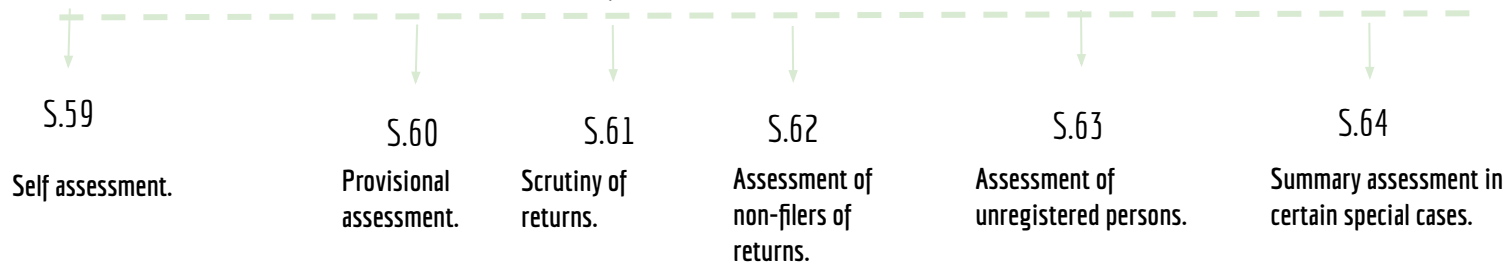




Chapter 12





Chapter 13



S.65

Audit by tax
authorities..

S.66

Special audit





Section 59 of CGST Act



Self Assess Tax and file return

Tax is deemed to be self assessed while filing
the return under section 39



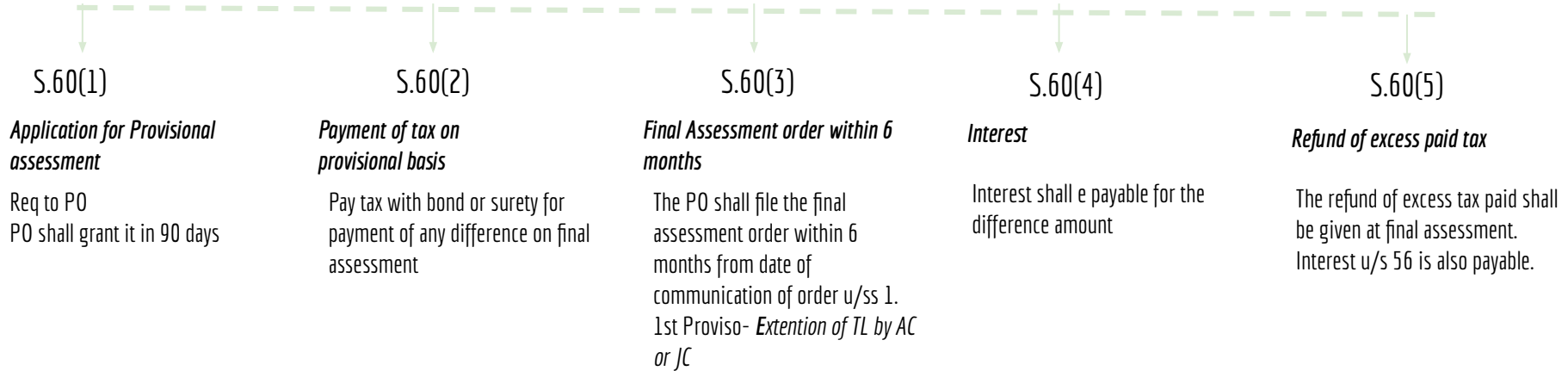
Section- 59

Every registered person shall self-assess the taxes payable under this Act and furnish a return for each tax period as specified under section 39.





Section 60 of CGST Act



Section- 60

- (1) Subject to the provisions of sub-section (2), where the taxable person is unable to determine the value of goods or services or both or determine the rate of tax applicable thereto, he may request the proper officer in writing giving reasons for payment of tax on a provisional basis and the proper officer shall pass an order, within a period not later than ninety days from the date of receipt of such request, allowing payment of tax on provisional basis at such rate or on such value as may be specified by him.
- (2) The payment of tax on provisional basis may be allowed, if the taxable person executes a bond in such form as may be prescribed, and with such surety or security as the proper officer may deem fit, binding the taxable person for payment of the difference between the amount of tax as may be finally assessed and the amount of tax provisionally assessed.
- (3) The proper officer shall, within a period not exceeding six months from the date of the communication of the order issued under sub-section (1), pass the final assessment order after taking into account such information as may be required for finalizing the assessment:
Provided that the period specified in this sub-section may, on sufficient cause being shown and for reasons to be recorded in writing, be extended by the Joint Commissioner or Additional Commissioner for a further period not exceeding six months and by the Commissioner for such further period not exceeding four years.



