

महेन्द्र रंगा
MAHENDRA RANGA
मुख्य आयुक्त
CHIEF COMMISSIONER

भारत सरकार
वित्त मंत्रालय
मुख्य आयुक्त कार्यालय
सीजीएसटी एवं केन्द्रीय उत्पाद शुल्क
जयपुर

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
OFFICE OF THE CHIEF COMMISSIONER
CGST & CENTRAL EXCISE
Jaipur

04 April, 2024

D.O. No. GCCO/TECH/MISC/440/2023

Dear *Colleagues,*

Subject: 'SAMVAAD' : April, 2024

According to the calendars followed, there are many new years. However, for us, as Revenue Officers, the new year really starts from the financial year. The Fiscal Year 2023-24 is already over. We have entered into new FY i.e. 2024-25. At this juncture, I am reminded of the following opening stanzas from the tele-serial Mahabharat: सीख हम बीते युगों से, नये युग का करें स्वागत। (*We should leave from the past and welcome new times!*). I feel that we accomplished in many areas but there is room for improvement in many.

2. During his visit in March, Shri Shashank Priya, Zonal Member appreciated the performance of our Zone. However, he emphasized the need of focusing on recovery of arrears and pending appeal cases. We must attach utmost importance to his advice and act accordingly. The Member also inaugurated the refurbished conference hall 'KASUMAL' on this occasion. Kasumal means Kesaria or Saffron color. It is symbol of sacrifice and valor, traits for which Rajasthan is famed. As public servants 'service and sacrifice' should be our motto. *too*.

3. Our collective efforts yielded GST revenue of Rs.2196 Crores during March, 2024, the second highest monthly revenue till date. A total of Rs.22987 Crores of revenue accrued during the year. We fell short of the target allocated for the current fiscal year, by Rs. 313 Crores. Much of it is due to reduction of Zinc prices. However, the revenue in 2023-24 has surpassed the 2022-23 revenue by Rs.1961 Crores i.e. 9.32%. Our revenue may be under reported by Rs.30-50 Crores due to a technical glitch. We now need to sustain on this momentum in the new financial year and strive to do even better.

4. National Lok Sabha elections are on the horizon. We have a role to play during conduct of the elections. The Board has issued revised SOP vide Instruction No. 06/2024-Customs dated 23.03.2024 to intensify the Preventive Vigilance

केन्द्रीय राजस्व भवन, स्टेच्यू सर्किल, सी-स्कीम, जयपुर-302005

CENTRAL REVENUE BUILDING, STATUE CIRCLE, C-SCHEME, JAIPUR-302005

Off. : 0141-2385155, Fax : 0141-2385130, e-mail : ccu-cexjpr@nic.in, Twitter Handle : @CGSTJAIPURZONE

Mechanism and to put a stop to flow of suspicious cash, illicit liquor, drugs/narcotics, freebies and smuggled goods during elections. We need to take note of it for necessary action.

