

**Significant Notifications and Circulars issued in GST and Customs from 16th May
2023 to 15th June 2023**

GST

Notifications

1. Extension of due date of Forms GSTR-1, GSTR-3B and GSTR-7 for the state of Manipur

The due date of filing following forms for the month of April, 2023 has been extended to 31st May, 2023 for registered persons, whose principal place of business is in the State of Manipur:

S. No.	Forms	Due Date	Extended Due Date
1.	GSTR-1 (Statement of outward supplies)	11th May, 2023	31st May, 2023
2.	GSTR-3B (Monthly/ Quarterly return)	20th May, 2023	31st May, 2023
3.	GSTR-7(return by a registered person required to deduct tax at source under section 51)	10th May, 2023	31st May, 2023

[Notification No. 11/2023 – CT dated 24.05.2023](#)

[Notification No. 12/2023 – CT dated 24.05.2023](#)

[Notification No. 13/2023 – CT dated 24.05.2023](#)

Instructions:

1. Standard Operating Procedure (SOP) for scrutiny of returns for FY 2019-20 and onwards

[Instruction No. 02/2022- GST dated 22nd March 2022](#) was issued to provide a SOP for scrutiny of returns under section 61 of the CGST Act as an interim measure till the time a Scrutiny Module for online scrutiny of returns is made available on the ACES-GST application. DG Systems has now developed functionality “Scrutiny of Returns”, containing the online workflow for scrutiny of returns in the CBIC ACES-GST application. The GSTINs selected for scrutiny for the Financial Year 2019-20 have also been made available on the scrutiny dashboard of the proper officers on ACES-GST application. In view of this, the SOP for scrutiny of returns provided in the *Instruction No. 02/2022-GST*

dated 22nd March 2022 stands modified to the following extent in respect of scrutiny of returns for financial years 2019-20 onwards:

1. Selection of returns for scrutiny

The Directorate General of Analytics and Risk Management (DGARM) will select the GSTINs registered with Central tax authorities, whose returns are to be scrutinized for a financial year, based on identified risk parameters. The details of GSTINs selected for scrutiny for a financial year will be made available by DGARM through DG Systems on the scrutiny dashboard of the concerned proper officer of Central Tax on ACES-GST application. The GSTIN in respect of which risk has been identified, the amount of tax/ discrepancy involved (i.e., likely revenue implication) will be shown on the scrutiny dashboard of the proper officer.

2. Scrutiny Schedule

The proper officer, with the approval of the divisional Assistant / Deputy Commissioner, shall finalize a **month-wise scrutiny schedule** in respect of GSTINs selected for scrutiny. The proper officer shall conduct scrutiny of returns pertaining to a minimum of 4 GSTINs per month. Scrutiny of returns of one GSTIN shall mean scrutiny of all returns pertaining to a financial year for which the said GSTIN has been identified for scrutiny.

3. Process of scrutiny by the proper officer

- The Proper Officer shall scrutinize the returns and related particulars furnished by the registered person to verify the correctness of returns with the help of various returns and statements furnished by the registered person and data/details made available through various sources like DGARM, ADVAIT, GSTN, E-Way Bill Portal, etc.
- At this stage, the proper officer is expected to rely upon the information available with him on records. As far as possible, scrutiny of returns 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 taxpayers before issuance of FORM GST ASMT-10.
- The proper officer shall issue a notice to the registered person in FORM GST ASMT-10 through the scrutiny functionality on ACES-GST application informing him of the discrepancies noticed and seeking his explanation thereto. The notice in FORM ASMT-10 issued through scrutiny functionality on ACES-GST application shall be communicated by the system to the concerned registered person through common portal. As far as possible, the proper officer shall quantify the amount of tax, interest and any other amount payable in relation to such discrepancies after considering payment, if any, already made by the registered person through Form DRC-03. The proper officer shall mention the parameter-wise details of the discrepancies noticed and shall also upload the worksheets and annexures, if any. A single compiled notice in FORM GST ASMT-10 shall be issued to the taxpayer for all returns pertaining to the financial year under scrutiny.
- The registered person may accept the discrepancy communicated to him in ASMT-10 and pay the tax, interest and any other amount arising from such

discrepancy and inform the same or may furnish an explanation for the discrepancy in FORM GST ASMT-11 to the proper officer.

- If 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.
- 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.
- For proceeding under section 73 or section 74, monetary limits as specified in *Circular No. 31/05/2018-GST dated 9th February 2018* shall be adhered to. 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 take the approval of the jurisdictional Principal Commissioner / Commissioner through the divisional Assistant / Deputy Commissioner, through e-file or other suitable mode, for referring the matter to the Audit Commissionerate or anti-evasion wing of the Commissionerate, as the case may be.

