the buyer will not be able to claim ITC on such invalid invoices.

5. E-way Billing

Since e-invoicing is now linked with e-way billing, the e-way bill will be considered invalid without a valid invoice. It can lead to the detention of the goods being transported.

51. Important FAQs on e-Invoice

1. **Is e-invoicing applicable for NIL-rated or wholly-exempt supplies?**

Ans: No. In those cases, a bill of supply is issued and not a tax invoice.

2. **Is e-invoicing applicable for NIL-rated or wholly-exempt supplies?**

Ans: For supplies attracting NIL-rate/wholly-exempt, a “bill-of-supply” is prescribed; but not a tax invoice. Hence, e-Invoice is not mandatory. However, for an invoice-cum-Bill of supply issued under R. 46A of CGST Rules for supply of taxable as well as exempted goods or services or both to a registered person, e-Invoice is mandatory.

3. **Whether financial/commercial credit notes also need to be reported to IRP?**

Ans: No, only the credit and debit notes issued under Section 34 of CGST/SGST Act have to be reported.

4. **For high sea sales and bonded warehouse sales, whether e-invoicing is applicable?**

Ans: No. These activities are neither supply of goods nor a supply of services, as per Schedule III of CGST/SGST Act.

5. **What is the applicability of e-invoice for import transactions?**

Ans: e-invoice is not applicable for import Bills of Entry.

6. **Whether e-invoice is applicable for import transactions?**

Ans: e-invoice is not applicable for import transactions.

7. **Is e-invoicing applicable to invoices issued by ISD ?**

Ans: No

8. **Whether e-invoicing is applicable for supplies involving RCM?**

- i. **Ans:** If the invoice issued by notified person is in respect of supplies made by him but attracting reverse charge under Section 9(3), e-invoicing is applicable.

- ii. For example, a taxpayer (*say, a Firm of Advocates having aggregate turnover in a FY is more than Rs. 500 Cr.*) is supplying services to a company (*who will be discharging tax liability as recipient under RCM*), such invoices have to be reported by the notified person to IRP.
- iii. On the other hand, where supplies are received by notified person from (i) an unregistered person (attracting reverse charge under Section 9(4)) or (ii) through import of services, e-invoicing doesn't arise / not applicable.

9. Do SEZ Developers need to issue e-invoices?

Ans: Yes, SEZ Developers need to issue e-invoices if they have the specified turnover and fulfilling other conditions of the notification.

In terms of Notification No: 61/2020-CT dt. 30.7.2020, only SEZ Units are exempted from issuing e-invoices.

10. Is e-invoicing applicable for supplies by notified persons to SEZs?

Ans: Yes, e-invoicing is applicable for supplies by notified persons to SEZ developers and SEZ units, as applicable to exports by a notified registered person. In terms of Notification (Central Tax) 61/2020 dt. 30-7-2020, only SEZ Units are exempted from issuing e-invoices for the outward supplies.

<https://www.gstn.org.in/einvoice-faqs>



52. Scenarios in which No E-way bill is required: [Rule 138(14)]

SN	No EWB required
(a)	Where goods being transported are specified in the Annexure which includes- <ul style="list-style-type: none"> 1. LPG for supply to household and non domestic exempted category (NDEC) customers. 2. Kerosene oil sold under PDS 3. Postal baggage transported by Department of Posts 4. Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)

SN	No EWB required
	5. Jewellery, goldsmiths' and silversmiths' wares and other articles (Ch.71) 6. Currency; 7. Used personal and household effects; 8. Coral, unworked (0508) and worked coral (9601)
(b)	Where the goods are being transported by a non-motorised conveyance
(c)	Where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs
(d)	In respect of movement of goods within such areas as are notified under clause (d) of sub-rule (14) of rule 138 of the State or Union territory Goods and Services Tax Rules in that particular State or Union territory
(e)	Where the goods, other than de-oiled cake, being transported, are specified in the Schedule appended to Notification No.2/2017-Central tax (Rate) dated the 28 th June, 2017 as amended from time to time
(f)	Where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel
(g)	Where supply of goods being transported is treated as 'no supply' under Sh. III.
(h)	Where the goods are being transported- (i) under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or (ii) under customs supervision or under customs seal
(i)	Where the goods being transported are transit cargo from or to Nepal or Bhutan
(j)	Where goods being transported are exempt from tax under Notification No.7/2017-Central Tax (Rate), dated 28* June 2017

SN	No EWB required
	and Notification No. 26/2017-Central Tax (Rate), dated the 21st September, 2017, both as amended from time to time
(k)	Any movement of goods caused by defence formation under Ministry of Defence as a consignor or consignee
(l)	Where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail
(m)	Where empty cargo containers are being transported and
(n)	Where goods are being transported upto a distance of 20 km from place of business of consignor to a weighbridge for weighment or from weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with R. 55.
(o)	Where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply.

53. Audit: Indicative list of areas of verification

Verification of Income on account of various supplies:

- Taxable Supply
- Exempted / Nil Rated Supply
- Non-GST Supply
- Income earned but no supply involved
- Zero rated Supply
- Supplies under Reverse Charge
- Supplies through e-commerce operator
- Depot Transfers / Cross Charge
- Transactions in Vouchers
- Advances received (in case of services)
- Multiple registrations – Supplies among distinct persons
- Mixed / Composite supply
- Inward supplies on which tax payable on RCM
- Import of services;

- Sale of used cars
- Debit notes

Expenditure Ledgers:

- Inward supplies on which tax payable on RCM
- Freight on which tax is payable on RCM
- Legal and security services on which tax is payable on RCM
- Payment voucher, whether issued for payment of tax on reverse charge.

GST Liability on ECO – Neither Forward not Reverse Charge

- Revenue of e-commerce operator only from commission–GST liability on full value of supply
- Registered supplier making supplies through e-commerce operator liable to pay tax themselves

Valuation:

- Admissibility of discounts
- Related party transactions
- Damages and compensation
- Any taxes, duties, cesses, fees and charges levied under other than GST law and charged separately;
- Amount incurred by the recipient which the supplier is liable to pay;
- Inclusion of any other incidental charges viz., commission, packing charges, etc., related supply;
- Inclusion of interest, late fee or penalty, charged from the recipient for delay in payment of supply consideration;
- Inclusion of subsidies, other than by Govt., directly linked to the price;
- Freight charged in the same supply invoice. Whether it amounts to composite supply;
- Incurring costs /expenditure as pure agent and claimed deduction from value;

Classification of goods / services and their respective rates

- Check if the goods are classified correctly as per the Customs Tariff Act?
- Check if the services are classified correctly as per the Notification No 11 of Central Taxes dated 28th Jun 2017.
- Check if the tax rate is applied on the goods are services is followed as per

the relevant notifications from time to time.

GST Credit Notes

- Time line for issuing credit notes;
- Reversal of ITC by recipient

Input Tax Credit

- Fulfillment of specified conditions - Section 16(2) of CGST Act
- Check if input tax credit is availed only on the receipt of goods or services only.
- Check if the input tax credit is availed on receipt of original tax invoice only.
- Check if the input tax credit availment in case the goods are received in lots;
- Check the if any goods or services are pertaining to exempted goods;
- Matching –GSTR-2A / GSTR-2B – Rule 36(4)
- Reversal of common credit attributable to exempted supplies, in case where the supplier engaged in both taxable and exempted supplies; S.17, R.42 & 43
- Blocked Credit S.17(5);
- ITC Credit restrictions to Banking and other financial institutions;
- Reversal of ITC if payment towards value of goods / services including GST not made within 180 days from
- Re-availment of ITC on payment to the supplier R.37A and R.88C;
- Reversal of ITC in case of receipt of credit notes from the supplier
- Simultaneous availment of Depreciation and ITC – S.16(3) of CGST Act
- ITC availed beyond stipulated period;
- Eligibility of ITC received through ISD invoices
- ITC on Corporate Social Responsibility expenditure
- ITC of Cess
- Restriction on use of amount available in ECL - Rule 86B
- Reversal of ITC in case of non-payment of tax by the supplier
- Availment of ITC in case of free of cost receipts
- ITC on prepaid expenses;
- ITC on import of services and it's relevance to the outward supplies;
- ITC on import of goods;
- ITC of tax paid on RCM on inward supplies;

- ITC on inputs / capital goods sent for job work

Other Income

- Interest received
- Foreign Exchange fluctuations
- Commission received
- Miscellaneous Income
- Profit from Sale of Fixed Assets
- Sale of scrap
- Discount received
- Commission on corporate guarantees

Unusual Accounts

- Losses by fire / pilferage of
 - Inputs -
 - Finished Goods
 - Semi-finished Goods
 - Capital Goods
- Loss/ Profit on sale of Fixed Assets
- Value written off in Books of Account
- Recoveries from employees



54. Reading Annual Financial Records

Notes to Accounts : The purpose of notes to financial statements is to provide additional detail and context that helps users better understand the numbers presented in the main financial statements (like the balance sheet, income statement, and cash flow statement). Notes to accounts typically explain:

- **Accounting policies** used (e.g. depreciation methods)
- **Breakdowns of key items** (like what's included in "other expenses")
- **Contingent liabilities** or legal issues
- **Events after the reporting period**
- **Assumptions and estimates** used in preparing the statements

Opinion of auditor : Qualifications w.r.t going concern, non-compliance of major statutory provisions. Basis of Opinion, Emphasis of Matter helps identify other important issues.

Director's report : summarized performance, changes in nature of business, capital expenditure details, remuneration to non-executive/independent directors, etc. gives concise IDT indications.

Balance Sheet items having GST implication:

Balance Sheet Item	GST Implication
Property, Plant & Equipment	Land & Buildings: Additions – Availment of ITC; Deletions – ITC reversal;
	Plant & Machinery: Additions – ITC eligibility; Deletions – to examine u/s 18(6) : pay the higher of: (a) the ITC availed, reduced by prescribed percentage, or (b) tax on the transaction value as per Section 15.
	Motor Vehicles: Additions – ITC eligibility check; Deletions – Margin method/full rate liability.
Capital Work in progress	To check ITC eligibility
Pre-paid expenses	Check ITC eligibility
Share holding	GST liability & ITC impact w.r.t merger/de-merger/transfer.
Gratuity	ITC eligible on gratuity insurance.
Govt. Grants	Other than Government, consideration received in the form of grants/subsidy.
Trade payables	Trade Payables pending more than 180 days, Reversal of ITC – R.37.
	On payment ITC may be re-claimed;
	<i>Note: Rule not applicable w.r.t Retention money unpaid.</i>
Current liabilities	Advances in case of goods – GST not applicable vide N No.66/2017 dt. 15.11.20217.
	Advances in case of Services: GST leviable on receipt of

Balance Sheet Item	GST Implication
	advances
Intangible assets	Cross charge implications if multiple GSTINs.
Trade Receivables	Check written off by issuing credit note and adjusting the tax amount. Not allowed unless the customer reverse the proportionate credit.
Inventories	Imports: Possible Customs/FTP benefits to be explored
	Related party purchase: Valuation check
	Write-off/disposals: Raw material, Semi / FG – ITC reversal
	Scrap/Further supply: Classification & Rate applicability
	Loss: ITC reversal for abnormal loss
GST dues & Balance with govt. authorities	Indicates - interest & possible SCN/demand on past dues
	Credit & cash balance – books vs GST portal
Other current assets	Type of incentives (Ex: MEIS, CER, etc.), possible GST on scrip/security sale

Profit & Loss Account: Items having GST implication:

Profit and Loss	GST Impact
Revenue from operations	Levy, valuation, classification, Time & Place of Supply verification
	Exempt supplies/certain Sch III items – ITC reversal impact
Un-billed revenue	To check time of supply, date of issuance of invoice and interest liability, if any.
Other Income	To check the income leviable to GST; To check commission on corporate guarantees, if any. To check interest income, if any, charged from customer

Profit and Loss	GST Impact
	on account of delay in payment of supply consideration;
Employee benefit expenses	ITC eligibility to be verified (ex: insurances, necessity goods like water, medicine, gifts, recreational/business trip, etc.)
Conveyance	Women employee travel beyond 8:30 pm – statutory obligation - ITC eligible (Ex: in Karnataka)
	13-seater + vehicles – ITC eligible
	Goods vehicle – ITC eligible
	Reimbursements GTA/rent-a-cab – RCM liability
Power & fuel	Table 5 GSTR 3B – inward – exempt & non-GST supply disclosure
Freight	GTA : Payment of tax RCM
Rent	ITC eligibility
	Payment of tax on RCM in case services received from un-registered persons.
Repairs & Maintenance / Building expenses	Check ITC eligibility in case of repairs and maintenance to Motor Vehicle /Premises / Plant & Machinery.
Food & Beverages (F&B)	Check ITC eligibility in case of Canteen facility.
Professional fee	Check ITC eligibility
	Check if tax is payable on RCM on import of services
Legal fee	Check for payment of tax on RCM & ITC availment
	Check for Non-advocates/non-legal activity considered under this head for RCM incorrectly.
Rates & Taxes; Subscriptions	Payment of tax on RCM on Government (CG/SG/LA) services not being exempt. (ex: Leased line license from Ministry of Telecom). Verification of ‘supplier’ not being governmental authority/entity and transaction if liable/exempt as per

Profit and Loss	GST Impact
	rate notifications.
	Subscriptions - Import of services – Form 27Q / forex payments
Corporate Social Responsibility	Check eligibility of ITC.
Profit/Loss of sale of FA	Check if tax payable in case the margin is positive.
Related Party disclosures	Classification of goods/services
	Valuation supply-wise
	ITC eligibility
Commission / fees / Remuneration paid to Directors	Check payment of tax on RCM.
Advertisement, Sales promotion expenses	RCM on sponsorship services received from other than body corporates.
Other expenses	Tax payment of tax on RCM on Foreign Bank charges paid, if any.
	Check payment of tax on RCM on Royalty, if any paid

Certain few key disclosures appear in the Notes to Accounts but are not part of BS / PL:

i	Globally accepted HSN code for business conducted
ii	Annexure IV : import of service details
ii i	Key concerns from management's report
iv	CARO Report – to identify consideration in kind.
v	Requirement of registration under Acts – possible RCM liability
vi	Foreign currency transactions – Indicates:
	a) RCM liability on Import of services (Call for Form 27Q and verify the liability, if any.

	b) Refund issues due to non-receipt of forex (FIRC/e-BRC)
vi i	Impairment of assets : to examine ITC reversal
vi ii	Foreign exchange outgo : to check for payment of tax on RCM on import of services
ix	Contingent Liability – Indicates:
	Possible liability which may have GST impact when transaction is with related party (ex: corporate guarantee)
x	Pending Disputes – Indicates:
	Areas of contention - Reason for dispute, value, status can be identified.
xi	Other areas outside AFS
	RCM on purchases from unregistered persons (Jul – Oct 2017)
	ITC on import of goods received free of cost (Delivered Duty Paid)
	Refund eligibility on Exports without receipt of forex. (Ex: Samples)

55. Credit Note & Debit Note

Credit Note – Section 34(1) of CGST Act

A **Credit Note** is issued by a **supplier** when:

- The value of the invoice is **overstated**.
- The **tax charged is higher** than actual.
- The **goods are returned** by the recipient.
- There is a **post-sale discount** (not known at the time of sale).

Example:

- You sold goods worth ₹1,00,000 + GST (18%) = ₹1,18,000.
- Later, you realize the actual value should be ₹90,000 + GST = ₹1,06,200.
- Issue a **Credit Note** for ₹10,000 + GST = ₹11,800 to adjust.

Conditions:

- Must be linked to a **tax invoice**.
- Can be issued **any time before**:
 - 30th November of following the end of the financial year, or
 - Filing of the **annual return**, whichever is earlier.

Debit Note – Section 34(3) of CGST Act

A **Debit Note** is issued by a **supplier** when:

- The value of the invoice is **understated**.
- The **tax charged is lower** than it should be.
- Extra quantity was **supplied** by mistake.

Example:

- You sold goods worth ₹80,000 + GST = ₹94,400.
- Later, you realize the correct value was ₹90,000 + GST = ₹1,06,200.
- Issue a **Debit Note** for ₹10,000 + GST = ₹11,800.

Reporting in GST Returns

Return Type	Where to Report?
GSTR-1	Table 9B (Credit/Debit Notes)
GSTR-3B	Adjust outward tax liability accordingly

Not Allowed For:

- If **time limit** to issue credit note has expired.
- Adjustments **without supporting documentation**.
- For **exempt or nil-rated supplies**, use a **commercial note**, not a GST Credit/Debit Note.

Use Cases Across Businesses:

- **Retail**: Customer returns clothes – Credit Note issued.
- **Manufacturing**: Rate revised post-sale – Debit Note issued.
- **Services**: Consultant underbilled a client – issues Debit Note.



56. Check list for Job Work: (Section 143 : Rule 45)

1	Whether Goods sent for job work are inputs or capital goods	Inputs / Capital goods
2	Whether goods sent for job work are accompanied by challan	Rule 45(1)
3	Whether the challan issued by the Principal contains the details specified in Rule 55	Rule 45(2)
4	Whether goods sent from job worker to another job worker	Rule 45(1)
5	If so, who issued the challan	Proviso to Rule 45(1)
6	Whether proper endorsements are made on the delivery challan	Proviso to Rule 45(1)
7	Whether ITC-04 (details of goods sent for job work and returned back) was filed. Examine periodicity of filing of return also.	Rule 45(3)
8	If it is inputs, whether received back within one year	Section 143(1)(a)
9	If it is capital goods, whether received back within 3 years	Section 143(1)(a)
10	Propose the action to be taken in case inputs are not bring back within one year	Sec. 143(1)(a) & (3) read with R.45(4)
11	Propose the action to be taken in case Capital goods are not bring back within three years	Sec. 143(1)(a) & (4) read with Rule 45(4)
12	Whether Principal availed ITC on goods sent for job work	Section 19

13	Whether the Job worker availed ITC on the inputs used in the job work	<i>It is clarified in Cir. 38/12/2018, dt.26.03.2018, that the job worker is eligible. But there are no express provisions in the Act/Rules.</i>
14	Whether the goods sent back are supplied domestically or exported	Section 143(1) (b) and proviso thereunder
	Whether the goods after job work supplied from place of business of Principal or from job worker's premises	
	In case the goods are supplied from Job worker's place:	
	(i) Examine whether the Job worker is registered;	
	(ii) in case the job worker is not registered, whether the Principal declared the job worker's place as additional place of business	
15	Whether the goods returned are supplied out within the period specified	Section 143(1)(b)
16	Whether the Principal keeping proper record	Section 143(2)
17	Whether the scrap arisen during the process of job work, sent back to Principal or supplied from Job worker's place	Section 143(5)
	If it is from Job worker's place, verify whether he is registered	



57. Demand Provisions at a Glance (Sec. 74A, 73, 74 and 76)

Issue	Section 74A <i>From FY 2024-25</i>	Section 73 <i>Upto 2023- 24</i>	Section 74 <i>Upto 2023-24</i>	Section 76
Applicability	For tax liability irrespective of fraud, wilful misstatement or suppression of fact	For any tax liability that is not emerging from an incident of fraud, wilful misstatement or suppression of fact.	For tax liability emerging because of incident of fraud, wilful misstatement or suppression of fact.	Amount collected representing the tax but not paid to the Government
Time limit for issuing notice	42 months from the due date for furnishing of annual return.	3 months before expiry of 3 years from the due date for furnishing of annual return.	6 months before expiry of 5 years from the due date for furnishing of annual return.	No time limit is prescribed for issuance of SCN.
Time limit for issuing order	Within 12 months from the issuance of the notice	3 years from due date for furnishing of annual return.	5 years from due date for furnishing of annual return.	Final order needs to be passed within 1 yr from date of issuance of SCN
Penalty	10% of tax due or Rs.10,000/- whichever is higher when there is an	10% of the tax due or Rs.10,000/- whichever is higher	Equivalent to the tax dues when there is an incident of fraud suppression of	100% of tax will be imposed as penalty.

Issue	Section 74A From FY 2024-25	Section 73 Upto 2023- 24	Section 74 Upto 2023-24	Section 76
	incident of wrong doing by the Tax Payer. Equal to tax due when there is incident of fraud, suppression of facts, wilful misstatement		facts wilful misstatement.	
Penalty relief - Voluntary payment before SCN	Zero penalty if full payment is made (tax + interests) in non-fraud cases ; @15% of tax in fraud cases	Zero penalty if full payment is made (tax + interests) <i>Sub-section 5.</i>	Penalty @ 15% of tax. <i>Sub-section 5.</i>	No provision
Penalty relief - Voluntary payment after SCN	Zero penalty if paid within 60 days from date of issuance of SCN in non-fraud cases Fraud cases: Penalty @ 25% of tax	Zero penalty if paid within 30 days from the date of issuance of SCN. <i>Sub-section 8.</i>	Penalty @ 25% of tax (time limit 30 days) <i>Sub-section 8.</i>	No such provision
Penalty relief – After issuance of order	<ul style="list-style-type: none"> Penalty @ 50% of tax (time limit 60 days) 		Penalty @ 50% of tax (time limit 30 days)	No such provision.



58. Due dates for issuing SCN & Passing Order
Under Section 73 (Upto 2023-24)

Financial Year	Due date for filing annual return	SCN to be issued before	Order to be issued before	Remarks
2017-18	07-Feb-2020	30-Sep-2023	31-Dec-2023	See Note-1
2018-19	31-Dec-2020	30-Jan-2024	30-Apr-2024	See Note-2
2019-20	31-Mar-2021	30-May-2024	30-Aug-2024	See Note-2
2020-21	28-Feb-2022	28-Nov-2024	28-Feb-2025	See Note-3
2021-22	31-Dec-2022	30-Sep-2025	31-Dec-2025	Nil
2022-23	31-Dec-2023	30-Sep-2026	31-Dec-2026	Nil
2023-24	31-Dec-2024	30-Sep-2027	31-Dec-2027	Nil

1. Note-1: Due date for passing order for the year 2017-18 extended vide Notification No.09/2023-CT, dt.31.03.2023;
2. Note-2: Due date for passing order for the years 2018-19 and 2019-20 extended vide Notification No.56/2023-CT, dt.28-12-2023;
3. Note-3: Due date for GSTR-9 extended vide Notification No.40/2021-CT, dt.29-12-2021;

59. Due dates for issuing SCN & Passing Order
Under Section 74 (upto 2023-24)

Financial Year	Due date for filing annual return	SCN to be issued before	Order to be issued before
2017-18	07-Feb-2020	07-Aug-2024	07-Feb-2025
2018-19	31-Dec-2020	30-Jun-2025	31-Dec-2025
2019-20	31-Mar-2021	30-Sep-2025	31-Mar-2026
2020-21	28-Feb-2022	28-Aug-2026	28-Feb-2027
2021-22	31-Dec-2022	30-Jun-2027	31-Dec-2027
2022-23	31-Dec-2023	30-Jun-2028	31-Dec-2028
2023-24	31-Dec-2024	30-Jun-2029	31-Dec-2029

60. Due dates for issuing SCN & Passing Order

Under Section 74A (from 2024-25 onwards)

Financial Year	Due date for filing annual return	SCN to be issued before	Order to be issued before
2024-25	31-Dec-2025	30-Jun-2029	30-Jun-2030
2025-26	31-Dec-2026	30-Jun-2030	30-Jun-2031

Note: The Hon'ble AP High Court's judgement dt.05th Feb, 2025, in the case of M/s.Cotton Corporation of India, Guntur and Assistant Commissioner (ST)(Audit)(FAC), Regional GST Audit & Enforcement Office, Vijayawada, in WP No.1463 of 2025, may please be seen while working on issuance of SCNs and Orders.

61. Service of notice in certain circumstances: (Section 169)

1) Any decision, order, summons, notice or other communication under this Act or rules made thereunder shall be served by any one of the following methods, namely

Physical delivery mode:

a) By giving or tendering it directly or by a messenger including a courier

- to the addressee; or
- The taxable person or
- To his manager or
- Authorised representative or
- An advocate or
- a tax practitioner holding authority to appear in the proceedings on behalf of the taxable person or
- To a person regularly employed by him in connection with the business, or
- To any adult member of family residing with the taxable person; or

Dispatch delivery mode:

- b) By registered post or speed post or courier with acknowledgement due,
 - To the person for whom it is intended or his authorised representative, if any, at his last known place of business or residence; or

Electronic Mode:

- c) By sending a communication to his e-mail address provided at the time of registration or as amended from time to time; or
- d) By making it available on the common portal; or

Media mode:

- e) By publication in a newspaper circulating in the locality in which the taxable person or the person to whom it is issued is last known to have resided, carried on business or personally worked for gain; or

Display mode:

- f) If none of the modes aforesaid is practicable,
 - By affixing it in some conspicuous place at his last known place of business or residence and
 - If such mode is not practicable for any reason, then by affixing a copy thereof on the notice board of the office of the concerned officer or authority who or which passed such decision or order or issued such summons or notice.
- 2) Every decision, order, summons, notice, or communication is deemed served on the date it is tendered, published, or affixed as per sub-section (1).
- 3) If sent by registered or speed post, a decision, order, summons, notice, or communication is deemed received after the usual transit period, unless proven otherwise.



62. Check List for scrutiny of returns

Sl. No.	Area of verification	Documents required
1	Liability variation between GSTR-1 and GSTR-3B	GSTR-1; GSTR-3B;
2	Tax paid on RCM versus ITC availed	GSTR-3B
3	Total Tax paid in cash versus the tax payable on RCM	GSTR-3B
4	ITC taken on ISD whether matching that in GSTR-2A	GSTR-3B and GSTR-2A
5	Whether all other ITC taken matching with that reflected in GSTR-2A / 2B	GSTR-3B and GSTR-2A
6	Whether the taxable value declared in GSTR-3B is equal or more than the net amount liable for TCS and TDS reflected in GSTR-2A	GSTR-3B and GSTR-2A/2B
7	Whether the tax liability declared in GSTR-3B is matching with the liability as reflected in E-way bill portal.	GSTR-3B and E-way bill data
8	Whether any ITC is taken on the invoices issued by the in-active Tax Payers.	GSTR-2A / 2B
9	Whether the registered inward supplier who issued invoices / debit notes filed the returns	GSTR-2A / 2B
10	Whether the ITC is taken after due date provided in Section 16(4)	Date of filing of returns
11	Whether the ITC availed on import of goods is matching with that reflected in GSTR-2A	GSTR-3B and GSTR-2A / 2B
12	Whether ITC is reversed under the provisions of Rule 42 / 43, in case of both taxable and exempted supplies	GSTR-1; GSTR-3B;
13	Whether interest is paid in case of delay in payment	Date of filing of returns
14	Whether the late fee is paid.	Date of filing of returns

Sl. No.	Area of verification	Documents required
15	Outward supplies not routed through E-way Bill	
	Invoice Value less than 50,000 in GSTR 1	
	Invoice Value more than 50,000 in GSTR 1	
	Value as per outward E way bills	
	Outward supplies not routed through E-way Bill	

Documents / returns required for scrutiny	
GSTR-1	E-way bill data
GSTR-3B	Returns filing date
GSTR-2A / 2B	GSTR-9 and 9C

Ref: SOP in instruction No.02/2022, dt.22.03.2022 and 02/2023, dt.26.05.2023.



