



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

6th December 2024
D.O. No. GCCO/TECH/MISC/440/2023

Dear *Colleagues,*

'SAMVAAD' : December 2024

As winter ushers in, the New Year draws near, it is a reminder that the financial year is also inching close to the finish. Therefore, we need to take stock of the targets, achievements and give our best to achieve them.

2. Based on the GST Council's recommendations in its 53rd and 54th meetings, several updates have been made to the CGST framework. Section 128A has been inserted in the CGST Act, 2017, effective from 01.11.2024, enabling waiver of interest or penalty or both for demands under Section 73 for FY 2017-18, 2018-19, and 2019-20, subject to certain conditions. Subsequently, Rule 164 has been introduced in the CGST Rules, 2017 to outline the procedure for closure of proceedings under Section 128A. Further, 31.03.2025 has been notified as the deadline for complete tax payment to avail the waiver benefits. All Commissioners are advised to publicize these provisions widely to ensure taxpayers are informed and can avail the benefits.

3. During November 2024, the revenue has reached ₹2,176 crores, exceeding last month's figures. This marks the second consecutive month of surpassing the ₹2,100 crores mark and it stands as the second highest revenue for the year. Year-to-date, the revenue has increased by 9.6% compared to the same period in the previous financial year. Although these figures are encouraging, more needs to be done. It is crucial to plug areas of tax evasion to realize the targets.

4. Based on inputs fom CIU, CGST Jaipur uncovered fraudulent ITC transactions by fake firms. These fictitious companies namely M/s Arpit Traders, M/s Raj Traders, M/s Ayush Choudhary and M/s Sish Pal Enterprises illicitly transferred ITC amounting to an astounding ₹19.73 crore. Further, acting on inputs received from CIU, CGST Jaipur has recovered ITC of ₹6.67 crore from M/s Rajasthan State Pollution Control Board, who is involved in supplying 'whole of government public services' and are showing the same under 'exempt supplies' category. The taxpayer was taking whole ITC on inputs/ input services/ capital goods available to them and failed to reverse proportionate ITC in respect of goods used in exempted supplies as required

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

under Section 17(2) of the CGST Act, 2017, read with Rules 42 and 43 of the CGST Rules, 2017.

5. An inspection conducted by CGST, Jaipur revealed tax irregularities by M/s Shree Hari Infraprojects Private Limited. The taxpayer was found to have misclassified services, leading to short payment of GST at 12% instead of 18%, delayed tax payments and availed ineligible input tax credit. The taxpayer acknowledged these issues and voluntarily deposited GST of ₹96 lakh. Further, CGST, Jaipur has also recovered ₹2.11 crore from M/s N. S. Publicity India Pvt. Ltd. and M/s Shree Salasar Industries on account of wrongful availment of ITC on goods less invoices/ invoices from cancelled suppliers/ blocked ITC and also on account of misclassification of goods.

6. DGGI, Jaipur has registered a case against M/s. Shyama Chem, Jaipur, for clandestinely supplying detergent raw materials without invoices to various local firms and issuing fake invoices to taxpayers in Madhya Pradesh and Gujarat to pass on ITC. The taxpayer admitted to the offenses and has deposited ₹3.50 crores in GST against a detected liability of ₹5.46 crores. In another case against M/s. Chandra Engineers, Alwar, for fraudulently availing and utilizing ITC worth ₹6.66 crores based on invoices from a non-existent and non-operational firm without the actual receipt of goods, DGGI Jaipur has recovered GST to the tune of ₹2 crores.

7. It was observed that Commissionerates are adopting different practices to tackle the investigation of fake ITC cases. In order to standardize practices across the Zone, an SOP for investigating fake ITC cases was shared during the '**Manthan**' held on 20.11.2024. This SOP, prepared in consultation with all field formations, aims to unify the investigation process, ensuring a consistent and efficient approach in identifying and addressing cases of fake ITC across all Commissionerates.

