

**GOVERNMENT OF ASSAM**  
**:OFFICE OF THE PRINCIPAL COMMISSIONER OF STATE TAX, ASSAM:**  
**KAR BHAWAN**  
**DISPUR, GUWAHATI-781006**

**CIRCULAR NO. 03/2023**

**Sub: Instruction for Scrutiny of Returns.**

Attention is invited to the Instruction No. 02/2021-GST dated 1<sup>st</sup> March, 2021, wherein instructions were issued to undertake various tasks *interalia* scrutiny of returns under section 61 of the Assam Goods and Services Tax Act, 2017 (hereinafter referred to as “the Assam GST Act”) read with rule 99 of Assam Goods and Service Tax Rules, 2017 (hereinafter referred to as “the Assam GST Rules”) for FY 2017-18 and 2018-19.

**1.2** You are aware that the functionality “Scrutiny of Returns”, containing the online workflow for scrutiny of returns is present in the GST BO Portal.

**1.3** The functionality provides for the detailed workflow for communication of discrepancies noticed, in relation to the details furnished in the returns, by the proper officer in **FORM GST ASMT-10** to the registered person, receipt of reply from the registered person in **FORM GST ASMT-11**, issuance of order in **FORM GST ASMT-12** or taking further action for issuance of show cause notice under Section 73 or 74 of Assam GST Act, 2017 or for referring the matter for Audit or investigation, as the case may be.

**2.** In view of this, the following instructions/ guidelines are hereby issued for compliance by all Tax Officer in the matter of scrutiny of returns.

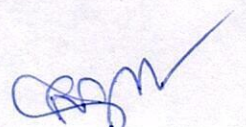
**3. Selection of returns for scrutiny and communication of the same to the field formations:**

**3.1 Selection of cases by Head Office(HO) :** Lists of cases to be scrutinized have been generated by the Head Office based on certain scrutiny risk parameters. These parameters are both risk-based and theme-based. It is a possibility that the data which has been generated by HO may be dated, therefore before initiating proceedings the data may be checked from the BO Web System also. These lists have been sent to the respective field formations for initiating scrutiny.

**3.2** Further, the Head Office has been sending regular data, red flag reports, mis-match reports, BIFA analysis, fake/ bogus taxpayers to the field formations which are also in the nature of scrutiny and the field formations have been issuing ASMT forms in these cases also. It is instructed that these cases should also be brought to a logical end.

**3.3** It may be noted that irrespective of the risk-based lists which are generated by the Head Office, the Proper Officer is empowered to take up Suo-moto cases for scrutiny independently also. An indicative list of parameters that may be utilized for identifying GSTINs for scrutiny is attached herewith in **Annexure A**.

**3.4** Pursuant to Order No. 01/2023 dtd 10<sup>th</sup> January,2023 by virtue of which additional functions were delegated to the Superintendent of State Tax(SST), **it is hereby decided that the SST will undertake**



**such activities for Registered Taxpayer having annual taxable turnover for the corresponding year upto Rs. 2 crores OR output tax liability upto Rs. 50(fifty) lakhs(whichever in less).**

**4. Process of scrutiny by the Proper Officer:**

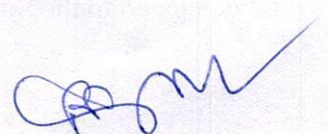
**4.1** The Proper Officer(s) in accordance with the function(s) delegated from time to time shall scrutinize the returns and related particulars furnished by the registered persons to verify the correctness of the returns. Attention is drawn to Order No. 01/2021 dtd 2<sup>nd</sup> January, 2021 and Order No. 1/2023 dtd 10<sup>th</sup> January, 2023 vide which the functions were delegated. Information available with the proper officer on the system in the form of various returns and statements furnished by the registered person and the data/ details made available through various sources like Red Flag reports, GST Prime, GSTN, E-Way Bill Portal etc. may be relied upon for this purpose.

**4.2** It may be noted that at this stage, the proper officer is expected to rely upon the information available with him on records. As far as possible, scrutiny of return should have minimal interface between the proper officer and the registered person and, there should normally not be any need for seeking documents/ records from the registered persons before issuance of **FORM GST ASMT-10**.

**4.3** The proper officer shall issue a notice to the registered person in **FORM GST ASMT-10** through the scrutiny functionality on GST BO Portal, informing him of the discrepancies noticed and seeking his explanation thereto. There may be cases where the registered person may already have made additional payment of tax, cess, interest, etc. after filing of the returns for the relevant tax period, through **FORM DRC-03**. The payments thus made through **FORM DRC-03** may also be taken into consideration while communicating discrepancies to the taxpayer in **FORM GST ASMT-10**. The notice in **FORM GST ASMT-10**, issued by the proper officer through scrutiny functionality on GST BO Portal, shall be communicated by the system to the concerned registered person on the common portal. While issuing such notice, the proper officer may, as far as possible, quantify the amount of tax, interest and any other amount payable in relation to such discrepancies. It may also be ensured that the discrepancies so communicated should, as far as possible, be specific in nature and not vague or general. The proper officer shall mention the parameter-wise details of the discrepancies noticed by him in **FORM GST ASMT-10**.