63. Time Line for scrutiny of returns

S.No.	Process/Event	Instruction No.02/2022, dt.22.03.2022	Instruction No.02/2023, dt.26.05.2023
		2017-18 & 2018-19	2019-20 onwards
(i)	Communication of list of GSTINs selected for scrutiny (by DGARM to the nodal officer of the Commissionerate concerned)	From time to time.	From time to time.
(ii)	Distribution of the list of GSTINs selected for scrutiny by the nodal	Within three working days of	NA

S.No.	Process/Event	Instruction No.02/2022, dt.22.03.2022	Instruction No.02/2023, dt.26.05.2023
		2017-18 & 2018-19	2019-20 onwards
	officer to the proper officers concerned.	receipt of the list from DGARM.	
(iii)	Finalization of scrutiny schedule with the approval of the concerned Assistant/Deputy Commissioner	Within seven working days of receipt of the details of the concerned GSTINs from the nodal officer.	Within seven working days of receipt of the details of the concerned GSTINs on ACES-GST application
(iv)	Sharing the scrutiny schedule by the zone with DGGST	Within thirty days of receipt of the details of the concerned GSTINs from DGARM.	NA
(v)	Issuance of notice by the proper officer for intimating discrepancies in FORM GST ASMT-10 , where required	Within the month, as mentioned in scrutiny schedule for scrutiny of the returns of the said GSTIN.	Within the month, as mentioned in scrutiny schedule for scrutiny for the said GSTIN.
(vi)	Reply by the registered person in FORM GST ASMT-11	Within a period of thirty days of being informed by the proper officer in FORM GST ASMT-10 or such further period as may be permitted by the proper officer	Within a period of thirty days of being informed by the proper officer in FORM GST ASMT-10 or such further period as may be permitted by the proper officer
(vii)	Issuance of order in FORM GST ASMT- 12 for acceptance of reply furnished by the	Within thirty days from receipt of reply from the registered	Within thirty days from receipt of reply from the registered

S.No.	Process/Event	Instruction No.02/2022, dt.22.03.2022	Instruction No.02/2023, dt.26.05.2023
		2017-18 & 2018-19	2019-20 onwards
	registered person, where applicable	person in FORM GST ASMT-11	person in FORM GST ASMT-11
(viii)	Initiation of appropriate action for determination of the tax and other dues under section 73 or section 74, in cases where no reply is furnished by the registered person	Within a period of fifteen days after completion of the period of thirty days of issuance of notice in FORM GST ASMT-10 or such further period as permitted by the proper officer	Within a period of fifteen days after completion of the period of thirty days of issuance of notice in FORM GST ASMT-10 or such further period as permitted by the proper officer
(ix)	Initiation of appropriate action for determination of the tax and other dues under section 73 or section 74, in cases where reply is furnished by the registered person, but the same is not found acceptable by the proper officer	Within thirty days from receipt of reply from the registered person in FORM GST ASMT-11	Within thirty days from receipt of reply from the registered person in FORM GST ASMT- 11
(x)	Reference, if any, to the Commissioner for decision regarding appropriate action under section 65 or section 66 or section 67	Within thirty days from receipt of reply from the registered person in FORM GST ASMT-11 or within a period of forty-five days of issuance of FORM GST ASMT-10 , in case no explanation	Within thirty days from receipt of reply from the registered person in FORM GST ASMT-11 or within a period of forty-five days of issuance of FORM GST ASMT-10 , in case no explanation

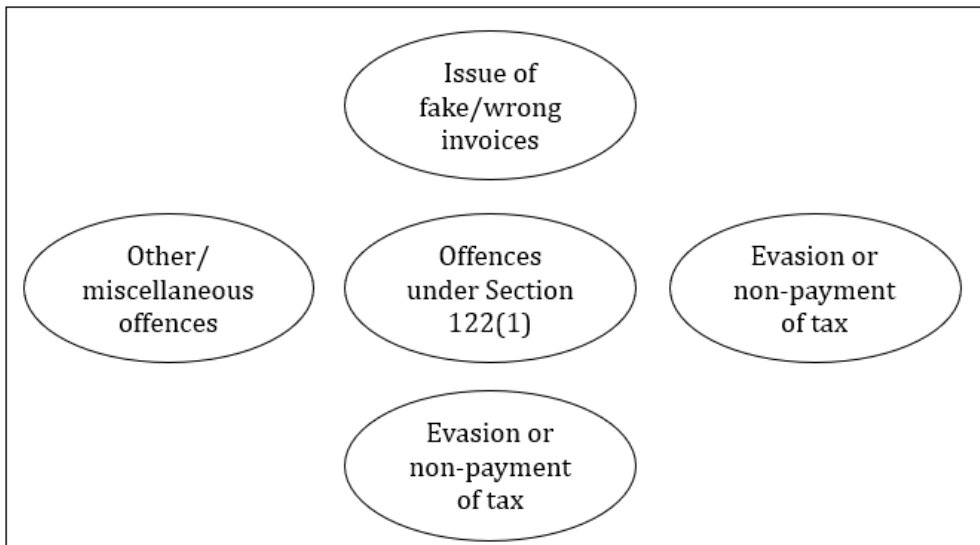
S.No.	Process/Event	Instruction No.02/2022, dt.22.03.2022	Instruction No.02/2023, dt.26.05.2023
		2017-18 & 2018-19	2019-20 onwards
		is furnished by the registered person.	is furnished by the registered person.



64. Penalty for certain offences

Section 122 of the CGST Act, 2017 lists 21 offences liable to penalty, which can be broadly categorized into four groups:

1. Issue of fake/wrong invoices
2. Evasion or non-payment of tax
3. Fraudulent activities involving supply of goods or services
4. Violations of GST Act provisions.



65. Offences and Penalties

Section	Offence	Amount of Penalty
I. Offences involving issue of fake/wrong invoices:		
122(1)(i)	supplies any goods or services or both without issue of any invoice or issues an incorrect or false invoice with regard to any such supply	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(ii)	issues any invoice or bill without supply of goods or services or both in violation of the provisions of this Act or the rules made thereunder	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(vii)	takes or utilises input tax credit without actual receipt of goods or services or both either fully or partially, in contravention of the provisions of this Act or the rules made thereunder;	Rs.10,000/- or an amount equivalent to input tax credit availed, whichever is higher.
122(1)(xix)	issues any invoice or document by using registration number of another registered person;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
II. Offences involving evasion and/or non-payment of tax		
122(1)(iii)	collects any amount as tax but fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due	Rs.10,000/- or an amount equivalent to the tax collected but not paid, whichever is higher.
122(1)(iv)	collects any tax in contravention of the provisions of this Act but	Rs.10,000/- or an amount equivalent to

Section	Offence	Amount of Penalty
	fails to pay the same to the Government beyond a period of three months from the date on which such payment becomes due	the tax collected but not paid, whichever is higher.
122(1)(v)	fails to deduct the tax in accordance with the provisions of sub-section (1) of S.51, or deducts an amount which is less than the amount required to be deducted under the said sub-section, or where he fails to pay to the Government under sub-section (2) thereof, the amount deducted as tax; (TDS)	Rs.10,000/- or an amount equivalent to tax not deducted or short deducted or deducted but not paid to the Government, whichever is higher.
122(1)(vi)	fails to collect tax in accordance with the provisions of sub-section (1) of S.52, or collects an amount which is less than the amount required to be collected under the said sub-section or where he fails to pay to the Government the amount collected as tax under sub-section (3) of S.52; (TCS)	Rs.10,000/- or an amount equivalent to tax not collected or short collected or collected but not paid to the Government, whichever is higher.
122(1)(ix)	takes or distributes input tax credit in contravention of S.20, or the rules made thereunder; (ISD)	Rs.10,000/- or an amount equivalent to credit distributed irregularly, whichever is higher.

Section	Offence	Amount of Penalty
III. Offences involving commission of fraud		
122(1)(viii)	fraudulently obtains refund of tax under this Act;	Rs.10,000/- or an amount equivalent to refund fraudulently claimed, whichever is higher.
122(1)(xi)	is liable to be registered under this Act but fails to obtain registration;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xii)	furnishes any false information with regard to registration particulars, either at the time of applying for registration, or subsequently;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xv)	suppresses his turnover leading to evasion of tax under this Act;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xx)	tampers with, or destroys any material evidence or document;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xxi)	disposes off or tampers with any goods that have been detained, seized, or attached under this Act,	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xviii)	supplies, transports or stores any goods which he has reasons to believe are liable to confiscation under this Act;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.

Section	Offence	Amount of Penalty
IV. Other miscellaneous provisions		
122(1)(x)	falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or return with an intention to evade payment of tax due under this Act;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xiv)	transports any taxable goods without the cover of documents as may be specified in this behalf;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xiii)	obstructs or prevents any officer in discharge of his duties under this Act	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xvi)	fails to keep, maintain or retain books of account and other documents in accordance with the provisions of this Act or the rules made thereunder;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.
122(1)(xvii)	fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder or furnishes false information or documents during any proceedings under this Act;	Rs.10,000/- or an amount equivalent to the tax evaded whichever is higher.

Penalty on the persons retained the benefits of certain offences:

122(1A)	Any person who retains the benefit of a transaction covered under clauses 122(1) (i), (ii), (vii) or clause (ix) of sub-section (1) and at whose instance such transaction is conducted.	Penalty of an amount equivalent to the tax evaded or input tax credit availed of or passed on.
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Penalties for certain offences committed by e-Commerce

Operators:

122(1B)	<ul style="list-style-type: none"> i. allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply; ii. (ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or iii. fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 (GSTR-08) of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act. 	Penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher.
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w.e.f. 01.10.2023 by section 144 of The Finance Act (No. 2) Act, 2024 No. 15 of 2024 dated 16.08.2024.

122(2)	which any tax has not been paid or short-paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilised	a. In case of non-fraud cases: Rs.10,000/- or 10% of tax due,
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		<p>whichever is higher.</p> <p>b. In case of fraud cases: Rs.10,000/- or equal to tax due, whichever is higher.</p>
122(3)	<p>a. aids or abets any of the offences specified in clauses 122(1)(i) to (xxi);</p> <p>b. acquires possession of, or in any way concerns himself in transporting, removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner deals with any goods which he knows or has reasons to believe are liable to confiscation under this Act or the rules made thereunder;</p> <p>c. receives or is in any way concerned with the supply of, or in any other manner deals with any supply of services which he knows or has reasons to believe are in contravention of any provisions of this Act or the rules made thereunder;</p> <p>d. fails to appear before the officer of central tax, when issued with a summon for appearance to give evidence or produce a document in an inquiry;</p> <p>e. fails to issue invoice in accordance with the provisions of this Act or the rules made thereunder or fails</p>	<p>Penalty which may extend to twenty-five thousand rupees.</p>

	to account for an invoice in his books of account.	
125	General Penalty: Any person, who contravenes any of the provisions of this Act or any rules made there under for which no penalty is separately provided for in this Act.	Maximum Penalty is Rs.25,000/-.

66. Quantum of punishment for offences under Sec. 132

S. No.	Amount involved in relation to the offence	Punishment
(i)	Where amount of tax evaded exceeds INR 5 crores	Imprisonment up to 5 years and fine
(ii)	Where amount of tax evaded exceeds INR 2 crores but does not exceed INR 5 crores	Imprisonment up to 3 years and fine
(iii)	Where amount of tax evaded exceeds INR 1 crore but does not exceed INR 2 crores [W.e.f. 01 Oct. 2023, it will be confined only to clause (b) of sec 132(1)]	Imprisonment up to 1 years and fine
(iv)	Commits or abets in offences specified in clause Imprisonment for a term which may (1), (g) & (j) above [Clause (g) & (j) have been omitted w.e.f. 01 Oct. 2023]	Imprisonment up to 6 months and/or fine
(v)	132(2) - Every subsequent conviction	Imprisonment up to 5 years and fine



67. Common Methods of Tax Evasion

1	Underreporting Sales	Businesses deliberately report lower sales figures to reduce their GST liability. This involves falsifying invoices or omitting transactions.
2	Fictitious Invoicing	Companies issue or accept fake invoices to claim input tax credits on non-existent or inflated transactions.
3	Misuse of Input Tax Credits	Businesses claim input tax credits for purchases that are either not made or not used in the production of taxable goods or services.
4	Non-Filing of Returns	Some businesses deliberately fail to file GST returns, avoiding the reporting of their taxable transactions and thereby evading tax.
5	Fake or Altered Documents	Businesses use fake or altered documents to support fraudulent claims for input tax credits or to justify lower sales figures.
6	Segmenting Business Operations	Firms split their operations into multiple entities to stay under threshold limits for GST registration and avoid paying taxes on higher turnover.
7	Unregistered Sales	Conducting transactions under the radar by avoiding GST registration, especially for small-scale or informal businesses.
8	Misclassification of Goods/Services	Misclassifying goods or services under lower GST slabs to reduce the tax burden.
9	Manipulating Export Benefits	Falsifying export documentation to claim undue benefits or refunds on exports that did not occur.

10	Chain Transactions	Engaging in complex chain transactions to obscure the true nature of transactions and evade GST obligations
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68. Refund Situations

Sl.No.	Refund Situation	Legal Provision	Remarks
1	Excess balance in Electronic Cash Ledger	Sec 49(6), Rule 89(1)	Due to excess deposit or wrong tax head.
2	Export of goods/services with payment of tax (IGST)	Sec 54(3), Rule 96	IGST paid on exports can be claimed as refund.
3	Export under LUT/Bond (without payment of tax)	Sec 54(3), Rule 89(4)	Refund of unutilized ITC.
4	Supplies to SEZ Units/Developers	Sec 54(3), Rule 89(1)	Zero-rated supply. Refund of IGST or unutilized ITC.
5	Inverted Duty Structure (Higher tax on inputs than output)	Sec 54(3)(ii), Rule 89(5)	Refund of unutilized ITC. Certain goods/services excluded.
6	Finalization of Provisional Assessment	Sec 54(1)	Refund if tax paid earlier is more than actual liability.
7	Supply not provided / Excess tax paid	Sec 54(1)	Includes advance refunded or excess tax due to error.

Sl.No.	Refund Situation	Legal Provision	Remarks
8	Refund due to appeal/order/final assessment	Sec 54(1)	On receiving favorable order.
9	Deemed Exports	Sec 54(3), Notif. 48/2017	Supplier or recipient can claim refund.
10	Tax paid in wrong head treating the supply as intra-State supply which is subsequently held as inter-State supply and vice versa	Sec 77 (CGST), Sec 19 (IGST)	Refund of tax paid under wrong head.
11	Excess payment of tax	Sec 54(1)	Mistake in calculation or payment.
12	Advance received but supply cancelled	Sec 54(1), Rule 89	GST paid on advance can be refunded.
13	Supplies to UN/Embassies/Notified Bodies	Sec 55, Rule 95	Special entities eligible for refund of GST paid.
14	Refund to International Tourists	Sec 55	Yet to be notified. Refund of tax paid on goods carried abroad.
15	Refund of Pre-deposit (made before appeal)	Sec 107(6) & Sec 112(8), read with Sec 54(1)	Pre-deposit of 10%/20% of disputed tax paid during appeal is refundable if the case is decided in taxpayer's favor.

Sl.No.	Refund Situation	Legal Provision	Remarks
16	Refund on account of any other reason	Section 54(1), Rule 89(1)	This is a residual category to cover refund claims not specifically listed elsewhere — e.g., clerical errors, court rulings, system glitches, or any situation not covered by specific clauses.

69. Relevant Date & Time Limit for Claiming GST Refunds

As per sub-section (1) of Section 54, any person may file an application for a refund before the expiry of two years from the relevant date.

Explanation 2 to Section 54 defines the 'relevant date' for the purpose of claiming a refund in various scenarios.

S. No.	Situation	Relevant Date	Explanation Clause	Remarks
1	Export of goods by sea or air	Date on which the ship or aircraft leaves India	Explanation 2(a)(i)	Based on Customs' export manifest / departure
2	Export of goods by land	Date on which goods pass the frontier	Explanation 2(a)(ii)	Based on frontier documentation

S. No.	Situation	Relevant Date	Explanation Clause	Remarks
3	Export of goods by post	Date of dispatch by Post Office to a place outside India	Explanation 2(a)(iii)	Postal export manifest is required
4	Deemed exports of goods	Date on which return (GSTR-1) is filed for such supplies	Explanation 2(b)	Return must reflect the deemed export
5	Supplies to SEZ unit or developer (goods/services, with or without payment of tax)	Due date of furnishing GSTR-3B for the tax period in which such supply was made	Explanation 2(ba) <i>(Inserted via Finance Act, 2022, w.e.f. 01.10.2022)</i>	Applies to both IGST refund and unutilised ITC refund claims
6	Export of services	Date of receipt of payment in convertible foreign exchange or in INR where permitted by RBI. <i>Rider: Where the supply of services had been completed prior to receipt of payment.</i>	Explanation 2(c)(i)	BRC/FIRC or similar RBI-compliant proof required
7	Export of services	Date of issue of invoice.	Explanation 2(c)(ii)	Applies when tax is paid on

S. No.	Situation	Relevant Date	Explanation Clause	Remarks
		Where payment for the services had been received in advance prior to the date of issue of the invoice;		advances but service not rendered
8	Refund arising from appellate authority or court order	Date of communication of such judgment / order / direction	Explanation 2(d)	2-year period begins from date of order served
9	Unutilised ITC refund in case of inverted duty structure.	The due date for GSTR-3B for the period in which such claim for refund arises.	Explanation 2(e)	GSTR-3B return
10	Excess Tax Paid during Provisional Assessment	The date of final assessment order	Explanation 2(f)	Final assessment order
11	Wrong tax paid (intra-State vs inter-State)	Date of payment of correct tax	Section 77 read with Section 54, Rule 89 and Circular 162/2021.	E.g., CGST+SGST paid instead of IGST
12	in respect of cases of refund by a person other than supplier	date of receipt of goods or services or both by such person	Explanation 2(g)	

S. No.	Situation	Relevant Date	Explanation Clause	Remarks
13	Any other case not covered above	Date of payment of tax	Explanation 2(h)	Residual clause – catch-all category

70. Liability to pay in certain cases

S.No.	Section	Event	Person liable
1.	85(1)	Transfer of business	Transferor and Transferee (jointly and severally)
2.	85(2)	Transfer of business	
		A) If the transferee is unregistered dealer	Transferee
		B) If the transferee is registered dealer	Transferee
3.	86	Principal & Agent	Agent and his principal, jointly and severally.
4.	87	Amalgamation/Merger	Such transactions of supply and receipt shall be included in the turnover of supply or receipt of the respective companies and they shall be liable to pay tax accordingly.
5.	88(1)	Liquidator	Personal liability of Liquidator(s)
6.	88(3)	Directors	Directors - during the period for which tax is due. (Jointly severally); and unless they prove that non recovery is not due to their gross neglect or breach of duty.

7.	89	Directors	Directors - during the period for which tax is due. (Jointly severally); and unless they prove that non recovery is not due to their gross neglect or breach of duty.
8.	90	Continuing firm	Each of the partners (Jointly & severally).
9.	Proviso to Sec. 90	Retirement of a partner from the firm.	Retiring partner.
10.	91	Where the business, in respect of which tax is payable, is being carried on by any guardian, trustee or agent of a minor or incapacitated person.	Such guardian, trustee or agent. (Personal liability) - assessed on minor or Other incapacitated person as if he was conducting business.
11.	92	Where the business in respect of which tax is payable is under the control of the Court of Wards, the Administrator General, the official trustee or any receiver or manager appointed by or under any order of Court.	Such Court of Ward, Administrator General, Official Trustee, Receiver or Manager. (Personal liability) recoverable from the taxable person as if he himself was conducting business.
12.	93(1)(a)	Where a dealer dies and the business is carried on by his legal representatives or Any other person.	Such legal representatives other person, as if he was himself the taxable person.

13.	93(1)(b)	Legal representative- Where a dealer dies and business is discontinued, whether before or after his death.	Legal representative of the deceased, to the extent of the value of estate of deceased
14.	93(2)	A Hindu Undivided Family or an Association of Persons – property partitioned	Each member or group of members - Jointly & severally liable.
15.	93(3)	Where a firm has dissolved its business.	Each of its partners at the time of dissolution - Jointly and severally.
16.	94(1)	Firm discontinued the business	Every partner/member at the time of discontinuance – Jointly and severally; as if such partner/member was himself a taxable person.

71. Procedure/steps of SCN and Adjudication

Sl. No.	Rule	Particulars	Form
1	142(IA)	The Proper Officer may communicate the details of tax, etc. before issue of notice [pre-SCN]	GST DRC-01 A
2	142(2)	The person may make full payment of the demand voluntarily after issue of pre-SCN and intimate to the Proper Officer	GST DRC-03
3	142(2A)	Where partial payment is made after issue of pre-SCN, the person will intimate and make submission to the Proper Officer for remaining amount	GST DRC-03 & GST DRC-OIA - Part B

4	142(2)	Where full payment is made in Step 2, the Proper Officer shall issue an acknowledgement, accepting the payment made.	GST DRC-04
5	142(1)	The Proper Officer shall issue SCN and summary or Statement for additional tax periods on the same ground, if any	GST DRC-01 & DRC-02
6	142(3)	If total payment is made by the person, the Proper Officer shall issue the order for concluding the proceedings	GST DRC-05
7	142(4)	Where the SCN is issued under Step 5, and payment is not made, the person shall furnish the reply electronically	GST DRC-06
8	142(5) & (6)	On adjudication of SCN, the Proper Officer shall issue summary of order, which shall be treated as the notice for recovery.	GST DRC-07



72. Monetary Limit for Issue of Notices

Under Sections 73, 74 & 74A

Sl. No.	Officer of Central Tax	Tax not paid or short paid or erroneously refunded or input tax credit of tax wrongly availed or utilized for issuance of show cause notices and passing of orders under sections 73, 74 and 74A of CGST Act made applicable to integrated tax vide section 20 of the IGST Act		
		Central tax (including cess)	Integrated tax (including cess)	Central tax and Integrated tax (including cess)

(1)	(2)	(3)	(4)	(5)
1.	Superintendent of Central Tax	Not exceeding Rupees 10 lakhs	Not exceeding Rupees 20 lakhs	Not exceeding Rupees 20 lakhs
2.	Deputy or Assistant Commissioner of Central Tax	Above Rupees 10 lakhs and not exceeding Rupees 1 crore	Above Rupees 20 lakhs and not exceeding Rupees 2 crores	Above Rupees 20 lakhs and not exceeding Rupees 2 crores
3.	Additional or Joint Commissioner of Central Tax	Above Rupees 1 crore without any limit	Above Rupees 2 crores without any limit	Above Rupees 2 crores without any limit

73. Steps of appeals under GST

Appeal level	Orders passed by....	Appeal to ———	Sections of Act
1 ST	Adjudicating Authority	First Appellate Authority	107 (Rule 109A of CGST Rules 2017)
2 ND	First Appellate Authority	Appellate Tribunal	109, 110
3 RD	Appellate Tribunal	High Court	111-116
4 TH	High Court	Supreme Court	117-118

74. First Level Appeal: Appellate Authority u/s 107

Appeal by	Appeal period	Pre-deposit
Tax Payer	<p>Within 3 months from the date of communication of original order : <i>S.107(1)</i>.</p> <p>Extendable by one month by Appellate Authority : <i>S.107(4)</i></p>	Shall pay in full the amount of tax, interest and penalty admitted : <i>S.107(6)(a)</i> .
		Shall pay a pre-deposit of 10% of the remaining demand disputed. <i>S.107(6)(b)</i>
		Maximum pre-deposit is capped at Rs.20 Cr. from 1st Nov-2024. (<i>Section 141(a) of the FA, 2024 read with NN.17/2024-CT</i>).
		In case of order passed u/s 129(3), 10% of the penalty shall be payable before filing the appeal. <i>Proviso to 107(6) (Budget 2025)</i>
Department	<p>Within 6 months from the date of review order : <i>S.107(2)</i>.</p> <p>Extendable by one month : <i>S.107(4)</i></p>	Not applicable
Recovery proceedings	Recovery proceedings shall not be initiated on making pre-deposit. <i>S.107(7)</i>	
Appeal Order	Appellate Authority shall decide the appeal within a period of one year from the date of filing of appeal. <i>S.107(13)</i>	

75. Second Level Appeal before Appellate Tribunal: u/s 112

Appeal by	Appeal period	Pre-deposit
Tax Payer	<p>Within 3 months from the date of communication of Appellate Authority's order : <i>S.112(1).</i> <i>Can be extended by three months s. 112(6)</i></p>	<p>Shall pay in full the amount of tax, interest and penalty admitted : <i>S.112(8)(a).</i></p>
		<p>Shall pay a pre-deposit of 10% of the remaining demand disputed, in addition to the amount paid at the time of filing 1st appeal. <i>S.112(8)(b).</i> <i>(w.e.f.1st Nov 2024 vide S.143(d)(i) of the FA, 2024 read with NN.17/2024-CT, dt.27.09.2024)</i></p>
		<p>Maximum pre-deposit is capped at Rs.20 Cr. from 1st Nov-2024. <i>(S.143(d)(ii) of the FA, 2024 read with NN.17/2024-CT, dt.27.09.2024)</i></p>
Respondent	<p>Memorandum of cross-objections. <i>S.112(5)</i></p>	<p>The respondent has to file 'memorandum of cross-objections' within 45 days from receipt of notice in this regard. <i>Can be extended by 45 days. s. 112(6)</i></p>
Department	<p>Within 6 months from the date of review order : <i>S.112(3).</i> <i>Can be extended by three months s. 112(6)</i></p>	<p>Not applicable</p>

Appeal by	Appeal period	Pre-deposit
Recovery proceedings	Recovery proceedings shall not be initiated on making pre-deposit. <i>S.112(9).</i>	
Order by Tribunal	Appellate Tribunal as far as possible, decide the appeal within a period of one year from the date of filing of appeal. <i>S.113(4).</i>	

76. Third Level Appeal to the High Court U/s 117

Appeal by	Appeal period	Pre-deposit
Tax Payer or Department	180 days from the date of Tribunal Order. <i>S.117(2).</i> <i>The delay in filing appeal may be condoned by Hon'ble HC. Proviso to S.117(2)</i>	Not specified

77. Fourth level appeal to the Supreme Court U/s 118

Tax Payer or Department	Appeal against Order Passed by a. Principal Bench of the Appellate Tribunal; or b. Order passed by High Court.	Not specified
<p>No specific Form for filing appeal is stipulated in the Act, a written appeal to be filed. The Act does not provide any period of limitation for appeal to the Supreme Court.</p> <p>However, for the legacy appeals, the time lines prescribed in Instruction No.F.No.1080/DLA/50/Tech/ Monitoring/SLPs-Appeals/16, dated 01.06.2017 issued by the Directorate of Legal Affairs, CBEC, read with CBEC's Circular No. 1077/01/2021-CX, dated 19.01.2021 (F. No. 275/65/2013-CX.8A(Pt.)), dated 19.01.2021, are to be followed.</p>		

Revised timelines for filing Civil Appeal/ SLP

(DLA, CBEC, Instruction in F.No. 1080/DLA/50/Tech/Monitoring/SLPs-Appeals/16 dated 01.06.2017)

Civil Appeal (CA)	Special Leave Petition (SLP)
Impugned order passed by CESTAT	Impugned Order-High Court
Receipt of impugned order through post (Day 0)	Application for Certified Copy same day
	Receipt of Certified Copy (Day 0)
Preparation and submission of proposal for challenging order in form of comments by concerned Commissionerate (7 days)	Preparation and submission of proposal for challenging order in form of comments by concerned Commissionerate (7 days)
All case papers including proposal sent to Judicial Cell, CBEC in cases relating to rate of duty and valuation papers, which takes decision to challenge order (6 days)	Examination of SLP proposal against High Court order by Legal Cell (6 days)
	Consultation with the concerned policy section (2 days)
Case papers sent to Central Agency for drafting appeal	Case papers to be examined by the Law Ministry and forwarding the same to Central Agency Section (CAS) with their opinion – CAS seeks the opinion of the Law Officer as to the feasibility of challenging the order by way of SLP (15 days)
CAS marks file to panel counsel for drafting Appeals / SLP (1 Day)	
Drafting Counsel returns draft SLP / Appeal to CAS (13 days)	

CAS forwards draft SLP / Appeal CBEC (Legal / Judicial Cell), D/o Rev., M/o Finance for vetting (1 day)	
Vetting of draft and the same are returned to CAS for filing with marked Annexures (5 days)	
Preparation of paper book (typing / copying) by CAS (10 days)	
Total time for filing the CA against the order of CESTAT – Total 43 days.	Total time for filing the SLP against the order of High Court – Total 60 days.

