



Instruction No. 03/2024-GST

**F. No. GST/INV/Instructions/2023-24**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**(Central Board of Indirect Taxes and Customs)**

New Delhi, Dated 14<sup>th</sup> August, 2024.

To,

All Pr. Chief Commissioners/Chief Commissioners, CGST Zones/ CGST & Customs Zones,  
All Principal Directors General/Directors General under CBIC,  
All Pr. Commissioners/Commissioners, CX & CGST (incl. Audit)

Madam/Sir,

**Subject: Applying para 2(g) of Instruction No. 01/2023-24-GST (Inv.) dt. 30-3-2024 in Audit matters- reg.**

The undersigned is directed to say that the Board's Instruction No. 01/2023-24-GST (Inv.) dated 30-03-2024 has been issued providing guidelines for maintaining ease of doing business while engaging in investigation with regular taxpayers. The para 2(g) of said Instruction is –

*“The scenario may arise in a CGST Zone where an issue investigated by one of the (Pr.) Commissioners is based on an interpretation of CGST Act/ Rules, notifications, circulars etc, and it is in the direction of proposing non-payment or short payment of tax, however, the background is that the taxpayer(s) is/are following, or have followed, a prevalent trade practice based on particular interpretation on that issue in the sector/industry. This scenario results in more than one interpretation and likelihood of litigation, change in practice etc.*

*In such cases, it is desirable that the zonal (Pr.) Chief Commissioner make a self-contained reference to the relevant policy wing of the Board i.e. the GST Policy or TRU. The endeavor, to make such reference before concluding investigation, and as much in advance, as is feasible, of the earliest due date for issuing of show cause notice, may be useful in promoting uniformity or avoiding litigation if the matter, after being processed, is amongst those that also gets placed before the GST Council.”*

2. The Board desires that during the process of audit, wherever the relevant CGST Audit (Pr.) Commissioner comes across the scenario described above, the Zonal (Pr.) Chief Commissioner should follow the procedure and endeavor prescribed by Board in para 2(g) of above Instruction. This applies also to on-going audit proceedings.

Hindi version to follow.

Yours faithfully,

(Vijay Mohan Jain)

Commissioner, GST-Investigation, CBIC