

Interest recovery on non payment of Gst without notices

Backed by a court decision, the goods and services tax (GST) authorities may now directly recover interest accrued on non-payment of GST due to mismatch in invoices without sending any notice.

In a recent matter of **Bharti Airtel, the Punjab & Haryana High Court** lifted a stay ordered earlier, to directly recover interest accrued to the tune of Rs 5.77 crore on late payment of tax due to a mismatch.

[Direct recovery means that the tax authorities are not required to send notices.](#)

The authorities may recover the amount by various means such as deducting the money owed to assesses, for instance, in input tax credit. Or, it could detain their goods and sell them.

The tax authorities had found a difference of Rs 29.88 crore in the liabilities declared in the sales return GSTR-1 and summary input-output returns GSTR-3B for the financial year 2017-18 by Bharti Digital Networks Private Ltd, now merged with Bharti Airtel, an official said.

Upon examination of online records, Bharti Digital paid the tax and mentioned it in the GSTR-3B for December 2018 filed in the month of January 2019.

Since there was a delay of 392 days in the payment of tax, the tax authorities had sought to recover interest of Rs 5.77 crore. The department issued summons to the company. The proceedings were challenged by the company in the high court, and the court had ordered an interim stay on the proceedings.

Post submission of replies and subsequent proceedings, the court has lifted the stay on the proceedings to recover interest through its order dated December 16.

Airtel deposited the amount with the tax authorities on January 17, the official

quoted above said. Even as Airtel deposited the amount, this decision now allows the GST authorities to directly recover interest if tax is not paid on time due to mismatches in invoices, the official said.

Section 79 of the Central Goods and Services Tax (CGST) Act empowers the officers to directly recover the unpaid GST through methods cited above.

Though legal provision exists in the GST laws, the authorities have not resorted to recovering interest without sending notices.

But with court backing, the authorities are considering doing it in some cases of mismatch in the invoices.

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