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## Various Assessment Schemes under GST



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### Introduction:

This article briefs the reader about one of the most important and hot topics these days i.e. Assessment. Three years have been already been passed from the enactment of this Act and tax authorities are focusing on assessing the returns and other compliance made by the taxpayers in due course of time.

### Definition under the Central Goods and Services Tax ('CGST Act'), 2017:

*'Section 2(11) of the CGST Act, 2017 defined the assessment means determination of tax liability under this Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgment assessment'.*

Under the CGST Act, every registered person will self-assess its liability to pay a tax on goods and services supplied by him. However, the Government has powers under various sections to re-assess the liability of registered taxpayers and determine if any tax has been short paid or not paid or input tax credit ('ITC') has been wrongly availed or utilised. A detailed explanation on types of assessment is provided below.

### Under the CGST Act, there are six types of assessment which are as under:

- ◆ *Self-Assessment (Section [59](#));*
- ◆ *Provisional Assessment (Section [60](#) read with Rule 98 of CGST Rules);*
- ◆ *Scrutiny of Returns (Section [61](#) read with Rule 99 of CGST Rules);*
- ◆ *Assessments of Non - Filers of Returns (Section [62](#) read with Rule 100 (1));*
- ◆ *Assessment of unregistered person under GST (Section [63](#) read with Rule 100(2) of CGST Rules);*
- ◆ *and*

- ◆ *Summary Assessment under GST (Section 64 read with Rule 100(3) to 100(5) of CGST Rules).*

### **Self-Assessment:**

Every registered person is required to assess its liability on the goods or services supplied by him during a particular tax period and pay the due taxes and file the return. Presently, it is being done by filing GSTR-3B.

### **Provisional Assessment:**

Section 60 enumerates that if any person is unable to determine the value/ rate of goods or services or both, then he may request the Proper officer ('PO') in Form GST ASMT-01 for provisional assessment and payment of tax on provisional basis.

PO shall pass an order in Form GST ASMT-04, within 90 days and shall ask the person to pay tax on a provisional basis at **rate/value** as provided by him.

The taxable person needs to furnish a bond along with security in the form of bank guarantee not exceeding 25% of the amount covered under the bond. The PO has to pass the final assessment order in Form GST ASMT-07 within 6 months from the date of the communication of the order of provisional assessment. However, on sufficient cause being shown and for reasons to be recorded in writing, the above period of 6 months may be extended:

- ◆ By JC/ AC - maximum 6 months.
- ◆ By Commissioner- Further extension of 4 years.

Further, the PO shall pass the final assessment order. However, if tax becomes payable consequent to final assessment order, then, the taxable person is liable to pay differential tax along with interest @ 18% p.a. whereas if tax becomes refundable consequent to the order of final assessment, the registered person shall be paid interest @ 6% p.a. if refund is granted belatedly.

### **Scrutiny of Returns:**

The return furnished by a registered person may be selected for scrutiny by PO to verify its correctness. Where any return furnished by a registered person is selected for scrutiny, the PO shall scrutinize the same with reference to the information available with him.

PO shall issue a notice in Form GST ASMT-10 to the said person informing him of such discrepancy and seeking his explanation within maximum 30 days from the date of service of the notice.

The registered person has to furnish the explanation in Form GST ASMT-11. Further, if PO is satisfied with the explanations offered by the person, PO shall inform him accordingly in Form GST ASMT-12. But, if PO is not satisfied with the explanation offered by the registered person, then he may take recourse to any of the following provisions:

- ◆ Section [65](#) (Audit by Tax Authorities);
- ◆ Section [66](#) (Special Audit);
- ◆ Section [67](#) (Power of Inspection, search and seizure); or
- ◆ Section [73](#) or [74](#) (Initiate proceeding for determination of tax and other dues)

### **Assessment of non-filers of return**

Section 62 empowers the PO to make 'Best Judgement Assessment'. This section is applicable when a registered person fails to furnish the monthly return u/s 39, i.e. GSTR-3B or final return u/s 45 even after the service of notice requiring him to file such return. PO may initiate the best judgement assessment proceedings after taking into account all the material available with him and issue an assessment order in Form GST ASMT-13 and a summary thereof shall be uploaded electronically in FORM GST DRC-07.

It is pertinent to note that assessment under this section may be completed without giving notice of hearing to the assessee as Section 62 expressly overrules provisions of Section 73 & 74, hereby removing the necessity of service of SCN prior to raising demand. Further, assessment can be completed without giving any opportunity of being heard to assessee.

Time limit to pass order under this section is 5 years from the due date of filing of annual return.

In case after the service of order, the registered person files a valid return within 30 days from the date of service of order, then the said best judgement shall be deemed to be withdrawn. But the late fees and interest shall be payable.

### **Assessment of un-registered persons:**

This section is applicable when a taxable person:

- ◆ Fails to obtain registration when he is liable to do so; or
- ◆ Whose registration is cancelled under Section 29(2) but he is liable to pay tax.

PO shall issue a notice in Form GST ASMT-14 and a summary thereof shall be uploaded electronically in Form GST DRC-01 containing the grounds of assessment to be made on best judgment basis. After allowing fifteen days time to furnish reply, if any, pass an order in Form GST ASMT-15 and a summary thereof shall be uploaded electronically in Form GST DRC-07.

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

Time limit to pass order under this section is 5 years from the due date of filing of annual return.

### **Summary assessment in certain special cases:**

Summary Assessments can be initiated to protect the interest of revenue with the previous permission of AC /JC when:

- ◆ The PO has evidence that a taxable person has a liability to pay tax under the Act, and
- ◆ The PO has sufficient grounds to believe that delay in passing an assessment order may adversely affect the interest of revenue.

The summary assessment order shall be issued Form GST ASMT-16 and a summary thereof shall be uploaded electronically in Form GST DRC-07.

In case the taxable person is not found to whom the liability is related, but such liability is related to supply of any goods, then the person who is in charge of such goods shall be deemed to be a taxable person and liable to assessed and pay tax and any other amount due thereon.

On an application made by the taxable person in Form GST ASMT-17 within thirty days from the date of receipt of order in Form GST ASMT-16 or on his own motion, if AC /JC considers that such order is erroneous, he may withdraw such order in Form GST ASMT-18 and follow the procedure laid down in section 73 or section 74.

**Conclusion:**

Depending upon the circumstances and facts of the case, various types of assessments can be initiated by the PO against taxable or unregistered person. Further, for every type of assessment there are different rules and procedural aspects are provided. However, many provisions provided under the CGST Act are similar to the Pre-GST era i.e. Service Tax regime.

**Disclaimer:**

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\*\*\*\*\*Happy GST\*\*\*\*\*

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