

INDICATIVE LIST OF PARAMETERS FOR SCRUTINY

(Refer Para 6.2)

1. Tax liability on account of “*Outward taxable supplies (other than zero rated, nil rated and exempted)*” and “*Outward taxable supplies (zero rated)*” as declared in table 3.1(a) and table 3.1(b) respectively of FORM GSTR-3B may be verified with corresponding tax liability in respect of outward taxable supplies declared in table 4 (other than table 4B), table 5, table 6, table 7A(1), table 7B(1), table 11A and table 11B (along with the net effect of amendments thereof in Table 9, 10 and 11(II)) of FORM GSTR-1.

Where the tax liability in respect of supplies declared in the aforementioned tables of FORM GSTR-1 exceeds the liability declared in table 3.1(a) and table 3.1(b) of FORM GSTR-3B, it may indicate short payment of tax.

It may be noted that table 11B of FORM GSTR-1 captures details of advance amount received in earlier tax periods and adjusted against the supplies shown in the current tax period in table 4, 5, 6 and 7 of FORM GSTR-1. As such, the impact of such details in table 11B is reduction in liability for the tax period under consideration, as the tax should have already been paid upon receipt of such advance amount.

2. Tax liability on account of “*Inward supplies (liable to reverse charge)*” as declared in Table 3.1(d) of FORM GSTR-3B may be verified with the following:

- (i) ITC availed in Table 4(A)(2) and Table 4(A)(3) of FORM GSTR-3B.

Availment of ITC in excess of the liability discharged on account of reverse charge supplies may indicate either short payment of tax liability on account of RCM supplies or excess availment of input tax credit in respect of RCM supplies.

- (ii) ITC in respect of inward supplies attracting reverse charge as available in Table 3 and Table 5 (along with the net effect of amendments thereof in Table 4 and Table 6 respectively) of FORM GSTR-2A.

In respect of inward supplies attracting reverse charge received from a registered person, the details of corresponding invoices and debit/credit notes are communicated in table 3 and table 5 of FORM GSTR-2A. Further, in case of amendment of such details by the corresponding supplies in their FORM GSTR-1, the details of such amendments are communicated in table 4 and table 5 respectively.

However, the details of such inward supplies from unregistered persons are not communicated in FORM GSTR-2A, as only registered persons furnish FORM GSTR-1. Moreover, details of ITC on account of import of services also are not communicated in FORM GSTR-2A. As such, the reverse charge supplies declared in table 3.1(d) of FORM GSTR-3B cannot be less than the inward supplies attracting reverse charge as available in the above mentioned tables of FORM GSTR-2A.

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Where the RCM supplies declared in table 3.1(d) of **FORM GSTR-3B** are less than the inward supplies attracting reverse charge as per details available in **FORM GSTR-2A**, it may indicate short payment of tax liability on account of RCM supplies.

It may be noted that the said tables in **FORM GSTR-2A** contain details of supplies attracting forward as well as reverse charge. Therefore, only the supplies against which there is "Yes" or "Y" in column 14 of Table 3, column 16 of Table 4, column 15 of Table 5 and column 18 of Table 6 may be considered.

(iii) Tax/Cess paid in cash as per column 8 of Table 6.1 of FORM GSTR-3B.

In respect of inward supplies liable to reverse charge, tax/cess is to be paid in cash. Besides such RCM payments in cash, there may also be other payments in cash by the registered person. In any case, tax liability off-set in cash should not be less than the liability arising on account of reverse charge as per table 3.1(d) of **FORM GSTR-3B**. Where the tax liability off-set in cash is less than the liability arising on account of reverse charge, it may indicate short payment of tax.

3. ITC availed in respect of "Inward supplies from ISD" in Table 4(A)(4) of **FORM GSTR-3B** may be verified with Table 7 (along with the net effect of amendments thereof in Table 8) of **FORM GSTR-2A**.
4. ITC availed in respect of "All other ITC" in Table 4(A)(5) of **FORM GSTR-3B** may be verified with Table 3 and Table 5 (along with the net effect of amendments thereof in Table 4 and Table 6 respectively) of **FORM GSTR-2A**.

