

PART-I

DOCUMENT IDENTIFICATION NUMBER (DIN) IS MANDATE FOR AUTHORITIES

One of the key features of the GST system is the introduction of the Document Identification Number (DIN), which serves as an important tool in the administration and enforcement of GST-related processes.

The DIN system is designed to enhance transparency, ensure accountability, and mitigate fraudulent activities, particularly in the context of notices and communications sent to taxpayers by the tax authorities.

The Document Identification Number (DIN) is a unique number assigned to every communication issued by the GST authorities to a taxpayer. This number is designed to identify the specific document or notice issued, ensuring its authenticity, traceability, and accountability. The concept of the DIN was introduced to prevent the issuance of fraudulent or unauthorized communications from the tax authorities.

The DIN system has been implemented under the Goods and Services Tax Act, which mandates that all communications issued by tax authorities must carry a valid DIN. This includes notices, orders, and any other official documents sent by GST officials.

The structure of the Document Identification Number (DIN) follows a specific format, which is critical for maintaining uniformity and easy reference. Typically, a DIN consists of the following elements:

Prefix: The DIN starts with a unique code that represents the office or department from which the document is being issued.

Date of Issue: The next segment includes the date on which the document was issued. This helps in tracking the timeline of the communication.

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Serial Number: A unique serial number is generated for each document issued by the tax authorities. This ensures that no two documents issued by the same authority will have the same number.

Suffix: A suffix may be added, typically to indicate the type of document or communication, such as an order, notice, or letter.

The combination of these elements creates a unique and traceable identifier for each communication, which can be easily verified by both the taxpayer and the tax authorities.

Generation and quoting of Document Identification Number (DIN), was introduced in GST vide the ***Circular no. 122/41/2019-GST dated 5th November 2019.*** Notably, DIN is to be generated and quoted on all the communication sent by the departmental officers to the taxpayers and/ or any other concerned person.

The introduction of the Document Identification Number (DIN) has legal backing under the provisions of the Goods and Services Tax Act, 2017. The GST Act empowers tax authorities to issue notices, orders, and other official communications to taxpayers for various reasons, such as assessments, audits, and compliance checks.

The use of DIN in these communications is mandatory and is intended to enhance the legitimacy and transparency of the tax administration system. Any communication sent by the tax authorities that does not have a valid DIN is considered to be invalid. This provision aims to prevent the issuance of fake notices, orders, or other documents, which could otherwise be used for fraudulent purposes

Circular No. 128/47/2019-GST dated 23.12.2019, issued by the Central Board of Indirect Taxes and Customs (CBIC), marks a significant stride toward transparency. It mandates the inclusion of Document Identification Numbers (DIN) in all communications, including emails, sent to taxpayers nationwide. Notably, non-compliance with this electronic DIN requirement renders specified

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No: 29 Othavadai street , 2 nd cross Street (Benjamin Layout) Muthukadai,Ranipet 632401

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communications invalid. Intriguingly, while this directive found adherence among Central Tax Officers, the same commitment was notably absent among their counterparts, the State Tax Officers, revealing a disparity in the adoption of this crucial practice within the broader landscape of tax administration.

Affixing DIN on all the communication issued to taxpayers was made mandatory with effect from 24th December 2019 as per the above circular.

It is important to note that the DIN system was introduced and enforced by the Central Government, applying to all Central Departmental Officers. However, it was up to each State Government to implement the system within their jurisdiction. Despite the Central Government's efforts, most State Governments have not issued any notifications or circulars to adopt the DIN system.

The introduction of the Document Identification Number in the GST regime holds several important advantages and has significant relevance in the smooth functioning of the tax system:

- One of the primary purposes of the DIN system is to eliminate the possibility of fake notices or orders being issued to taxpayers. Before the introduction of the DIN, there were instances where fraudulent notices were issued by unauthorized individuals claiming to be from the tax department. The DIN system ensures that all official communications are traceable and can be easily verified as legitimate.
- By making it mandatory for all communications to have a DIN, the government has made it more difficult for fraudsters to deceive taxpayers into making payments or complying with non-existent orders.
- The DIN system enhances transparency in the GST framework by providing a unique identifier for each document. Taxpayers can easily verify the authenticity of any communication they receive by checking the DIN against the records in the GST database. This increases trust in the tax system, as taxpayers can be confident that the documents they are receiving are official and genuine.

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- The inclusion of a DIN in all communications holds tax authorities accountable for the notices and orders they issue. If a document lacks a valid DIN, it can be immediately flagged as invalid or unauthorized. This ensures that tax officers cannot act arbitrarily or issue communications without due process.
- Additionally, DINs help track the specific office and personnel responsible for issuing a particular communication, promoting further accountability and reducing the possibility of corruption or mistakes within the tax administration, by having a proper paper trail.
- The DIN system provides legal certainty in the GST framework. Since all notices, orders, and communications issued by the tax department must have a valid DIN, there is a clear and reliable mechanism for determining the authenticity of documents. This legal framework minimizes the potential for disputes and litigation arising from fake notices or procedural errors.