Timelines for filing of the Appeal to High Court

S.No.	Stage	No. of days	
		Absolute	Cumulative
1	Receipt of CESTAT order in the office of Commissioner	0	0
2	Entry in the Records in Commissioner Office and linking with the earlier files and folders	2	2
3	Consultation within the Commissionerate, i.e. with the Division and Range etc and taking prima facie view on the order by the Commissioner	45	47
4	Consultation with the Chief Commissioner and Board, if required	15	62
5	Consultation with the Standing Counsel	10	72
6	Final Decision by the Commissioner to file Appeal in the High Court	3	75
7	Sending appeal folder to the Standing Counsel for drafting Appeal Memo by Commissioner	1	76

8	Drafting of Appeal Memorandum by the counsel	30	106
9	Obtaining Appeal Memorandum from Counsel, vetting, preparation of sets with annexures in office of the Counsel and sending to the Standing Counsel for filing	10	116
10	Actual filing in the High Court Registry	2	118
11	Intimation of dairy / Lodging No. to the office of the Commissioner and making of the entries in the relevant records and registers	2	Total 120



78. Some important points for the Tax Officers / Appellate Authority

Circular No.132/02/2020-GST, dt.18th Mar, 2020:

- As of now, the prescribed time limit to make application to appellate tribunal will be counted from the date on which President or the State President enters office.
- The appellate authority while passing order may mention in the preamble that appeal may be made to the appellate tribunal whenever it is constituted within three months from the President or the State President enters office.
- The appellate authorities may dispose all pending appeals expeditiously without waiting for the constitution of the appellate tribunal.

Circular No. 172/04/2022-GST dated 06.07.2022

- The amount available in the electronic credit ledger can be used for making payment of any tax under the GST Laws.

Circular No.224/18/2024-GT, dt.11th Jul, 2024:

- In cases, where the first appellate authority has confirmed the demand issued by the adjudicating authority, partially or fully, the taxpayers cannot file appeal against the said appellate order at present due to non-operation of GST Appellate Tribunal as yet.
- **Circular No. 207/1/2024-GST dated 26.06.2024**-Principles for determining monetary limits
- In terms of S.112(9), no recovery proceedings shall be initiated if the Tax Payer paid the pre-deposit;
- No recovery proceedings shall be initiated by the Tax Officer, in case the Tax Payer willing to appeal, paid the pre-deposit and file an undertaking to the effect that he will file the appeal against the Appellate Order;



79. Comparison of IPC, CrPC and IEA with BNS, BNSS & BSA:

S. No.	Action during investigation	Sections of CGST Act	Subject	Reference to sections of IPC/CrPC		Corresponding sections of new legislation		Changes in new legislation, if any, that require attention during investigation in relation to GST offences.
				IPC	CrPC	BNS	BNSS	
1	Summons	Section 70 of the CGST Act, 2017	Non-attendance in obedience to an order from public servant.	174		208		NIL
			Punishment for false evidence.	193		229		NIL
			Intentional insult or interruption to public servant sitting in judicial proceeding.	228		267		NIL

2	Record ing of statem ent	Section 70 of the CGST Act, 2017	Refusing to answer public servant authorised to question.	179		214		NIL
			Refusing to sign statement.	180		215		NIL
			Recording of confessions and statements		164		183	Recording of statements is under provisions of the Code of Civil Procedure, 1908
3	Search & Seizur e	Section 67(2) of the CGST Act, 2017	Search of place entered by person sought to be arrested		47		44	NIL
			Persons in charge of closed place to allow search		100		103	NIL
			Search by police officer.		165		185	A newly added Proviso to Section 185(2) mandates the recoding of search conducted through audio video, or electronic means preferably by mobile phone. Subsection (5) of 185 of BNSS provides that the copies of record made under Subsection (1) or (3) shall forthwith, but not later than 48 hours, be sent to Magistrate.
			Omission to assist public servant when bound by law to give assistance.	187		222		NIL

4	Arrest	Section 69 (3) of the CGST Act, 2017	Procedure of arrest and duties of officer making arrest.		41B		36	The words "any other person" is added under clause (c).
			Right of arrested person to meet an advocate of his choice during interrogation.		41D		38	NIL
			Arrest how made.		46		43	A new sub-section (3) is added regarding the handcuff of a habitual or repeat offender or accused who has committed certain offences mentioned in the sub-section, etc.
			Search of place entered by person sought to be arrested.		47		44	NIL
			No unnecessary restraint.		49		46	NIL
			Person arrested to be informed of grounds of arrest and of right to bail.		50		47	NIL
			Obligation of person making arrest to inform about the arrest, etc., to relative or friend.		50A		48	NIL
			Search of arrested person.		51		49	NIL
			Power to seize offensive weapons.		52		50	The words "immediately after the arrest is made" are added.
			Examination of accused by medical practitioner at the		53		51	NIL

			request of police officer					
			Examination of arrested person by medical officer.		54		53	A new proviso added to subsection (1) regarding one more examination can be done if it is necessary, in the opinion of the medical practitioner.
			Health and safety of arrested person		55A		56	NIL
			Person arrested to be taken before Magistrate or officer in charge of police station		56		57	NIL
			Person arrested not to be detained more than twenty-four hours.		57		58	No change except the words "whether having jurisdiction or not" are added
			Power, on escape, to Pursue and retake		60		61	NIL
			Arrest to be made strictly according to the Sanhita.		60A		62	NIL
5	Prosecution	Section 132(6)/134 of the CGST Act, 2017	Cognizance of offences by Magistrates.		190		210	The words "including any complaint filed by a person authorised under any special law" and "submitted in any mode including electronic mode " are added in clause (a) and (b) of subsection (1).

80. Amendments (Finance Act, 2024, 2025)

i. Amendments since last edition are enumerated here under for ease of ready reference.

At the outset, the highlights of amnesty schemes to trade are –

- (a) Amnesty scheme – A new section 128A has been inserted providing waiver of interest or penalty or both relating to demands raised under section 73, for the tax periods 2017-18, 2018-19 and 2019-20;
- (b) trade facility - Sub-sections (5) and (6) were inserted in Section 16 extending the time limit for availment of ITC till 30th Nov-2021 for the tax periods 2017-18 to 2020-21;
- (c) one more trade facility - restricting the availment of ITC in respect of tax paid under Section 74 till the tax period 2023-24. From 2024-25 onwards there is **no** such ITC restriction. Restriction on availing ITC in respect of tax paid under Sections 129 (detention of goods) and 130 (confiscation of goods) removed.

ii. Amendments as per Finance Act, 2024 (8 of 2024), dt.15th Feb-2024. Effective from 1st October, 2024:

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
13	Insertion of new section 122A	Penalty for failure to register certain machines used in manufacture of goods as per special procedure. Example: Special procedure notified in Notification No.4/2024-CT, dt.05 th Jan-2024 wherein the details of packing machines need to be furnished in respect of manufactures of specified goods.

Effective from 1st Apr-2025:

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
11	Section 2(61)	Definition for “Input Service Distributor” amended.
12	Substitution of Section 20	Manner of distribution of credit by Input Service Distributor.

**iii. Amendments as per Finance (No. 2) Act, 2024 (15 of 2024),
dt.16.08.2024: Amendments effective from 27 September 2024**

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
118	Eligibility and conditions for availing Input Tax Credit. New sub-sections 16(5) & (6) are inserted	Specific provision inserted to provide that in respect of invoice/ debit note pertaining to FY 2017-18 to 2020-21, ITC can be availed in any return filed up to 30 November 2021 Specific provision inserted to provide for time limit to avail ITC in case of revocation of cancelled registration
142	109 (Constitution of Appellate Tribunal and Benches thereof)	Scope of Principal bench of GST Appellate Tribunal expanded to include matters pertaining to anti-profiteering
148	171 (Anti-profiteering)	Enabling provisions provided for notifying the date from which the Authority for Anti-Profiteering shall

		not accept applications regarding anti-profiteering
150	No corresponding provision	Amendment is made to provide that no refund shall be made if any tax is paid or ITC has been reversed, or if section 118 of FA 2024 has been in force at all times.

iv. Amendments effective from 1 November 2024

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
114	9 (Levy and collection)	‘Un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption’ to be out of ambit of GST.
116	New section 11A introduced	New section inserted to empower Government to waive GST in case of short payment/ non-payment as a matter of industry practice
117	13 (Time of supply of services)	Time of supply of services where invoice is required to be issued by the recipient in respect of supplies subject to reverse charge, to be the date of issue of invoice by the recipient
119	17 (Apportionment of credit and blocked credits)	ITC to be restricted in respect of tax paid under section 74 of the CGST Act (in case of fraud/ willful misstatement/ suppression of facts) for the period till FY 2023-24 Restriction on availing ITC in respect of tax paid under Sections 129

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
		(detention of goods) and 130 (confiscation of goods) removed
122	31 (Tax invoice)	Enabling provision introduced to provide time limit to issue self-invoice in case of supplies subject to reverse charge
124	39 (Furnishing of returns)	Provision introduced to provide for filing of TDS return on monthly basis, whether any TDS was deducted in a particular month or not
128	54 (Refund of tax)	Restriction on availment of refund of ITC or IGST paid on outward supply, in case of zero-rated supply of goods, where the goods are subjected to export duty
135	70 (Power to summon persons to give evidence and produce documents)	Enabling authorised representative to appear in summons proceedings
136	73 (Determination of tax, pertaining to the period up to FY 2023-24, not paid/ short paid/ erroneously refunded/ ITC wrongly availed or utilised for any reason other than fraud or any willful misstatement or	Provisions to apply only for determination of tax for the period upto FY 2023-24

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
	suppression of facts)	
137	74 (Determination of tax, pertaining to the period up to FY 2023-24, not paid/ short paid/ erroneously refunded/ ITC wrongly availed or utilised by reason of fraud or any willful misstatement or suppression of facts)	Provisions to apply only for determination of tax for the period upto FY 2023-24
138	New section 74A inserted for common adjudication	Section 74A inserted to provide common adjudication provisions and time limit of 42 months for cases, irrespective of whether the charges of fraud, willful misstatement, or suppression of facts are invoked or not, while keeping a higher penalty, for cases involving fraud, willful misstatement, or suppression of facts from FY 2024-25 onwards.
141	107 (Appeals to Appellate Authority)	Upper limit of pre-deposit towards CGST for filing appeal before the First Appellate Authority reduced to INR 20 crores from INR 25 crores
143	112 (Appeals to Appellate Tribunal)	Enabling provision to notify the date from which limitation period for filing

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
		<p>appeal before GST Appellate Tribunal shall start.</p> <p>The limit of pre-deposit towards CGST for filing appeal before the GST Appellate Tribunal reduced to 10% of the disputed amount involved, from 20%. Also, maximum amount payable towards pre-deposit under CGST reduced to INR 20 crores from INR 50 crores</p>
146	New Section introduced for amnesty scheme	<p>Section 128A inserted to provide conditional waiver of interest and penalty in case of demands raised under prescribed scenario for the period from 1 July 2017 to 31 March 2020.</p> <p>No refund to be granted for interest and penalty already paid</p>
147	140 (Transitional arrangements for input tax credit)	Transitional ITC can be distributed on services received prior to appointed date (1 July 2017) in respect of which invoice was received by the Input Service Distributor prior to the said date
149	Schedule III (Activities or transactions which shall be treated neither as a supply of goods nor a supply of	<p>Following activities have been prescribed as transactions which shall neither be treated as supply of goods nor as supply of services:</p> <p>— Activity of apportionment of co-insurance premium by the lead</p>

Relevant section of FA 2024	Relevant section of CGST Act	Brief of amendment
	services)	insurer to the co-insurer, subject to certain conditions; — Services by insurer to the reinsurer for which, ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to certain conditions

Corresponding amendments made in IGST Act, 2017, Union Territory Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017, have also been notified to come into effect from 1 November 2024.

Amendments as per Finance Act, 2025, dt. 29.03.2025:

Amended section	Amendment
Amendment in Section 2(61) – Input Service Distributor	Explicitly included interstate Reverse Charge Mechanism (RCM) transactions under ISD, by including reference to supplies subject to tax under section 5(3) and 5(4) of IGST Act, 2017 in the said provisions
Amendment in Section 2(69) Clause (c) – Local Authority	Earlier, Clause (c) defines “local authority” and references funds like Local Fund and Municipal Fund without a detailed definition.
Insertion of Explanation	An Explanation has been added under clause (c) of Section 2(69) to define the terms Local Fund and Municipal Fund explicitly
	“Local fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and

Amended section	Amendment
	appropriate any tax, duty, toll, cess or fee, by whatever name called;
	“Municipal fund” means any fund under the control or management of an authority of a local self-government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called.’
Insertion of definition of “unique identification marking” Section 2(116A)	“Unique identification marking” means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable;’
New Section 148A, inserted in CGST Act, 2017	It’s an enabling provision empowering the government to enforce the Track and Trace Mechanism for specified evasion-prone commodities.
Amendment in Section 17(5)	Replaced the plant or machinery” with “plant and machinery” used in Section 17(5) of the CGST Act, 2017.
	Inserted an Explanation – To clarify that “plant or machinery” should always be understood as “plant and machinery,” even if there’s a previous judgment, decree, or order that might suggest otherwise. The clarification applies retroactively, meaning it overrides earlier interpretations made by courts, tribunals, or other authorities. The phrase “notwithstanding anything to the contrary” ensures that this clarification takes priority over any conflicting decisions or legal precedents.
Amendment in Section 20 i.e. Manner of distribution of credit by Input Service Distributor	Explicitly included interstate Reverse Charge Mechanism (RCM) transactions under ISD, by including reference to supplies subject to tax under section 5(3) and 5(4) of IGST Act, 2017 in the said provisions. Also, similar amendment proposed to be

Amended section	Amendment
	made under various sections of CGST Act. These amendments to be made effective w.e.f. 01.4.2025.
Amendment in Proviso to Section 34(2) relating to the output tax liability of a supplier when issuing a credit note	Section 34(2) of the CGST Act, allows a supplier to reduce their output tax liability when a credit note is issued.
	Amendment in the Proviso: New Conditions for Reduction in Output Tax Liability
	Reduction will not be allowed if:
	<p>(i) Input Tax Credit (ITC) is not reversed by the recipient: If the recipient (buyer) has already claimed ITC on the original invoice and hasn't reversed that ITC after receiving the credit note, the supplier cannot reduce their output tax liability.</p> <p>(ii) Incidence of tax has been passed on to another party (in other cases): If the tax burden has already been shifted to a third party (e.g., a consumer), the supplier cannot claim a reduction in their tax liability.</p>
Amendment in Section 38 relating to furnishing details of inward supplies	The provisions of Section 38 are proposed to be amended to provide for legal framework in respect of generation of inward report based on the action taken by the taxpayers on the auto-populated details as per the Invoice Management System (IMS) functionality.
Amendment in Section 39 relating to furnishing of returns	Introduction of Conditions and Restrictions – The amendment allows the government to specify conditions and restrictions for filing returns in addition to prescribing the timeline. By adding “conditions and restrictions,” the government gets more flexibility to introduce specific rules for return filing through) without amending the GST Act.
Amendment in Section 107(6) – Reduced the amount of pre-deposit required to be paid for	Reduced the amount of pre-deposit for filing of appeals before Appellate Authority for cases where the dispute is only regarding penalties and not the actual tax demand. The pre-deposit quantum to be reduced to

Amended section	Amendment
filing of appeals before Appellate Authority under for demand involving Penalty only	10% of the penalty amount from current 25% of the penalty amount.
	As per Section 107(6) of the CGST Act, 2017, provides that no appeal before the Appellate Authority shall be filed against an order u/s 129(3), unless a Specified percentage of penalty involved has been deposited as pre-deposit. Further, Section 129(3) of the CGST Act, is that the proper officer detaining or seizing goods or conveyances shall issue a notice in 'FORM GST MOV-07' within seven days of such detention or seizure, specifying the tax and penalty payable.
Amendment in S.112 – Provided quantum of pre-deposit to be paid with Appellate Tribunal against order of Appellate Authority in cases involving only penalty u/s129(3).	Inserted a new proviso to section 112(8) of CGST Act, 2017 providing for payment of pre- deposit at 10% for filing appeals before Appellate Tribunal in cases involving only demand of penalty without involving the demand of tax.
Insertion of new Section 122B – Penalty for failure to comply with track and trace mechanism	The person violating Section 148A (newly insertion section the finance Bill) will be liable for an additional penalty: Whichever is higher between the following:
	₹1,00,000 (a fixed amount).
	10% of the tax payable on such goods.
	Additional to Other Penalties: This penalty is in addition to any other penalties already specified under Chapter XV.
Insertion of New Section 148A – Track and trace mechanism for certain goods	Inserted an enabling provision in CGST Act through S.148A empowering government to enforce Track and Trace Mechanism for specified evasion-prone goods.
	Earlier, the Council in 55th Meeting took a significant move to plug leakage had approved a proposal to implement 'Track and Trace Mechanism' for specified evasion-prone commodities, under which a unique

Amended section	Amendment
	mark will be affixed on such goods or packages to trace them throughout the supply chain. The introduction of the Track and Trace Mechanism will help authorities monitor and trace goods throughout the supply chain, significantly reducing the possibility of tax evasion, under-invoicing, or other fraudulent activities.
New section 122B has been inserted	to provide penalty for contraventions of provisions related to the Track and Trace Mechanism provided under section 148A.
Amendment in Schedule III of the CGST Act	Insertion of Clause (aa) in Paragraph 8 of Schedule III w.e.f. 01.07.2017 – Provided Transactions involving goods warehoused in an SEZ or FTWZ (Free Trade Warehousing Zone) before their clearance for exports or to the Domestic Tariff Area (DTA) will not be treated as a supply of goods or services under GST, and the same would not attract GST.
	Earlier, Clause 8(a) of Schedule III, provides that Supply of warehoused goods to any person before clearance for home consumption shall be treated neither as a supply of goods nor supply of services. In the subject case the supply of warehoused goods is of two types, namely;
	1. Clearance from Bonded Warehouses to the vessels, and
	2. Clearance from Non-Bonded Warehouses to the vessels.
Mandatory 10% pre-deposit of penalty in cases involving only demand of penalty:	<p>S.107(6) is amended to provide for 10% mandatory pre-deposit of penalty amount for appeals before Appellate Authority in cases involving only demand of penalty without any demand for tax.</p> <p>S.112(8) has been amended to provide for 10% mandatory pre-deposit of penalty amount for appeals before Appellate Tribunal in cases involving only demand of penalty without any demand for tax.</p>

Omission of Sections 12(4) and 13(4) of the CGST Act, relating to vouchers:










Earlier scenario: Provisions of Section 12(4) and Section 13(4) of the CGST Act, 2017 provides the time of supply in case of Vouchers ie.,


Section	Situation	Time of Supply
Section 12(4): Time of Supply in case of Vouchers exchangeable for goods	Supply is identifiable at the point at which voucher is identified	Date of issuance of the voucher.
	Supply is not identifiable at the point at which voucher is identified	Date of redemption of voucher.
Section 13(4): Time of Supply of services in case of vouchers	Supply is identifiable at the point at which voucher is identified	Date of issuance of the voucher.
	Supply is not identifiable at the point at which voucher is identified	Date of redemption of voucher.

Update on Hotel Industry:

Removal of the Declared Tariff concept. GST will be levied based on the actual amount charged. Hotels charging above Rs.7,500/- per unit /day will be classified as “specified premises” and attract 18% GST on restaurant services with ITC benefits.

81. Important Circulars/Instructions/FORMs in GST (Scan QR Code to View)

1	Standard Operating Procedure for Scrutiny of Returns for FY 2019-20 onwards	
2	 Master Circular on Refund of GST	
3	Guidelines on issuance of Summons under Section 70 of CGST Act, 2017	
4	 Instructions/Guidelines regarding procedures to be followed during Search Operation	
5	Guidelines for provisional attachment of property under section 83 of the CGST Act, 2017	
6	 Guidelines for arrest and bail in relation to offences punishable under the CGST Act, 2017	
7	Guidelines for launching of prosecution under the Central Goods & Services Tax Act, 2017	
8	 Master Circular on Recovery and Write- Off of Arrears of Revenue	
9	Guidelines for CGST field formations in maintaining ease of doing business while engaging in investigation with regular taxpayers – reg (30.03.2024)	

10		Guidelines for initiation of recovery proceedings before three months from the date of service of demand order. (30-05-2024)
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82. Drafting Of Good Show Cause Notice (SCN)

1. Introduction

- 1.1 Show Cause Notice (SCN) is the culmination of our efforts from the beginning of investigation/proceedings for contravention of provisions of the tax statute(s) till conclusion of investigation /proceeding by way of formal issuance of a written notice to the noticee(s). Issuance of SCN is a statutory requirement and it is the basic document for settlement of any dispute relating to tax liability or any punitive action (civil proceeding) to be taken for contravention of provisions of Customs/Central Excise / Service tax laws and/ or Allied Laws, which are required to be enforced by our departmental officers.
- 1.2 It is the most important item of our work and any lapse in timely issuance of SCN or issuing SCN of poor quality may lead to serious trouble to the officer concerned. Since, it is the starting point of any legal proceeding, utmost care is required to be taken while drafting SCN.

2. Distinct Parts of the SCN

- 2.1 For convenience of understanding, the SCN can be broadly divided in several parts- each part dealing with a specific aspect of SCN. The several parts, into which an SCN can be broadly divided and the specific aspect dealt by each part, are as under:

Part I: Receipt of Intelligence/Audit Objection/Reference

- 2.2 In this part, we discuss the background as to how the present proceeding started. It may differ from case to case. A case may be based on intelligence or audit objection or discrepancies in documents noticed during scrutiny of return, or reference received from other department /DRI/DGCEI/Vigilance/Audit etc. In this part, we basically mention gist of intelligence/audit objection/ observation/ communication received from other department /organization, name of the unit/ importer/

exporter/ dealer/assessee etc. and a brief modus operandi of duty evasion adopted by the alleged offender. The details given in this para should be sufficient enough to justify further investigation/Inquiry.

Part-II: Preliminary Action on Intelligence/Audit Objection/Reference

2.3 In this part, after receipt of intelligence/inputs/reference, what further action has been carried out by the department is discussed.

- The action could be by way of search (es) conducted, recording statement of concerned person(s), collecting relevant information from other sources including Bank, other departments etc.
- In case where searches have been carried out, details of the premises searched and outcome of such searches have to be mentioned in this part of SCN. If statement of any person, who is materially important for the investigation/inquiry, has been recorded, then relevant portions of such statement have to be captured/discussed in the SCN. Wherever letters have been addressed to Bank /other Government Department, other manufacturer /dealer etc., such action taken by the Department and consequent outcome thereof, have to be discussed in this part. If any computer has been recovered, the details of examination of such computer by expert and recovery of incriminating documents, if any, may also be mentioned in this part.
- Panchnama of premises searched, summons issued, statements recorded, any incriminating documents recovered etc. should be made as „RUD“. As far as possible, incriminating documents recovered during searches, or obtained from other authorities and intended to be used as relied upon documents, should be shown to the concerned person (s) during recording of his statement (under Section 108 of the Customs Act, 1962/ Section 14 of the Central Excise Act) and his/her explanation to such incriminating documents should be obtained during recording of statement.