- (4) The registered person shall be liable to pay interest on any tax payable on the supply of goods or services or both under provisional assessment but not paid on the due date specified under sub-section (7) of section 39 or the rules made thereunder, at the rate specified under sub-section (1) of section 50, from the first day after the due date of payment of tax in respect of the said supply of goods or services or both till the date of actual payment, whether such amount is paid before or after the issuance of order for final assessment.
- (5) Where the registered person is entitled to a refund consequent to the order of final assessment under sub-section (3), subject to the provisions of sub-section (8) of section 54, interest shall be paid on such refund as provided in section 56.





Section 61 of CGST Act

S.61(1)

Inform Discrepancy and error

PO may scrutinize the return and inform the TP about the discrepancy and errors and seek an explanation

S.61(2)

No action if Exp is satisfactory

No Action shall be taken if the explanation is found satisfactory

S.61(3)

No satisfactory exp within time

- 30 days or extended time, no explanation then acton u/s 65,66,67,73,74



Section- 61

- (1) The proper officer may scrutinize the return and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner as may be prescribed and seek his explanation thereto.
- (2) In case the explanation is found acceptable, the registered person shall be informed accordingly and no further action shall be taken in this regard.
- (3) In case no satisfactory explanation is furnished 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 take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under section 65 or section 66 or section 67, or proceed to determine the tax and other dues under section 73 or section 74.





Section 62 of CGST Act

S.62(1)

Notice to furnish a return

When a TP fails to file return PO
may send a notice to file return

S.61(2)

No Action if return is filed

If the return is filed the notice
shall be withdrawn except interest
and late payment fee



Section- 62

- (1) Notwithstanding anything to the contrary contained in section 73 or section 74, where a registered person fails to furnish the return under section 39 or section 45, even after the service of a notice under section 46, the proper officer may proceed to assess the tax liability of the said person to the best of his judgement taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.
- (2) Where the registered person furnishes a valid return within thirty days of the service of the assessment order under sub-section (1), the said assessment order shall be deemed to have been withdrawn but the liability for payment of interest under sub-section (1) of section 50 or for payment of late fee under section 47 shall continue.





Section 63 of CGST Act



Assessment of unregistered person

Unregistered person includes a person whose registration is cancelled.
Proviso- Opportunity of being heard shall be provided



Section- 63

Notwithstanding anything to the contrary contained in section 73 or section 74, where a taxable person fails to obtain registration even though liable to do so or whose registration has been cancelled under sub-section (2) of section 29 but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgment for the relevant tax periods and issue an assessment order within a period of five years from the date specified under section 44 for furnishing of the annual return for the financial year to which the tax not paid relates:

Provided that no such assessment order shall be passed without giving the person an opportunity of being heard.





Section 64 of CGST Act

S.64(1)

Summary assessment when revenue is to be protected

PO with the permission of AC/JC can assess any person if they have an evidence.
Proviso - If a person is not ascertainable then the assessment of PIC can be done

S.64(2)

Application and proceedings

An application can be made within 30 days. If order is erroneous he may drop it and proceed in 73,74



Section- 64

- (1) The proper officer may, on any evidence showing a tax liability of a person coming to his notice, with the previous permission of Additional Commissioner or Joint Commissioner, proceed to assess the tax liability of such person to protect the interest of revenue and issue an assessment order, if he has sufficient grounds to believe that any delay in doing so may adversely affect the interest of revenue:

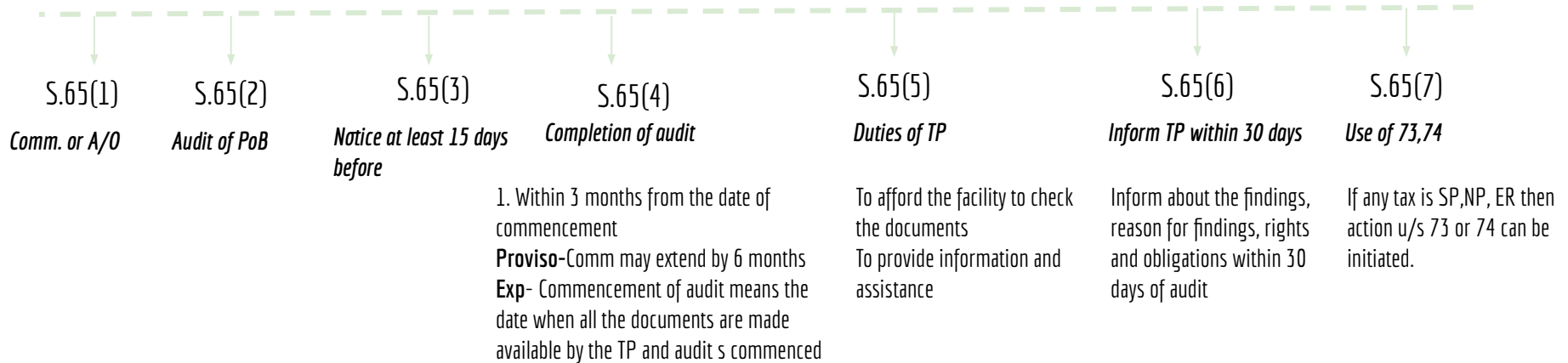
Provided that where the taxable person to whom the liability pertains is not ascertainable and such liability pertains to supply of goods, the person in charge of such goods shall be deemed to be the taxable person liable to be assessed and liable to pay tax and any other amount due under this section.

- (2) On an application made by the taxable person within thirty days from the date of receipt of order passed under sub-section (1) or on his own motion, if the Additional Commissioner or Joint Commissioner considers that such order is erroneous, he may withdraw such order and follow the procedure laid down in section 73 or section 74.





Section 65 of CGST Act



Section- 65

- (1) The Commissioner or any officer authorised by him, by way of a general or a specific order, may undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed.
- (2) The officers referred to in sub-section (1) may conduct audit at the place of business of the registered person or in their office.
- (3) The registered person shall be informed by way of a notice not less than fifteen working days prior to the conduct of audit in such manner as may be prescribed.



(4) The audit under sub-section (1) shall be completed within a period of three months from the date of commencement of the audit:

Provided that where the Commissioner is satisfied that audit in respect of such registered person cannot be completed within three months, he may, for the reasons to be recorded in writing, extend the period by a further period not exceeding six months.

Explanation.--For the purposes of this sub-section, the expression “commencement of audit” shall mean the date on which the records and other documents, called for by the tax authorities, are made available by the registered person or the actual institution of audit at the place of business, whichever is later.

(5) During the course of audit, the authorised officer may require the registered person,-

(i) to afford him the necessary facility to verify the books of account or other documents as he may require;

(ii) to furnish such information as he may require and render assistance for timely completion of the audit.



- (6) On conclusion of audit, the proper officer shall, within thirty days, inform the registered person, whose records are audited, about the findings, his rights and obligations and the reasons for such findings.
- (7) Where the audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74.





Section 66 of CGST Act

S.66(1)

Examination of books Audited by CA, CMA by officer not below the Rank of AC. , when such officer believes that such value of case (scrutiny inquiry investigation or any proceeding) is incorrect or Credit is availed not within normal limits

S.66(2)

CA or CMA shall submit audited books within period of 90 days

Proviso - AC may extend such period for further 90 days on application by RP or CA/CMA or for any material reason.

S.66(3)

Sub-section - 1 shall have effect notwithstanding that A/Cs of RP are audited under any other provision of this ACT, or any other LAW

S.66(4)

RP shall be given reasonable opportunity of being heard

S.66(5)

Expenses of such examination & audit shall be determined & paid by Comm.

S.66(6)

Initiation of action under section 73 or 74, in case audit detects evasion of taxes or ITC wrongly availed.