5. The Commissionerates have booked several good cases in March, just as they did last month. CGST, Jaipur has detected a case of short/non-payment of GST amounting to Rs.5.53 Crores against M/s Rajasthali Resort and Studios Limited. The taxpayer wrongly availed Notification No. 46/2017-CT dated 14.11.2017 and evaded tax amounting to Rs.2.93 Crores by paying tax on a lower rate of 5% instead of 18%. The taxpayer suppressed the value of services provided and did not pay tax of Rs.2.43 Crores. A recovery of Rs.2 Crores has already been effected in this case. Another case has been booked against M/s Formidium India Pvt. Ltd. and M/s Rajhul Leasing Pvt. Ltd. in which detection of Rs.1.25 Crores has been made on account of wrong availment of ITC on blocked credit and non reversal of proportionate ITC on exempted supplies. Both the taxpayers have deposited a total of Rs.1.37 Crores on account of tax and interest. In two cases booked against M/s Shree Paramhans Enterprises & Builders and M/s Jai Gurudev Ashoka Motors for non reversal of ITC under Rule 42 & 43 of the CGST Act, 2017 in respect of exempted supply, tax of Rs.1.20 Crores has been recovered.
6. CGST, Alwar has booked a case against M/s Saint-Gobain India Pvt. Ltd. for short payment of GST on a lower rate of 18% instead of 28% on windshields amounting to Rs.31.85 Crores. The taxpayer has voluntarily deposited Rs.2 Crores. In another case booked by CGST Alwar against M/s Awadh Logistics, recovery of Rs.1.17 Crores has been made. The taxpayer availed ITC on the basis of false entries in GSTR-3B. CGST, Udaipur has detected two major cases of non-reversal of Input Tax Credit under Rule 42 & 43 of the CGST Act, 2017 in respect of exempted supplies and recovered Rs.1.43 Crores from M/s Jagetiya Roadlines and Rs.1.47 Crores from M/s Jai Bherunath Roadlines. Further, acting upon an intelligence, CGST, Udaipur got ITC to the tune of Rs.2.50 Crores reversed from M/s Mahesh Edible Oil Manufacturers Pvt. Ltd. The taxpayer has wrongly availed ITC of blocked credit under Section 17(5) of the CGST Act 2017.
7. DGGI, Jaipur has also shared some good cases detected by them. A case has been booked against M/s Miraj Products Pvt. Ltd. for clandestine receipt of raw tobacco and clandestine manufacture and supply of chewing tobacco. Tax evasion of Rs.34.33 Crores has been unearthed. In another case, two persons have been arrested by DGGI, Jaipur, for causing clandestine supplies involving GST of Rs.31.38 Crores by operating 9 fake firms. Further, on the issue of irregular availment of ITC on supply of exempted goods and wrong availment of ITC blocked under Section 17(5), DGGI, Jaipur has registered two cases. On first issue, ITC of Rs.4.60 Crores has been reversed by M/s Municipal Council, Alwar and on second issue; a case of Rs.6 Crores has been booked against M/s Exemplary Hotels Pvt. Ltd.
8. Recently, the Board has issued Instruction No. 01/2023-24-GST(Inv.) dated 30.03.2024, whereby detailed guidelines for CGST field formations in maintaining ease of doing business while engaging in investigation with regular taxpayers, have

been provided. These guidelines may be strictly adhered to while engaging investigation.

9. The Government has, vide Notification dated 14.09.2023, constituted 31 State Benches of the GST Appellate Tribunal (GSTAT) covering 43 locations plus 3 circuit locations across India. Two Benches of GSTAT at Jaipur and Jodhpur will be set up in Rajasthan. These Benches are expected to start functioning soon. Identification of office space required for functioning of Benches as well as for setting up of CBIC's AR office is under process. Required manpower, office equipments, stationery, furniture etc. for creation of CBIC's AR offices will be provided by the Zone.

10. The Board recently resolved that, while the Zonal Websites will continue, all CGST Commissionerates' websites, including Audit and Appeals, will be shut down, and any data maintained on such websites will be migrated to the relevant Zonal Website. Furthermore, the website's tabs for Acts, Rules, Notifications, and Circulars should connect users to the CBIC Tax Information Portal i.e. <https://taxinformation.cbic.gov.in> instead of posting such information independently. A letter in this regard has already been sent to field formations. All Commissioners may ensure that the URLs associated with Commissionerate websites proposed for shutdown are positively deactivated so that they do not appear on search engines such as Google.

11. Following two articles will be featured in this month's edition of "Gyan Sangrah":

- (a) *When the appellant has not paid any amount under CGST Act, 2017 while filing appeal, whether the recovery proceedings for the balance amount can be considered as deemed to be stayed and lack of provisions of pre deposit in appeals not involving any tax-* by Shri Sunil Kumar Verma, Superintendent, CGST & CX, Alwar; and,
- (b) *DRC-03 Verification - An effective tool to generate additional revenue* - by Shri Devi Dutt Sharma, Superintendent, CGST Division-E, Behror.

I thank both the author-officers for sharing their valuable insights with us.

Till next month,

Yours sincerely



(Mahendra Ranga)
Chief Commissioner

To:- Team Jaipur Zone.

Copy for information to:-

- (i) OSD to the Chairman, CBIC, New Delhi.
- (ii) PS to the Member (GST/CE/ST & Zonal Incharge), CBIC, New Delhi.
- (iii) Chief Commissioner, State Tax, Rajasthan, Jaipur
- (iv) Pr. ADG, NACIN/ DGGI, Jaipur.