Part-III: Details of Further Investigations

2.4 In this part, further course of action taken to pursue further inquiry/

investigation is discussed. It may, inter alia, include following details:-

- (i) If any offending goods are seized and later released provisionally, then such details are discussed here.
- (ii) If any sample is sent for testing, then the outcome of such testing has to be mentioned.
- (iii) If any arrest is made, then details of arrest and subsequent development thereof, have to be mentioned in this part.
- (iv) If any court proceeding (such as for non-compliance of summons etc.) takes place, brief of such Court proceeding have to be discussed here.
- (v) Differential duty recoverable and its calculation may also be worked out in this part. If it is not mentioned in this part, then it may also be mentioned in Part IV of the SCN.

Part IV: Summary of Investigations.

2.5 Now, after conducting searches, recording statements, conducting market inquiries/ testing of samples, seizure/ or provisional release of goods etc., the story-line, which emerges, has to be summarized in this part.

Part V: Relevant legal provisions:

2.6 In this part, we discuss the relevant legal provisions in the form of Sections/ Rules/ Notification/Circular/Department Instruction etc. which are relevant to this case.

Part VI: Act of Commission or Omission by Noticee *vis a vis* Legal Requirement

2.7 In this part, the act of noticee (s) *vis-a-vis* legal requirements is discussed, thereby, discussing contravention of various statutory provisions as well. Role played by each person and contravention of specific provision of the Act by the person should also be discussed. This would be required for imposition of personal penalty on the individual

who, by his/her acts of omission or commission, resulted in evasion of duty/ contravention of provisions of law.

- 2.8 Wherever extended period of five years for demand of duty/tax is being invoked, then justification for such extended period of limitation should be clearly mentioned in the show cause notice. Whether there is fraud, or suppression of fact, or mis-statement or deliberate contravention of provisions of the Act, has to be clearly brought out in the SCN. Since invocation of extended period of limitation requires presence of *mens rea*, it has to be clearly explained/ discussed along with evidences supporting such intent in this paragraph dealing with invocation of extended period of limitation. Evidence, if any, which may help in establishing *mens rea* on part of alleged offender should also be mentioned here.

Part VII: Charging Paragraph-

- 2.9 In this part, the noticee is asked to show cause against the adverse actions which are proposed to be taken against him by the Department. This paragraph also mention as to whom (Designation of authorities and its office address) the impugned SCN is answerable. In this paragraph, depending upon the facts of the case, the following course of actions may be proposed by the Department:-

- Proposing confiscation of seized goods, demand of duty/tax along with interest, appropriation of amount deposited during investigation, if any, towards duty/interest demanded, imposition of penalty on the party as well as individuals including transporter/CHA, etc. Relevant sections of the Central Excise Act, 1944/ the Finance act, 1994/Customs Act, 1962 should also be mentioned. For example, for demanding Central Excise duty short paid/not paid, section 11A of Central Excise Act, 1944, must be mentioned. For demand of interest, relevant section providing for demand and recovery of interest should be mentioned. Similarly, section under which penalty is proposed to be imposed, should be clearly mentioned.
- For deciding the competent adjudicating authority, relevant instructions/ Circulars issued by CBEC from time to time specifying monetary limits

for different levels of adjudicating authority may be referred to. Such instructions for Central Excise, Customs and Service tax are different; therefore, the relevant instructions/Circulars may be carefully seen. *[For this, e-book on monetary limits for adjudicating authorities may be referred].*

- If any amount has been pre-deposited by the noticee during investigation, then appropriation of this amount towards duty /interest demanded should also be mentioned. It should be remembered that any amount deposited during investigation remain deposit only.

2.10 While drafting this part, we should clearly decide as to who is the adjudicating authority (designation-wise, not name-wise) for the SCN and it should be mentioned in the SCN. Office address of adjudicating authority should be mentioned in this Para. Further, from the reading of this Para, it should appear as an allegation, rather than definite conclusion; in other words, it should start with “From the foregoing, it appears that ...”}

Quantification of demand and basis (in the form of documents /balance sheets etc.) on which it has been worked out, should be explained in the SCN]. Any document such as Bill of Entry, Shipping Bills, Copy of Contract, Invoices, Private records, Balance Sheet/ or documents/email etc. recovered from computer/ during search proceeding, which may form basis of calculation of duty/tax demanded, should be made RUD to the SCN.

Part VIII: Three Standard Paragraphs which are Integral Part of Every SCN.

2.11 This part consists of three Standard Paragraphs, which are common to all SCNs. In these paragraphs, following aspects are discussed: –

- Asking noticee to furnish written submission within a period of 30 days of the receipt of SCN.
- Informing him that in case of failure to submit reply within prescribed period, the SCN will be decided Ex-parte.
- Asking him to submit documents/evidence in support of his contention/ defence.

- Asking him to indicate in writing as to whether he/she want personal hearing.
- Mentioning that the present show cause notice is without prejudice to any other action, which may be taken under the same Act or any other Act for the time being in force.
- If there is any exception/limitation, the same can be mentioned in this paragraph. This is must where part SCN is being issued.

Part IX: List of Relied upon Documents (RUDs) and to enclose legible copies.

- 2.12 The RUDs should be numbered serially (starting from 1 till last number). Each RUD should be given a specific number (as RUD-1, or RUD-2 etc.) and it's position in the complete set of RUDs (by way of page number(s)) should also be mentioned.
- 2.13 The copy of documents enclosed should be legible. While listing any document as RUD, the complete document should be enclosed rather than enclosing some specific pages (which are relevant for the investigation) of the documents in question. Sometime, officer encloses only relevant pages of agreement/ contract/ balance sheet etc., which is a wrong practice.
- 2.14 When a statement recorded has been made RUD to the SCN, then, if any evidence, recovered/obtained during investigation has been shown to the person at the time of recording of his statement and got signed from him in token of having seen and perused the documents, then such documents /evidence should also be treated as an integral part of the statement.
- 2.15 Since only xerox copy of RUDs is given to the noticee along with SCN, an option should be given to the noticee to inspect original RUDs during official working hours of any working day. In case, the noticee choose to inspect the original documents, a record of this exercise should be kept in the file and signature of the noticee having seen the original and convinced himself should be taken.

Part X: Determination of Noticees

2.16 Care should be taken to mention all noticees to whom the notice is to be served. The name and address of each noticee should be clearly and correctly mentioned. Sometime, despite the role of person been discussed in the SCN, he is not made noticee to the Show Cause notice. Such lapses should be avoided. Similarly, it should be noted that the company and individual are different and both should be made separate noticees (except in the case of proprietary concern).

Part XI: Return of non-RUDs or seized computer if not required for further investigation or criminal proceedings.

2.17 The non-RUDs or seized computer should be returned to the person from whom such documents /computer were recovered. If possible, in the SCN itself, the concerned noticee may be given opportunity to take back non-RUDs/ computer etc. Further, evidence indicating returns of non-RUDs/Computer should be kept in file and if possible, also be supplied to adjudicating authority while forwarding SCN along with RUDs for adjudication.

Service of Show Cause Notice

2.18 It is important to be aware and comply with statutory provisions contained in section 153 of the Customs Act, 1962 or Section 37 C of the Central Excise Act, 1944 (made applicable to Service tax also vide Section 83 of the Finance Act, 1994), which provide for service of decision, orders, summons or notice etc.

2.19 Make sure that SCN is delivered to the noticee before the last date for issuance of SCN, which include delivery of SCN to the party. Further, the evidence proving service or delivery of SCN to the noticee may be kept in file from which SCN has been issued and a copy of such evidence may also be given to the Adjudicating authority while forwarding the SCN along with RUDs for adjudication.

3. Other important thing to be kept in mind while issuing SCN

3.1 SCN to be issued with approval of the authority, who is competent to adjudicate the same.

- 3.2 To decide the level of adjudicating authority i.e. superintendent/AC/DC/JC / ADC /Commissioner, departmental instructions/Circular laying down monetary limits for adjudicating authorities may be seen carefully.
- 3.3 Whether extended period of limitation is being invoked or not ? If extended period of limitation has been invoked, grounds for invoking extended period of limitation should be clearly mentioned /explained in the SCN.
- 3.4 What is the last date of issuance of SCN? It should be clearly indicated in the file being sent for approval of draft SCN.
- 3.5 Where investigation in a case also involves violation of other allied laws which are administered by other departments, a copy of SCN along with RUDs should be endorsed /sent to the concerned department (s) also for further necessary and appropriate action by that department.
- 3.6 Also examine as to whether the case is fit for being referred to REIC (Regional Economic Intelligence Council). If the case also involves serious violation of other tax laws such as income tax or sale tax or it involves criminal act such as preparing forged documents (punishable under Indian Penal Code) aimed at causing serious loss of government revenue/money, which may be of interest to CBI/police, then it may be shared with the concerned department at the platform of REIC.
- 3.7 Whether the case is fit enough for launching criminal proceeding without waiting for adjudication of SCN. If so, then proceed further to launch prosecution against the offenders.
- 3.8 Whether the case is fit for taking deterrent action in case of Central Excise duty evasion, then proposal may be sent to jurisdictional Chief Commissioner for initiation of deterrent action against the alleged offender. It should be done within a period of one month from the date of initiation of investigation. *[For details, E-book on concept of deterrent action under Central Excise law may be referred].*

4. Checklist for the SCNs

- 4.1 Whether noticee's name, Central Excise Registration No./ Service Tax

Registration No. / IEC No in case of import/export has been mentioned along with complete address.

- 4.2 Whether noticee is a manufacturer/dealer/service provider/service receiver /importer/ exporter/ warehouse owner/EOU/SEZ units, has been mentioned in the SCN.
- 4.3 Whether noticee is proprietary concern/private limited/ public limited/body corporate etc. has been mentioned or not.
- 4.4 Whether primary activity of the noticee mentioned. For example, in case of manufacturer, kind of goods manufactured or not etc.
- 4.5 Whether gist of intelligence/information resulting in further inquiry/ investigation has been mentioned in the SCN or not.
- 4.6 Whether grounds for invoking extended period of limitation has been clearly explained in the SCN.
- 4.7 Whether quantification of duty being demanded has been explained in an unambiguous manner. The documents on which such duty calculation is based, is also clearly mentioned in the SCN and whether or not, the same has been made RUD to the SCN.
- 4.8 Whether list of RUDs along with description of each RUD and page nos. at which it is placed, is enclosed with SCN.
- 4.9 Whether RUDs are legible and properly photocopied or not.
- 4.10 Whether SCN has been approved by the Adjudicating authority who is competent to decide the same.
- 4.11 Whether Non-RUDs have been returned or not. If not, then the same should be returned at the earliest after issuance of SCN.

The list of checks given above is only illustrative, not exhaustive.

5. Other Essential Checks to be done while putting up the SCN for Approval or /while approving the SCN.

- 5.1 Often it is said that issuance of poor quality SCN by the field formations is the reasons for department losing the large number of cases before Commissioner (appeals)/Tribunal. Before any draft SCN is put up to

senior officer for approval or while senior officer is approving the Draft SCN, it may be re-checked in the light of the following points. This will not only improve the quality of SCN but also eliminate any possibility of SCN being set aside on flimsy grounds. This document has been prepared with an objective of helping field officers to issue better quality SCNs.

A. Examination on following of Principles of natural justice

5.2 All adjudicating authorities including quasi-judicial authorities are required to follow the principles of natural justice. The following are the principles of natural justice:-

- (i) No one can be judge in his own cause.
- (ii) Nobody should be condemned unheard.

5.3 In the light of above basic principles, the following checks may be done on the SCN to see whether there are any violations of principle of natural justice:

- Whether adjudicating authority was associated with the case in capacity other than supervisory role. In other words, if adjudicating authority has recorded Panchnama, or statement etc. then he cannot be the adjudicating authority simultaneously on ground of personal bias. This is necessary to remove any element of bias.
- Also see that the person, who has been alleged to have committed any offence under Customs Act/Central Excise Act/Finance Act, 1994, was given any opportunity to give his side of explanation to the allegations.
- Whether all the documents /evidence submitted by the noticee in his defence have been taken on record or not. If not, then also bias can be alleged.
- There should not be anything in the SCN, which can give opportunity to the noticee to allege “personal bias” against him. Otherwise, such lapses may result in SCN getting set aside on ground of investigating authority being “bias and subjective”, rather than being objective.

B. Non-availability / Loss of documents/loss of computer seized by the investigating authority

5.4 During investigations, lot of documents, computers etc. are seized by the investigating officers. Out of document recovered and seized, some documents are relied upon for supporting allegations made out in the SCN. The documents which have not relied upon, should be returned to the party from whom these documents have been recovered. The SCN may get vitiated in the following circumstances:-

- (i) any of the documents seized and not relied upon, has not been returned to the person from whom it had been seized.
- (ii) Any documents, which has been seized, has gone missing on account of mis- placement of file etc. If this happens, then the noticee can ask for returns of the same on the ground that it contains the information which is necessary for preparing his defence to the SCN.
- (iii) if any documents has been recovered from seized computer and being used as evidence against the noticee, then make sure that necessary procedure to maintain evidentiary value of documents recovered from the computer is followed. Any failure to follow the prescribed procedure may vitiate the evidentiary value of such crucial evidences and in turn, also weaken the SCN.

C. Close Examination of Statement/ Panchnama

5.5 Under the law, the statement has to be recorded before the Gazetted officer.

- Make sure that the statements, recorded during investigation and being relied upon, have been duly signed by the officer, who has recorded statement and his name should also appear below his signature. If any statement is not signed by the Gazetted officer, the same is not a valid statement and has no value in the eye of law. Any admission of the alleged offender contained in such statement may be of little or no use for the adjudicating authority.
- Make sure that the witnesses present during search are independent witnesses. If the witnesses are not independent witnesses, then the

Panchnama proceedings can be questioned during adjudication proceedings and get vitiated.

- At times, the main portion of statement relied upon in the SCN (included in the body of SCN) do not match with the actual statement given. At times, the officers draw their own conclusion while drafting the SCN.
- See whether the statement recorded could be interpreted differently than the interpretation of the Department and avoid any such chances of same being interpreted in multiple ways by being careful while recording the statement.

D. Evaluation of Evidences Relied Upon by the Department.

5.6 Case should be based on evidences which have been obtained in a legal manner or recovered from the noticee or his computer. Further, explanation of the noticee to these evidences should be obtained during investigation.

- Make sure that all evidences which the department has relied upon in the SCN have been obtained in a legal manner.
- While issuing SCN in case of undervaluation of imported goods, the valuation rules should be followed sequentially after rejection of declared value under Rule 12 of the Valuation Rules.
- At times, if the evidence relied upon by the Department in the SCN has not been legally obtained, then the same could be questioned by the noticee and has no or considerably low evidentiary value in the eye of law. For example, the documents obtained from overseas customs without cover of any Mutual Assistance Agreement has no or low evidentiary value.
- If the case is based on incriminating statements of some persons, then these persons may get invariably be cross-examined during adjudication proceeding. But this cannot be done in appellate proceedings. Therefore, the case should not be based on mere statements only, but based on evidences. Number of statements, if possible, should be kept

at minimum while maximizing evidences.

E. Jurisdiction of the SCN Issuing Authority

5.7 Make sure that the officer, who is issuing SCN, has jurisdiction to issue SCN. If not, then SCN can be questioned on the ground of jurisdiction also.

F. Time Barred SCN

5.8 In cases, where extended period is invoked, the following need to be carefully considered:-

- If it is case of invocation of extended period, then see whether it is case of allegation of fraud, suppression of facts or mis-statement or contravention with intention to evade the duty. The SCN should be specific with regard to nature of allegation and free from any vagueness in allegations. This is necessary to eliminate any possibility of challenge of invocation of extended period. Evaluation of evidences relied upon by the Department also needs to be carefully seen and it should be ensured that there is no ground for questioning the admissibility of such evidences.
- Sometimes, the department uses only some of the evidences. The documents which do not support department's case, particularly allegation of suppression of facts, but still on record, are not used as RUD. Eliminate such possibility if any by bringing such documents on record but countering any inference in the SCN itself, which can be drawn from such documents.
- Make sure that the SCN is not questioned on ground of non-delivery or non- service of SCN. Law provides certain mechanism for delivery of SCN, make sure to follow the same and keep evidence of delivery of SCN in the file.

G. Quantification of demand

5.9 With regard to duty/tax being demanded from the noticee, the following may be considered:-

- Make sure that the quantification of demands has been done correctly

and is based on proper documents. Documents relied upon for such calculations should be made RUDs.

- Also make sure that source of such documents should be authentic and reliability of such documents could not be questioned by the noticee.

H. Charging para of the SCN.

5.10 The Charging paragraph of the SCN should be carefully drafted and correct provisions of the law are mentioned therein. Carefully see as to what has been mentioned in the Charging paragraph. Charging paragraph defines the limit of the SCN. Adjudicating authority cannot go beyond the charging paragraph.

I. Definitive conclusion drawn by the Department in the SCN

5.11 Make sure that the language of the SCN should not indicate that definite conclusion has been drawn by the Department in the SCN by using the word such as it is clear case of evasion of duty / it is evident that noticee has evaded the duty. Use of such words indicates that department has already drawn conclusion and there is nothing left for the adjudicating authority. Such SCN can be set aside on this ground alone.

J. Burden of Proof

13. Make sure that burden of proof has been discharged by the Department. While in most of the cases it is on the department, but depending on the evidence produced by the Department such as documents recovered from the noticee etc., then in such cases, burden of proof can be shifted onto the noticee. Burden to prove to explain any documents recovered from the noticee or produced by the noticee is on the noticee, not on the department.

(Courtesy – Compilation by NACIN, ZTI, Lucknow)



83. Drafting of A Good Adjudication Order

1. Normally, any adjudication order has following distinct Parts:

- (i) Brief Facts of the Case, charges against the noticee, action

proposed against him etc. with respect to specific nature of contravention of statute & specific penalties thereof.

- (ii) Written Submission by the Noticee
 - (iii) Personal Hearing and submission made during personal Hearing
 - (iv) Discussion and Findings {by the Adjudicating Authority}
 - (v) Order.
2. Before starting the process, it may be ensured that a copy each of the RUDs has been given to the noticees and non-RUDs have also been returned to the noticee. Further, it may also be ensured that there should not be any unsettled issue, which has been raised by the noticee and may result in the violation of principles of natural justice. This may vitiate the process as well as product (i.e. adjudication order) of adjudication. It may always be kept in mind that any violation of principles of natural justice by quasi- judicial authority will result in return of the case to the adjudicating authority for fresh adjudication at a later date by way of remand for de-novo adjudication by Tribunal/HC/SC, as the case may be.
3. The process of adjudication and issuance of adjudication order may be summarized in the following steps.

Step No.1: Careful Consideration of the Material on Record

4. Adjudicating authority should give careful consideration of all the material on record as mentioned below:
- (i) Facts of the case.
 - (ii) Evidence on the record against each noticee with respect to specific provisions of Statute
 - (iii) Charges against each noticee
 - (iv) Reply furnished by each noticee
 - (v) Case laws relied upon by each noticee in his/her defence (issue-wise).

- (vi) Record of personal hearing- any fresh documents submitted by noticee at the hearing stage {which is not known or not in the knowledge of the Department]
- (vii) Carefully read the legal provisions relevant to the case. If the legal provisions have gone through the amendment over a period of time, consider the legal provision which existed at the material time i.e. at the time of booking of case.

Step No.2: Listing of the Issues to be decided [with respect to facts and provisions of statute contravened]

5. Having carefully considered all material on record, the Adjudicating authority should list all issues to be decided upon in the impugned case. Sometimes, in addition to charges made by the Department against the noticee, certain issues such as lack of jurisdiction of SCN issuing authority or adjudicating authority, SCN being time barred, non-delivery of SCN in time, non-supply of copies of RUDs, non- return of non-RUDs etc. are also raised by the noticee. If so, then the adjudicating authority is also required to consider these issues raised by the noticee and give its finding and order on these issues. Before initiating the process of adjudication, it should be ensured by the adjudicating authority that a copy of each of the RUDs is supplied to the noticees and non-RUDs are returned to the concerned noticee from whom it has been resumed during investigation.

Step No.3: Segregation of the Issues on which there is no dispute between the Department and Party

6. After listing all issues to be decided upon, the adjudicating authority should segregate the issues in two categories- one on which there is no dispute between Department & noticee and other –on which there is dispute between Department and noticee. The issues, on which there is no dispute, may be summarized in one or two paragraphs of the findings and there is no need to discuss the same in great details.
7. The remaining issues, where dispute (i.e. lis) between the Department and noticee exists, should be listed. At this stage, the question of sequencing of issues to be decided is required to be considered carefully.

Step No. 4: Sequencing of Issues to be decided

8. If any ground (s) raised by the noticee has implication resulting in setting aside the entire SCN such as grounds of non-jurisdiction of SCN issuing authority, non- jurisdiction of adjudicating authority, SCN being time barred etc., then the adjudicating authority has to decide these issues first before deciding the charges involved in the SCN.
9. For example, if any noticee contends that entire SCN is time barred and extended period cannot be invoked by the Department. In such a situation, it will be appropriate to decide the issue of time bar first, before deciding the SCN on merit. Similarly, in any case of grant of refund, normal sequencing of issues to be decided by the adjudicating authority is (i) time bar, (ii) admissibility of refund claim on merit, and (iii) issue of unjust enrichment. This sequencing of issues to be decided is important. For example, in refund matter, the issue of unjust enrichment cannot be decided first and time bar at the last.

Step No. 5: Consideration of Each Issue in Sequential Manner

10. Once issues to be decided have been listed and sequenced, then, the adjudicating authority should proceed issue-wise -by considering the following:-
 - (i) Charge made by the Department;
 - (ii) Evidence relied upon in support of the charge by the department;
 - (iii) Noticee's submission and defence against the charge
 - (iv) Evidences and case laws relied upon by the noticee in his defence;
 - (v) Provisions of laws in respect of that issue (which existed at the material time).

Step No. 6:

(a) Careful Consideration of Case Laws

11. Case laws relied upon by the noticee in his defence should be carefully gone through. Each order of the High Court and Supreme Court, inter alia, has two important portion—(i) **obiter dictum** (plural- **obiter**

dicta) –(it is by way of observation and it is not an issue under consideration of the court) and (ii) **ratio decidendi**- ratio laid down by the court. For the purposes of judicial precedent, ratio decidendi is binding, whereas *obiter dicta* are persuasive only. While considering the case laws quoted by the party, entire case has to be gone through thoroughly, not the head notes alone.

12. Each case law relied upon by the notice has to be examined from the consideration of its applicability to the facts and circumstances of the impugned case. On consideration, if the adjudicating authority finds that it is not applicable to the impugned case, then the authority should mention in its order as to why the case law relied upon by the noticee in its defence is not applicable to the impugned case. If the adjudicating authority finds that the case law is relevant and is in favour of the assessee, but there is another case which is contrary to the case law quoted and relied upon by the noticee, then it must be mentioned in the order.

(b) Maintaining Judicial Discipline/Judicial Precedence

13. Judgement delivered by Hon^{ble} Supreme Court is of the highest precedence as it becomes law of the land. If, under any circumstances, the Hon^{ble} Apex Court reverts its own judgement, then the lordships discuss the earlier judgement and also give reasons for reverting the earlier Judgement and more often, the orders are reverted by larger bench. In that case, the last Judgement becomes the law.
14. As regard interpretation of any law, sometimes different high courts may take different view. In that case, normally, the issues go to Hon^{ble} Supreme Court which finally decides the issue. But in other cases, the jurisdictional High Court Judgement is binding upon all in its jurisdiction. If contrary judgements exist on the same issue at the same level (i.e. High Court/Tribunal), then two more aspects comes into play:
 - (i) Number of judges/Members in the bench delivering the Judgement; and
 - (ii) Date of the Judgement.

15. Sometimes, the case laws of lower appellate authority lower than Supreme Court are stayed by higher forum on department appeal against that order. Then it must be checked as to whether it is so in the case law relied upon by the party. If it is so, then the case law need not be applied on ground of stay.

(c) Order of Commissioner/Tribunal/High Court accepted on Low Monetary consideration not to have any precedence value

16. As part of the National Litigation Policy, monetary limits have been laid down by the Board wherein if it has been provided that if the amount of duty involved is lower than the limit prescribed and order is against the department, in such cases, department cannot file appeal against the order on account of low monetary consideration. In such a situation, the order of commissioner/Tribunal /High Court has no precedence value. Each case law quoted and relied upon by the noticee should be considered on this ground also before deciding its precedence value.

(d) Case Law to be considered with Reference to Law existed at Material time

17. Since the law as well as its interpretation by Court/Tribunal is dynamic, the case law must be seen in the light of law (i.e. text of legal provision) which existed at the time of the case. Or in other words, the case law must be seen in the light of law with reference to which it was given. At times, the relevant provisions of law which existed at the time of booking of impugned case is not the same with reference to which the case law relied upon by the noticee (in his/her defence) pertains.
18. At times, adjudicating authority summarily dismisses all the case laws relied upon by the noticee by writing in the order as under:

“ I have gone through the case laws relied upon by the noticee in its defence and find that the facts and circumstances of these case laws are different from the facts and circumstances of the impugned case and therefore the same are not applicable to the instant case.”

The case laws relied upon by the noticee cannot be dismissed summarily as explained above. Such approach by adjudicating authority may be interpreted as non- application of mind and order being non-speaking or non-reasoned order. It is important to discuss as to why and how the case laws relied upon by the noticee are not applicable to the impugned case. It is MUST for every adjudicating authority.

(e) Considering Case Laws in support of Charges made by the Department/ or contrary to the Case Laws Relied Upon by the Noticee

19. At the time of issuance of the SCN, the Departmental officers do not mention any case law in support of charges made by the Department in the SCN. The noticee in it's defence only mentions those case laws which are in it's favour. Therefore, for objectively reaching at a conclusion at the time of adjudication, it is necessary for the adjudicating authority to find out and consider all relevant case laws on the issue under consideration and pass a reasoned order.

Step No.7: Issuance of Speaking Order is must

20. The adjudicating authority is required to decide each and every issue in the same way and gives it finding on each issue along with reasons of arriving at a particular decision. In other words, it must be a speaking order. In this regard, supreme court direction in the case of **Kranti Associates Pvt. Ltd. Vs. Masood Ahmed Khan**{Citation:- 2011 (273) ELT 345 (SC)} must be kept in mind wherein the

Hon^{ble} Supreme Court held as under:

- (a) In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.
- (b) A quasi-judicial authority must record reasons in support of its conclusions.
- (c) Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well.

