



The Institute of Chartered Accountants of India GST & Indirect Taxes Committee

GOODS & SERVICES TAX UPDATE-180

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 scrutinyschedule with the	Within seven working days of receipt

	approval of the concerned Assistant/Deputy Commissioner	of the details of the concerned GSTINs on ACESGST 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 GSTASMT-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 under section 73 or section 74, in cases where no reply is furnished by the registered person	Within a period of fifteen days after completion of the period of thirty days 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.

The detailed instruction can be accessed at the following link:

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

Vice - Chairman
GST & Indirect Taxes Committee

Chairman
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