



Lawgics

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Section 170 of CGST Act, 2017

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170. Rounding off of tax, etc.

The amount of tax, interest, penalty, fine or any other sum payable, and the amount of refund or any other sum due, under the provisions of this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise it shall be ignored.

Our Interpretation

Section 170

This provision enables the tax payers and also the departmental authorities to round off the amounts calculated as per the law, if the amounts are in fraction of a rupee. This provision shall apply to any amount calculated under the other provisions of the Act.

Amounts covered:

- Tax,
- Interest,
- Penalty,
- Fine or any other sum payable, and
- Refund or any other sum due, under the Act.

Any amount payable under the act is subject to rounding off provisions. Hence, even Pre-Deposit is rounded off as per the above Section.

The above amounts shall be rounded off as under:

The rounding off need not be done for every part of the tax contained in the invoice, whereas consolidated payment to Government has to be rounded off. Rounding off must be made for the tax payable under the Act. It applies to each invoice as tax is payable on each invoice. Further, the rounding off must be made for each part of tax (CGST and SGST separately). If the paisa is less than 50 then that part has to be ignored.

This provision is applicable for the **assessee**, for the **department** (while issuing show cause notice or passing the order, etc.) and also for the **Appellate Authorities**.

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