

GST NOTICE HANDLING – TECHNICAL DISCUSSION

BY. CA SACHIN JAIN

CONTACT : CASACHIN61@GMAIL.COM

MOBILE : 9460236167





TYPES OF NOTICES UNDER GST :

- Scrutiny of Returns
- Assessment of Non Return Filers under GST
- Assessment of Unregistered Person under GST
- Summary Assessment
- Business Audit
- EWay Bill Related Issue
- Search and Seizure Related Issue

AFTER GETTING THE NOTICE WHAT SHOULD BE YOUR FIRST COURSE OF ACTION ?

- First Check the validity of Notice
- Check the Jurisdictional Authority
- Verify the DIN Number in case of Notice issued by CGST Department
- Get the idea about section under which the notice has been issued
- Find out the reason of the notice
- Check Arithmetical calculation of Notice

WHETHER THE NOTICE WILL SHARED OVER REGISTERED MAIL OR NOT ?

- Maximum Cases it will be available on GST Common Portal under user Services tab (Notice & Orders)
- Business Audit related notice will be shared on mail as well

HOW ONE CAN SUMMARIZE THE NOTICE ?

- Issuing Authority
- Report the Relevant Section
- Link the section with Reason of notice
- Amount of Demand
- Calculation with Relevant Figures
- Date of issue and Communication of Notice
- Due date for Reply

WHAT ARE THE THINGS WE NEED TO TAKE CARE WHILE DRAFTING THE REPLY ?

- Reply should be based on the section under which the notice has been issued
- Don't put the complete section in reply (Only relevant portion should be part of reply)
- Always provide simplified Explanation of Section as per your Analysis.
- Don't put the complete Case Study in Reply (Only Relevant Portion should be part of reply)
- Always Provide simplified Explanation of Case Study as per your Analysis. +
- Relevant Reconciliation Should be provided with Annexure only.
- All the Attachment Should be part of Annexure only.

WHAT ARE THE IMPORTANT RECONCILIATIONS UNDER GST ?

- Turnover Comparison (Books v/s GSTR - 3B)
- GSTR – I v/s GSTR -3 B
- GSTR – 3B v/s 2B
- RCM Related Reconciliations
- Input tax Credit Balance Related Reconciliations

WHAT ARE THE IMPORTANT DOCUMENTS REQUIRED FOR BUSINESS AUDIT ?

- Audited Financial Statements of Relevant Period
- GSTR -9/9C of Relevant Period
- Relevant Reconciliations
- Income Ledger
- Expenditure Ledger
- Creditors age wise list
- Creditors Ledger
- Sales Register
- Purchase Register

WHAT ARE THE COMMON GROUNDS FOR SCRUTINY OF RETURNS ?

- Difference between GSTR -I & 3B
- Difference between GSTR -2B & 3B
- Huge variation in Sales
- Difference between RCM liability
- Non Payment of Interest in case of delayed filing of Return.

CAN DEPARTMENTAL AUTHORITY DEMAND THE DOCUMENTS BEYOND THE PARA MENTIONED IN NOTICE IN CASE OF SCRUTINY OF RETURNS ?

No, The scope of Scrutiny of Returns are very limited to the para mentioned in the notice but in case of Business Audit departmental Authority can ask for any document related to the relevant period.

WHAT IS THE IMPORTANT OF FORWARDING LETTER ?

This is a very important document regarding the proof of submission of Documents with the departmental Authority.

HOW I CAN SAVE MY CLIENT FROM NOTICES ?

- No Difference between GSTR -3B & GSTR -I
- No Difference between RCM Payable and Paid
- No Immediate huge variation in Sales
- No Major difference between GSTR -2B & 3B
- Interest should be paid in case of delay filing of Return

WHY MOST OF THE LITIGATIONS ARE ONLY DUE TO INPUT TAX CREDIT ?

Due to multiple filters while claiming the input tax credit, let's have a look on these filters :

- First one need to check Section 16(1) of CGST Act.
- Then we need to Check various conditions of Section 16(2) of CGST Act.
- Then Check Apportionment of credit
- Then Check Blocked credit under section 17(5)
- Then Check Reversal as per Rule 42 and 43.

WHAT WILL BE THE IDEAL BODY PART OF REPLY OF A PARTICULAR NOTICE ?

- About the Industry
- Facts of the Situation
- Relevant Section under which taxpayer is providing the reply
- Relevant case study
- Reference of Technical Glitch (if any)
- Relevant Reconciliation (That Should be part of Annexure)
- Conclusive Para
- Supporting Documents

53RD GST COUNCIL MEET – 23/06/2024 – HIGHLIGHTS

- 2017-18 till 2019-20 only tax is required to be paid. No Interest and Penalty Required.
- 2017-18 till 2020-21 – Input can be Claimed till 30.11.2021 (i.e. at that time recipient has filed delayed return then also input should be allowed.)
- Department cannot file appeal to the higher authority if the matter involves for :
 - a. Appellate Tribunal – 20 Lakh
 - b. High Court – 1 Crore
 - c. Supreme Court – 2 Crore
- GST Appellate Tribunal – Appeal filing period will commence from the date as Notified

53RD GST COUNCIL MEET – 23/06/2024 – HIGHLIGHTS

- If balance is available in Electronic cash ledger then no Interest Required in case of delay in filing of Return.
- Reduction in TCS Rate for E – Commerce Operator – 1% to 0.50%
- Date Extension for Composition Dealer Annual Return – 30th April to 30th June
- GSTR -IA Return – To Furnish Additional Information related to GSTR -I Return before filing of GSTR -3B Return
- Penalty Relaxation in case of Section 73 and 74 of CGST Act – 30 Days to 60 Days
- B2CS Invoices to be Reflected in GSTR -I IF Turnover is Lakh earlier This Limit was 2.5 Lakh

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