



# Lawgics

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## Section 127 of CGST Act, 2017

### 127. Power to impose penalty in certain cases.

Where the proper officer is of the view that a person is liable to a penalty and the same is not covered under any proceedings under section 62 or section 63 or section 64 or section 73 or section 74 or section 129 or section 130, he may issue an order levying such penalty after giving a reasonable opportunity of being heard to such person.

### Our Interpretation

#### Section 127

This section empowers the proper officer to initiate separate penalty proceedings if penalty is not leviable under any provisions of section 62, 63, 64, 73, 74, 129 or 130.

Penalty proceedings can be initiated under this section even if the same are not covered under the following sections:

- Section 62: Assessment of non-filers of returns
- Section 63: Assessment of unregistered persons
- Section 64: Summary assessment in certain special cases
- Section 73: Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any willful misstatement or suppression of facts
- Section 74: Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilfull misstatement or suppression of facts.
- Section 129: Detention, seizure and release of goods and conveyances in transit
- Section 130: Confiscation of goods or conveyances and levy of penalty

Penalty can be imposed by proper officer even in cases where there are no proceedings open with regard to assessment, adjudication, detention or confiscation. The proper officer may issue a penalty order **after giving opportunity of being heard** to such person.

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