

Circular No. 11/2023
PP2/GST-15/29/2023

Office of the Principal Secretary/
Commissioner of Commercial Taxes,
Ezhilagam, Chepauk,
Chennai – 600 005.

Dated: 27.05.2023

CIRCULAR

Sub: TNGST Act, 2017- conduct of inspection under Section 67 of the Act- Power to adjudicate as a result of inspection-certain instructions-circular issued-certain modification to the Circular-issued-Regarding.

Ref:

1. This office Circular No. 13/2022 (PP2/ GST-15/114/2022) dated 08.11.2022.
2. Principal Secretary /Commissioner of Commercial Taxes Lr.No. IW2/3170288/2022 dated 27.02.2023.
3. Additional Commissioner (Intelligence) U.O. Note IW2/3170288/2022 dated 18.05.2023.

In the circular first cited, instructions were issued on certain issues arising out of empowerment of inspecting officers to raise demand as adjudication officer, procedure for adjudication and also on the revenue effect fixed for adjudication by the proper officers in the cadre of Assistant Commissioners and State Tax Officers.

2) It has been instructed, inter-alia that the adjudication has to be done by Assistant Commissioner (ST) in respect of cases, where revenue effect exceeds Rs Two crore. Now, it is brought to the notice of the Principal Commissioner /Commissioner of Commercial Taxes, that the number of cases to be adjudicated by Assistant Commissioner (ST), in Intelligence Division are more and the number of posts of Assistant Commissioner (ST), are also less. In order to streamline the workload, it is decided to allocate cases where revenue effect is more than Rs. Five crore to the Assistant Commissioner (ST).

3) In view of the above, the para 4 of the circular first cited, is modified as below:-

"4. If the taxpayer fails to pay the tax, interest and penalty as ascertained by the inspecting officer or made partial payment or files objection in Part B of FORM GST DRC-01A within the reasonable time of fifteen days from the date of service of notice in FORM GST DRC-01A, then the inspecting officer has to issue notice along with FORM GST DRC-01 covering all the issues without any omission. Immediately on issue of FORM GST DRC-01 along with notice, the inspecting officer has to obtain orders of the Joint Commissioner (Intelligence) concerned for transfer of file to other proper officers working under the control of the Joint Commissioner (Intelligence) based on the revenue effect involved in the show cause notice issued as mentioned below for adjudication:

- I. Assistant Commissioner- Where revenue effect exceeds Rs. Five crore.
- II. State Tax Officer- In all other cases, where revenue effect is upto Rs.Five crore.

Where in any of the financial year, revenue involved in inspection exceeds Rs. five crore as per FORM GST DRC-01, it has to be reckoned for the purpose of transferring the file covering all the financial year for adjudication.

For example : The period of inspection covered the financial years 2017-18, 2018-19, 2019-20 and 2020-21 and the revenue effect is as follows:

- | | | | |
|-------|--------------------------|---|--------------|
| (i) | Financial year 2017-2018 | - | Rs. 1.50 Cr. |
| (ii) | Financial Year 2018-2019 | - | Rs. 4.50 Cr. |
| (iii) | Financial Year 2019-2020 | - | Rs. 5.10 Cr. |
| (iv) | Financial Year 2020-2021 | - | Rs. 3.02 Cr. |

As the revenue effect for the year 2019-2020 exceeds Rs. Five crore, then all the notices for the four years have to be transferred to the officer in the cadre of the Assistant Commissioner (ST) of the same Intelligence Division for adjudication.

If the revenue effect for each of the financial year is less than Rs.Five crore, such case covering all the financial years, has to be transferred to another State Tax Officer of the same intelligence Division for adjudication"

4) Except for this modification, and instructions issued in the reference second cited, there is no other change in the Circular No. 13/2022 (PP2/GST-15/114/2022) dated 08.11.2022.

5) This modification of circular shall be applicable to the cases inspected on or after **01.06.2023**

6) The receipt of this circular may be acknowledged by return of post.

**Sd/-Dheeraj Kumar
Principal Secretary/
Commissioner of State Tax**

To

All the Joint Commissioners (CT) Intelligence, in the State

Copy to:

1. All Additional Commissioners (CT), including Service Tax Cell in the O/o the PS/CCT Chennai-5
2. All the Joint Commissioners (CT)(Territorial) in the State including LTU
3. The Director, Commercial Tax Staff Training Institute, Chennai-35
4. All JCs/DCs/ACs of the Commissionerate
5. The Joint Commissioner(IT), Chennai-35
6. The Joint Commissioner, (Computer Systems), Chennai-35 for uploading in the intranet website.
7. All Deputy Commissioners in the State (Territorial, Intelligence and LTU)
8. Copy to all Heads of assessment circles in the State
9. Copy to Stock-file.

//Forwarded /by order//

[Handwritten Signature]
29/05/23
Deputy Commissioner (ST)

[Handwritten Signature]
29/05/23