8. The 7th meeting of Grievance Redressal Committee (GRC) for the State of Rajasthan was held on 08.11.2024. Representatives from the State Tax Department, GSTN, Tax Professionals' Associations and Trade Associations participated in the discussions to address key issues raised by the trade and industry. Senior officers of the department were also engaged in the deliberations. This collaborative effort aimed to foster dialogue and find effective solutions to enhance the business environment in Rajasthan.

9. On 20th November 2024, as part of the '**Khula Samvad**' initiative, I had the opportunity to interact with trade and industry associations in Jodhpur. This session, the third in our series, was designed to foster an open platform for productive discussions on various GST-related issues. The exchange was enlightening, as it addressed the stakeholders' concerns and highlighted the government's efforts to simplify compliance procedures and increase transparency. Such interactions are essential for building trust and enhancing the collaborative relationship between the tax administration and the trade community.

10. CGST, Alwar, organized the 3rd meeting of the '**Pahal – Ek Kadam Unnati Ki Aur**' series at Bhiwadi on 14.11.2024, with Trade Associations and Tax Professionals. Discussions revealed that the trade often appreciates the officers' supportive attitudes and assistance with daily challenges. In the first phase of "Pahal", the Alwar trade commended Shri Ravi Kant, Inspector, for aiding with compliance notices. Similarly, in this meeting, the Bhiwadi trade praised Shri Sharad Chandra,

Superintendent for his efforts in facilitating trade.

11. CGST Jodhpur conducted an outreach program on 23.11.2024 with trade organizations and tax professionals to discuss the newly implemented Invoice Management System, Amnesty Scheme and Biometric Aadhaar Authentication. The interactive session addressed all field-level queries and participants were assured that policy-related concerns would be escalated to higher authorities for resolution.

12. The Administrator, CBIC eOffice has released a new SOP for Dispatch and Receipt in eOffice, aimed at streamlining communications within CBIC. This SOP emphasizes the use of CRU eOffice IDs for dispatch and diarizing to ensure traceability and consistency. The SOP and Manual is available on the eOffice Notice Board and has been circulated vide CCO's letter dated 03.12.2024. All eOffice users may be instructed to adhere to the guidelines outlined in the SOP and the Manual.

13. In this month's Gyan-Sangrah, we are excited to present two enlightening articles that exemplify both domain and behavioral competency:

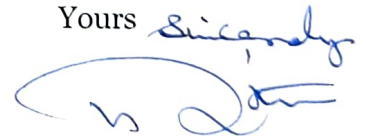
- (a) *Avoiding payment of tax in cash by converting CGST/SGST liability to IGST liability in GSTR-3B and subsequent resort to Section 77 of the CGST Act, 2017* – By Shri Nikhar Garg, Inspector, CGST Division, Behror; and
- (b) *CBIC's Behavioural Sensitization Program Under Mission Karmayogi – A Journey of Transformation from Karmachari to Karmayogi* – By Shri Amit Kumar Jain, Inspector, CCO, Jaipur.

We are especially grateful to the officers who generously shared their insights with us.

14. Last month, we had the privilege of commemorating the superannuation of Shri Rajiv Ranjan, Commissioner, Shri Alok Goswami and Shri B. S. Solanki, both Superintendents and Shri Radheyshyam Yadav, LDC. It was a time of appreciation as we bid farewell to above officers whose commitment and hard work have made a lasting impact on the department. We wish them a fulfilling new chapter, filled with happiness, good health and relaxation and extend our best wishes for their well-deserved superannuation.

Till next YEAR,

Yours



(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 & Zonal Incharge), CBIC, New Delhi.
- (iii) Commissioner of Commercial Taxes, Rajasthan, Jaipur
- (iv) Pr. ADG/ ADG, NACIN/ DGGI, Jaipur.