Format of DIN

Circular No. 122/41/2019-GST which mandates in case of all the search authorisation, summons, arrest memo, inspection notices and letters issued in the course of enquiry to quote unique Document Identification Number (DIN). This issuance of DIN is mandated by the board under the power conferred under section 168(1) of the Central Goods and Services Tax Act and is made effective from 8th November 2019

The composition of DIN can be identified as follows

CBIC-YYYY MM ZCDR NNNNNN

YYYY- denoted the calendar year in which the documents are being issued

MM – Denotes the month in which the document is being issued

ZCDR- Zone Commissionerate Division Range code of the field information

NNNNNN- 6 digit alphanumeric random number

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It is interesting to note that this circular is being issued under the powers conferred under the CGST Act. What is important to note is that SGST departments are also having investigation wings, but they are not being covered under this circular. We have already seen ample of cases where once Central GST Department has conducted investigation, and for the same issue state has conducted the investigation. We see a dream of one nation one tax then issuance of DIN should be made compulsory for both departments not only one. However bringing all the state departments on one portal of CBIC would be a technical challenge.

Out of all , only five (5) i.e., **Andhra Pradesh, Delhi, Karnataka, Kerala & West Bengal have issued a circular for generation of DIN / RFN in the communications / notice issued by them.**

Before parting ways

The Document Identification Number is an essential component of the GST system that serves to enhance transparency, accountability, and efficiency. It provides a clear structure for identifying official communications issued by tax authorities, helping to prevent fraudulent activities and ensuring that taxpayers receive only legitimate notices and orders.

The move towards the electronic generation of Document Identification Numbers (DIN) or Reference Numbers (RFN) in State Tax communications is a significant step towards transparency and accountability in the indirect tax administration. While the Supreme Court has provided a legal framework, only a handful of states have fully embraced this initiative. Uniform adoption of the DIN system across all states is crucial for achieving the desired goals of efficient governance and enhanced accountability in tax administration

PART-II

FREQUENTLY ASKED QUESTIONS

1. What is a Document Identification Number (DIN) in GST?

The Document Identification Number (DIN) is a unique number assigned to every communication issued by GST authorities to taxpayers. It ensures authenticity, traceability, and accountability of notices, orders, and other official documents.

2. Why was the DIN system introduced in GST?

The DIN system was introduced to prevent fraudulent or unauthorized notices from being issued by individuals posing as tax authorities. It enhances transparency, accountability, and efficiency in tax administration.

3. When was the DIN system introduced in GST?

The DIN system was introduced through ***Circular No. 122/41/2019-GST on 5th November 2019*** and became mandatory for all communications from 24th December 2019 through ***Circular No. 128/47/2019-GST, dated 23rd December 2019***

4. What legal provisions support the implementation of DIN?

The DIN system is backed by the Goods and Services Tax Act, 2017, which mandates the inclusion of DIN in all official communications from GST officers to taxpayers.

5. What happens if a communication from tax authorities does not have a valid DIN?

Any communication without a valid DIN is considered invalid and unauthorized. This ensures that only legitimate notices and orders are acted upon.

6. What types of documents require a DIN under GST?

DIN is required on all search authorizations, summons, arrest memos, inspection notices, letters issued during inquiries, notices, and orders.

7. What is the structure of the Document Identification Number (DIN)?

The DIN follows a structured format:

CBIC-YYYYMM-ZCDR-NNNNNN

YYYY – Calendar year of issuance

MM – Month of issuance

ZCDR – Zone, Commissionerate, Division, Range code

NNNNNN – 6-digit alphanumeric random number

8. What is the significance of the DIN structure?

The structure ensures uniformity, easy reference, and traceability of each document issued under GST.

9. Who is responsible for generating and quoting the DIN?

The responsibility lies with departmental officers issuing notices, orders, or any other official communications under GST.

10. How can taxpayers verify the authenticity of a DIN?

Taxpayers can verify the DIN by checking it against GST records through the official GST portal.

11. Does the DIN system apply to State GST authorities?

While the Central Government mandates DIN for all communications, its adoption by State GST authorities is not uniform. Only Andhra Pradesh, Delhi, Karnataka, Kerala, and West Bengal have issued circulars for DIN implementation.

12. Do all notices from the tax department require a DIN/RFN?

No, only specified communications such as notices, summons, inspection letters, and investigation-related correspondence require DIN/RFN. Internal or routine communication may not mandate it.

13. What is the impact of not having a uniform DIN system across states?

Lack of a uniform system creates inconsistencies, duplication of investigations, and administrative inefficiencies in tax governance.

14. Can a taxpayer challenge a GST notice if it does not have a valid DIN?

Yes, since the absence of a DIN renders a communication invalid, a taxpayer can challenge such notices or orders.

15. How does the DIN system help in preventing fraudulent activities?

The system eliminates fake notices by ensuring that every communication can be tracked and verified.

16. How does the DIN system enhance tax administration transparency?

It provides a clear paper trail for each communication, making tax administration more accountable and reliable.