- (d) Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.
- (e) Reasons reassure that discretion has been exercised by the decision maker on relevant grounds and by disregarding extraneous considerations.
- (f) Reasons have virtually become as indispensable a component of a decision making process as observing principles of natural justice by judicial, quasi-judicial and even by administrative bodies.
- (g) Reasons facilitate the process of judicial review by superior Courts.
- (h) The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the Life blood of judicial decision making justifying the principle that reason is the soul of justice.
- (i) Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.
- (j) Insistence on reason is a requirement for both judicial accountability and transparency.
- (k) If a Judge or a quasi-judicial authority is not candid enough about his/her decision-making process then it is impossible to know whether the person deciding is faithful to the doctrine of precedent or to principles of incrementalism.
- (l) Reasons in support of decisions must be cogent, clear and succinct. A pretence of reasons or „rubber-stamp reasons“ is not to be equated with a valid decision-making process.
- (m) It cannot be doubted that transparency is the *sine quanon* of restraint on abuse of judicial powers. Transparency in decision

making not only makes the judges and decision makers less prone to errors but also makes them subject to broader scrutiny. (See David Shapiro in *Defence of Judicial Candor* (1987) 100 *Harvard Law Review* 731-737).

- (n) Since the requirement to record reasons emanates from the broad doctrine of fairness in decision making, the said requirement is now virtually a component of human rights and was considered part of Strasbourg Jurisprudence. See (1994) 19 EHRR 553, at 562 para 29 and *Anya v. University of Oxford*, 2001 EWCA Civ 405, wherein the Court referred to Article 6 of European Convention of Human Rights which requires, “adequate and intelligent reasons must be given for judicial decisions”.
- (o) In all common law jurisdictions judgements play a vital role in setting up precedents for the future. Therefore, for development of law, requirement of giving reasons for the decision is of the essence and is virtually a part of “Due Process”.

Step No.8: Drafting of Adjudication Order

- 21. While drafting the order, the Supreme Court direction in the case of **JCIT Surat vs. Saheli Leasing & Industries Ltd.** {Citation :- **2010 (253) ELT 705 (SC)**} must be kept in mind. These guidelines are only illustrative in nature, not exhaustive and can further be elaborated looking to the need and requirement of a given case:-
 - (a) It should always be kept in mind that nothing should be written in the judgement/order, which may not be germane to the facts of the case; It should have a co-relation with the applicable law and facts. The ratio decidendi should be clearly spelt out from the judgement/order.
 - (b) After preparing the draft, it is necessary to go through the same to find out, if anything, essential to be mentioned, has escaped discussion.
 - (c) The ultimate finished judgement/order should have sustained chronology; regard being had to the concept that it has readable, continued interest and one does not feel like parting or leaving it in the midway. To elaborate, it should have flow and perfect sequence of

events, which would continue to generate interest in the reader.

- (d) Appropriate care should be taken not to load it with all legal knowledge on the subject as citation of too many judgements creates more confusion rather than clarity. The foremost requirement is that leading judgements should be mentioned and the evolution that has taken place ever since the same were pronounced and thereafter, latest judgement, in which all previous judgements has been considered, should be mentioned. While writing judgement, psychology of the reader has also to be borne in mind, for the perception on that score is imperative.
- (e) Language should not be rhetoric and should not reflect a contrived effort on the part of the author.
- (f) After arguments are concluded, an endeavour should be made to pronounce the judgement at the earliest and in any case not beyond a period of three months. Keeping it pending for long time sends a wrong signal to the litigants and the society.
- (g) It should be avoided to give instances, which are likely to cause public agitation or to a particular society. Nothing should be reflected in the same which may hurt the feelings or emotions of any individual or society.

Aforesaid are some of the guidelines which are required to be kept in mind while writing judgements.

(Courtesy – Compilation by NACIN, ZTI, Lucknow)



LEGAL MAXIMS & PHRASES

Introduction:

A legal maxim or legal phrase elucidates or expounds a legal principle, proposition or concept. There are many legal maxims, which are commonly used. This select compilation seeks to explain some maxims/phrases, which are mostly used and relevant to tax context.

Legal maxim/phrase	Legal principle/concept
<i>Ab initio</i>	From the beginning or inception. From the first act.
<i>Ad hoc</i>	For this. For this special purpose.
<i>Ad valorem</i>	To the value or based on value.
<i>Audi Alterem Partem</i>	No man shall be condemned unheard.
<i>Actori incumbit onus probandi</i>	The burden of proof lies on the plaintiff
<i>Actus Reus</i>	A guilty deed or act
<i>De Facto</i>	Existing in actuality, especially when contrary to or not established by law.
<i>Ex Post Facto</i>	After the fact.
<i>Habeas Corpus</i>	You have the body. A writ (court order) that commands an individual or a government official who has restrained another to produce
<i>In absentia</i>	"In absence," or more fully, in one's absence
<i>Locus Standi</i>	The right of a party to appear and be heard before a court.

<i>Mandamus</i>	A writ or order that is issued from a court of superior juris diction that commands an inferior tribunal/court to perform, or refrain from performing, a particular act, the performance of which is required by law as an obligation.
<i>Modus Operandi</i>	Method of working.
<i>Mutatis Mutandis</i>	The necessary changes.
<i>Nemo Debet Esse Judex in Propria Sua Causa</i>	No man can be judge in his own case. No one ought to be a judge in his own cause.
<i>Non Obstante</i>	Notwithstanding (any statute to the contrary)
<i>Obiter Dicta</i>	Remarks of a judge which are not necessary to reaching a decision, but are made as comments, illustrations or thoughts.
<i>Pari Materia</i>	Of the same matter; on the same subject
<i>Per Incuriam</i>	By Mistake
<i>Quid pro quo</i>	What for what or Something of or something.
<i>Quo Warranto</i>	An order issued by authority of the king. A legal proceeding during which an individual's right to hold an office or government's privilege is challenged.
<i>Ratio Decidendi</i>	The reason or rationale for the decision by Court.
<i>Res Integra</i>	An entire thing; an entirely new or untouched matter.
<i>Res Ipsa Loquitur</i>	The thing speaks for itself
<i>Res Judicata</i>	A thing adjudged.



Part-C

Administration /
Establishment/ Vigilance

1. THE RIGHT TO INFORMATION ACT, 2005

Right to information can empower citizens to take charge by participating in decision- making and by challenging corrupt and arbitrary actions at all levels. With access to government records, citizens can evaluate and determine whether the government they have elected is delivering the results that are expected. RTI is thus a tool that can change the role of the citizens from being mere spectators to that of being active participants in the process of governance.

Salient features of the Act :-

- Universal access to information held by the public authorities- all citizens have access to information, pertaining to any period, in any form, in official language.
- Right to information includes inspection of records , works and taking certified samples of material.
- 'Information' broadly defined includes - records, e-mails, samples and models.
- Applies to all public authorities, NGOs, private bodies subject to provisions.
- Voluntary disclosure of maximum (17 categories of) information on nation-wide network.
- Public Information Officers (“PIO”) to provide information.
- PIO has the duty to assist requesters and transfer the request to proper public authority, if necessary.
- No prescribed form.
- Reasonable fees; No fees for persons below poverty line.
- No need to give reasons for requesting information but PIO should provide reasons for rejection of the request.
- Information concerns the life and liberty to be provided within 48 hours.
- Information to be provided expeditiously, within 30 days of receipt of

request.

- Deemed to be refused if no response is given.
- Only absolute exemption from disclosure of information.
- All other exemptions are subject to public interest test.
- Information which cannot be denied to the Parliament or a State Legislature shall not be denied to you.
- Allows partial disclosure.
- Internal First Appeals against PIO's decisions on fees / form of access / rejection / partial disclosures.
- Independent Information Commissions at Central and State levels.
- Citizens can directly make complaints and appeals to Information Commissions
- Presumption in favour of disclosure of information. Onus to prove that a denial of request was justified shall be on the PIO.
- Overriding effect on other secrecy laws.
- Penalties on delinquent PIOs.
- A Guide which includes the details of PIOs of all public authorities.
- Educational programmes to disadvantaged communities.
- Annual reporting by the Information Commissions.

Benefits of the Right to Information Act, 2005:

- It reduces corruption and enhances transparency in govt. functioning;
- It holds Governments and their instrumentalities accountable to the governed;
- It facilitates informed citizenry and transparency of information which are vital to functioning of democracy.

The Right to Information Act gives the right to access information held by a public authority, information under the control of a public authority

and includes the right to: Inspect work, documents, records;

- Take notes, extracts or certified copies of documents or records;
- Take certified samples of material;
- Obtain information in the form of diskettes, floppies, tapes, video cassettes or **in any other electronic mode** or through printouts where such information is stored in a computer or in any other device.

The Act gives the right to access to **information held by “public authorities”** which includes authorities, bodies, institution of self-government which are:

- established or constituted:
 - by the Constitution;
 - by a law of Parliament or a State Legislature;
 - by a notification or order of the State or Central Governments;
- bodies owned, controlled or substantially financed by the State or Central Governments,
- including non-government organisations which receive substantial government funds directly or indirectly.

Important points –

Private bodies are not directly covered. But all the information relating to private bodies which can be accessed by a public authority can be accessed by you. Information can be accessed from non-Government organizations substantially financed directly or indirectly by Government funds.

The RTI Act defines information as any material in any form which includes –

Records; Documents; Memos; E-mails; Opinions; Advices; Press releases; Circulars; Orders; Logbooks; Contracts; Reports; Papers; Samples; Models; Data material held in any electronic form and Information relating to any private body which can be accessed by a public authority under any other law for the time being in force.

What information is exempted from disclosure by public authorities?

- a) information, disclosure of which would prejudicially affect the sovereignty and integrity of India, the security, strategic, scientific or economic interests of the State, relation with foreign State or lead to incitement of an offence;
- b) information which has been expressly forbidden to be published by any court of law or tribunal or the disclosure of which may constitute contempt of court;
- c) information, the disclosure of which would cause a breach of privilege of Parliament or the State Legislature;
- d) information including commercial confidence, trade secrets or intellectual property, the disclosure of which would harm the competitive position of a third party, unless the competent authority is satisfied that larger public interest warrants the disclosure of such information;
- e) information available to a person in his fiduciary relationship, unless the competent authority is satisfied that the larger public interest warrants the disclosure of such information;
- f) information received in confidence from foreign Government;
- g) information, the disclosure of which would endanger the life or physical safety of any person or identify the source of information or assistance given in confidence for law enforcement or security purposes;
- h) information which would impede the process of investigation or apprehension or prosecution of offenders;
- i) Cabinet papers including records of deliberations of the Council of Ministers, Secretaries and other officers Provided that the decisions of Council of Ministers, the reasons thereof, and the material on the basis of which the decisions were taken shall be made public after the decision has been taken, and the matter is complete, or over:

Provided further that those matters which come under the exemptions

specified in this section shall not be disclosed; information which relates to personal information the disclosure of which has no relationship to any public activity or interest, or which would cause unwarranted invasion of the privacy of the individual unless the Public Information Officer is satisfied that the larger public interest justifies the disclosure of such information.

Proactive disclosure by public authorities: (Sec. 4)

Every public authority must publish in the local language the following information:

- the particulars of its organisation, functions and duties;
- the powers and duties of its officers and employees;
- the procedure followed in the decision making process, including channels of supervision and accountability;
- the norms set by it for the discharge of its functions;
- the rules, regulations, instructions, manuals and records, held by it or under its control or used by its employees for discharging its functions;
- a statement of the categories of documents that are held by it or under its control;
- the particulars of any arrangement that exists for consultation with, or representation by, the members of the public in relation to the formulation of its policy or implementation thereof;
- a statement of the boards, councils, committees and other bodies consisting of two or more persons constituted as its part or for the purpose of its advice, and as to whether meetings of those boards, councils, committees and other bodies are open to the public, or the minutes of such meetings are accessible for –
 - public;
- a directory of its officers and employees;
- the monthly remuneration received by each of its officers and employees, including the system of compensation as provided in its regulations;

- the budget allocated to each of its agency, indicating the particulars of all plans, proposed expenditures and reports on disbursements made;
- the manner of execution of subsidy programmes, including the amounts allocated and the details of beneficiaries of such programmes;
- particulars of recipients of concessions, permits or authorizations granted by it;
- details in respect of the information, available to or held by it, reduced in an electronic form;
- the particulars of facilities available to citizens for obtaining information, including the working hours of a library or reading room, if maintained for public use;
- the names, designations and other particulars of the Public Information Officers;
- such other information as may be prescribed; and thereafter update these publications every year;

Applying for Information from a Public Authority:

The request for information under the RTI Act has to be given to Public Information Officer or Assistant Public Information Officer designated by the Public Authority.

- The request for information can be made in English/Hindi/official language.
- No need not to give reasons for your request or personal details, except those necessary for contacting you.
- Pay the prescribed fee (Rs. 10/-) for application. No fee for persons who are below poverty line.
- The Public Information Officer will assist those who need assistance in preparing the application.
- Fees may be paid in cash / demand draft / banker's cheque / Indian postal order payable to the Accounts Officer of the public authority.

First Appeal:

- An appeal can be made to a senior officer in the public authority (Designated Appellate Officer);
- If you are aggrieved by the decision of the Public Information Officer (within 30 days from the receipt of the decision);
- If you do not receive any response from the Public Information Officer (within 30 days from the expiry of the time limit)

Second Appeal:

- Independent *Central and State Information Commissions* have been constituted to enforce the Act.
- Second Appeal to the Information Commission can be made against the decision of the first appellate officer within 90 days from the date of the receipt of the decision or expected date of the decision where no such decision was given.
- If you delay in filing an appeal sufficient cause should be shown.
- If you have suffered any loss or harm, you can claim compensation from the public authority.
- The Information Commission first hears the PIO, so that unless it agrees with the PIO, you need not be bothered with personal presence before the Commission . However, if the Commission sees merit in the PIO's arguments, you will be given an opportunity to present your case in person / through any other person duly authorized by you. You may opt not to be present.

Information Commissions have the power to order a public authority -

- to provide information, records
- to appoint the public information officers
- to publish information
- to reject the request

Penalty:

The Information Commission can impose penalty of Rs. 250/- per day, up to a maximum of Rs. 25,000/- on erring PIOs for:

Without any reasonable cause:

- refusing an application
- delaying information release without reasonable cause
- malafidely denying information
- knowingly giving incomplete, incorrect, misleading information
- destroying information that has been requested
- obstructing furnishing of information in any manner

The Commission also has powers to recommend disciplinary action against PIOs. It can also direct compensation to be paid to the appellant by the public authority.



2. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

(Prevention, Prohibition and Redressal) Act, 2013

Objective of the Act - Preventing and protecting women against sexual harassment at workplace and for the effective redressal of complaints of sexual harassment.

The Prevention of Workplace Sexual Harassment Act and the Prevention of Workplace Sexual Harassment Rules have been enacted after the Supreme Court of India's landmark judgement in Vishaka and others v. State of Rajasthan ("Vishaka Judgement"). The Supreme Court, in the Vishaka Judgment, laid down guidelines making it mandatory for every employer to provide a mechanism to redress grievances pertaining to workplace sexual harassment and enforce the right to gender equality of working women.

The Government has notified rules under the Prevention of Workplace Sexual Harassment Act titled the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013.

The Prevention of Workplace Sexual Harassment Act applies to both the organized and unorganized sectors in India. The statute, inter alia, applies to government bodies, private and public sector organisations, nongovernmental organisations, organisations carrying out commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals and a dwelling place or a house.

Definitions:

'Sexual Harassment' includes unwelcome sexually tinted behaviour, whether directly or by implication, such as –

- (i) physical contact and advances,
- (ii) demand or request for sexual favours,
- (iii) making sexually coloured remarks,
- (iv) Showing pornography, or
- (v) any other unwelcome physical, verbal or non-verbal conduct of a

sexual nature. Presence or occurrence of circumstances of implied or explicit promise of preferential treatment in employment; threat of detrimental treatment in employment; threat about present or future employment; interference with work or creating an intimidating or offensive or hostile work environment; or humiliating treatment likely to affect the lady employee's health or safety could also amount to sexual harassment.

'Employee' regular, temporary, ad hoc employees, individuals engaged on daily wage basis, either directly or through an agent, contract labourers, co-workers, probationers, trainees, and apprentices, with or without the knowledge of the principal employer, whether for remuneration or not, working on a voluntary basis or otherwise, whether the terms of employment are express or implied.

'Workplace' includes any place visited by the employee arising out of or during the course of employment, including transportation provided by the employer for the purpose of commuting to and from the place of employment.

Complaints Committee: An employer is required to set up an 'Internal Complaints Committee' (ICC) at each office or branch, of an organization employing 10 or more employees, to hear and redress grievances pertaining to sexual harassment.

Constitution of the ICC :

Presiding Officer: Woman employed at a senior level at the workplace from amongst the employees.

Members: Not less than 2 members from amongst employees. Preferably committed to the cause of women or who have had experience in social work or have legal knowledge. External member: From an NGO or association committed to the cause of women or person familiar with issues relating to sexual harassment.

Not less than half of the ICC Members shall be women The term of the ICC Members shall not exceed 3 years

An aggrieved woman who intends to file a complaint is required to submit six copies of the written complaint, along with supporting documents and names and addresses of the witnesses to the ICC or LCC, within 3 months from the date of the incident and in case of a series of incidents, within a

period of 3 months from the date of the last incident. The ICC/ LCC can extend the timeline for filing the complaint, for reasons to be recorded in writing, by a period of 3 months.

The law also makes provisions for friends, relatives, co-workers, psychologist, psychiatrists, etc. to file the complaint in situations where the aggrieved employee is unable to make the complaint on account of physical incapacity, mental incapacity or death.

Complaint of sexual harassment:

Any aggrieved woman may make, in writing, a complaint of sexual harassment at workplace to the Internal Committee if so constituted, or the Local Committee, in case it is not so constituted, within a period of three months from the date of incident and in case of a series of incidents, within a period of three months from the date of last incident.

Action during pendency of inquiry:

During the pendency of an inquiry on a written request made by the aggrieved woman, the Internal Committee or the local Committee, as the case may be, may recommend to the employer to -

- (a) transfer the aggrieved woman or the respondent to any other workplace; or
- (b) grant leave to the aggrieved woman up to a period of three months; or grant such other relief to the aggrieved woman as may be prescribed.
- (c) The leave granted to the aggrieved woman under this section shall be in addition to the leave she would be otherwise entitled.

Penalty for non-compliance with provisions of Act:

Where the employer fails to - constitute an Internal Committee; contravenes or attempts to contravene or abets contravention of other provisions of this Act or any rules made thereunder, he shall be punishable with fine which may extend to fifty thousand rupees.



3. CENTRAL CIVIL SERVICES (CONDUCT) RULES, 1964

(Extract of important rules)

2. Definitions

In these rules, unless the context otherwise requires,-

- (a) "The Government" means the Central Government;
- (b) "Government servant" means any person appointed by Government to any civil service or post in connection with the affairs of the Union and includes a civilian in a Defence Service;
- (c) "Members of family" in relation to a Government servant includes:-
 - (i) the wife or husband as the case may be, of the Government servant, whether residing with the Government servant or not but does not include a wife or husband, as the case may be, separated from the Government servant by a decree or order of a competent Court;
 - (ii) son or daughter or step-son or step-daughter of the Government servant and wholly dependent on him, but does not include a child or step-child who is no longer in any way dependent on the Government servant or of whose custody the Government servant has been deprived by or under any law;
 - (iii) any other person related, whether by blood or marriage to the Government servant or to the Government servant's wife or husband, and wholly dependent on the Government servant.

3. General Do's

(1) Every Government servant shall at all times--

- (i) maintain absolute integrity;
- (ii) maintain devotion to duty; and
- (iii) do nothing which is unbecoming of a Government servant.
- (iv) commit himself to and uphold the supremacy of the Constitution

- and democratic values;
- (v) defend and uphold the sovereignty and integrity of India, the security of the State, public order, and morality;
 - (vi) maintain high ethical standards and honesty;
 - (vii) maintain political neutrality;
 - (viii) promote principles of merit, fairness and impartiality in discharge of duties;
 - (ix) maintain accountability and transparency;
 - (x) maintain responsiveness to the public, particularly to the weaker section;
 - (xi) maintain courtesy and good behaviour with the public;
 - (xii) take decisions solely in public interest and use or cause to use public resources efficiently, effectively and economically;
 - (xiii) declare any private interests relating to his public duties and take steps to resolve any conflicts in a way that protects the public interest;
 - (xiv) not place himself under any financial or other obligations to any individual or organisation which may influence him in performance of his official duties;
 - (xv) not misuse his position as civil servant and not take decisions in order to derive financial or material benefits for himself, his family or his friends;
 - (xvi) make choices, take decisions and make recommendations on merit alone;
 - (xvii) act with fairness and impartiality and not discriminate against anyone, particularly the poor and the under-privileged sections of society;
 - (xviii) refrain from doing anything which is or may be contrary to any law, rules, regulations and established practices;
 - (xix) maintain discipline in the discharge of his duties and be liable to implement the lawful orders duly communicated to him;
 - (xx) maintain confidentiality in the performance of his official duties as required by any laws for the time being in force, particularly with regard to information, disclosure of which may prejudicially affect

the sovereignty and integrity of India, the security of the State, strategic, scientific or economic interests of the State, friendly relation with foreign countries or lead to incitement of an offence or illegal or unlawful gain to any person;

- (xxi) perform and discharge his duties with the highest degree of professionalism and dedication to the best of his abilities.

Don'ts

1. Do not enter into any private correspondence with Foreign Embassies or Missions/High Commission.
2. Do not accept lavish or frequent hospitality from any individual, industrial or commercial firms, organizations, etc., having official dealings with you.
3. Do not accept any offer of the cost of passage to foreign countries or hospitality by way of free board and lodging there, if such offers are from foreign firms contracting with Government.
4. Do not accept invitations to you and members of your family for free inaugural flights offered by Air India, Indian Airlines Corporation or Foreign Airlines.
5. Do not accept any gift from any foreign firm which is having official dealings.
6. Do not engage yourself in canvassing business of Life Insurance Agency, Commission Agency or Advertising Agency owned or managed by the members of your family.
7. Do not lend money to or borrow money from or deposit money as a member or agent, with any person, firm or private company with whom you are likely to have official dealings. Do not otherwise place yourself under pecuniary obligation with such person, firm or private company.

Do not approach your subordinates for standing surety for loans taken from private sources either by you/your relations/friends.

8. Do not undertake private consultancy work.
9. Do not speculate in any stock, share or other investment.
10. Do not purchase shares out of the quota reserved for friends and associates of Directors of Companies.

11. Do not bid at any auction of property where such auction is arranged by your own officers.
12. Do not stay as guest with foreign diplomats or foreign nationals in India.
13. Do not invite any Foreign Diplomat to stay with you as your guest in India.
14. Do not accept or permit your wife or dependents to accept passage money or free air transport from a Foreign Mission / Government or Organization.
15. Do not bring any political influence in matters pertaining to your service.
16. Do not consume any intoxicating drinks or drugs while on duty.
17. Do not appear in public place in a state of intoxication.
18. Do not indulge in any act sexual harassment of any women at her work place.
19. Do not employ children below 14 years of age.
20. Do not accept award of monetary benefits instituted by Private Trusts / Foundations, etc.
21. Do not make joint representations in matters of common interest.
22. Do not indulge in acts unbecoming of a Government servant.
23. Do not be discourteous, dishonest and partial.
24. Do not adopt dilatory tactics in your dealings with the public.
25. Do not convey oral instructions to subordinates. If any oral instruction is issued due to urgency, confirm it in writing as soon as possible.
26. Do not practice untouchability.
27. Do not associate yourself with any banned organizations.
28. Do not join any association or demonstration whose objects or activities are prejudicial to the interest of the sovereignty and integrity of India, public order and morality.
29. Do not give expressions to views on Indian or foreign affairs, while visiting foreign countries.
30. Do not get involved in unauthorized communication of any official document or any part of thereof or classified information to any

Government servant or any other persons to whom you are not authorized to communicate such document or classified information.

31. Do not join or support any illegal strike.

32. Do not give or take or abet giving or taking of dowry or demand any dowry directly or indirectly from the parent or guardian of a bride or bridegroom.

Do not address the higher authority prematurely on the same issue unless it is established that all the points or submission made earlier have not been fully considered by the immediate superior head of office or any other authority at the lowest level competent to deal with matter.

33. Do not use your official position or influence directly or indirectly to secure employment for any member of your family in any company or firm.

34. Do not place yourself under any financial or other obligations to any individual or organization which may influence you in the performance of your official duties

35. Do not misuse your position as civil servant and take decision in order to derive financial or material benefits for yourself, your family or your friends.

3A. Promptness and Courtesy

No Government servant shall

(a) in the performance of his official duties, act in a discourteous manner;

(b) in his official dealings with the public or otherwise adopt dilatory tactics or willfully cause delays in disposal of the work assigned to him.

3C. Prohibition of sexual harassment of working women

(1) No Government servant shall indulge in any act of sexual harassment of any woman at any work place.

(2) Every Government servant who is in charge of a work place shall take appropriate steps to prevent sexual harassment to any woman at the work place.

Explanation. - (I) For the purpose of this rule, -

(a) "sexual harassment" includes any one or more of the following acts

- or behaviour (whether directly or by implication) namely: -
- i. physical contact and advances; or
 - ii. a demand or request for sexual favours; or
 - iii. making sexually coloured remarks; or
 - iv. showing pornography; or
 - v. any other unwelcome physical, verbal, non-verbal conduct of a sexual nature.
- (b) the following circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behaviour of sexual harassment may amount to sexual harassment: -
- (i) implied or explicit promise of preferential treatment in employment; or
 - (ii) implied or explicit threat of detrimental treatment in employment; or
 - (iii) implied or explicit threat about her present or future employment status; or
 - (iv) interference with her work or creating an intimidating or offensive or hostile work environment for her; or
 - (v) humiliating treatment likely to affect her health or safety.
- (c) "workplace" includes, -
- any department, organisation, undertaking, establishment, enterprise, institution, office, branch or unit which is established, owned, controlled or wholly or substantially financed by funds provided directly or indirectly by the Central Government;
- (i) hospitals or nursing homes;
 - (ii) any sports institute, stadium, sports complex or competition or games venue, whether residential or not used for training, sports or other activities relating thereto;
 - (iii) any place visited by the employee arising out of or during the course of employment including transportation provided by the employer for undertaking such journey;
 - (iv) a dwelling place or a house.