ज्ञान संग्रह

दिसम्बर, 2024

GYAN SANGRAH

DECEMBER, 2024

Avoiding Payment of Tax in Cash by Converting CGST/ SGST Liability to IGST Liability in GSTR-3B and Subsequent Resort to Section 77 of the CGST Act, 2017

*By – Nikhar Garg, Inspector,
CGST Division, Behror*

One of the main features of GST is that it is a Value Added Tax which means that it avoids cascading by allowing Input Tax Credit (ITC) of the taxes paid on inward supplies which can be used to set off the tax liability on outward supplies of goods and services ensuring thereby that a taxable person is required to pay tax in cash on the value addition only, done by him in the course of business. **However, cross-utilisation of ITC of CGST and SGST for payment of tax has not been allowed.** Thus, even if a taxable person is having excess balance of SGST in his Electronic Credit Ledger (ECL), it can-not be utilized for payment of CGST liability and vice versa. The present article narrates how a taxable person can **evade payment of tax in cash** by utilizing ITC of SGST for payment of tax under the head of CGST and vice versa.

2. During the course of scrutiny of a taxpayer for F.Y. 2020-21, it was observed that the taxable person had short paid the tax liability by Rs.14,00,000/- (CGST- Rs.7,00,000/- and SGST- Rs.7,00,000/-) and have excess paid IGST of Rs.14,00,000/- in the GSTR-3B return filed for the month of July-2020 as compared to the tax liability declared by them in GSTR-1 return. It was also observed that the entire tax liability was paid via ITC.

3. In response to the Notice issued in FORM ASMT-10, the taxable person submitted that they had mistakenly shown the liability of CGST & SGST in the wrong head - IGST but they have paid the total liability in the same month.

4. On examination of the ECL, it was observed that **the balance of ITC of CGST and IGST was short as compared to the corresponding CGST and IGST tax liabilities. It was further observed that the balance of ITC of SGST was in excess to the SGST tax liability. Accordingly, a portion of CGST tax liability was required to be paid in cash.**

However, while filing the GSTR-3B return, the taxable person wrongly reported the amount of tax liability under different heads of tax viz. CGST, SGST & IGST while keeping the total liability unchanged and paid the entire tax liability through ITC, thus evading cash payment of tax.

5.1. Section 49 of the CGST Act, 2017, in sub-section (5), provides the order of utilization of ITC of different heads of tax and also provides for restrictions on utilization of ITC of a given head for payment of tax under a different head in the following manner:-

ITC of Tax Head	Utilization for payment of tax liability under the head		
	First preference	Second preference	Third preference
IGST	IGST	CGST	SGST
CGST	CGST	IGST	Not allowed
SGST	SGST	IGST	Not allowed

5.2. In the instant case, ITC available of IGST, CGST & SGST was Rs.7,12,438/-, Rs.3,68,661/- and Rs.30,32,354/- respectively as against the tax liability of Rs.17,61,261/-, Rs.10,50,222/- and Rs. 10,50,222/- respectively. Thus, the utilization of ITC should be as under:

- i. IGST liability to be set off from ITC of IGST & SGST.
- ii. CGST tax liability to be set off from ITC to the extent of Rs.3,68,661/- only and **remaining amount of Rs.6,81,561/- (Rs.10,50,222/- minus Rs.3,68,661/-) was to be paid in cash.**
- iii. SGST liability to be set off from ITC of SGST.

6. As evident from above, the payment of CGST amounting to Rs.6,81,561/- was to be done in cash. However, the taxable person, **rather than paying the remaining liability of CGST in cash, wrongly reported the tax liabilities in GSTR-3B return by reducing the CGST tax liability to the extent it was required to be paid in cash** with the following precautions:-

- (A) The amount of reduction was rounded off to the next higher sum in lakh so as to make it appear as if it was a clerical error; and
- (B) The liability of SGST was also lowered in equal sum because the liabilities under both the heads run concurrently.
- (C) The liability of IGST was increased to keep the total tax liability same.