Section- 66

- (1) If at any stage of scrutiny, inquiry, investigation or any other proceedings before him, any officer not below the rank of Assistant Commissioner, having regard to the nature and complexity of the case and the interest of revenue, is of the opinion that the value has not been correctly declared or the credit availed is not within the normal limits, he may, with the prior approval of the Commissioner, direct such registered person by a communication in writing to get his records including books of account examined and audited by a chartered accountant or a cost accountant as may be nominated by the Commissioner.
- (2) The chartered accountant or cost accountant so nominated shall, within the period of ninety days, submit a report of such audit duly signed and certified by him to the said Assistant Commissioner mentioning therein such other particulars as may be specified:

Provided that the Assistant Commissioner may, on an application made to him in this behalf by the registered person or the chartered accountant or cost accountant or for any material and sufficient reason, extend the said period by a further period of ninety days.



- (3) The provisions of sub-section (1) shall have effect notwithstanding that the accounts of the registered person have been audited under any other provisions of this Act or any other law for the time being in force.
- (4) The registered person shall be given an opportunity of being heard in respect of any material gathered on the basis of special audit under sub-section (1) which is proposed to be used in any proceedings against him under this Act or the rules made thereunder.
- (5) The expenses of the examination and audit of records under sub-section (1), including the remuneration of such chartered accountant or cost accountant, shall be determined and paid by the Commissioner and such determination shall be final.
- (6) Where the special audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74.





CGST Rules - Rule 98 -Provisional Assessment

98(1)

Payment of tax in accordance with Sec-60, shall be furnished in **FORM GST ASMT-01**

S.98(2)

PO issue a notice in **FORM GST ASMT-02** to furnish additional information or docs. & applicant shall file his reply in **FORM GST ASMT-03**

S.98(3)

PO shall issue an order in **FORM GST ASMT-04** allowing payment of tax on Provisional basis.

S.98(4)

RP shall execute a bond in accordance with sub section 60(2) in **FORM GST ASMT-05** along with security in form of bank guarantee
Proviso - bond furnished to the PO under SGST/IGST Act shall deemed to be furnished under this act.

Explanation- "amount" shall include igst. Cgst. sgst/utgst & cess payable

S.98(5)

PO shall issue **FORM GST AMT-06** calling for docs/info. For final assessment & issue a Final order in **FORM GST AMT-07** specifying amt. Payable or to refunded.

S.98(6)

Applicant may file an application **FORM GST AMT-08** for release of security furnished Under sub rule (4)

S.98(7)

PO shall issue an order in **FORM GST AMT-09** to release the security



RULE - 98

Provisional Assessment

- (1) Every registered person requesting for payment of tax on a provisional basis in accordance with the provisions of sub-section (1) of section 60 shall furnish an application along with the documents in support of his request, electronically in **FORM GST ASMT-01** on the common portal, either directly or through a Facilitation Centre notified by the Commissioner.
- (2) The proper officer may, on receipt of the application under sub-rule (1), issue a notice in **FORM GST ASMT-02** requiring the registered person to furnish additional information or documents in support of his request and the applicant shall file a reply to the notice in **FORM GST ASMT - 03**, and may appear in person before the said officer if he so desires.
- (3) The proper officer shall issue an order in **FORM GST ASMT-04** allowing the payment of tax on a provisional basis indicating the value or the rate or both on the basis of which the assessment is to be allowed on a provisional basis and the amount for which the bond is to be executed and security to be furnished not exceeding twenty five per cent. of the amount covered under the bond.



- (4) The registered person shall execute a bond in accordance with the provisions of subsection (2) of section 60 in **FORM GST ASMT-05** along with a security in the form of a bank guarantee for an amount as determined under sub-rule (3):

Provided that a bond furnished to the proper officer under the State Goods and Services Tax Act or Integrated Goods and Services Tax Act shall be deemed to be a bond furnished under the provisions of the Act and the rules made thereunder.

Explanation.- For the purposes of this rule, the expression “amount” shall include the amount of integrated tax, central tax, State tax or Union territory tax and cess payable in respect of the transaction.

- (5) The proper officer shall issue a notice in **FORM GST ASMT-06**, calling for information and records required for finalization of assessment under sub-section (3) of section 60 and shall issue a final assessment order, specifying the amount payable by the registered person or the amount refundable, if any, in **FORM GST ASMT-07**.
- (6) The applicant may file an application in **FORM GST ASMT- 08** for the release of the security furnished under sub-rule (4) after issue of the order under sub-rule (5).