**4.4** For each GSTIN identified for scrutiny, the proper officer is required to scrutinize all the returns pertaining to the corresponding Financial Year under consideration and a single compiled notice in **FORM GST ASMT-10** may be issued to the registered person for that financial year.

**4.5** On receipt of such notice in **FORM GST ASMT-10** on common portal, the registered person may accept the discrepancy mentioned in the said notice, and pay the tax, interest and any other amount arising from such discrepancy through **FORM DRC-03** and inform the same or may furnish an explanation for the discrepancy in **FORM GST ASMT-11**, through the common portal, to the proper officer within the time period prescribed under rule 99 of Assam GST Rules.



4.6 The reply furnished by the registered person in **FORM GST ASMT-11** on the common portal shall be made available to the concerned proper officer in the scrutiny dashboard on GST BO Portal. Where the explanation furnished by the registered person or the information submitted in respect of acceptance of discrepancy and payment of dues is found to be acceptable by the proper officer, he shall conclude the proceedings by informing the registered person in **FORM GST ASMT-12** through the scrutiny functionality on GST BO Portal.

4.7 In case no satisfactory explanation is furnished by the registered person in **FORM GST ASMT-11** within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to pay the tax, interest and any other amount arising from such discrepancies, the proper officer, may proceed to determine the tax and other dues under section 73 or section 74 of Assam GST Act.

4.8 However, if the proper officer is of the opinion that the matter needs to be pursued further through audit or investigation to determine the correct liability of the said registered person, then he may refer the matter to GST Apex Audit Cell or EIU Cell of the Commissionerate, as the case may be.

#### 5. Timelines for scrutiny of returns:

5.1 Scrutiny of returns is to be conducted in a time bound manner, so that the cases may be taken to their logical conclusion and that too expeditiously. In this regard, the following timelines may be observed by all concerned:

S. no.	Process/Event	Timeline/ Frequency
(i)	Communication of GSTINs selected for scrutiny by HO	From time to time.
(ii)	Issuance of notice by the proper officer for intimating discrepancies in <b>FORM GST ASMT-10</b> , where required	Within a period of <b>30 (thirty) days</b> of receipt from Head Office.
(iii)	Reply by the registered person in <b>FORM GST ASMT-11</b>	Within a period of <b>30 (thirty) days</b> of being informed by the proper officer in <b>FORM GST ASMT-10</b> or such further period as may be permitted by the proper officer
(iv)	Issuance of order in <b>FORM GST ASMT-12</b> for acceptance of reply furnished by the registered person, where applicable	Within <b>30 (thirty) days</b> from receipt of reply from the registered person in <b>FORM GST ASMT-11</b>
(v)	Initiation of appropriate action for determination of the tax and other dues under section 73 or section 74, in cases where no reply is furnished by the registered person	Within a period of <b>15 (fifteen) days</b> after completion of the period of thirty days of issuance of notice in <b>FORM GST ASMT-10</b> or such further period as permitted by the proper officer
(vi)	Initiation of appropriate action for determination of the tax and other dues under section 73 or section 74, in cases where reply is furnished by the registered person, but the same is not found acceptable by the proper officer	Within <b>30 (thirty) days</b> from receipt of reply from the registered person in <b>FORM GST ASMT-11</b>

(vii)	Reference, if any, to the GST Apex Audit Cell or EIU Cell of the Commissionerate for action, under section 65 or section 66 or section 67, as the case may be.	Within <b>30 (thirty) days</b> from receipt of reply from the registered person in <b>FORM GST ASMT-11</b> or within a period of forty-five days of issuance of <b>FORM GST ASMT-10</b> , in case no explanation is furnished by the registered person.
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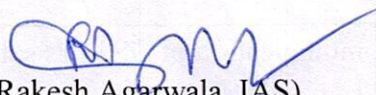
**5.2** It may also be ensured that the requisite actions must be initiated well ahead of the time limits as specified in section 73 or section 74 of the Assam GST Act, as the case may be, in respect of a return identified for scrutiny for a financial year.

## **6. Reporting and Monitoring:**

**6.1** The details of action taken by the proper officer in respect of GSTINs allocated to him for scrutiny will be available in the form of three MIS reports in the scrutiny dashboard on the GST BO Portal. These are “**Scrutiny of returns Processed report**”, “**Scrutiny Of Returns, as on date**” and “**Scrutiny ME Report**”. These reports are available on the Assessment dashboard of MIS in GST BO portal. Further, the officers are also required to update the scrutiny details in the Google sheet as per earlier instruction.

**6.2** The role of the Zonal Joint Commissioners of State Tax as mobilizer and motivator for revenue augmentation at Zonal level has been repeatedly emphasized. Hence, the concerned Joint Commissioner of State Tax is directed to monitor the entire process and ensure compliance.