7. The case, therefore, appears to be one of **manipulation of the figures of tax liability and incorrect reporting thereof in GSTR-3B return with intent to evade payment of tax in cash** and accordingly, demand of tax has been raised under section 74 of the CGST Act, 2017 **as the taxable person has willfully misstated the tax liabilities.**

8.1. Interestingly, the taxable person has come up with an argument that payment of tax under wrong head was actually a clerical error brought to his notice through ASMT-10 only and they will pay the tax under correct heads in due course and claim refund of wrongly paid IGST.

8.2. It is worthwhile to note here that refund of tax paid under incorrect head of IGST is governed by **Section 19(1) of the IGST Act, 2017** which provides that:-

*“(1) A registered person who has **paid integrated tax on a supply considered by him to be an inter-State supply**, but which is subsequently held to be an intra-State supply, shall be granted refund of the amount of Integrated tax so paid in such manner and subject to such conditions as may be prescribed.”*

8.3. Similarly, **Section 77(2) of the CGST Act, 2017** provides for payment of tax subsequently under correct head [CGST and SGST] without the requirement of paying interest for delayed payment as follows:-

*“(2) A registered person who has **paid integrated tax on a transaction considered by him to be an inter-State supply**, but which is subsequently held to be an intra-State supply, shall not be required to pay any interest on the amount of central tax and State tax or, as the case may be, the Central tax and the Union territory tax payable.”*

9. In the instant case, no **intra-State supplies** have been considered by the taxable person as **inter-State supplies** because invoices have been raised correctly showing the tax liability under the heads of CGST and SGST and so has the GSTR-1 return been filed showing the tax liability under those heads.

Accordingly, case of **manipulation of the figures of tax liability while filing GSTR-3B return in order to evade payment of tax in cash can not be categorized as a case of an intra-State supply having been considered as inter-State supply** and accordingly, such a case is clearly out of the scope of section 19(1) and section 77(2) *ibid*.

10. In view of above, while scrutinizing the returns filed by a taxable person, mismatch of tax liability declared in return in FORM GSTR-1 with the tax liability paid in GSTR-3B shall be examined carefully to find out the real cause of the mismatch and intent thereof.

(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.)

CBIC's Behavioural Sensitization Program Under Mission Karmayogi : A Journey of Transformation from Karmachari to Karmayogi

*By – Amit Kumar Jain, Inspector,
CCO, Jaipur*

CBIC has consistently demonstrated leadership in policy implementation and operational modernization. From the successful rollout of GST to the integration of cutting-edge technology in administrative processes, CBIC has remained at the forefront of innovation in Indirect Tax administration. Public service in India is undergoing a profound transformation, spearheaded by initiatives such as Mission Karmayogi. Within this broader framework, CBIC has implemented the CBIC Karmayogi Program – Behavioural Sensitization Training to redefine governance through behavioral change, professional excellence and empathy. This initiative marks a shift from transactional interactions to a service-oriented approach, aiming to create a workforce which would be efficient and citizen-centric both.

Vision and Overarching Objectives

This training program aspires to achieve two primary goals: fostering trust and improving taxpayer engagement while ensuring personal and professional growth for its officials. It emphasizes moving beyond traditional bureaucratic roles, empowering officers to act as servant-leaders who prioritize the needs of citizens and stakeholders.

By adopting behavioral sensitization and advanced training methodologies, the program focuses on:

1. Enhancing empathy and responsiveness in interactions with taxpayers.
2. Reducing grievances through proactive and preventive measures.
3. Building a culture of trust, integrity and service.

Defining the CBIC Karmayogi

A CBIC Karmayogi is more than a public servant. He is a custodian of trust, a problem solver and an enabler of progress. This identity is rooted in the harmonious integration of "Who I am" (being aspect) and "What I do" (functional aspect).

By awakening the "Karmayogi Mode," officials unlock their highest potential, ensuring that their personal values flow seamlessly into their professional functions. This transformation is marked by:

- **Seva Bhav (Spirit of Service):** A genuine intent to serve taxpayers and other stakeholders by addressing their needs proactively and equitably.
- **Positive Engagement:** The ability to turn every interaction into an opportunity for trust-building and problem-solving for all the stakeholders.
- **Purposeful Contribution:** A commitment to delivering meaningful outcomes, both in terms of tangible results and intangible benefits such as goodwill and satisfaction.