- (7) The proper officer shall release the security furnished under sub-rule (4), after ensuring that the applicant has paid the amount specified in sub-rule (5) and issue an order in **FORM GST ASMT-09** within a period of seven working days from the date of the receipt of the application under sub-rule (6).





CGST Rules - Rule 99 - Scrutiny of returns

98(1)

PO While Scrutinizing returns, finds any discrepancy, then he shall issue an order in **FORM GST ASMT-10** seeking explanation

98(2)

RP may accept such discrepancy & pay the Tax, interest or any other amount arising front the same. ERP may furnish an Explanation in **FORM GST ASMT-11**

98(3)

Explanation furnished under sub rule 2. PO shall inform accordingly in **FOMR GST ASMT-12**



RULE - 99

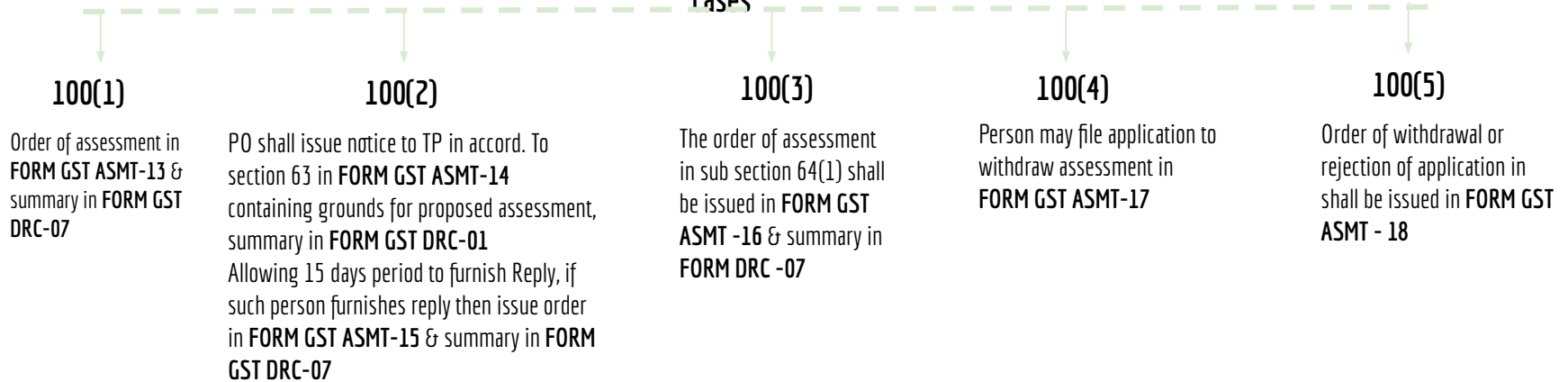
Scrutiny of returns

- (1) Where any return furnished by a registered person is selected for scrutiny, the proper officer shall scrutinize the same in accordance with the provisions of section 61 with reference to the information available with him, and in case of any discrepancy, he shall issue a notice to the said person in **FORM GST ASMT-10**, informing him of such discrepancy and seeking his explanation thereto within such time, not exceeding thirty days from the date of service of the notice or such further period as may be permitted by him and also, where possible, quantifying the amount of tax, interest and any other amount payable in relation to such discrepancy.
- (2) The registered person may accept the discrepancy mentioned in the notice issued under sub-rule (1), and pay the tax, interest and any other amount arising from such discrepancy and inform the same or furnish an explanation for the discrepancy in **FORM GST ASMT- 11** to the proper officer.
- (3) (3) Where the explanation furnished by the registered person or the information submitted under sub-rule (2) is found to be acceptable, the proper officer shall inform him accordingly in **FORM GST ASMT-12**.