4. Employment of near relatives of Government servant in Companies or firms

- (1) No Government servant shall use his position or influence directly or indirectly to secure employment for any member of his family in any company or firm;
- (2) (i) No Class I Officer shall, except with the previous sanction of the Government, permit his son, daughter or other dependent, to accept employment in any company or firm with which he has official dealings or in any other company or firm having official dealings with the Government:

(ii) A Government servant shall, as soon as he becomes aware of the acceptance by a member of his family of an employment in any company or firm, intimate such acceptance to the prescribed authority and shall also intimate whether he has or has had any official dealings with that company or firm;
- (3) No Government servant shall in the discharge of his official duties deal with any matter or give or sanction any contract to any company or firm or any other person if any member of his family is employed in that company or firm or under that person or if he or any member of his family is interested in such matter or contract in any other manner and the Government servant shall refer every such matter or contract to his official superior and the matter or contract shall thereafter be disposed of according to the instructions of authority to whom reference is made.

5. Taking part in politics and elections

- (1) No Government servant shall be a member of, or be otherwise associated with, any political party or any organisation which takes part in politics nor shall he take part in, subscribe in aid of, or assist in any other manner, any political movement or activity.

It shall be the duty of every Government servant to endeavour to prevent any member of his family from taking part in, subscribing in aid of, or assisting in any other manner any movement or activity which is, or tends directly or indirectly to be, subversive of the Government as by law

established and where a Government servant is unable to prevent a member of his family from taking part in, or subscribing in aid of, or assisting in any other manner, any such movement or activity, he shall make a report to that effect to the Government.

- (2) If any question arises whether a party is a political party or whether any organisation takes part in politics or whether any movement or activity falls within the scope of sub-rule (2), the decision of the Government thereon shall be final.
- (3) No Government servant shall canvass or otherwise interfere with, or use his influence in connection with or take part in an election to any legislature or local authority:

Provided that -

- (i) a Government servant qualified to vote at such election may exercise his right to vote, but where he does so, he shall give no indication of the manner in which he proposes to vote or has voted;
- (ii) a Government servant shall not be deemed to have contravened the provisions of this sub-rule by reason only that he assists in the conduct of an election in the due performance of a duty imposed on him by or under any law for the time being in force. EXPLANATION.- The display by a Government servant on his person, vehicle or residence of any electoral symbol shall amount to using his influence in connection with an election within the meaning of this sub- rule.

7. Demonstration and strikes

No Government servant shall -

- (i) engage himself or participate in any demonstration which is prejudicial to the interests of the sovereignty and integrity of India, the security of the state, friendly relations with foreign States, public order, decency or morality, or which involves contempt of court, defamation or incitement to an offence, or
- (ii) resort to or in any way abet any form of strike or coercion or physical duress in connection with any matter pertaining to his service or the

service of any other Government servant.

8. Connection with press or other media

- (1) No Government servant shall, except with the previous sanction of the Government, own wholly or in part, or conduct or participate in the editing or management of, any newspaper or other periodical publication or electronic media.
- (2) Nothing in sub-rule (1) shall apply in case a Government servant in the *bonafide* discharge of his official duties publishes a book or participates in a public media.
- (3) A Government servant publishing a book or participating in a public media shall at all times make it clear that the views expressed by him are his own and not that of Government.

9. Criticism of Government

No Government servant shall, in any radio broadcast, telecast through any electronic media or in any document published in his own name or anonymously, pseudonymously or in the name of any other person or in any communication to the press or in any public utterance, make any statement of fact or opinion –

- (i) which has the effect of an adverse criticism of any current or recent policy or action of the Central Government or a State Government;
- (ii) which is capable of embarrassing the relations between the Central Government and the Government of any State; or
- (iii) which is capable of embarrassing the relations between the Central Government and the Government of any foreign State;

Provided that nothing in this rule shall apply to any statements made or views expressed by a Government servant in his official capacity or in the due performance of the duties assigned to him.

13. Gifts

- (1) Save as provided in these rules, no Government servant shall accept, or permit any member of his family or any other person acting on his behalf

to accept, any gift. EXPLANATION.- The expression "gift" shall include free transport, boarding, lodging or other service or any other pecuniary advantage when provided by any person other than a near relative or personal friend having no official dealings with the Government servant.

NOTE (1) - A casual meal, lift or other social hospitality shall not be deemed to be a gift - NOTE (2) - A Government servant shall avoid accepting lavish hospitality or frequent hospitality from any individual, industrial or commercial firms, organisations, etc., having official dealings with him.

[(2) On occasions such as weddings, anniversaries, funerals or religious functions, when the making of gift is in conformity with the prevailing religious and social practice, a Government servant may accept gifts from his near relatives or from his personal friends having no official dealings with him, but shall make a report to the Government, if the value of such gift exceeds;-

- (i) rupees twenty-five thousand in the case of a Government servant holding any Group 'A' post;
 - (ii) rupees fifteen thousand in the case of a Government servant holding any Group 'B' post;
 - (iii) rupees seven thousand five hundred in the case of a Government servant holding any Group 'C' post; and
- (3) In any other case of a Government servant shall not accept any gift without sanction of the Government if the value thereof exceeds.
- (i) rupees one thousand five hundred in the case of a Government servant holding any Group 'A' or Group 'B' post; and
 - (ii) rupees five hundred in the case of a Government servant holding any Group 'C' or Group 'D' post.

13-A. Dowry

No Government servant shall-

- (i) give or take or abet the giving or taking of dowry; or

- (ii) demand directly or indirectly, from the parent or guardian of a bride or bridegroom, as the case may be, any dowry.

15. Private trade or employment

- (1) Subject to the provisions of sub-rule (2), no Government servant shall, except with the previous sanction of the Government-
 - (a) engage directly or indirectly in any trade or business, or
 - (b) negotiate for, or undertake, any other employment, or
 - (c) hold an elective office, or canvass for a candidate or candidates for an elective office, in any body, whether incorporated or not, or
 - (d) canvass in support of any business of insurance agency, commission agency, etc., owned or managed by any member of his family, or
 - (e) take part except in the discharge of his official duties, in the registration, promotion or management of any bank or other company registered or required to be registered, under the Companies Act, 1956 or any other law for the time being in force, or of any co-operative society for commercial purposes.
 - (f) participate in or associate himself in any manner in the making of-
 - (i) a sponsored media (radio or television) programme; or
 - (ii) a media programme commissioned by Government media but produced by a private agency; or
 - (iii) a privately produced media programme including video magazine:

Provided that no previous permission shall be necessary in case where the Government servant participates in a programme produced or commissioned by Government media in his official capacity.

- (2) A Government servant may, without the previous sanction of the Government -
 - (a) undertake honorary work of a social or charitable nature, or
 - (b) undertake occasional work of a literary, artistic or scientific character, or

- (c) participate in sports activities as an amateur, or
- (d) take part in the registration, promotion or management (not involving the holding of an elective office) of a literary, scientific or charitable society or of a club or similar organisation, the aims or objects of which relate to promotion of sports, cultural or recreational activities, registered under the Societies Registration Act, 1860, or any other law for the time being in force, or
- (e) take part in the registration, promotion or management (not involving the holding of elective office) of a co-operative society substantially for the benefit of Government servants, registered under the Co-operative Societies Act, 1912, or any other law for the time being in force:

Provided that: -

he shall discontinue taking part in such activities, if so directed by the Government; and

- (i) in a case falling under clause (d) or clause(e) of this sub-rule, his official duties shall not suffer thereby and he shall, within a period of one month of his taking part in such activity, report to the Government giving details of the nature of his participation.
- (3) Every Government servant shall report to the Government if any member of his family is engaged in a trade or business or owns or manages an insurance agency or commission agency.
- (4) Unless otherwise provided by general or special orders of the Government, no Government servant may accept any fee for any work done by him for any private or public body or any private person without the sanction of the prescribed authority.

15 A. Sub-letting and vacation of Government accommodation

- (1) Save as otherwise provided in any other law for the time being in force, no Government servant shall sub-let, lease or otherwise allow occupation by any other person of Government accommodation which has been allotted to him.
- (2) A Government servant shall, after the cancellation of his allotment of

Government accommodation vacate the same within the time-limit prescribed by the allotting authority.

16. Investment, lending and borrowing

- (1) No Government servant shall speculate in any stock, share or other investment: Provided that nothing in this sub-rule shall apply to occasional investments made through stock brokers or other persons duly authorised and licensed or who have obtained a certificate of registration under the relevant law.

Explanation - Frequent purchase or sale or both, of shares, securities or other investments shall be deemed to be speculation within the meaning of this sub-rule.

- (2) (i) No Government servant shall make, or permit any member of his family or any person acting on his behalf to make, any investment which is likely to embarrass or influence him in the discharge of his official duties. For this purpose, any purchase of shares out of the quotas reserved for Directors of Companies or their friends and associates shall be deemed to be an investment which is likely to embarrass the Government servant.
- (ii) No Government servant who is involved in the decision-making process of fixation of price of an Initial Public Offering or Follow-up Public Offering of shares of a Central Public Sector Enterprise shall apply, either himself or through any member of his family or through any other person acting on his behalf, for allotment of shares in the Initial Public Offerings or Follow-up Public Offerings of such Central Public Sector Enterprise.
- (3) If any question arises whether any transaction is of the nature referred to in sub- rule (1) or sub-rule(2), the decision of the Government thereon shall be final.
- (i) No Government servant shall, save in the ordinary course of business with a bank or a public limited company, either himself or through any member of his family or any other person acting on his behalf,-

- (a) lend or borrow or deposit money, as a principal or an agent to, or from or with, any person or firm or private limited company within the local limits of his authority or with whom he is likely to have official dealings or otherwise place himself under any pecuniary obligation to such person or firm or private limited company; or
- (b) lend money to any person at interest or in a manner whereby return in money or in kind is charged or paid;

Provided that a Government servant may, give to, or accept from a relative or a personal friend, a purely temporary loan of a small amount free of interest, or operate a credit account with a bona fide tradesman or make an advance of pay to his private employee; Provided further that nothing in this sub-rule shall apply in respect of any transaction entered into by a Government servant with the previous sanction of the Government.

(ii) When a Government servant is appointed or transferred to a post of such nature as would involve him in the breach of any of the provisions of sub-rule (2) or sub-rule

(4), he shall forthwith report the circumstances to the prescribed authority and shall thereafter act in accordance with such order as may be made by such authority.

17. Insolvency and habitual indebtedness

A Government servant shall so manage his private affairs as to avoid habitual indebtedness or insolvency. A Government servant against whom any legal proceeding is instituted for the recovery of any debt due from him or for adjudging him as an insolvent, shall forthwith report the full facts of the legal proceedings to the Government.

18. Movable, immovable and valuable property

- (1) (i) Every Government servant shall on his first appointment to any service or post submit a return of his assets and liabilities, in such form as may be prescribed by the Government, giving the full particulars regarding -
 - (a) the immovable property inherited by him, or owned or acquired by him

or held by him on lease or mortgage, either in his own name or in the name of any member of his family or in the name of any other person;

- (b) shares, debentures and cash including bank deposits inherited by him or similarly owned, acquired, or held by him;
- (c) other movable property inherited by him or similarly owned, acquired or held by him; and
- (d) debts and other liabilities incurred by him directly or indirectly.

Every Government servant belonging to any service or holding any post included in Group 'A' and Group 'B' shall submit an annual return in such form as may be prescribed by the Government in this regard giving full particulars regarding the immovable property inherited by him or owned or acquired by him or held by him on lease or mortgage either in his own name or in the name of any member of his family or in the name of any other person.

- (2) No Government servant shall, except with the previous knowledge of the prescribed authority, acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise either in his own name or in the name of any member of his family:

Provided that the previous sanction of the prescribed authority shall be obtained by the Government servant if any such transaction is with a person having official dealing with him.

- (3) Where a Government servant enters into a transaction in respect of movable property either in his own name or in the name of the member of his family, he shall, within one month from the date of such transaction, report the same to the prescribed authority, if the value of such property exceeds two months' basic pay of the Government servant:

Provided that the previous sanction of the prescribed authority shall be obtained by the Government servant if any such transaction is with a person having official dealings with him.

Explanation I. - For the purposes of this rule -

(1) the expression "movable property" includes-

- (a) jewellery, insurance policies, the annual premia of which exceeds Rs. 'two months' basic pay of the Government servant , shares, securities and debentures;
- (b) all loans, whether secured or not, advanced or taken by the Government servant;
- (c) motor cars, motor cycles, horses or any other means of conveyance; and
- (d) refrigerators, radios radiograms and television sets.

20. Canvassing of non-official or other outside influence

No Government servant shall bring or attempt to bring any political or other outside influence to bear upon any superior authority to further his interests in respect of matters pertaining to his service under the Government.

21. Restriction regarding marriage

- (1) No Government servant shall enter into, or contract, a marriage with a person having a spouse living; and
- (2) No Government servant, having a spouse living, shall enter into, or contract, a marriage with any person:

Provided that the Central Government may permit a Government servant to enter into, or contract, any such marriage as is referred to in clause (1) or clause(2), if it is satisfied that-

- (a) such marriage is permissible under the personal law applicable to such Government servant and the other party to the marriage; and there are other grounds for so doing.
- (3) A Government servant who has married or marries a person other than of India Nationality shall forthwith intimate the fact to the Government.

22. Consumption of intoxicating drinks and drugs

A Government servant shall -

- (a) strictly abide by any law relating to intoxicating drinks or drugs in force in any area in which he may happen to be for the time being;
- (b) not be under influence of any intoxicating drink or drug during the course of his duty and shall also take due care that the performance of his duties at any time is not affected in any way by the influence of such drink or drug;
- (bb) refrain from consuming any intoxicating drink or drug in a public place;
- (c) not appear in a public place in a state of intoxication;
- (d) not use any intoxicating drink or drug to excess.



4. General Financial Rules, 2017

(Extract of Important Rules)

Rule 7

All moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, shall be brought into Government Account without delay, in accordance with such general or special rules as may be issued under Articles 150 and 283 (1) of the Constitution.

Rule 12

Amounts due to Government shall not be left outstanding without sufficient reasons. Where such amounts appear to be irrecoverable, the orders of the competent authority shall be obtained for their adjustment.

GENERAL PRINCIPLES RELATING TO EXPENDITURE AND PAYMENT OF MONEY

Rule 21

Standards of financial propriety. Every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following: -

- (i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- (ii) The expenditure should not be prima facie more than the occasion demands.
- (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iv) Expenditure from public moneys should not be incurred for the

benefit of a particular person or a section of the people, unless –

- (a) a claim for the amount could be enforced in a Court of Law, or
- (b) the expenditure is in pursuance of a recognized policy or custom.

Rule 33 (6)

In cases of loss to Government on account of culpability of Government servants, the loss should be borne by the Central Government Department or State Government concerned with the transaction. Similarly, if any recoveries are made from the erring Government officials in cash, the receipt will be credited to the Central Government Department or the State Government who sustained the loss.

Rule 33 (7)

All cases involving loss of Government money arising from erroneous or irregular issue of cheques or irregular accounting of receipts will be reported to the Controller General of Accounts along with the circumstances leading to the loss, so that he can take steps to remedy defects in rules or procedures, if any, connected therewith.

Rule 34

Loss of Government Property due to fire, theft, fraud. Departmental Officers shall, in addition to taking action as prescribed in Rule 33, follow the provisions indicated below in cases involving material loss or destruction of Government property as a result of fire, theft, fraud, etc.

All losses above the value of Rupees Fifty thousand due to suspected fire, theft, fraud, etc., shall be invariably reported to the Police for investigation as early as possible.

Once the matter is reported to the Police Authorities, all concerned should assist the Police in their investigation. A formal investigation report should be obtained from the Police Authorities in all cases, which are referred to them.

Rule 35

Loss of immovable property by fire, flood etc. All loss of immovable

property exceeding Rupees fifty thousand, such as buildings, communications, or other works, caused by fire, flood, cyclone, earthquake or any other natural cause, shall be reported at once by the subordinate authority concerned to Government through the usual channel. All other losses should be immediately brought to the notice of the next higher authority.

Rule 37

Responsibility of losses. An officer shall be held personally responsible for any loss sustained by the Government through fraud or negligence on his part. He will also be held personally responsible for any loss arising from fraud or negligence of any other officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence. The departmental proceedings for assessment of responsibility for the loss shall be conducted according to the instructions contained in Appendix 1 and those issued by the Ministry of Personnel from time to time.

Rule 42

Financial Year. Financial year of the Government shall commence on the 1st day of April of each year and end on the 31st day of March of the following year.

CONTROL OF EXPENDITURE AGAINST BUDGET

Rule 57 (1)

Responsibility for control of Expenditure. The Departments of the Central Government shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at their disposal. The control shall be exercised through the Heads of Departments and other Controlling Officers, if any, and Disbursing Officers subordinate to them.

Rule 59

Personal attention of the Head of Department /Controlling Officer required to estimate savings or excesses. A Head of Department or Controlling Officer shall be in a position to estimate the likelihood of savings or excesses every

month and to regularize them in accordance with the instructions laid down in Rule 62.

Rule 62 (2)

The savings as well as provisions that cannot be profitably utilised shall be surrendered to Government immediately, they are foreseen without waiting till the end of the year. No savings shall be held in reserve for possible future excesses.

Rule 62 (3)

Rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided. The Financial Advisers of the Ministries/ Departments shall ensure adherence to the stipulated Monthly Expenditure Plan and guidelines issued in this regard by the Budget Division, Department of Economic Affairs, from time to time.

Rule 75

Period of Accounts. The annual accounts of the Central Government shall record transactions which take place during a financial year running from the 1st April to the 31st March thereof.

Rule 76

Currency in which Accounts are kept. The accounts of Government shall be maintained in Indian Rupees. All foreign currency transactions and foreign aid shall be brought into account after conversion into Indian Rupees.

PROCUREMENT OF GOODS

Rule 143

Definition of Goods. The term 'goods' used in this chapter includes all articles, material, commodity, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant, vehicles, aircraft, ships, medicines, railway rolling stock, assemblies, subassemblies, accessories, a group of machineries comprising of an integrated production process or such other category of goods or intangible products like software,

technology transfer, licenses, patents or other intellectual properties purchased or otherwise acquired for the use of Government but excludes books, publications, periodicals, etc. for a library. **The term 'goods' also includes works and services** which are incidental or consequential to the supply of such goods, such as, transportation, insurance, installation, commissioning, training and maintenance.

Rule 144

Fundamental principles of public buying (for all procurements including procurement of works). Every authority delegated with the financial powers of procuring goods in public interest shall have the **responsibility and accountability to bring efficiency, economy, and transparency** in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks: -

- (i) The description of the subject matter of procurement to the extent practicable should -
 - (a) be objective, functional, generic and measurable and specify technical, qualitative and performance characteristics.
 - (b) not indicate a requirement for a particular trade mark, trade name or brand.
- (ii) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organisations. The specifications so worked out should meet the basic needs of the organisation without including superfluous and non-essential features, which may result in unwarranted expenditure.
- (iii) Where applicable, the technical specifications shall, to the extent practicable, be based on the national technical regulations or recognized national standards or building codes, wherever such standards exist, and

in their absence, be based on the relevant international standards. In case of Government of India funded projects abroad, the technical specifications may be framed based on requirements and standards of the host beneficiary Government, where such standards exist.

Provided that a procuring entity may, for reasons to be recorded in writing, adopt any other technical specification.

- (iv) Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs.
- (v) offers should be invited following a fair, transparent and reasonable procedure.
- (vi) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects.
- (vii) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.

Rule 145

Authorities competent to purchase goods. An authority which is competent to incur expenditure may sanction the purchase of goods required for use in public service in accordance with provisions in the Delegation of Financial Powers Rules, following the general procedure contained in the following rules.

Rule 147

Powers for procurement of goods. [The Ministries or Departments have been delegated full powers to make their own arrangements for procurement of goods and services, that are not available on GeM. **Common use Goods and Services available on GeM are required to be procured mandatorily through GeM as per Rule 149.**]

Rule 149

Government e-Marketplace (GeM)

Government of India has established the Government e-Marketplace (GeM) for common use Goods and Services. GeM SPV will ensure adequate publicity

including periodic advertisement of the items to be procured through GeM for the prospective suppliers. The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by GeM SPV. The procuring authorities will certify the reasonability of rates. **The GeM portal shall be utilized by the Government buyers for direct on-line purchases as under:**

- (i) **Up to Rs. 50,000/- through any of the available suppliers on the GeM, meeting the requisite quality, specification and delivery period.**

Note: In case of automobiles, procurement under this sub-rule is permitted without any ceiling limit.

- (ii) **Above Rs. 50,000/- and up to Rs.10,00,000/- through the GeM Seller having lowest price amongst the available sellers, of at least three different manufacturers, on GeM, meeting the requisite quality, specification and delivery period. The tools for online bidding and online reverse auction available on GeM can be used by the Buyer even for procurements less than Rs.10,00,000/-.**
- (iii) **Above Rs.10,00,000/- through the supplier having lowest price meeting the requisite quality, specification and delivery period after mandatorily obtaining bids, using online bidding or reverse auction tool provided on GeM.**
- (iv) The invitation for the online e-bidding/reverse auction will be available to all the existing Sellers or other Sellers registered on the portal and who have offered their goods/services under the particular product/service category, as per terms and conditions of GeM.
- (v) The above mentioned monetary ceiling is applicable only for purchases made through GeM. For purchases, if any, outside GeM, relevant GFR Rules shall apply.
- (vi) The Ministries/Departments shall work out their procurement requirements of Goods and Services on either "OPEX" model or "CAPEX" model as per their requirement/ suitability at the time of preparation of Budget Estimates (BE) and shall project their Annual

Procurement Plan of goods and services on GeM portal within 30 days of Budget approval.

- (vii) The Government Buyers may ascertain the reasonableness of prices before placement of order using the Business Analytics (BA) tools available on GeM including the Last Purchase Price on GeM, Department's own Last Purchase Price etc.
- (viii) A demand for goods **shall not be divided into small quantities to make piecemeal purchases** to avoid procurement through L-1 Buying / bidding / reverse auction on GeM or the necessity of obtaining the sanction of higher authorities required with reference to the estimated value of the total demand.

Rule 154

Purchase of goods without quotation.

Purchase of goods up to the value of Rs. 50,000 (Rupees fifty thousand) only on each occasion may be made without inviting quotations or bids **on the basis of a certificate to be recorded by the competent authority in the following format.**

"I" am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."

Rule 155

Purchase of goods Purchase Committee.

[In case a certain item is not available on the GeM portal,]

Purchase of goods costing above [Rs. 50,000 (Rupees Fifty thousand only) and up to Rs.5,00,000/- (Rupees Five lakh only)] on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. **Before recommending placement of**

the purchase order, the members of the committee will jointly record a certificate as under:

"Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/ Department concerned."]

Rule 157

A demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.

Rule 160

E-Procurement

(i) It is mandatory for Ministries/ Departments to receive all bids through e- procurement portals in respect of all procurements.

(vi) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the Department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

Rule 162

Limited Tender Enquiry

(i) This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty-five Lakhs. Copies of the bidding document should be sent directly by speed post/registered post/courier/ email to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 150 above. The number of supplier firms in Limited Tender Enquiry should be more than three.

Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.

Further, an organisation should publish its limited tender enquiries on Central Public Procurement Portal (CPPP) as per Rule 159.

Apart from CPPP, the organisations should publish the tender enquiries on the Department's or Ministry's web site.

- (ii) The unsolicited bids should not be accepted. However, Ministries/ Departments should evolve a system by which interested firms can register and bid in next round of tendering.
- (iii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees Fifty Lakhs, in the following circumstances.
 - (a) The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated.
 - (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.
 - (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote.
 - (d) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.

Rule 170 Bid Security

- (i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, **Bid Security (also known as Earnest Money)** is to be obtained from the bidders except Micro and Small Enterprises (MSEs) as defined in MSE Procurement Policy issued by Department of Micro, Small and Medium

Enterprises (MSME) or are registered with the Central Purchase Organisation or the concerned Ministry or Department [or Startups as recognized by Department for Promotion of Industry and Internal Trade (DPIIT)].

The bidders should be asked to furnish bid security along with their bids. **Amount of bid security should ordinarily range between two percent to five percent of the estimated value of the goods to be procured.** The amount of bid security should be determined accordingly by the Ministry or Department and indicated in the bidding documents. **The bid security may be accepted in the form of [Insurance Surety Bonds], Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee** (including e- Bank Guarantee) from any of the Commercial Banks or payment online in an acceptable form, safeguarding the purchaser's interest in all respects. **The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.**

- (ii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract. However, in case of two packet or two stage bidding, Bid securities of unsuccessful bidders during first stage i.e., technical evaluation etc. should be returned within 30 days of declaration of results of first stage i.e., technical evaluation etc.
- (iii) In place of a Bid security, the Ministries/ Departments may require Bidders to sign a Bid securing declaration accepting that if they withdraw or modify their Bids during the period of validity, or if they are awarded the contract and they fail to sign the contract, or to submit a performance security before the deadline defined in the request for bids document, they will be suspended for the period of time specified in the request for bids document from being eligible to submit Bids for contracts with the entity that invited the Bids.

Rule 171 Performance Security

- (i) To ensure due performance of the contract, Performance Security is to

be obtained from the successful bidder awarded the contract. Unlike contracts of Works and Plants, in case of contracts for goods, the need for the

Performance Security depends on the market conditions and commercial practice for the particular kind of goods. **Performance Security should be for an amount of [three to five per cent (3-5%)], of the value of the contract** as specified in the bid documents. Performance Security may be furnished in the form of [Insurance Surety Bonds], Account Payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee (including e- Bank Guarantee) from a Commercial bank or online payment in an acceptable form safeguarding the purchaser's interest in all respects.

- (ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.
- (iii) Bid security should be refunded to the successful bidder on receipt of Performance Security.

Rule 175 (1) Code of Integrity

No official of a procuring entity or a bidder shall act in contravention of the codes which includes

- (i) prohibition of -
 - (a) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.
 - (b) any omission, or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.
 - (c) any collusion, bid rigging or anticompetitive behavior that may impair the transparency, fairness and the progress of the procurement process.