It may be noted that the said tables in **FORM GSTR-2A** contain details of supplies attracting forward as well as reverse charge. Therefore, only the supplies against which there is "No" or "N" in column 14 of Table 3, column 16 of Table 4, column 15 of Table 5 and column 18 of Table 6 may be considered.

5. It may be verified that the taxable value declared on account of "Outward taxable supplies (other than zero rated, nil rated and exempted)" in Table 3.1(a) of **FORM GSTR-3B** is not less than the net amount liable for TCS and TDS credit as per Column 6 of Table 9 of **FORM GSTR-2A**.

Section 51 of the CGST Act mandates deduction of tax at source in respect of supplies made to TDS deductors. Similarly, section 52 of the CGST Act requires electronic commerce operators to collect tax at source in respect of supplies made through them. The details of such TDS and TCS are furnished by the corresponding deductors and operators in their **FORM GSTR-7** and **FORM GSTR-8** respectively and communicated to the registered person in table 9 of **FORM GSTR-2A**. Besides such supplies, the registered person may have other supplies also. However, the taxable value declared on account of "Outward taxable supplies (other than zero rated, nil rated and exempted)" in Table 3.1(a) of **FORM GSTR-3B** cannot be less than the net amount liable for TCS and TDS credit as per Column 6 of Table 9 of **FORM GSTR-2A**. A discrepancy on the aforementioned count may indicate short payment of tax.

6. Liability on account of outward supplies in Table 3.1(a) and 3.1(b) of FORM GSTR-3B should be verified with the Tax liability as declared in e-way bills.

Rule 138 of the CGST Rules mandates generation of e-way bill before commencement of movement of goods of consignment value exceeding fifty thousand rupees (in relation to supply, or for reasons other than supply, or due to inward supply from unregistered person). Besides such supplies, the registered person may also have such other supplies which do not require generation of e-way bills, such as supply of services or supplies as specified in sub-rule (14) of rule 138, etc. Therefore, e-way bills capture a part of supplies made by the registered person. However, in table 3.1 of **FORM GSTR-3B**, the registered person is required to declare details of all outward supplies. Accordingly, liability declared in table 3.1 (a) and (b) of **FORM GSTR-3B** should not be less than tax liability as declared in the e-way bills.

7. 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. Effective date of cancellation of registrations of the suppliers, if any, is made available in relevant tables of **FORM GSTR-2A**. Accordingly, it may be verified whether the registered person has availed ITC in respect of such invoices or debit notes issued by the suppliers after the effective date of cancellation of their registrations.

8. Ineligible ITC availed in respect of invoices / debit notes issued by the suppliers who have not filed their GSTR-3B returns for the relevant tax period.

FORM GSTR-2A of the registered person contains the details of "*GSTR-3B filing status*" of the supplier in respect of each invoice / debit note received by the registered person. Where the said status is "*No*", it indicates the supplier has furnished invoice details in his **FORM GSTR-1**, but has not furnished the return in **FORM GSTR-3B** for the corresponding tax period. The availment of ITC in respect of such invoices / debit notes may be checked.

9. Whether GSTR-3B of a tax period is filed after the last date of availment of ITC in respect of any invoice / debit note as per section 16(4). In such cases, no ITC shall be availed in the return.

Sub-section (4) of section 16 of CGST Act provides for availment of ITC only till the due date of furnishing of **FORM GSTR-3B** for the month of September following the end of FY to which such ITC pertains or furnishing of relevant Annual Return, whichever is earlier. Accordingly, if any return in **FORM GSTR-3B** is furnished after such time by the registered person under scrutiny, any ITC availed therein is inadmissible.

It may also be noted that *vide* proviso to sub-section (4) of section 16, for FY 2017-18, availment of ITC was allowed beyond the due date of furnishing of return for the month of September, 2018 till the due date of furnishing of the return in **FORM GSTR-3B** for the month of March, 2019 subject to the condition that the details of the said invoices / debit notes should have been furnished by the suppliers in their **FORM GSTR-1** till the due date of furnishing of **FORM GSTR-1** for the month of March, 2019.

10. ITC availed in respect of “Import of goods” in Table 4(A)(1) of FORM GSTR-3B may be verified with corresponding details in Table 10 and Table 11 of FORM GSTR-2A.