ज्ञान संग्रह

अप्रैल, 2024

GYAN SANGRAH

APRIL, 2024

When the appellant has not paid any amount under CGST Act, 2017 while filing appeal, whether the recovery proceedings for the balance amount can be considered as deemed to be stayed and lack of provisions of pre-deposit in appeals not involving any tax

By – Sunil Kumar Verma, Superintendent,
CGST & CX, Alwar

Any person aggrieved by any decision or order passed by an adjudicating authority may file appeal under section 107 of the CGST Act, 2017 to prescribed Appellate Authority within three months from the date of communication of decision or order. Similarly, the aggrieved person may file appeal to the Appellate Tribunal under Section 112 against the order of Appellate Authority within three months from the date of communication of order.

2. The relevant definitions and provisions of CGST Act, 2017 are mentioned as below:-

Section 2(8) “Appellate Authority” means an authority appointed or authorised to hear appeals as referred to in section 107;

Section 2(9) “Appellate Tribunal” means the Goods and Services Tax Appellate Tribunal constituted under section 109;

Section 49. Payment of tax, interest, penalty and other amounts.—

(1) Every deposit made towards tax, interest, penalty, fee or any other amount by a person..... in such manner as may be prescribed.

....

Explanation.– For the purposes of this section,— (a) the date of credit to the account of the Government in the authorised bank shall be deemed to be the date of deposit in the electronic cash ledger;

(b) **the expression,—**

(i) **“tax dues” means the tax payable under this Act and does not include interest, fee and penalty; and**

(ii) **“other dues” means interest, penalty, fee or any other amount payable under this Act or the rules made thereunder.**

Section 107. Appeals to Appellate Authority.— (1) Any person aggrieved by any decision or order passed under this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act by an adjudicating authority may appeal to such Appellate Authority as may be prescribed within three months from the date on which the said decision or order is communicated to such person.

....

(6) No appeal shall be filed under sub-section (1), unless the appellant has paid—

(a) *in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and*

(b) **a sum equal to ten per cent of the remaining amount of tax in dispute** arising from the said order, [subject to a maximum of twenty-five crore rupees,] in relation to which the appeal has been filed.

- (7) Where the appellant has paid the amount under sub-section (6), the recovery proceedings for the **balance amount shall be deemed to be stayed.**

Section 112. Appeals to Appellate Tribunal.—(1) Any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act may appeal to the Appellate Tribunal against such order within three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal.

.....

- (8) No appeal shall be filed under sub-section (1), unless the appellant has paid—
- (a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and
- (b) **a sum equal to twenty per cent. of the remaining amount of tax in dispute**, in addition to the amount paid under sub-section (6) of section 107, arising from the said order, [subject to a maximum of fifty crore rupees,] in relation to which the appeal has been filed.
- (9) **Where the appellant has paid the amount as per sub-section (8), the recovery proceedings for the balance amount shall be deemed to be stayed till the disposal of the appeal.**

3. **Provisions relating to pre-deposit for filing of appeal exists under the CENTRAL EXCISE ACT, 1944 are as under:**

35F. Deposit of certain percentage of duty demanded or penalty imposed before filing appeal.—The Tribunal or the Commissioner (Appeals), as the case may be, shall not entertain any appeal—

- (i) under sub-section (1) of Section 35, unless the appellant has deposited seven and a half per cent of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of a decision or an order passed by an officer of Central Excise lower in rank than the [Principal Commissioner of Central Excise or Commissioner of Central Excise];
- (ii) against the decision or order referred to in clause (a) of sub-section (1) of Section 35-B, unless the appellant has deposited seven and a half per cent of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of the decision or order appealed against;
- (iii) against the decision or order referred to in clause (b) of sub-section (1) of Section 35-B, unless the appellant has deposited ten per cent of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of the decision or order appealed against:

Provided that the amount required to be deposited under this section shall not exceed Rupees Ten crores:

Provided further that the provisions of this section shall not apply to the stay applications and appeals **pending before any appellate authority prior to the commencement of the Finance (No. 2) Act, 2014.**

Explanation.—For the purposes of this section “duty demanded” shall include,—

- (i) amount determined under Section 11D;
- (ii) amount of erroneous CENVAT credit taken;
- (iii) amount payable under Rule 6 of the CENVAT Credit Rules, 2001 or the CENVAT Credit Rules, 2002 or the CENVAT Credit Rules, 2004.

