



## Department Power

### Administrative Power

### Investigative Power

#### Assessment

#### Audit

#### Access

**sec 2(11) "Assessment"** means determination of tax liability under this Act and includes ⇒ self-assessment ⇒ re-assessment, ⇒ provisional assessment, ⇒ summary assessment and ⇒ best judgment assessment.

**sec 2(13) "Audit"** means the ⇒ examination of records, returns and other documents maintained or furnished by the registered person as per law.  
 ⇒ to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of law.

**Sec 71  
Access to Business Premises**

##### Registered person

##### Sec 63 - Unregistered Person Best Judgement Assessment [BJA]

- ⇒ **BJA:** If assessee fails to obtain registration or registration cancelled, PO assess tax liability by best judgement assessment.
- ⇒ **Issue of notice:** PO issues a notice & give 15 days time to reply. And then issue an order & summary thereof shall be uploaded electronically. (No assessment order pass without giving an opportunity of being heard)
- ⇒ **Time limit of order:** Assessment order shall be issued within 5 years from due date of filing annual return for the FY to which tax not paid relates

##### Filing the Return

##### Sec 62 - Assessment of non filers of returns (Best Judgement Assessment)

- ⇒ **BJA:** where R.P. fails to furnish returns ⇒ u/s 39 (Periodical), or ⇒ u/s 45 (Final returns), & even after the service of notice u/s 46, taxable person fails to file return within 15 days then
- ⇒ **Time limit of order:** PO shall issue an order (best judgement) within 5 years from d/d of annual return for the FY to which tax not paid relates.
- ⇒ **Withdrawal of BJA order:** When assessee furnishes a valid return within 60 days of service order (best judgement), it shall be deemed to have been withdrawn. But liability of interest (@18%pa) + late fee (100/- per day max 5000/-) shall continues.
- ⇒ **Extended time to file return:** Extended period of upto 60 days is allowed on payment of additional late fee of ₹100 each day after 60 days of service of said assessment order.

##### Sec 65 Departmental Audit

1. **Audit Authority:** The comm or authorised officer undertake audit of registered person.
2. **Notice to R.P.** to be given at least 15 working days prior to the conduct of audit.
3. **Audit Period:** F.Y. or part thereof or multiples thereof.
4. **Place of Audit:** at the place of business of the registered person or in their office.
5. **Time Limit for Completion:** Within 3 months from the date of commencement. (extension for further 6 months)
6. **Commencement of audit** shall be the Date on which the records are made available or the actual institution of audit at the place of business, whichever is later.
7. **Conduct of Audit:** R.P. Shall
  - ⇒ facilitate verification of accounts & records
  - ⇒ provides information to authority as required
  - ⇒ render assistance
 PO may inform R.P. discrepancies notice & R.P. may file the reply
8. **Audit Findings & Observations** to be intimated within 30 days from the conclusion the audit.
9. **Tax Avoidance or wrong ITC is detected,** action u/s 73 or 74 for determination of Tax amount will be taken up.

##### Sec 66 Special Audit

1. **Situations:** During scrutiny, inquiry, investigation or any other proceedings, if officer is of the opinion that
  - ⇒ value has not been correctly declared or
  - ⇒ wrong availment of ITC by R.P.
2. **Direction for Audit:** shall be made with prior approval of commissioner to get record (including books of account) examined and audited.  
 Note: Special audit shall be conducted, even audit has been done under any provisions of the GST Act or any other law.
3. **Special Audit u/s 66** shall be conducted by a CA or a CMA, who shall be nominated by Commissioner, Auditor shall submit his report to AC, within 90 days. (extendable for further 90 days)
4. **Audit expenses** to be determined & paid by comm.
5. **Tax Avoidance or wrong ITC is detected,** action u/s 73 or 74 for determination of Tax amount will be taken up.

- 1) Duly empowered officer can access to any business premises of **Registered Person.**
- 2) During access, PO can inspect
  - Books of Accounts
  - Documents
  - Computers (including programs & software)
  - other things as required
- 3) Person in charge of premises bound to furnish such documents to officer or to audit party deputed by PO to carry out special audit
- 4) Records covers- records prepared by R.P., Trial balance, audited FS, cost Audit report, Income tax audit report and other relevant records.

##### Sec 59 : Self Assessment

Every Registered person shall self assess the liability & tax payable & then file return u/s 39 for each tax period