**7.** Difficulties, if any, in implementation of these instructions may be brought to the notice of the undersigned.

  
(Rakesh Agarwala, IAS)

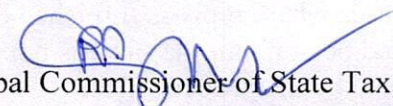
Principal Commissioner of State Tax, Assam  
Dispur, Guwahati-6

Memo No.:CTS-81(Pt)/2007/51

Dated Dispur, the 25<sup>th</sup> July, 2023

Copy to:

- 1) The P.S. to the Commissioner & Secretary, Government of Assam, Finance(Taxation) Department, Dispur, Guwahati-6 for favour of kind information.
- 2) Special Commissioner of State Tax(All)/ Additional Commissioner of State Tax(All), Joint Commissioner of State Tax, Assam(All) for information and necessary action.
- 3) Deputy Commissioner of State Tax (All)/ Assistant Commissioner of State Tax (All)/ Superintendent of State Tax(All) for information and necessary action
- 4) Circular File.
- 5) The ITO for uploading in the portal.

  
Principal Commissioner of State Tax, Assam  
Dispur, Guwahati-6

**Indicative parameters for identifying GSTINs for scrutiny:**

**1. ITC availed after due date**

As per Section 16(4) of the Assam GST Act, 2017, a registered person shall not be entitled to take ITC in relation to any invoice or debit notes (ie; *B2B (Regular) including supply of service received from SEZ*) by filing Form GSTR 3B after the due date of furnishing the said return for the month of September of the succeeding financial year or Annual Return for the relevant F.Y whichever is earlier.

**2. GSTR-1 Vs GSTR 3B mismatch**

Cases where output tax due as per the Form GSTR 1 is greater than that reported in Form GSTR 3B may be considered for scrutiny.

**3. GSTR 3B Vs E-way bill**

E-way bill was introduced w.e.f 01.04.2018. Hence this parameter has been identified for scrutiny of returns w.e.f 2018-19 onwards. The output tax payable as per Form GSTR 3B shall be compared with the Eway bill data.

**4. GSTR 3B Vs GSTR 7/8**

TDS u/s 51 and TCS u/s 52 of the Assam GST Act, 2017 was introduced w.e.f 01.10.2018. Hence this parameter has been flagged for scrutiny of returns w.e.f 2018-19 onwards.

The turnover reflected in GSTR 7 and GSTR 8 may be compared with the turnover reported in Form GSTR 3B. If the turnover reported in Form GSTR 3B during the period is less than the turnover available under TDS or TCS as the case may be, the GSTINs may be considered for scrutiny.

**5. Capital goods ITC vs Exempted turnover**

The ITC on Capital goods can be credited to the Electronic Credit Ledger in full in the month of inward supply made and the proportionate ITC, of the said capital goods, not related to the taxable supply/non business purpose has to be reversed under Rule 43 of Assam GST Rules, 2017. Such taxable persons are required to reverse the proportionate ITC of 1/60 of the tax involved on the said capital goods in the ratio of taxable/exempt and business /non-business supply for the succeeding 60 months.

**6. Annual taxable Turnover greater than Rs. 1 crores and tax paid in cash is negligible.**

Many a times the taxpayers settle the tax liability through ITC availed and very little (if any) tax payment (other than RCM) is made in cash. The percentage of tax payable in cash is generally dependent on supplies made, clientele, value addition done etc. hence, it is necessary to consider

such cases for scrutiny to ensure that the tax liability declared is matching with actual supplies made, stock in hand etc.

**7. GSTINs having outward supply of sin goods or cess**

All GSTINs having supply of Sin goods or outward supply having cess should be considered for scrutiny.

**8. GSTR 2B vs GSTR 3B**

GSTINs wherein ITC availed through the return in Form GSTR 3B is in excess of invoices/debit notes reflected in Form GSTR 2B may be considered for scrutiny.

**9. Compliance with Rule 86B**

CBIC has introduced Rule 86B in GST Rules, applicable from January 1, 2021, whereby RTPs shall not use the amount available in electronic credit ledger to discharge his liability towards output tax in excess of ninety-nine per cent, in cases where the value of taxable supply other than exempt supply and zero-rated supply, in a month exceeds fifty lakh rupees subject to certain conditions. Such GSTIN may also be considered for scrutiny.

**10. Comparison of HSN codes**

GSTINs where HSN **code of purchase** of goods and services are **not matching** directly or indirectly against **sale** of goods and services in the case of **trading** of goods and services may also be considered for scrutiny.

**11. Claim of ITC in respect of supplies from taxpayers whose registrations have been cancelled retrospectively.**

In case of retrospective cancellation of registration of a supplier, the recipient is not entitled to claim ITC in respect of invoices or debit notes issued after the effective date of cancellation of the registration. Hence, such GSTINs whose inward supplies reflect purchase from such cancelled dealers may be selected for scrutiny.

**12. Late fee and interest**

GSTINs where the taxpayer is liable to pay paid interest and late fees as per provisions of the Act should, be taken up for scrutiny.

**Note:** – The above list is just an indicative list not an exhaustive list of parameters for scrutiny of returns. The proper officer may also consider other parameters for the purpose of scrutiny.

