



Lawgics

By Nidhi, Advocate



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Section 84 of CGST Act, 2017



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84. Continuation and validation of certain recovery proceedings.

Where any notice of demand in respect of any tax, penalty, interest or any other amount payable under this Act, (hereafter in this section referred to as — “Government dues”), is served upon any taxable person or any other person and any appeal or revision application is filed or any other proceedings is initiated in respect of such Government dues, then—

- (a) where such Government dues are enhanced in such appeal, revision or other proceedings, the Commissioner shall serve upon the taxable person or any other person another notice of demand in respect of the amount by which such Government dues are enhanced and any recovery proceedings in relation to such Government dues as are covered by the notice of demand served upon him before the disposal of such appeal, revision or other proceedings may, without the service of any fresh notice of demand, be continued from the stage at which such proceedings stood immediately before such disposal;
- (b) where such Government dues are reduced in such appeal, revision or in other proceedings—
 - (i) it shall not be necessary for the Commissioner to serve upon the taxable person a fresh notice of demand;
 - (ii) the Commissioner shall give intimation of such reduction to him and to the appropriate authority with whom recovery proceedings is pending;
 - (iii) any recovery proceedings initiated on the basis of the demand served upon him prior to the disposal of such appeal, revision or other proceedings may be continued in relation to the amount so reduced from the stage at which such proceedings stood immediately before such disposal.

Rule 161 – Continuation of certain recovery proceedings

The intimation or notice for the reduction or enhancement of any demand under section 84 shall be issued in FORM GST DRC- 25.

Our Interpretation

Section 84
read with
Rule 161

This Section provides that in case any notice of demand in respect of Government dues (tax, interest, penalty or any other amount payable) is served on **taxable person or any other person**; and any appeal, revision application is filed or other proceedings are initiated in respect of such Government dues, then such Government dues may be **enhanced or reduced** in such appeal, revision or in other proceedings. When **any demand of tax, interest or penalty** has been confirmed against the taxable person or any other person and **recovery proceedings are being initiated**, then such proceedings will be continued even where amount is enhanced in appeal, revision or any other proceedings and in case of reduction of demand, such reduced amount is to be recovered.

In cases, where the amount is enhanced, the **Commissioner** shall serve **another notice of demand** on the taxable person or any other person, **in respect of the enhanced amount**. There is no need to issue a fresh notice of demand to the extent already covered by earlier notice. The recovery of enhanced amount would be continued from the stage at which the initial proceedings stood.

In case the Government dues are reduced in such appeal, revision or in other proceedings, the **Commissioner is not required to serve fresh notice of demand** and shall **intimate such reduction** to taxable person or any other person and also to appropriate authority with whom recovery proceedings are pending. Any recovery proceedings initiated prior to the disposal of such appeal, revision application or other proceeding may be continued in relation to the reduced amount.

As per Rule 161, the intimation or notice for the reduction or enhancement of any demand shall be issued in **DRC- 25**.

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