4. **The above provisions are applicable to Service Tax matters in terms of Section 83 of the Finance Act, 1994, which reads as under:**

SECTION 83. Application of certain provisions of Act 1 of 1944.— The provisions of Section 35F of the Central Excise Act, 1944, as in force from time to time, shall apply, **so far as may be, in relation to service tax as they apply in relation to a duty of excise**

5. **The Customs Act, 1962 also contain similar provisions, as mentioned below:**

129E. Deposit of certain percentage of duty demanded or penalty imposed before filing appeal.—

The Tribunal or the Commissioner (Appeals), as the case may be, shall not entertain any appeal,—

- (i) under sub-section (1) of section 128, unless the appellant has deposited seven and a half per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of a decision or an order passed by an officer of customs lower in rank than the Principal Commissioner of Customs or Commissioner of Customs;
- (ii) against the decision or order referred to in clause (a) of sub-section (1) of section 129A, unless the appellant has deposited seven and a half per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of the decision or order appealed against;
- (iii) against the decision or order referred to in clause (b) of sub-section (1) of section 129A, unless the appellant has deposited ten per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of the decision or order appealed against:

Provided that the amount required to be deposited under this section shall not exceed rupees ten crores:

Provided further that the provisions of this section shall not apply to the stay applications and appeals pending before any appellate authority prior to the commencement of the Finance (No. 2) Act, 2014 (25 of 2014).

6. It may be seen from the above provisions that for filing appeal the condition of pre-deposit is to be complied. **Pre-deposit provisions have been provided in the Central Excise Act, 1944 as well as Finance Act, 1994 for Service Tax matter and also in the Customs Act, 1962 for filing of the appeal in the cases where only penalty amount is disputed. However, the CGST Act, 2017 does not speak about pre-deposit for filing of the appeal in the cases where only penalty amount is disputed.**

7. From the plain reading of above mentioned provisions related to quantum of pre deposit, it is clear that pre-deposit of the entire adjudicated liability including tax/ duty,

interest and penalty (if any) is the sine qua non for triggering the authority of the appellate Commissioner to hear an appeal under provisions of Central Excise or Service Tax or Customs Act. Further, where only penalty is under dispute relating to Central Excise, Service Tax and Customs matters, pre-deposit of specified percentage of penalty is mandatory while filing of appeal, otherwise the Tribunal or the Commissioner (Appeals) shall not entertain any appeal.

8. Contrary to the above, the CGST Act does not provide any provision for pre-deposit for filing of appeal in the cases where only penalty amount is disputed by the appellant. **Therefore, in such cases, the recovery proceeding should not be deemed to have been stayed, as the scope of deemed stay is meant only for those appellants who has paid a sum equal to ten or twenty per cent of the remaining amount of tax in dispute.**

9. In view of above, for the purpose of uniformity, removal of doubts as well as to safeguard the revenue interest, condition of pre-deposit in respect of cases where only penalty is disputed may be made applicable in the GST appeal matters by amending the related GST provisions. Further, the Board may like to clarify and instruct the field formations to effect recoveries in such cases where only penalty has been challenged by filing appeal without any pre-deposit.

Note:

(i) *The above views or opinions expressed in the content do not necessarily reflect those of the individual, Department or Government and it is not intended to be used for legal advice or professional advice.*

(ii) *Thanks to Shri Umesh Kumar Agarwal, Superintendent for his support in preparation of this article.*

DRC-03 Verification

An effective tool to generate additional revenue

*By – Devi Dutt Sharma, Superintendent,
CGST Division-E, Behror*

Verification of the intimation of payment made by a taxable person in FORM GST DRC-03 is an important function assigned to the Range Officer. As per Rule 142(2) of the CGST Rules, 2017 once the payment made by the taxpayer in FORM GST DRC-03 has been communicated to the proper officer, it is the statutory duty of the proper officer to issue an acknowledgement in FORM GST DRC-04, accepting the payment made by the taxable person. Further, as per Rule 142(3) of the CGST Rules 2017, for payments of tax and interest, made by the taxpayer, as per provisions of section 73(8) or section 74(8) of the CGST Act, 2017, and for payments made for the amount towards penalty as per section 129(1), the proper officer has to conclude the proceedings by issuing an order in FORM GST DRC-05.