- (d) improper use of information **Provided** by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain.
- (e) any financial or business transactions between the bidder and any official of the procuring entity related to tender or execution process of contract; which can
affect the decision of the procuring entity directly or indirectly.
- (f) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process.
- (g) obstruction of any investigation or auditing of a procurement process.
- (h) (i) making false declaration or providing false information for participation in a tender process or to secure a contract;
(ii) disclosure of conflict of interest.
(iii) Disclosure by the bidder of any previous transgressions made in respect of the provisions of sub-clause (i) with any entity in any country during the last three years or of being debarred by any other procuring entity.

Rule 175 (2)

The procuring entity, after giving a reasonable opportunity of being heard, comes to the conclusion that a bidder or prospective bidder, as the case may be, has contravened the code of integrity, may take appropriate measures.

PROCUREMENT OF SERVICES

Rule 177

"Consulting Service means any subject matter of procurement (which as distinguished from 'Non- Consultancy Services' involves primarily non-physical project-specific, intellectual and procedural processes where outcomes/ deliverables would vary from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services or any other service classified or declared as such by a procuring entity but does not

include direct engagement of a retired Government servant.

Note: These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc.

OUTSOURCING OF SERVICES

Rule 197

"Non-Consulting Service" means any subject matter of procurement (which as distinguished from 'Consultancy Services'), involve physical, measurable deliverables/ outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping etc.



5. LEAVE RULES

(Extracts from Central Civil Services (Leave) Rules, 1972)

RULE – 7: Right to leave:	<u>Leave cannot be claimed as of right</u> Leave of any kind may be refused or revoked by the competent authority but, cannot alter the kind of leave due and applied Provided that leave applied under Rule 20, shall not be refused or revoked without reference to the Medical Authority, whose advice shall be binding.
RULE – 9: Effect of dismissal, removal or resignation on leave at credit:	In case of Dismissal and removal: No Leave salary for the leave at credit In case of resignation: If Government servant applies for a post in new department and sent his application through proper channel then the Leave at his/her credit shall not lapse and total leave shall be carry forwarded to new post.
RULE- 10: Commutation of one kind of leave into another:	At the request of the Government servant, leave already granted/availed can be commuted retrospectively Provided if applies within 30 days of re-joining to duty after expiry of such leave and subject to adjustment of Leave salary. But GOVERNMENT SERVANT cannot claim it as a matter of right.
RULE 11: Combination of different kinds of leave:	Except as otherwise Provided in these rules, any kind of leave under these rules may be granted in combination with or in continuation of any other kind of leave except casual leave.

<p>RULE 12: Maximum Period of Leave</p>	<ul style="list-style-type: none"> • No leave exceeding 5 years without the sanction of the President. • Unless the President otherwise determines, if Government servant is absent for a continuous period exceeding 5 years other than foreign service, with or without leave, shall be deemed to have resigned from Service, • Provided that this rule shall not apply to a case where leave is applied on medical certificate, in connection with a disability.
<p>RULE 13</p>	<p>While on leave, no Government servant is permitted to take up any employment.</p>
<p>RULE 14: Application for Leave</p>	<p>Application for Leave or extension of leave shall be made in the prescribed format.</p> <p>Provided that where a Government servant is unable to submit an application or medical certificate on account of a disability, such application or medical certificate may be signed and submitted by</p> <ul style="list-style-type: none"> (a) the spouse of the Government servant; or (b) the parents in case of an unmarried Government servant; or (c) the child including adopted child or brother or sister of the Government servant, who has attained the age of majority; or (d) any person who has been assigned limited guardianship of the Government servant in terms of Section 14 of the Rights of Persons with Disabilities Act, 2016 (49 of 2016), and the same shall be deemed to have been made and submitted by the Government servant

	himself.
RULE 15: Leave Account	The leave account of the staff shall be maintained by the Head of Office.
RULE 16: Admissibility of leave	Before granting of leave, admissibility report is required. When there is no such report, and there is undue delay in obtaining the admissibility report, provisional sanction of leave can be issued.
RULE 17: Leave not to be granted in certain circumstances.	Leave shall not be granted to a Government servant whom a competent punishing authority has decided to dismiss, remove or compulsorily retire from Government service.
RULE 19: Grant of leave on MEDICAL CERTIFICATE	<p><u>CGHS Beneficiary:</u></p> <ul style="list-style-type: none"> • A Government servant (GO or NGO) who is a CGHS beneficiary shall be required to produce the Medical/ Fitness Certificate in the form prescribed in rule 19, from a CGHS Doctor. / Govt. Hospital. • If a Gazetted Officer who is a CGHS beneficiary, fell sick is away from CGHS area or proceeds on duty outside the Head Quarters shall be required to produce the Medical/Fitness Certificate from an AUTHORIZED MEDICAL ATTENDANT. • A Non-Gazetted Officer may be allowed to produce Medical/Fitness Certificate from a Registered Medical Practitioner, if AUTHORIZED MEDICAL ATTENDANT is not available within a radius of 8 km. <p><u>NON- CGHS Beneficiary:</u></p> <p>A Government servant (GO or NGO) who is a</p>

	<p>non-CGHS beneficiary shall be required to produce the Medical/Fitness Certificate in the form prescribed in rule 19, from a Government Hospital or an Authorised Medical Attendant.</p> <p><u>SECOND MEDICAL OPINION:</u></p> <p>The Leave Sanctioning authority has discretion to obtain second medical opinion from Civil/Staff Surgeon under intimation to the Official who applied for Medical Leave.</p>
Rule 25: Absence after expiry of leave	<p>(1) Unless the authority competent to grant leave extends the leave, a Government servant who remains absent after the end of leave is entitled to no leave salary for the period of such absence and that period shall be debited against his leave account as though it were half pay leave, to the extent such leave is due, the period in excess of such leave due being treated as extraordinary leave.</p> <p>(2) Wilful absence from duty after the expiry of leave renders a Government servant liable to disciplinary action.</p>
Rule 26 & 27: Earned Leave	<ul style="list-style-type: none"> • Advance credit of <u>15 Days per each half year</u> in January / July months. • In case of Fresh Recruit credit would be @ 2 ½ days for each completed calendar month. • 1/10th of the period of dies-non /EOL availed during previous half year period will be deducted from advance credit. • Maximum sanction of EL at a time is – 180 days.

<p>Rule 29: Half Pay Leave</p>	<ul style="list-style-type: none"> • Can be availed on Medical or on Private issues. • Advance credit would be 10 Days per each half year. • In case of Fresh Recruit credit would be @ 5/3rd days for each completed calendar month. • 1/18th of dies-non availed during previous half year period will be deducted from advance credit.
<p>Rule 30: Commutated Leave</p>	<ul style="list-style-type: none"> • It is in lieu of Half Pay Leave. • Half pay leaves up to a maximum of 180 days may be allowed to be commuted during the entire service without medical certificate where such leave is utilized for an approved course of study in public interest. • No ceiling if it is on the medical grounds. • Not exceeding 60 days of Commuted Leave can be granted without Medical Certificate, in continuation of Maternity Leave/ Child Adoption Leave.
<p>RULE 31: Leave Not Due</p>	<ul style="list-style-type: none"> • Leave not due is granted on Medical Grounds and with Medical Certificate if no Half Pay Leave is at the credit. It shall be adjusted against future Half Pay Leave earnings. • Leave Not Due is admissible for 360 days only during entire service. • If the GOVERNMENT SERVANT resigns/retires, the differential Leave salary on account of Leave Not Due has to be

	recovered.
RULE 32: Extra Ordinary Leave	<ul style="list-style-type: none"> • Extra Ordinary Leave can be granted with or without Medical Certificate. • Max. 3 months can be granted to a Government Servant who is yet to be confirmed in the Service. • In case of prolonged diseases like TB/LEPROSY/CANCER, if completion of service is more than 1 year, 18 months Extra Ordinary Leave can be granted.
RULE 38-A: L.T.C Encashment	<ul style="list-style-type: none"> • A Government servant may be permitted to encash EL for 10 days at the time of availing LTC subject to the condition that there should be a balance of 30 days EL at his/her credit after encashment of 10 days EL as well No. of ELs being availed for that LTC. • The total leave so encashed during the entire career does not exceed 60 days in aggregate.
RULE 39: Leave Encashment at the time of Retirement	A Maximum of 300 days of Earned Leave together with Half Pay Leave can be encashed at the time of Retirement or Quitting of Service.
39-A: Leave Encashment in case of Death	A Maximum of 300 days of Earned Leave together with Half Pay Leave can be paid to the Members of the Family in the manner prescribed under rule 39-C of Leave Rules, 1972.
43: Maternity Leave	<ul style="list-style-type: none"> • A Female Government servant with less than 2 surviving Children may be granted Maternity Leave for 180 days from the date of its commencement.

	<ul style="list-style-type: none"> • In case of miscarriage: 45 days of Maternity Leave is admissible in entire service. No restriction on account of number of children. • Leave of any kind due and admissible (including Commuted Leave not exceeding 60 days and leave not due) up to a maximum of two years may if applied for, be granted in continuation of Maternity Leave (granted) without production of Medical Certificate.
43A: Paternity Leave	A male Government servant with less than two surviving children is eligible for 15 days Paternity Leave during the period “before delivery or up to six months from the date of delivery”.
43B: Child Adoption Leave	<ul style="list-style-type: none"> • Child Adoption Leave for 180 days immediately after the date of valid adoption may be granted to a Female Government servant. • Only female Government servant with less than 2 surviving Children is eligible for Child Adoption Leave.
43C: Child Care Leave	<ul style="list-style-type: none"> • Maximum of 730 days is admissible in entire service. • Only for Female Government Servant is eligible for Child Care Leave prior to 7th CPC. But as per 7th CPC recommendations, single male parents are also eligible for this Child Care Leave. • The Child Care Leave is admissible for first two surviving children only. The child

	<p>should be less than 18 years. No age limit if the child is disabled one.</p> <ul style="list-style-type: none"> • 100 % Leave salary admissible for first 365 days period and 80% of Leave salary for the second half of 365 days period. • Not more than 3 spells of Child Care Leave are admissible in a calendar year. For single mother, it is 6 spells in a calendar year. • One has to apply for Child Care Leave not less than 5 days in each spell. • Child Care Leave should not ordinarily be granted during Probation Period. • LTC may be availed during Child Care Leave. • Prior approval of Competent authority is required to leave the Head Quarters during Child Care Leave.
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PAY MATRIX AS PER 7TH PAY COMMISSION

Pay Band		9300-34800			15600-39100			37400-67000		67000-79000	75500-80000	80000
Grade Pay		4600	4800	5400	5400	6600	7600	8700	10000			
Level		7	8	9	10	11	12	13	14	15	16	17
		Inspector	Superintendent	NFU for Supdt.	AC	DC	JC	ADC	Commissioner	Pr. Commissioner	Chief Commissioner	Pr. Chief Commissioner
Cell No.	1	44,900	47,600	53,100	56,100	67,700	78,800	1,23,100	1,44,200	1,82,200	2,05,400	2,25,000
Cell No.	2	46,200	49,000	54,700	57,800	69,700	81,200	1,26,800	1,48,500	1,87,700	2,11,600	
Cell No.	3	47,600	50,500	56,300	59,500	71,800	83,600	1,30,600	1,53,000	1,93,300	2,17,900	
Cell No.	4	49,000	52,000	58,000	61,300	74,000	86,100	1,34,500	1,57,600	1,99,100	2,24,400	
Cell No.	5	50,500	53,600	59,700	63,100	76,200	88,700	1,38,500	1,62,300	2,05,100		
Cell No.	6	52,000	55,200	61,500	65,000	78,500	91,400	1,42,700	1,67,200	2,11,300		
Cell No.	7	53,600	56,900	63,300	67,000	80,900	94,100	1,47,000	1,72,200	2,17,600		
Cell No.	8	55,200	58,600	65,200	69,000	83,300	96,900	1,51,400	1,77,400	2,24,100		
Cell No.	9	56,900	60,400	67,200	71,100	85,800	99,800	1,55,900	1,82,700			
Cell No.	10	58,600	62,200	69,200	73,200	88,400	1,02,800	1,60,600	1,88,200			
Cell No.	11	60,400	64,100	71,300	75,400	91,100	1,05,900	1,65,400	1,93,800			
Cell No.	12	62,200	66,000	73,400	77,700	93,800	1,09,100	1,70,400	1,99,600			
Cell No.	13	64,100	68,000	75,600	80,000	96,600	1,12,400	1,75,500	2,05,600			
Cell No.	14	66,000	70,000	77,900	82,400	99,500	1,15,800	1,80,800	2,11,800			
Cell No.	15	68,000	72,100	80,200	84,900	1,02,500	1,19,300	1,86,200	2,18,200			
Cell No.	16	70,000	74,300	82,600	87,400	1,05,600	1,22,900	1,91,800				
Cell No.	17	72,100	76,500	85,100	90,000	1,08,800	1,26,600	1,97,600				

Cell No.	18	74,300	78,800	87,700	92,700	1,12,100	1,30,400	2,03,500				
Cell No.	19	76,500	81,200	90,300	95,500	1,15,500	1,34,300	2,09,600				
Cell No.	20	78,800	83,600	93,000	98,400	1,19,000	1,38,300	2,15,900				
Cell No.	21	81,200	86,100	95,800	1,01,400	1,22,600	1,42,400					
Cell No.	22	83,600	88,700	98,700	1,04,400	1,26,300	1,46,700					
Cell No.	23	86,100	91,400	1,01,700	1,07,500	1,30,100	1,51,100					
Cell No.	24	88,700	94,100	1,04,800	1,10,700	1,34,000	1,55,600					
Cell No.	25	91,400	96,900	1,07,900	1,14,000	1,38,000	1,60,300					
Cell No.	26	94,100	99,800	1,11,100	1,17,400	1,42,100	1,65,100					
Cell No.	27	96,900	1,02,800	1,14,400	1,20,900	1,46,400	1,70,100					
Cell No.	28	99,800	1,05,900	1,17,800	1,24,500	1,50,800	1,75,200					
Cell No.	29	1,02,800	1,09,100	1,21,300	1,28,200	1,55,300	1,80,500					
Cell No.	30	1,05,900	1,12,400	1,24,900	1,32,000	1,60,000	1,85,900					
Cell No.	31	1,09,100	1,15,800	1,28,600	1,36,000	1,64,800	1,91,500					
Cell No.	32	1,12,400	1,19,300	1,32,500	1,40,100	1,69,700	1,97,200					
Cell No.	33	1,15,800	1,22,900	1,36,500	1,44,300	1,74,800	2,03,100					
Cell No.	34	1,19,300	1,26,600	1,40,600	1,48,600	1,80,000	2,09,200					
Cell No.	35	1,22,900	1,30,400	1,44,800	1,53,100	1,85,400						
Cell No.	36	1,26,600	1,34,300	1,49,100	1,57,700	1,91,000						
Cell No.	37	1,30,400	1,38,300	1,53,600	1,62,400	1,96,700						
Cell No.	38	1,34,300	1,42,400	1,58,200	1,67,300	2,02,600						
Cell No.	39	1,38,300	1,46,700	1,62,900	1,72,300	2,08,700						
Cell No.	40	1,42,400	1,51,100	1,67,800	1,77,500							

GENERAL RULES OF OTHER ALLOWANCES

DEARNESS ALLOWANCE (DA):

Enhanced Dearness Allowance will be declared twice in a year generally, first time in Mar/April which is applicable w.e.f. January and second time in Sep/Oct which is applicable w.e.f. July.

Regulation of DA:

1. During Leave: Depends on the Admissible Basic Pay.
2. During Joining Time: Basing on the Joining time pay.
3. During Suspension: Basin on Subsistence Allowance.

HOUSE RENT ALLOWANCE (HRA):

The towns/cities are classified as X, Y & Z all over India.

X, Y, Z Cities/Towns in ANDHRA PRADESH and TELENGANA

Classification of CITIES/TOWNS IN ANDHRA PRADESH/TELENGANA		
X	Y	Z
HRA- 30% (Min- Rs.5400)	HRA- 20% (Min- Rs. 3600)	HRA-10% (Min- Rs. 1800)
HYDERABAD (URBAN AREA)	Urban areas of Vijayawada, Greater Visakhapatnam, Guntur, Nellore & Warangal	All towns not classified under X and Y Category

General orders applicable to HRA:

- Rate of HRA depends on Pay and place of working.
- Pay includes Basic Pay only.
- (No other pay such as NPA, Special pay, personal pay etc.)
- During Leave: HRA admissible during all kinds of Leave including Study Leave, Child Care Leave. But when leave exceeds 180 days, a certificate by the GOVERNMENT SERVANT is required for continuous retention of the rented house/continuous residing in the place of duty. If GOVERNMENT SERVANT does not join after leave due to invalidation/death HRA is payable for leave period but in case of resignation recovery should be affected before the resignation is accepted.
- During joining time: HRA is at the same rate at which it was drawn before

transfer.

- During Suspension: HRA is admissible for a period of 180 days based on the pay fixed during suspension. Beyond 180 days' period, certificate is required.
- No HRA if occupying the Government accommodation. If GOVERNMENT SERVANT accepts allotment, HRA will be discontinued from the date of occupation or from 8th day of allotment whichever is earlier. In case of refusal, HRA will be discontinued from the date of allotment.
- HRA is admissible for a period of 8 months only at the new Station, if the GOVERNMENT SERVANT retains the Govt. accommodation at the old station at normal rent/penal rent/market rent.
- No HRA, if the GOVERNMENT SERVANT resides in an accommodation allotted to his/her spouse, parents, son/daughter by the Central or State Govt. or an autonomous public undertaking or semi- Govt. organization such a Municipality, port trust, nationalized bank, LIC etc.
- Sharing accommodation with other GOVERNMENT SERVANT: HRA is admissible **Provided** he pays or contributes towards rent/tax without reference to the amount paid.
- Two or more members of family sharing Govt. accommodation, only one of them at their choice can draw HRA. This restriction is not applicable, if they share a private accommodation.

TRANSPORT ALLOWANCE in AP & TELANGANA W.E.F. 1st JULY, 2017

Employees drawing PAY LEVEL	Hyderabad (Urban area)	In other places of AP and Telangana
9 and above	7200+DA	3600+DA
3 to 8 and also Staff drawing Basic pay 24,200 and above in pay level 1 & 2	3600+DA	1800+DA
Staff drawing Basic pay below 24,200 in pay level 1 & 2	1350+DA	900+DA

- Those **Provided** with Government Transport are not eligible for drawl

of TPTA.

- **During Leave:** The allowance will not be admissible for the calendar month(s) wholly covered by leave.
- **During deputation abroad:** The allowance will not be admissible during the period of deputation abroad.
- **During Tour:** If an employee is absent from the Headquarters /Place of Posting for full calendar month/months due to tour, he/she will not be entitled to Transport Allowance during that/those calendar month/months. However, if the absence does not cover any calendar month(s) in full, Transport Allowance will be admissible for full month.
- **During training treated as duty:** The allowance may be granted during such training, if no Transport Facility/ Traveling Allowance /Daily Allowance is provided for attending the training institute. During Official tour in the training course, the allowance will not be admissible when the period of the tour covers the whole calendar month. Also, during training abroad, no Transport will be admissible when the period of such training covers the whole calendar month.
- **Outside the Headquarters:** Transport Allowance is given to compensate for the expenditure incurred for commuting for both to and from between the place of duty and residence. In case when one gets Road Mileage/Daily Allowance or free transportation for field/inspections /survey duty or tour for a period covering the whole calendar month, he/she will not be entitled to Transport Allowance during that calendar month.
- **During Suspension:** As a Government employee under suspension is not required to attend office, he/she is not entitled to Transport Allowance during suspension where suspension covers full calendar month(s). This position will hold well even if the suspension period is finally treated as duty. Where suspension period covers a calendar month partially, Transport Allowance payable for that month shall be reduced proportionately.
- **Transport Allowance for Disabled Central Government Employees:** The persons with disabilities employed in Central Government are eligible to

draw Transport Allowance at double the normal rates + DA thereon, irrespective of whether they are residing within the campus – housing the place of work and residence or Govt. or private accommodation within one km. of office.

Initial Pay and Allowances of Inspector (who joined the Department as a fresh Recruit) as per her/his place of working in Andhra Pradesh and Telangana

Classification of CITIES/TOWNS IN ANDHRA PRADESH/TELENGANA			
Classification of Cities/Towns	X	Y	Z
Rate of HRA	HRA- 30%	HRA- 20%	HRA-10%
Cities/Towns	HYDERABAD (URBAN AREA)	Urban areas of Vijayawada, Greater Visakhapatnam, Guntur, Nellore & Warangal	All towns not classified under X and Y Category
BASIC PAY	44,900	44,900	44,900
DA @ 55% (w.e.f. 01-04-2025)	24,695	24,695	24,695
HRA	13,470	8,980	4,490
TRANSPORT ALLOW.	3,600	1,800	1,800
DA @ 55% (w.e.f. 01-04-2025) on Transport Allow.	1,980	990	990
TOTAL	88,645	81,365	76,875

NOTE: The Gross Salary is exclusive of any special allowances viz. deputation allowance/Training Allowance etc.

**REIMBURSEMENT OF CHILDREN EDUCATION
ALLOWANCE/HOSTEL SUBSIDY**

General Admissibility & Conditions:	<ul style="list-style-type: none"> • All Central Government Employees. • When both WIFE & HUSBAND are Central Govt. Employees, only one of them can avail. • In case Spouse is working in another Government or organization: If similar allowance is not granted to the Spouse and a declaration to that effect is furnished, then CEA can be admissible.
Up to which class admissible:	<ul style="list-style-type: none"> • From Nursery Classes (three years prior to 1st class) to 12th class. For first 2 years of “3-year Polytechnic diploma “Provided joined on passing 10th Class. • The children should study in a Government School (State or Central) or the school must be recognized by the Central/ State/ Union Territory Administration/University. CEA admissible in case of children studying through Correspondence/Distance learning. • For Divyang Institutions: Recognition is not required. • The CEA reimbursement shall be payable even if the child fails in a particular class. He can study in the same class once again. But, after passing of any Class if the child is admitted in another school in the same Class, CEA shall not be payable.
MAXIMUM LIMIT OF CHILDREN:	<p>CEA admissible for the first two Eldest Surviving Children with the following exceptions: In case of second child birth results in twins/multiple birth.</p>

	In case of failure of Sterilization operation if another child born beyond the usual two children.
REIMBURSEMENT:	<ol style="list-style-type: none"> 1. Reimbursement of Children Education Allowance(CEA): Rs. 2812-50 p.m. per child. For Divyang Child Rs. 5625/- p.m. per child (This amount shall be increased by 25% every time the DA goes up by 50%), 2. Reimbursement of Hostel Subsidy: Rs. 8,437-50 p.m. per child or actual expenditure incurred whichever is less (This amount shall be increased by 25% every time the DA goes up by 50%). Note: The child should study in a residential educational institution located at least 50 kilometres from the residence of the Government servant.
AGE LIMIT OF CHILDREN:	<ol style="list-style-type: none"> 1. No Minimum Age Prescribed. 2. Maximum age is 20 years for normal child for Divyang Children Max. Age is 22 years.
PROCEDURE FOR RE-IMBURSEMENT:	<ul style="list-style-type: none"> • Will be reimbursed once in a financial year on completion of academic year. The GOVERNMENT SERVANT has to produce a certificate from the Head of School/Institution that the child has studied in the school in previous academic year. • In case such certificate cannot be obtained, Self-attested copy of report card or Self-attested fee receipts (including e-receipts) pertaining to the academic year for which CEA claiming.

TRAVELLING ALLOWANCE:

Entitled classes of JOURNEY by AIR/TRAIN/BUS/STEAMER

(Ref: O.M. No. 19030/1/2017-E. IV, GOI, M.F. DOE. New Delhi dated 13-07-2017)

LEVEL of PAY	AIR	TRAIN	ROAD	STEAMR to A& N and Lakshadweep Islands	STEAMR to other than A&N, Lakshadweep Islands
1	2	3	4	5	6
14 and above	Business/ Club Class	AC I	Actual fare by any type of public bus including AC Bus.	Deluxe Class	Highest Class
12 & 13	Economy class	AC I	Actual fare by any type of public bus including AC Bus.	Deluxe Class	Highest Class
9 to 11	Economy class	AC II	Actual fare by any type of public bus including AC Bus.	Deluxe Class	Highest Class
6 to 8	Economy class	AC II	Actual fare by any type of public bus including AC Bus.	First/ "A" Cabin Class	Lower Class, if there be two classes only on the steamer.
4 & 5	Not eligible for Air travelling	AC III	Actual fare by Deluxe/ordinary bus	Second/ 'B' Cabin class	if two classes only, the lower class If three classes, the middle or

					second class. If there be four classes, the third class
3 & below	Not eligible for Air travelling	AC III	Actual fare by Deluxe/ordinary bus	Bunk class	Lowest class

Note:Col.4:

1. In case of places not connected by rail, travel by AC bus for all those entitled to travel by AC II Tier and above by train and by Deluxe/ordinary bus for others is allowed.
2. In case of road travel between places connected by rail, travel by any means of public transport is allowed provided the total fare does not exceed the train fare by the entitled class.

TRAVELLING ALLOWANCE: INTERNATIONAL TRAVEL ENTITLEMENT

(Ref: DOPT O.M.No. 19030/1/2017-E.IV, GOI,M.F. DOE. New Delhi dated
13-07-2017)

LEVEL of PAY	Travel Entitlement
17and above	First Class
14 to 16	Business / Club class
13 and below	Economy class

TRAVELLING ALLOWANCE: Travel Entitlements in Premium/Premium

Tatkal/Suvidha/Shatabdi/Rajdhani/Duranto/Tejas/Vande Bharat/Humsafar
Trains.