4. Timelines for scrutiny of returns

S. No.	Process	Timelines/ Frequency
1.	Communication of list of GSTINs selected for scrutiny on ACES GST Application for a financial year	From time to time
2.	Finalization of scrutiny schedule with the approval of the concerned Assistant/ Deputy Commissioner	Within seven working days of receipt of the details of the concerned GSTINs on ACES GST application
3.	Issuance of notice by the proper officer for intimating discrepancies in FORM GST ASMT-10, where required	Within the month, as mentioned in scrutiny schedule for scrutiny of the returns of the said GSTIN.
4.	Reply by the registered person in FORM GST ASMT-11	Within a period of thirty days of being informed by the proper officer in FORM GST ASMT-10 or such further period as may be permitted by the proper officer.
5.	Issuance of order in FORM GST ASMT-12 for acceptance of reply furnished by the registered person, where applicable	Within thirty days from receipt of reply from by the registered person in FORM GST ASMT-11.
6.	Initiation of appropriate action for determination of the tax and other dues	Within a period of fifteen days after completion of the period of thirty days

	under section 73 or section 74, in cases where no reply is furnished by the registered person	of issuance of notice in FORM GST ASMT-10 or such further period as permitted by the proper officer.
7.	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 thirty days from receipt of reply from the registered person in FORM GST ASMT-11.
8.	Reference, if any, to the Audit Commissionerate or the anti-evasion wing of the Commissionerate for action, under section 65 or section 66 or section 67, as the case may be.	Within thirty days from receipt of reply from the registered person in FORM GST ASMT-11 or within a period of forty-five days of issuance of FORM GST ASMT-10 in case no explanation is furnished by the registered person.

The scrutiny functionality has been provided on ACES-GST application only for the Financial Year 2019-20 onwards, therefore, the procedure specified in Instruction No. 02/2022 dated 22.03.2022 shall continue to be followed for the scrutiny of returns for the financial years 2017-18 and 2018-19.

[Instruction No. 02/2023-GST dt. 26.05.2023](#)

2. Guidelines for processing of returns

In order to strengthen the process of verification of applications for registration at the end of tax officers, following guidelines have been issued in a uniform manner:

- a) The proper officer shall initiate process of scrutiny on receipt of the application for registration in FORM GST REG-01 along with the documents uploaded by the applicant. He shall scrutinize the documents uploaded by the applicant such as documents for constitution of business, address of principal place of business etc. to ensure whether the documents are legible, complete and relevant. The details and information furnished in the application should be examined to check the completeness, to correlate and cross-verify the same with the uploaded documents and to check the authenticity of the applicant. The authenticity of documents furnished as proof of address may be cross verified from the publicly available sources, such as websites of concerned authorities such as land registry, electricity distribution companies, municipalities, and local bodies, etc.
- b) The proper officer shall check and take into consideration the risk rating made available by the DGARM while verifying and processing the applications. Special attention to be paid to the cases where “High” risk rating has been assigned.
- c) The proper officer may check the status of PAN as well as compliance record of such GSTINs where the registration has been obtained on the same PAN earlier. The proper officer may also give due consideration and special attention to the cases involving cancellation, suspension or rejection of any of the registrations obtained on the PAN of the applicant, risky place of business basis local risk parameters, *prima facie* suspicious/doubtful proof of place of business basis scrutiny of application and documents.

- d) The proper officer shall issue a notice to the applicant electronically in FORM GST REG-03 within the prescribed time limit if the application is found to be deficient or where clarification is required. The proper officer may seek clarification or information or document in following cases:
- (i) where any document is incomplete or not legible
 - (ii) where the address of place of business does not match with the document uploaded by the applicant, or where such uploaded document does not appear to be a valid proof of the address of the said place of business
 - (iii) where the address of place of business is incomplete or vague, complete and unambiguous details of the address along with the corresponding documentary proof may be sought.
 - (iv) where any GSTIN linked to the PAN of the applicant is found cancelled or suspended, reasons for the same may be sought.
- e) The proper officer shall examine the clarification filed by the applicant in FORM GST REG-04 in response to notice issued in FORM GST REG-03. Where proper officer is satisfied with the reply furnished, he may approve the grant of registration to the applicant within the prescribed limit. However, where the proper officer is not satisfied with the reply furnished or the reply is not furnished by the applicant, he may for reasons to be recorded in writing, reject such application and inform the applicant in FORM GST REG-05.
- f) The proper officer shall immediately initiate the process for physical verification of business where the applicant has either failed or not opted to undergo Aadhar number authentication. The concerned officer must ensure that the physical verification report along with other documents, including photographs, is uploaded on the system in FORM GST REG-30 within the prescribed time limit.
- g) Where the applicant has undergone Aadhar authentication, if the proper officer is of the opinion that physical verification of place of business is essential to check the authenticity, he may get such physical verification conducted in the time bound manner. Till the time the functionality for marking the application for physical verification in Aadhar authenticated cases is made available on portal/ACES-GST application, the CPC officer, wherever considered essential, get physical verification of the place of business conducted through jurisdictional officers of the concerned Division/Commissionerate.
- h) It will be ensured by the proper officer that no application for grant of registration is approved on deemed basis for want of timely action on part of tax officers. Strict view may be taken where any gross negligence is observed on part of concerned officer.
- i) Where registration is granted on deemed approval basis or where registration is granted in cases covered under para (c) above or in cases of “High Risk”, and physical verification of the place of business was not conducted before grant of such registration, the CPC officer shall communicate the details to the concerned jurisdictional Commissionerate immediately after registration and physical verification of the place of business shall be got conducted by the concerned Commissionerate within 15 days of such registration. Besides, the concerned Commissionerate may get such physical verification of the place of business got conducted in other cases also, wherever required based on risk parameters and risk ratings. Wherever the registered person is

found to be non-existent or fictitious, subsequent remedial action(s) may be taken without any delay.

- j) The Principal Chief Commissioner/ Chief Commissioner of the CGST Zones may closely supervise the status of processing of the applications of registration, including physical verifications, within their zones. Wherever it is noticed that the application for registration has been granted deemed approval, the reasons for the same may be got examined by the Principal Chief Commissioner/ Chief Commissioner for taking subsequent remedial action, if any, in a time bound manner.

[Instruction No.03/2023-GST dt. 14.06.2023](#)