2. These actions are time bound because in case any short payment is noticed during the course of verification of DRC-03, a demand has to be issued within the outer limitation of time prescribed for raising such demands. The payment made is, therefore, required to be examined for correctness of calculation of amount payable as also for leviability of interest or penalty in deserving cases especially where the payment has been made under the category of “voluntary payment”.

3. Disposal of DRC-03 intimations is a continuous process as new DRC-03 intimations keep on adding up every day to the already pending intimations. A detailed SOP has also been laid down vide Office Order No.22/2023 dated 16.10.2023 issued by the CCO, Jaipur for verification of such intimations of payment in FORM GST DRC-03.

4. While verification of DRC-03 is required to be done as per the mandatory legal provisions, here are some examples of practical experience which indicate towards the importance and urgency of the verification process. While verifying the intimations some instances have come to notice where the taxable persons have made voluntary payments of tax short paid or reversed ITC but payment of interest has not been made especially for the payments relating to the initial years of GST implementation.

5. In some cases of verification, prima facie examination of the intimation itself with the help of Electronic Credit Ledger or GSTR-9 and 9C or GSTR-3B/ GSTR-1 returns indicated towards the possibility of short payment or non-payment of interest payable on the tax paid or ITC reversed voluntarily. As a result of the verification process initiated by the Range Office, the taxable persons have deposited the interest payable or are going to pay the same shortly. A few examples are detailed below:-

(i) **GD Foods Manufacturing (India) Private Limited (GSTIN 08AAACG9952A1ZP)** had reversed ITC alongwith interest for the **year 2019-20** (aggregate Rs.18,04,705/-) through DRC-03 ARN ADO802210163605 dated 26.02.2021. Perusal of the calculation chart submitted during verification process revealed that rate of interest applied in the excel sheet was 12% owing to some inadvertent error. Thus, there was short payment of interest to the extent of 6% of the ITC reversal. On being pointed out, the taxable person paid the **differential interest amounting to Rs.1,01,016/- through DRC-03 ARN ADO80823002345A dated 03.08.2023.**

(ii) **M/s Sakarni Plaster (India) Private Limited (GSTIN 08AASCS3036P1ZL)** had paid interest amounting to Rs.34,125/- on delayed payment of tax in the GSTR-3B returns for the **year 2017-18** vide DRC-03 ARN ADO80721001143P dated 06.07.2021. From perusal of the information on delay in filing of GSTR-3B returns as available on the

dashboard it appeared that the amount of interest paid was inadequate. On inquiry it was found that interest had been short paid and therefore, **interest amounting to Rs.73,454/- has been paid by the taxable person vide DRC-03 ARN ADo80923071038W dated 22.09.2023.**

(iii) **M/s Kritika Gupta (GSTIN o8DMWPG7237N1Z3)** had made reversal of ITC amounting to Rs.91,508 voluntarily **for the year 2022-23** through DRC-03 ARN ADo81223033238B dated 27.12.2023. Though voluntary reversal of ITC under the head of CGST was made from the Electronic Credit Ledger but reversal of ITC of SGST was made from Electronic Cash Ledger which indicated towards the requirement of payment of interest. Perusal of Electronic Credit Ledger indicated that ITC availed during the quarter October to December 2022 stood utilised to a large extent by 20.01.2023 itself. Thus, interest was required to be paid in respect of reversal of ITC of both CGST and SGST. On being pointed out, the taxable person deposited **interest amounting to Rs.13,839/- through DRC-03 ARN ADo80224009531I dated 12.02.2024.**