(Ref: O.M.No. 19030/1/2017-E.IV, GOI,M.F. DOE. New Delhi dated 13-07-
2017, O.M.No. 19030/1/2017-E.IV, GOI,M.F. DOE. New Delhi dated
12-09-2022 & O.M.No. 19030/1/2017-E.IV, GOI,M.F. DOE. New Delhi

dated 30-08-2023)

LEVEL of PAY	Travel Entitlements in Premium/Premium Tatkal/Suvidha/Shatabdi/Rajdhani/Duranto/Vande Bharat/Humsafar Trains
12 and above	Executive/AC 1 st Class (In case of Premium/Premium Tatkal/ Suvidha/ Shatabdi/Tejas/Rajdhani/ Vande Bharat/Humsafar Trains as per available highest class)
6 to 11	AC 2 nd Class (Rajdhani Type or Similar type trains)/ Chair Car (Shatabdi or Similar type trains)
5 & below	AC 3 rd Class (Rajdhani Type or Similar type trains)/ Chair Car (Shatabdi or Similar type trains)

TRAVELLING ALLOWANCE: Entitlement of DAILY ALLOWANCE

(Ref: O.M.No. 19030/1/2017-E. IV, GOI, M.F. DOE. New Delhi dated 13-07-2017)

LEVEL of PAY	Ceiling for Reimbursement of accommodation charges per day	Ceiling for Reimbursement of Local travel charges per day	Lumpsum amount payable towards Food Charges per day
1	2	3	4
14 and above	Rs. 9,375/- + Taxes	AC Taxi charges as per actuals	Rs. 1,500/-
12 & 13	Rs. 5,625/- + Taxes	AC Taxi charges up to 50 km per day	Rs. 1,250/-
9 to 11	Rs. 2,812.50 + Taxes	Rs. 422.50 per day	Rs. 1,125/-
6 to 8	Rs.937.50 + Taxes	Rs. 281.25 per day	Rs. 1,000/-

**TRAVELLING ALLOWANCE: LOCAL TRAVEL during
TOUR/TRAINING**

At places where no specific rates have been prescribed either by the Directorate of Transport of the concerned State or of the neighboring States

(Ref: O.M. No. 19030/1/2017-E. IV, GOI, M.F. DOE. New Delhi dated 13-07-2017)

For journeys performed in own car / taxi	Rs. 30/- per KM	Revised w.e.f. 01-01-2024
For journeys performed by auto rikshaw, own scooter etc.	Rs. 15/- per KM	Revised w.e.f. 01-01-2024

LEAVE TRAVEL CONCESSION JOURNEY: Entitled classes of
AIR/TRAIN/BUS/STEAMER

(Ref: O. M.No. 19030/1/2017-E. IV, GOI, M.F. DOE. New Delhi dated 13-07-2017, O.M. No. 31011/8/2017-Estt.A-IV, GOI, DOPT, New Delhi dated 19-09-2017 & O.M. No. 31011/3/2022- PP.A-IV, GOI, DOPT, New Delhi dated 14-01-2025)

LEVE L of PAY	AIR	TRAI N	BUS	A& N Islands and Lakshadwee p Islands in Steamer	Other than A&N, Lakshadwee p Islands
1	2	3	4	5	6
14 and above	Business/ Club Class	AC I	Actual fare by any type of public bus including AC Bus.	Deluxe Class	Highest Class
12 & 13	Economy class	AC I	Actual fare by any type of public bus	Deluxe Class	Highest Class

			including AC Bus.		
9 to 11	Economy class	AC II	Actual fare by any type of public bus including AC Bus.	Deluxe Class	Highest Class
6 to 8	Not eligible for Air travelling	AC II	Actual fare by any type of public bus including AC Bus.	First/ "A" Cabin Class	Lower Class, if there be two classes only on the steamer.
4 & 5	Not eligible for Air travelling	AC III	Actual fare by Deluxe/ordinary bus	Second/ 'B' Cabin class	if two classes only, the lower class If three classes, the middle or second class. If there be four classes, the third class
3 & below	Not eligible for Air travelling	AC III	Actual fare by Deluxe/ordinary bus	Bunk class	Lowest class

Note: Col.4:

1. In case of places not connected by rail, travel by AC bus for all those entitled to travel by AC II Tier and above by train and by Deluxe/ordinary bus for others is allowed.
2. In case of road travel between places connected by rail, travel by any means of public transport is allowed provided the total fare does not exceed the train fare by the entitled class.

LEAVE TRAVEL CONCESSION: Travel Entitlements in Premium/Premium Tatkal/Suvidha/Shatabdi/Rajdhani/Duranto/Tejas/Vande Bharat/Humsafar Trains.

(Ref: O. M.No. 19030/1/2017-E. IV, GOI, M.F. DOE. New Delhi dated 13-07-2017, O.M. No. 31011/8/2017-Estt.A-IV, GOI, DOPT, New Delhi dated 19-09-2017 & O.M. No. 31011/3/2022- PP.A-IV, GOI, DOPT, New Delhi dated 14-01-2025)

LEVEL of PAY	Travel Entitlements in Premium/Premium Tatkal/Suvidha/Shatabdi/Rajdhani/Duranto/Vande Bharat/Humsafar Trains
12 and above	Executive/AC 1 st Class (In case of Premium/Premium Tatkal/ Suvidha/ Shatabdi/Tejas/Rajdhani/ Vande Bharat/Humsafar Trains as per available highest class)
6 to 11	AC 2 nd Class (Rajdhani Type or Similar type trains)/ Chair Car (Shatabdi or Similar type trains)
5 & below	AC 3 rd Class (Rajdhani Type or Similar type trains)/ Chair Car (Shatabdi or Similar type trains)

LEAVE TRAVEL CONCESSION (LTC) ADMISSIBILITY FOR NEWLY JOINED OFFICERS:

(Ref: OM No. 31011/7/2013-Estt. (A-IV) GOI, DOPT, New Delhi dated 26-09-2014 & OM F.No.31011/15/2022-Estt-A-IV GOI, DOPT, New Delhi dated 17-09-2024)

On completion of one-year service in Central Government, newly joined Officer is eligible for LTC.

Example: If a person joins on 1-2-2025, he/she is eligible for availing LTC from 1-2-2026 onwards. He / she is eligible for availing LTC for first 8 years as follows:

2026	In 1st year	HOMETOWN	Out of the three Home Town calendar years , one home town year can be converted to NORTH-EAST,J&K, A&N Islands	Another home town year can be converted to J&K
2027	In 2nd year	HOMETOWN		
2028	In 3rd year	HOMETOWN		
2029	In 4th year	Anywhere in India	-	
2030	In 5th year	HOMETOWN	Out of the three Home Town calendar years , one home town year can be converted to NORTH-EAST,J&K, A&N Islands	Another home town year can be converted to J&K
2031	In 6th year	HOMETOWN		
2032	In 7th year	HOMETOWN		
2033	In 8th year	Anywhere in India	-	

Newspapers purchased/supplied to Officers at their Residence

Monetary ceiling of reimbursement

(Ref: OM No. 25(12)/E. Coord-2018, GOI, M.F., D.O.E. dated 03-04-2018)

Level of Officers	Reimbursement to be made per month (in Rs.)
1	2
Secretary/Secretary equivalent	As per actuals
Additional Secretary/Additional Secretary equivalent	Rs. 1,100/-
Joint Secretary/Joint Secretary equivalent	Rs. 850/-
Director/Deputy Secretary/Under Secretary/Section Officer or equivalent	Rs. 500/-

**Residential telephone/mobile/mobile data /data card/ internet
Charges Monetary ceiling of reimbursement**

(Ref: OM F. No. 24(3)/E. Coord-2018, M.F., D.O.E. dated 26-03-2018)

Level of Officer	Limit on reimbursement
1	2
Secretary to the Government of India and equivalent level	Rs. 4200/- per month+ Taxes as applicable
Additional Secretary the Government of India and equivalent level	Rs. 3000/- per month+ Taxes as applicable
Joint Secretary the Government of India and equivalent level	Rs. 2700/- per month+ Taxes as applicable
Director / Deputy Secretary to the Government of India and equivalent level	Rs. 2250/- per month+ Taxes as applicable
Below the rank of Deputy Secretary and equivalent to the Government of India (restricted to 25% of Sanctioned Strength of Group A Officers in a Ministry/ Department/ Attached/ Subordinate Office)	Rs. 1200/- per month+ Taxes as applicable

Reimbursement of Briefcase/Office Bag/Ladies Purse

(Ref: F. No. 13016/1/2005-GAD, G.O.I, M.F., D.O.E. dated 01-05-2024)

LEVEL of PAY	Limit on reimbursement
LEVEL-17	Rs. 12,500 once in 3 years
LEVEL-15 &16	Rs. 10,000 once in 3 years
LEVEL -14	Rs. 8,125 once in 3 years
LEVEL-12 & 13	Rs. 6,250 once in 3 years
LEVEL-11	Rs. 5,000 once in 3 years
LEVEL- 8 to 10	Rs. 5,000 once in 3 years
LEVEL-7	Rs. 4,375 once in 3 years

6. INTEREST BEARING ADVANCES (Brief details)

Sl. No.	Name of Advance	Admissible Advance Amount	Repayment /repaying capacity	Rate of Interest
1	Personal Computer Ref: Compendium of Rules on Advances to Government Servants	Rs. 50,000/-	In not more than 150 monthly instalments. Total recoveries of all advances including computer advance shall not exceed 50% of the total emoluments of Government Servant. The time limit for submitting a Traveling Allowance (TA) claim for a transfer is 60 days following the date the journey is completed.	Simple interest at such rates as may be fixed by Government from time to Time.
2	House Building Advance Ref: House Building Advance Rules.	34 months' Basic pay or Rs. 25 Lakhs whichever is less.	<ol style="list-style-type: none"> 1. In case of employee is having 20 or more years' service left: 40% of basic pay 2. In case employee is having service left between 10 to 20 years: up to 40% of basic pay plus 65% DCR Gratuity. 3. In case employees is retiring within 	Simple interest at such rates as may be fixed by Government from time to Time.

			10 years: 50% of basic pay plus 75% of DCR Gratuity.	
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INTEREST FREE ADVANCES (Brief details)

Ref: Compendium of Rules on Advances to Government Servants

Sl. No.	Name of Advance	Amount	Recovery
1	Advance of TA on tour/ transfer.	80% of the estimated cost of the tour TA / transfer TA	Will be recovered in lump form the TA advance adjustment claim of transfer/tour TA. The Tour TA claim should be preferred within 15 days from the date of completion of the tour in cases of advance. Otherwise advance will be recovered in lump with penal interest.
2	Advance of LTC	90% of the estimated cost of Air/Rail/Bus Fare.	Advance will be recovered in lump form the LTC claim. LTC claim should be preferred within one month from the date of return journey in cases of advance. Otherwise advance will be recovered in lump with penal interest.

7. LEAVE TRAVEL CONCESSION (L.T.C.)

Ref: Central Civil Services (Leave Travel Concession) Rules,1988

On completion of one years' service from the date of joining, a Government servant is eligible for availing LTC facility.

Example: If he/she joins on 12-04-2025 he/she shall be eligible for availing LTC from 12-04-2026 onwards.

Fresh recruits during the first 8 years of LTC eligibility period can avail six home town facilities and two anywhere in India facilities as detailed below

in a calendar year wise.

1 st year of LTC commencement	HOMETOWN	Out of the three Home Town calendar years, one home town year can be converted to go to NORTH-EAST, J&K, A&N Islands in lieu of Hometown LTC.	Another home town year can be converted to J&K
2 nd year	HOMETOWN		
3 rd year	HOMETOWN		
4 th year	Anywhere in India		
5 th year	HOMETOWN	Out of the three Home Town calendar years , one home town year can be converted to go to NORTH-EAST,J&K, A&N Islands in lieu of Hometown LTC.	Another home town year can be converted to J&K
6 th year	HOMETOWN		
7 th year	HOMETOWN		
8 th year	Anywhere in India		

On completion of first 8 years of LTC admissible period, the Government servant has to be shifted to a the then running four-year block of LTC. The present running 4-year LTC block is 2022-25. Future 4-year LTC block years are : 2026-2029, 2030-2033, 20234-37 and so on. In a 4 - year LTC block year, one can avail one Home Town LTC facility in a two-year sub-block and one Anywhere India LTC facility in another two-year sub-block, subject to certain conditions.

LTC encashment: If the Government servant is having sufficient balance of Earned Leave at his credit, he can encash 10 days Earned Leave at the time of availing LTC subject to fulfilment of certain conditions. The calculation of 10 days LTC encashment is = (Basic pay+DA) x (10/30). In entire service, one can utilise LTC 10 days encashment up to a maximum of 6 LTC occasions only i.e. total encashment is 60 days in entire service (maximum limit).

8. CUSTOMS WELFARE FUND

Ref: Compendium of Welfare Schemes 2021 by DGHRD

Sl. No.	Type of Financial assistance	Admissibility
1	Grant of financial assistance for medical expenses which are non-reimbursable under CS (MA)/ CGHS Rules	<p>Financial assistance will be given for the expenses incurred towards treatment of employee, unemployed spouse and dependent children only.</p> <p>The application for financial assistance has to be submitted to the HOD within 3 months of settlement of the Medical claim.</p> <p><u>Dependent parents are not eligible.</u></p> <p><u>Retired employees are also not eligible.</u></p>
2	Grant of ex-gratia financial assistance in cases of death of departmental officials while in service	<ol style="list-style-type: none"> 1) Death attributable to performance of enforcement functions – Rs. 25 lakhs 2) Death attributable to accidents or incidents of violence while on duty-Rs. 15 lakhs 3) Death attributable to corona virus disease (COVID-19) contracted while on duty –Rs. 7 Lakhs. 4) Death not covered under 1), 2), and 3) above – Rs. 5 lakhs. 5) Permanent injury or disability sustained in performance of official duty – Rs. 15 lakhs
3	Scheme for funding of Annual Medical Examination of Group 'B' & Group 'C'	Scheme is applicable for all Group 'B' & 'C' officers/staff of age 40 years and above.

	Departmental officials of 40 years and above from Welfare Fund on the lines of Annual Medical Examination of Group 'A' officers being implemented by DoPT.	Annual Medical Examination of the officers/staff is subject to ceiling of ` 2000/- and ` 2200/- for men and women officers respectively or actual whichever is less.
4	Grant of cash awards to the meritorious children of departmental officials for performance in Board Examinations at the level of 10th and 12th Standard	Scheme is applicable for the children of Group 'B' & 'C' officers/staff only. The cash award shall be given basing on the percentage/grading as fixed to different types of categories of Staff.



Part-D
Official Language

राजभाषा कार्यान्वयन के संबंध में आवश्यक जानकारी

1. Information Regarding Official Language

राजभाषा नियम 1976 (यथा संशोधित 1987) के नियम 2 के अनुसार राजभाषा कार्यान्वयन के लिए तीन क्षेत्र बनाए गए हैं :

As per Rule 2 of the Official Language Rules 1976 (As amended 1987) for implementation of the Official Language three regions have been created

“क” क्षेत्र: उत्तरप्रदेश, उत्तराखंड, मध्यप्रदेश, छत्तीसगढ़, राजस्थान, बिहार, झारखंड, हिमाचल प्रदेश, हरियाणा, अंदमान एवं निकोबार तथा दिल्ली

'A' Region: U.P., Uttaranchal, M.P., Chattisgarh, Rajasthan, Bihar, Jharkhand, H.P., Haryana, Andaman Nickobar & Delhi.

“ख” क्षेत्र: महाराष्ट्र, गुजरात, पंजाब, केन्द्र शासित प्रदेश चंडिगढ़

'B' Region: Maharashtra, Gujrat, Punjab & Chandigarh Union Territory.

“ग” क्षेत्र: अन्य सभी राज्य या संघ राज्य क्षेत्र जो “क” एवं “ख” क्षेत्र में शामिल नहीं हैं।

'C' Region: All other States or Union Territories not included in the 'A' and 'B' Regions.

राजभाषा नीति के संबंध में महत्वपूर्ण निर्देश

राजभाषा अधिनियम, 1963 की धारा 3(3) के अंतर्गत संसद के सदन या सदनों के समक्ष रखे जाने वाले संकल्प, सामान्य आदेश, नियम, अधिसूचनाएं, प्रशासनिक एवं अन्य रिपोर्ट, प्रेस विज्ञप्ति, प्रशासनिक एवं अन्य रिपोर्ट तथा सरकारी कागजात, अनुबंध, करार, लाइसेंस, परमिट, निविदा सूचनाएं और निविदा प्रपत्र अनिवार्य रूप से हिंदी और अंग्रेजी दोनों भाषाओं में द्विभाषी रूप में जारी किए जाने चाहिए।

राजभाषा नियम, 1976 के नियम 6 के अंतर्गत ऐसे दस्तावेजों पर हस्ताक्षर करने वाले

व्यक्ति की यह जिम्मेदारी होगी कि वे यह सुनिश्चित करें कि ऐसे दस्तावेज हिंदी और अंग्रेजी दोनों भाषाओं में तैयार, निष्पादित या जारी किए जाएं।

Important Directions regarding Official Language Policy

Under Section 3(3) of the Official Languages Act, 1963, Resolutions, General Orders, Rules, Notifications, Administrative and Other Reports, Press Communiqués, Administrative and Other Reports and Official Papers to be laid before a House or Houses of Parliament, Contract, Agreements, Licenses, Permits, Tender Notices and Tender Forms should invariably be issued bilingually both in Hindi and English.

Under Rule 6 of the Official Language Rules, 1976, it shall be the responsibility of the person signing such documents to ensure that such documents are prepared, executed or issued in both Hindi and English languages.

टिप्पणी/N.B. :

राजभाषा अधिनियम, 1963 की धारा 3(3) के अनुसार सामान्य आदेश में निम्नलिखित दस्तावेज शामिल हैं:-

1. ऐसे सभी आदेश, निर्णय या अनुदेश जो विभागीय प्रयोग के लिए हों और जो स्थायी प्रकार के हों।
2. ऐसे सभी आदेश, अनुदेश, पत्र, ज्ञापन, नोटिस आदि जो सरकारी कर्मचारियों के समूह अथवा समूहों के संबंध में हों या उनके लिए हों।
3. ऐसे सभी परिपत्र जो विभागीय प्रयोग के लिए हों या सरकारी कर्मचारियों के लिए हों।

As per Section 3(3) of the Official Languages Act, 1963 the following are covered in general orders:-

- (1) All orders, decisions or instructions intended for departmental use and which are of standing nature;
- (2) All such orders, instructions, letters, Memoranda, Notices, etc. related

to or intended for group or groups of Government employees;

- (3) All circulars whether intended for departmental use or for Government employees.

राजभाषा नियम 1976 के नियम 5 के अनुसार हिंदी में प्राप्त पत्रों के उत्तर हिंदी में ही दिया जाना चाहिए ।

As per Rule 5 of the Official Language Rules 1976 all letters received in Hindi should be replied in Hindi.

प्रशासनिक इकाईयाँ

2. Administrative Units

1	Ministry	मंत्रालय
2	Department	विभाग
3	Secretariat	सचिवालय
4	Zone	अंचल / क्षेत्र / जोन
5	Directorate	निदेशालय
6	Directorate General	महानिदेशालय
7	Commissionerate	आयुक्तलय
8	O/o The Commissioner	आयुक्त कार्यालय
9	Headquarters	मुख्यालय
10	Division office	प्रभाग / मंडल कार्यालय
11	Range office	रेंज कार्यालय
12	Circle office	सर्कल कार्यालय
13	Chief Commissioner Office	मुख्य आयुक्त कार्यालय
14	Section	अनुभाग
15	Cell	प्रकोष्ठ
16	Unit	इकाई

सामान्य प्रशासनिक टिप्पण

3. General Office Notings

Letter receive frommay please seen से प्राप्त पत्र कृपया देखें ।
Submitted for perusal/approval/sanction.	अवलोकन/अनुमोदन/स्वीकृति के लिए प्रस्तुत है।
Draft submitted for perusal/approval.	मसौदा अवलोकनार्थ /अनुमोदनार्थ प्रस्तुत है ।
Draft reply is put up for approval.	उत्तर का मसौदा अनुमोदनार्थ प्रस्तुत है ।
Approval may be accorded	अनुमोदन प्रदान किया जाए
Put up for financial Sanction please.	वित्तीय मंजूरी हेतु प्रस्तुत है।
Submitted for necessary orders.	आवश्यक आदेशों के लिए प्रस्तुत है ।
Submitted for consideration/information.	विचार के लिए प्रस्तुत है ।
Submitted for signature please.	हस्ताक्षर के लिए प्रस्तुत है ।
May be approved/sanctioned.	कृपया अनुमोदित / स्वीकृत करें ।
A brief note is placed below.	संक्षिप्त नोट नीचे रखा है ।
Consolidated report put up for perusal/approval.	समेकित रिपोर्ट अवलोकन / अनुमोदन के लिए प्रस्तुत है ।
Submitted for administrative approval	प्रशासनिक अनुमोदन के लिए प्रस्तुत है ।
A brief note is placed below	संक्षिप्त नोट नीचे रखा है ।
Summary of the case is placed below	मामले का सारांश नीचे प्रस्तुत है ।

Accord approval/sanction to	कृपया को अनुमोदित / मंजूर करें ।
Please see before issue	कृपया जारी करने से पहले देखें ।
Bill has been scrutinized and found in order	बिल की जाँच की गई और उसे सही पाया गया ।
The required information can be obtained from the concerned divisions.	अपेक्षित सूचना संबंधित प्रभागों से प्राप्त की जा सकती है।
Necessary report is still awaited	आवश्यक रिपोर्ट की अभी तक प्रतीक्षा है ।
Notes / orders may please be seen on page in this connection	इस संबंध में पृष्ठ..... पर दी गई टिप्पणी/आदेश देखें।
The report called for in the above matter is nil.	उपर्युक्त विषय पर मांगी गई रिपोर्ट 'शून्य' है।
Report/information called for in the reference cited is enclosed in the proforma prescribed.	उपर्युक्त संदर्भ में मांगी गई रिपोर्ट / सूचना निर्धारित प्रपत्र में संलग्न है ।
No further action is called for.	आगे कोई कार्रवाई अपेक्षित नहीं है ।
Matter may be referred to the concerned.	मामला संबंधित को भेजा जाए ।
Advance of Rs. from G.P.F. may be sanctioned to	सामान्य भविष्य निधि से को रू. की पेशगी मंजूर की जा सकती है ।
Letter received from is put up for perusal. से प्राप्त पत्र अवलोकन के लिए प्रस्तुत है ।
Joining report may be seen.	कार्यग्रहण रिपोर्ट देखी जा सकती है ।
Submitted for sanction of Earned leave of days to को दिन का अर्जित अवकाश स्वीकृत करने लिए प्रस्तुत है ।

A list of cases disposed off is placed below	निपटाए गए मामलों की सूची नीचे रखी है ।
Matter is under consideration.	मामला विचाराधीन है ।
May be informed accordingly.	तदनुसार सूचित कर दिया जाए ।
Medical Advance may kindly be sanctioned.	कृपया चिकित्सा अग्रिम की मंजूरी प्रदान करें।
Proposal has been approved by the Competent Authority.	सक्षम प्राधिकारी द्वारा प्रस्ताव अनुमोदित किया गया है।
Pay fixation is put up for Head of the office's Signature please.	वेतन निर्धारण, कार्यालय प्रमुख के हस्ताक्षर हेतु प्रस्तुत है।
Medical permission letter is put up for Competent authorities signature please.	चिकित्सा अनुमति पत्र सक्षम प्राधिकारी के हस्ताक्षर हेतु सादर प्रस्तुत है ।
LTC Advance may kindly be sanctioned.	कृपया यात्रा छुट्टी रियायत अग्रिम स्वीकृत करें ।
Draft minutes of the meeting submitted	बैठक के कार्यवृत्त का मसौदा प्रस्तुत है

विभागाध्यक्ष / वरिष्ठ अधिकारियों द्वारा सामान्यतः फाइलों में प्रयुक्त वाक्यांश

4. Phrases commonly used in official correspondence

Approved	अनुमोदित किया
As proposed	यथा प्रस्तावित
Sanctioned	स्वीकृत किया / मंजूर किया
Put up a proposal	प्रस्ताव प्रस्तुत करें
Please put up a note	कृपया नोट प्रस्तुत करें
Please discuss/speak	कृपया चर्चा करें / बात करें

Issue as amended	यथा संशोधित जारी करें
Administrative approval may be obtained	प्रशासनिक अनुमोदन लिया जाए
Please expedite action	कृपया कार्रवाई में शीघ्रता करें
Leave granted	अवकाश स्वीकृत।
Expedite action.	शीघ्र कार्रवाई करें।
Take action immediately	तत्काल कार्यवाही कीजिए
Issue reminder urgently	शीघ्र अनुस्मारक जारी करें
All concerned should note.	सभी संबंधित व्यक्ति नोट करें।
Appropriate action may be taken.	उपयुक्त कार्रवाई की जाए।
Action may be taken as proposed in the note..... के नोट में यथा प्रस्तावित कार्यवाही की जाए।
Attention is invited to....की ओर ध्यान आकर्षित किया जाता है।
Facts given at page no. may be seen.	पृष्ठ सं. पर दिए गए तथ्य देखे जाए।
Facts of the case may be put up / intimated.	मामले के तथ्य प्रस्तुत किये जाए / सूचित किये जाए।
Minutes may be prepared.	कार्यवृत्त तैयार किया जाए।
Orders may be complied with.	आदेशों का अनुपालन किया जाए।
Seen and returned thanks.	देखकर वापस किया, धन्यवाद।
Reply should be sent in Hindi.	उत्तर हिन्दी में भेजा जाना चाहिए।
Pending cases be disposed off early	अनिर्णित मामलें शीघ्र निपटाए जाएं।
Please circulate among all the officers.	कृपया सभी अधिकारियों को परिचालित करें।
With regards	सादर
With compliments	शुभकामनाओं सहित

Yours faithfully	भवदीय / भवदीया
Yours sincerely	आपका / आपकी शुभचिन्तक
A brief note is placed below	संक्षिप्त नोट नीचे प्रस्तुत है
Action may be taken as proposed.	यथाप्रस्तावित कार्रवाई की जाए।
Administrative approval may be obtained.	प्रशासनिक अनुमोदन प्राप्त किया जाए।
Leakage of the revenue should be checked	राजस्व की हानि की जाँच की जाए
Leave may be granted, if due	यदि देय हो, तो छुट्टी दी जाए
(Please) ensure that orders/ instructions are strictly observed	(कृपया) आदेशों/अनुदेशों का पूरी तरह से पालन किया जाना सुनिश्चित करें
(Please) expedite action	(कृपया) शीघ्र कार्रवाई करें
(Please) examine in the light of... को ध्यान में रखते हुए परीक्षण /जाँच कीजिए
(Please) examine and explain	(कृपया) जाँच करें और बतायें
Facts of the case may be given	मामले के तथ्य दिए जाएँ



[illegible]

Handbook for GST Officers
(For internal Departmental use only)



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