Core Pillars of the Program

The Program is built on several foundational principles, each contributing to the overall vision of integrity and excellence. The principles can be underlined as under:

1. Seva Bhav: The Spirit of Service

Seva Bhav serves as the moral compass of the program, guiding officials in their daily interactions and decision-making. This principle emphasizes the importance of prioritizing the public good, reducing procedural complexities and fostering a taxpayer-friendly environment.

Through improved behavior, reduced response times and fair decision-making, CBIC officials embody the spirit of service, ensuring that the organization's actions reflect its commitment to national progress.

2. Trust Surplus: Building Sustainable Relationships

Trust is the cornerstone of effective governance. The program introduces the concept of "Trust Surplus," which measures the degree of trust cultivated in each interaction with stakeholders. Tools such as the "Trust-o-Meter" enable officials to assess and improve their trust quotient, ensuring that transparency, fairness and accountability remain central to all engagements.

A "Trust Surplus" is achieved not through grand gestures but through consistent and equitable behavior, ensuring that taxpayers, trade partners and other stakeholders view CBIC as a reliable and fair institution.

3. Empathy and Awareness: Understanding Stakeholder Perspectives

Empathy is a critical attribute for fostering positive relationships. The program emphasizes the importance of understanding the taxpayer's perspective through structured tools like the "Maze of Consequences," which encourages officials to evaluate the broader impact of their decisions.

This approach not only prevents grievances but also fosters a sense of inclusivity, ensuring that the taxpayer's voice is heard and respected in the decision-making process.

4. The Tree of Fulfillment: Balancing Material and Inner Rewards

The Tree of Fulfillment is a powerful metaphor for the dual rewards of professional life—material benefits such as promotions and inner rewards such as personal satisfaction and growth.

Central to this framework is the concept of "Karmayogi Moments," instances where officials contribute meaningfully to their stakeholders' goals. By maximizing these moments, officials create a virtuous cycle of contribution and fulfillment, achieving a balanced and enriched professional experience.

5. Enhancing Taxpayer Engagement through Nine Levers of positive engagement:-

The program focuses on enhancing positive engagement with taxpayers and trade

through nine levers Viz. Responsive Listening, Visibility, Value for Time, Respectful Dealing & Human Touch, Enabling Ease of Use, Education & Counselling, Make it Happen, Reassurance and Avoiding Micro-harassments. These tools aim to foster trust, ensure efficient communication and create a citizen-centric tax administration. In turn, it will promote increased tax compliance and positive engagement of the department with all the stake holders.

The Lifelong Journey of a CBIC Karmayogi

Becoming a CBIC Karmayogi is not a finite process but a lifelong commitment to excellence, adaptability and self-reflection. As officials navigate diverse roles and responsibilities within the CBIC, they are encouraged to remain anchored in the program's guiding principles while adapting their approach to meet the unique demands of each situation.

This dynamic role-identity allows officials to remain effective and relevant, ensuring that their contributions align with the evolving needs of the organization and the nation.

Conclusion: A New Paradigm of Governance

The CBIC Karmayogi Program – Behavioural Sensitization Training is not merely an initiative but a transformative movement aimed at redefining the role of public officials in modern governance. By embedding values of trust, empathy and purposeful contribution into the very fabric of their operations, CBIC is setting a new standard for excellence in public administration.

This program invites every official to embark on a journey of self-discovery and professional growth, ensuring that their actions contribute not only to the efficiency of the CBIC but also to the progress and well-being of the nation.

Through its innovative training methodologies and use of technology, the program lays the foundation for a future-ready workforce that embodies the highest standards of professionalism and integrity. The journey from "Karmachari" to "Karmayogi" is more than a personal transformation—it is a step toward realizing the broader vision of a compassionate and progressive public administration system.