CGST Rules - Rule 100 -Assessment in certain cases



RULE - 100

Assessment in certain cases

- ~~(1) The order of assessment made under sub-section (1) of section 62 shall be issued in **FORM GST ASMT 13**.~~
- ~~(2) (2) The proper officer shall issue a notice to a taxable person in accordance with the provisions of section 63 in **FORM GST ASMT 14** containing the grounds on which the assessment is proposed to be made on best judgment basis and after allowing a time of fifteen days to such person to furnish his reply, if any, pass an order in **FORM GST ASMT 15**.~~
- ~~(3) (3) The order of summary assessment under sub-section (1) of section 64 shall be issued in **FORM GST ASMT 16**.~~
- ~~(4) (4) The person referred to in sub-section (2) of section 64 may file an application for withdrawal of the summary assessment order in **FORM GST ASMT 17**.~~
- ~~(5) (5) The order of withdrawal or, as the case may be, rejection of the application under subsection (2) of section 64 shall be issued in **FORM GST ASMT 18**.~~



- (1) The order of assessment made under sub-section (1) of section 62 shall be issued in **FORM GST ASMT-13** and a summary thereof shall be uploaded electronically in **FORM GST DRC-07**.
- (2) The proper officer shall issue a notice to a taxable person in accordance with the provisions of section 63 in **FORM GST ASMT-14** containing the grounds on which the assessment is proposed to be made on best judgment basis and shall also serve a summary thereof electronically in **FORM GST DRC-01**, and after allowing a time of fifteen days to such person to furnish his reply, if any, pass an order in **FORM GST ASMT-15** and summary thereof shall be uploaded electronically in **FORM GST DRC-07**.
- (3) The order of assessment under sub-section (1) of section 64 shall be issued in **FORM GST ASMT-16** and a summary of the order shall be uploaded electronically in **FORM GST DRC-07**.
- (4) The person referred to in sub-section (2) of section 64 may file an application for withdrawal of the assessment order in **FORM GST ASMT-17**.
- (5) The order of withdrawal or, as the case may be, rejection of the application under sub-section (2) of section 64 shall be issued in **FORM GST ASMT-18**.

Substituted vide Notification No. 16/2019 – Central Tax dated 29-03-2019 w.e.f. 01-04-2019





CGST Rules - Rule 101 -Audit

101(1)

Period of audit shall be FY or part thereof or multiple thereof

101(2)

When it decided to under take audit. PO shall issue notice under **FORM GST ADT- 01**

101(3)

Audit of records & books of accounts of RP
Verification of docs. On the basis of which books are maintained & returns are Furnished

101(4)

PO may inform RP discrepancies noticed & RP may file his reply, PO shall furnish findings of audit after due consideration of reply.

101(5)

PO may inform findings of audit to RP in **FORM GST ADT-02**



RULE - 101

Audit

- (1) The period of audit to be conducted under sub-section (1) of section 65 shall be a financial year or part thereof or multiples thereof.
- (2) (2) Where it is decided to undertake the audit of a registered person in accordance with the provisions of section 65, the proper officer shall issue a notice in **FORM GST ADT-01** in accordance with the provisions of sub-section (3) of the said section.
- (3) (3) The proper officer authorised to conduct audit of the records and the books of account of the registered person shall, with the assistance of the team of officers and officials accompanying him, verify the documents on the basis of which the books of account are maintained and the returns and statements furnished under the provisions of the Act and the rules made thereunder, the correctness of the turnover, exemptions and deductions claimed, the rate of tax applied in respect of the supply of goods or services or both, the input tax credit availed and utilised, refund claimed, and other relevant issues and record the observations in his audit notes.

Inserted vide Notification No. 74/2018 - Central Tax dated 31-12-2018



- (4) The proper officer may inform the registered person of the discrepancies noticed, if any, as observed in the audit and the said person may file his reply and the proper officer shall finalise the findings of the audit after due consideration of the reply furnished.
- (5) On conclusion of the audit, the proper officer shall inform the findings of audit to the registered person in accordance with the provisions of sub-section (6) of section 65 in **FORM GST ADT-02**.





CGST Rules - Rule 102- Special Audit

102(1)

Where Special audit required, Officer shall issue a direction in **FORM GST ADT-03** to RP to get his records audited by CA/CMA

102(2)

Findings of Special audit shall be informed in **FORM GST ADT-04**



RULE - 102

Special Audit

- (1) Where special audit is required to be conducted in accordance with the provisions of section 66, the officer referred to in the said section shall issue a direction in **FORM GST ADT-03** to the registered person to get his records audited by a chartered accountant or a cost accountant specified in the said direction.
- (2) On conclusion of the special audit, the registered person shall be informed of the findings of the special audit in **FORM GST ADT-04**.