Wherever required, the details of such imports may also be cross-verified from ICEGATE portal.

11. Whether the registered person has made reversals of ITC in accordance with provisions of rule 42 and rule 43 of the CGST Rules.

Rule 42 of the CGST Rules provides for manner of determination of input tax credit in respect of inputs or input services and reversal thereof. Rule 43 provides for manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases. The registered person avails ITC in table 4(A) of **FORM GSTR-3B** and reverses in Table 4(B). It may be verified whether requisite reversals have actually been made by the said registered person.

12. Whether the registered person has paid interest liability in terms of section 50.

As per section 50 of the CGST Act a registered person is required to pay interest on delayed payment of tax. It may be verified whether interest payable as per the provisions of section 50 of the CGST Act has actually been paid by the registered person.

13. Whether the registered person has paid late fee in terms of section 47 in respect of returns/statements.

As per section 47 of the CGST Act a registered person is required to pay late fee for delayed filing of returns / statements under the Act. It may be verified whether late fee payable as per the provisions of section 47 of the CGST Act has actually been paid by the registered person.

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Annexure C

SCRUTINY REGISTER TO BE MAINTAINED BY THE PROPER OFFICER

(Refer Para 8)

| S. No. | GSTIN | Name | FY under scrutiny | DGARM list details | | FORM GST ASMT-10 details | | |
|--------|-------|------|-------------------|------------------------|---|--------------------------------|-----------------------------|--------------------------------------|
| | | | | DGARM list no., if any | Likely revenue implication as per DGARM | Whether ASMT-10 issued or not? | Date of issuance of ASMT-10 | Amount of discrepancy as per ASMT-10 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| | | | | | | | | |

| FORM GST ASMT-11 details | | Payment details | | | FORM GST ASMT-12 | |
|-----------------------------------|-------------------------------------|---|-----------------------|------------------------|---------------------------------|-----------------------------|
| Whether reply in ASMT-11 received | Date of receipt of reply in ASMT-11 | Amount of discrepancy accepted by registered person | Amount paid in DRC-03 | ARN and date of DRC-03 | Whether ASMT-12 has been issued | Date of issuance of ASMT-12 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| | | | | | | |

| Action under section 73 or 74 | | | Action under section 65 or 66 or 67 | |
|--|--|-----------------------------|---|--|
| Whether action for determination of the tax and other dues under section 73 or section 74 has been initiated | Date of issuance of SCN under section 73 or 74 | Amount of demand as per SCN | Date of reference, if any, to the Commissioner for decision regarding action under section 65 or section 66 or section 67 | Date of acceptance of such reference, if any |
| 17 | 18 | 19 | 20 | 21 |
| | | | | |

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Annexure D

MONTHLY SCRUTINY PROGRESS REPORT

(Refer Para 8)

Zone:
 Commissionerate:
 Financial Year:
 Report for the Month:

(Amount in Rs. Lakhs)

| S. No. | Opening Balance | New returns allocated for scrutiny | | FORM GST ASMT-10 issued | |
|--------|-----------------|------------------------------------|----------------|-------------------------|-----------------|
| | | During the month | Upto the month | During the month | Up to the month |
| 1 | 2 | 3 | 4 | 5 | 6 |
| | | | | | |

| Returns whose scrutiny has been culminated | | | | | | | | Closing Balance (2+3-7-8-9-10) |
|--|----------------|---------------------------|---------------------|----------------------|----------------|---------------------------|---------------------|-----------------------------------|
| During the month | | | | Up to the month | | | | |
| No discrepancy found | ASMT-12 issued | Action u/s 65 or 66 or 67 | Action u/s 73 or 74 | No discrepancy found | ASMT-12 issued | Action u/s 65 or 66 or 67 | Action u/s 73 or 74 | |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| | | | | | | | | |

| Tax liability detected | | Recovery during the month | | | | Recovery upto the month | | | |
|------------------------|----------------|---------------------------|----------|--------------------|-------|-------------------------|----------|--------------------|-------|
| During the month | Upto the month | Tax | Interest | Late Fee / Penalty | Total | Tax | Interest | Late Fee / Penalty | Total |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| | | | | | | | | | |