17. How does DIN help in improving accountability among tax officers?

Since each DIN is linked to a specific tax officer, it prevents arbitrary issuance of notices and promotes responsible tax administration.

18. Is DIN applicable to email communications from GST authorities?

Yes, as per ***Circular No. 128/47/2019-GST (dated 23.12.2019)***, DIN must be included even in emails sent to taxpayers.

19. What challenges exist in implementing DIN across all states?

A major challenge is technical integration, as bringing all state departments onto a common CBIC platform requires significant coordination and system upgrades.

20. Can DIN be used to track previous communications from tax authorities?

Yes, since each document has a unique DIN, taxpayers and authorities can retrieve and track past notices or orders using the DIN.

21. How does DIN reduce compliance burdens for taxpayers?

By ensuring only genuine and authorized notices are issued, DIN reduces the risk of bogus tax demands or duplicate investigations.

22. Can taxpayers request a reissuance of a document if it lacks a DIN?

Yes, taxpayers can inform authorities about the missing DIN, and the department must issue a new communication with a valid DIN.

23. Is DIN required for voluntary compliance communications from taxpayers?

No, DIN is required only for official communications initiated by tax authorities, not for voluntary taxpayer submissions.

24. How does DIN contribute to good governance in tax administration?

By making tax officers accountable, preventing fraudulent notices, and ensuring uniform communication, DIN enhances trust and efficiency in the GST system.

25. What future improvements are needed in the DIN system?

A nationwide implementation, integration of State GST authorities, and a centralized verification system would further strengthen the effectiveness of DIN in tax administration.

PART-III

RELATED CIRCULAR/NOTIFICATIONS/CASE LAWS

SAI MANIKANTA ELECTRICAL CONTRACTORS

Vs.

DEPUTY COMMISSIONER

(ANDHRA PRADESH HIGH COURT)

WRIT PETITION NO: 12201 OF 2024, DATE: 06.06.2024

Background: Sai Manikanta Electrical Contractors ("the Petitioner") challenged a communication issued by the Deputy Commissioner, Special Circle ("the Respondent"), dated May 10, 2024. This communication requested the Managing Director to withhold any payments due to the Petitioner.

Petitioner's Contention: The Petitioner argued that the impugned communication lacked a Document Identification Number (DIN), which is a mandatory requirement as per Circular No. 122/41/2019-GST dated November 5, 2019, issued by the Central Board of Indirect Taxes and Customs (CBIC), and Circular No. 2 of 2022 dated August 1, 2022, issued by the Government of Andhra Pradesh. The absence of a DIN, the Petitioner contended, rendered the communication invalid.

Court's Observations and Decision: The Andhra Pradesh High Court noted that the impugned communication did not contain a DIN. Referring to the aforementioned circulars, the Court emphasized that any official communication without a DIN is considered invalid. Consequently, the Court set aside the proceedings dated May 10, 2024, allowing the Respondent to initiate fresh proceedings in compliance with the law. The Petitioner was directed to cooperate with the assessment process.

SD EXPORTS

VS

THE STATE OF ANDHRA PRADESH & OTHERS

(ANDHRA PRADESH HIGH COURT)

WRIT PETITION NO. 31388 OF 2024, DATED 31.12.2024

In the case of SD Exports vs The State of Andhra Pradesh & Others (Writ Petition No. 31388 of 2024, dated 31.12.2024), the Andhra Pradesh High Court dealt with a significant procedural issue under the GST law. The petitioner, SD Exports, challenged the GST assessment orders issued for the financial years 2018-19 to 2020-21 under the CGST Act, 2017.

The primary contention raised by the petitioner was that the assessment orders were invalid due to the absence of two key elements: the signature of the assessing officer and the Document Identification Number (DIN).

These omissions were argued to be in violation of prescribed procedures, as the DIN is a mandatory feature for any official communication issued by tax authorities, ensuring transparency, authenticity, and traceability.

The government representatives admitted that the impugned assessment orders indeed lacked both the signature and the DIN. The Court noted that similar issues had already been addressed in past cases, where it had been held that such procedural lapses invalidate the assessment proceedings.

Upon examining the facts and the legal position, the Andhra Pradesh High Court concluded that the absence of the assessing officer's signature and the DIN rendered the assessment orders legally invalid.

Accordingly, the Court set aside the orders and directed the assessing authority to issue fresh orders, but only after correcting these procedural defects.

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This judgment reinforces the importance of procedural compliance in GST assessments and confirms that even technical lapses like the absence of a DIN or signature can lead to an entire assessment being quashed.

The ruling was in favour of the assessee, SD Exports, and serves as a crucial precedent in GST litigation, emphasizing the necessity for tax authorities to strictly follow procedural mandates laid down under the law and through CBIC circulars.

Thanks and Regards

VIJAI ASSOCIATES

Adv Mr. VJ VIJAY VARADHA RAJ M.Com.,M.B.A.,BGL.,LL.M.,

Adv Mr.K.A KRISHNAMURTHY M.Com.,LL.B.,

Adv Mr.M.SIVABHARATHI.,B.Com.,LL.B.,

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