(iv) **M/s JPAN Tubular Components Private Limited (GSTIN o8AABCJ8537F1ZG)** had made payment of an aggregate sum of Rs.37,27,893/- through DRC-03 ARN ADo80120012073Z dated 19.02.2020 under section 73(5) of the CGST Act, 2017 through the Electronic Cash Ledger for the **year 2017-18** showing the cause of payment as annual return. Reversal of ITC from the Electronic Cash Ledger indicated towards the need to pay interest which was not paid. On being enquired, it was informed that transitional credit of CGST of Rs.37,16,813/- was also claimed in the GSTR-3B return as the TRAN-1 credit was not reflecting due to technical glitches. Later on, the transitional credit claimed in TRAN-1 was also credited as ITC of CGST and, therefore, the transitional ITC claimed in GSTR-3B was reversed while filing the annual return vide DRC-03 dated 19.02.2020 but without interest. Examination of the Electronic Credit Ledger revealed that transitional ITC taken in GSTR-3B return had also been utilised at some point in time and, therefore, interest was required to be paid for the period starting from the date of its utilization. The taxable person has now paid the **interest amounting to Rs.13,77,854/- vide DRC-03 ARN ADo80923025915S dated 11.09.2023.**

(v) **M/s Vriya Automotives Private Limited, Neemrana (GSTIN o8AACCV4610N1Z4)** had paid tax amounting to Rs.2,62,164/- from the Electronic Cash Ledger through DRC-03 ARN ADo81220015611R dated 31.12.2020 against short payment of tax liability for the **year 2018-19** in the GSTR-3B returns. Thus, interest for delayed payment of tax was also payable which had not been paid. On being pointed out, the taxable person has paid **interest amounting to Rs.82,872/- and Rs.20,946/- through DRC-03 ARN ADo801240278651 dated 24.01.2024 and ADo80224003575C dated 06.02.2024.**

(vi) **M/s Manoj Kumar (GSTIN o8BCRPM9254Q1ZE)** reversed ITC amounting to Rs.1,82,900/- through DRC-03 ARN ADo80224013278A dated 16.02.2024 from the Electronic Cash Ledger in respect of vehicle lost in accident on 01.06.2023. The ITC was required to be reversed in GSTR-3B for the tax period **June 2023** itself and, therefore, interest for the period of delay in reversal is payable by the taxable person. Accordingly, the taxable person has been requested to pay **interest amounting to Rs.19,205/- for the period of delay in reversal of the ITC.**

(vii) **M/s Malster and Blenders India Private Limited, Neemrana (GSTIN o8AADCM9600N1Z4)** reversed ITC amounting to Rs.11,93,956/- under Rule 42 of the CGST Rules, 2017 (common ITC relatable to exempted turnover) for the **year 2019-20** through DRC-03 ARN ADo807230124854 dated 17.07.2023 from both the Electronic Cash Ledger and Electronic Credit Ledger. The reversal of ITC was required to be made every month of the year 2019-20 but the same was made on 17.07.2023 only. Therefore, interest was payable for the period of delayed reversal which has not been done. The taxable person has assured to deposit shortly the **interest amounting to Rs.10,42,966/- for the**

period of delay in reversal of ITC.

6. There may be cases where examination of DRC-03 reveals that the payment made through DRC-03 still falls short of the amount of tax payable or the amount of ITC liable to be reversed or that interest payable has not been paid or has been short paid and still the taxable person does not respond quickly. In such cases demands may have to be raised by way of show cause notices for recovery of the amounts involved.

7. One important point worth noting is that while delayed payment of tax or delayed reversal of ITC attracts interest liability in terms of section 50 of the CGST Act, 2017 but as per Rule 88B of the CGST Rules, 2017 the interest shall be calculated on the amount of tax which remains unpaid for the period upto the date such tax is paid or on the amount of ITC wrongly availed and utilised for the period upto the date of reversal of such credit. Thus, if the amount of interest is not paid on the date of payment of tax or reversal of ITC, no further interest is payable by the taxable person for the period of delay in payment of the interest liability. It is, therefore, advisable that interest is recovered at the earliest or a show cause notice proposing the recovery of interest and imposition of penalty is issued immediately.

8. It may be seen that even though the number of cases of non-payment of interest detected is not sizeable yet the process of DRC-03 verification certainly works as an effective tool to generate additional revenue to some extent at the level of Range Office.

(The write-up is simply intended to share the personal experience of the writer with the colleagues and the views expressed therein may not necessarily represent the stand taken by him on the provisions of law in his official capacity.)
