

Tax Audit Report –Form 3CD- clause 44 reporting – AY 22/23

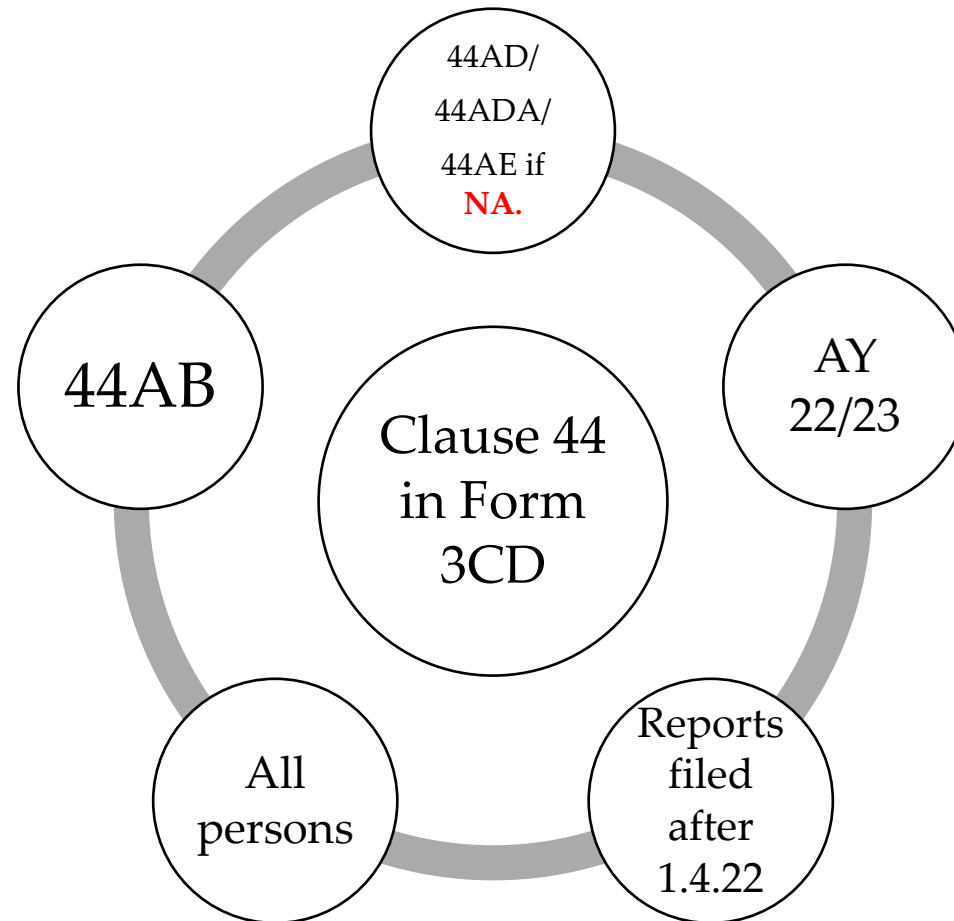
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Disclaimer

- **All views stated are my personal views, they are not binding on ICAI/Study Circle. My personal views may be correct/incorrect as they are expressed based on my understanding of the subject.**
- **All members/listeners are requested to go through tax law provisions on their own and advise their clients accordingly as each situation is peculiar in itself.**
- **All Illustrations provided are imaginary and any resemblance to any situation/s is purely co-incidental and without any intentions to disclose private and confidential information.**

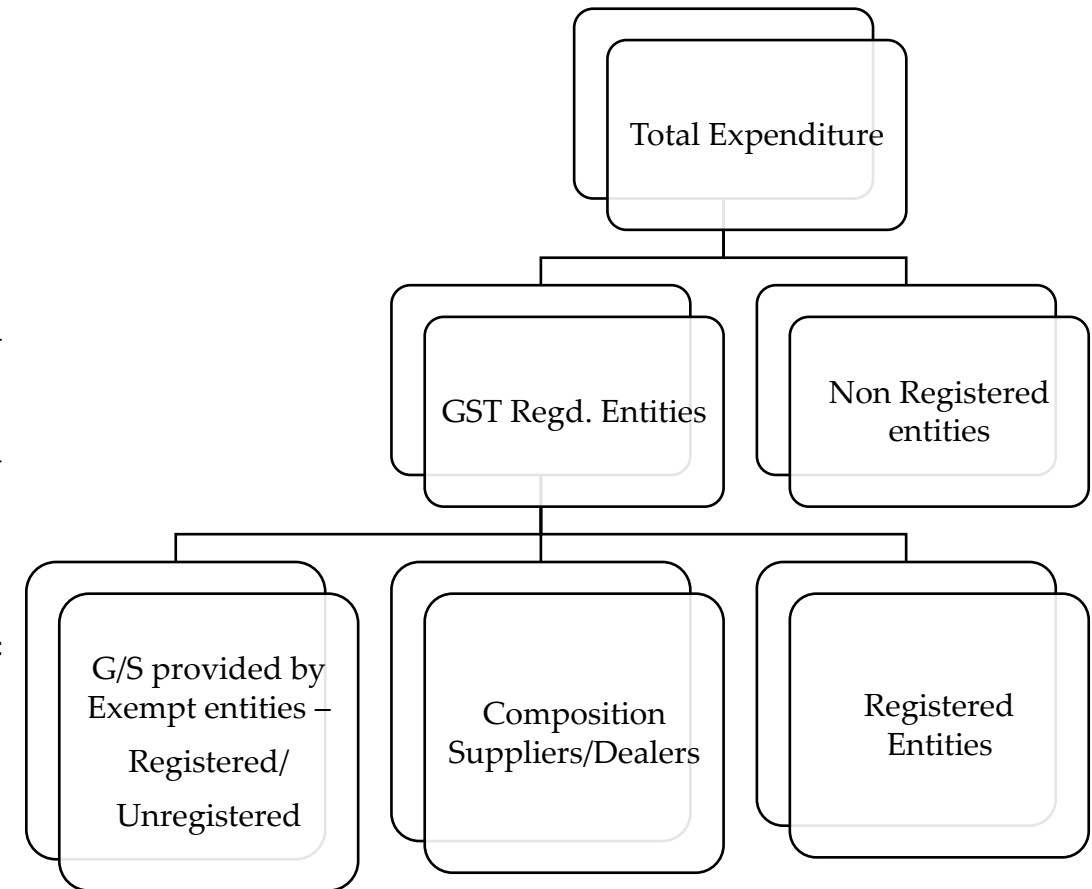
Clause 44 Applicability

Tax Report **Audit Filing**
is applicable as per conditions or stipulations specified for applicable assessment year.

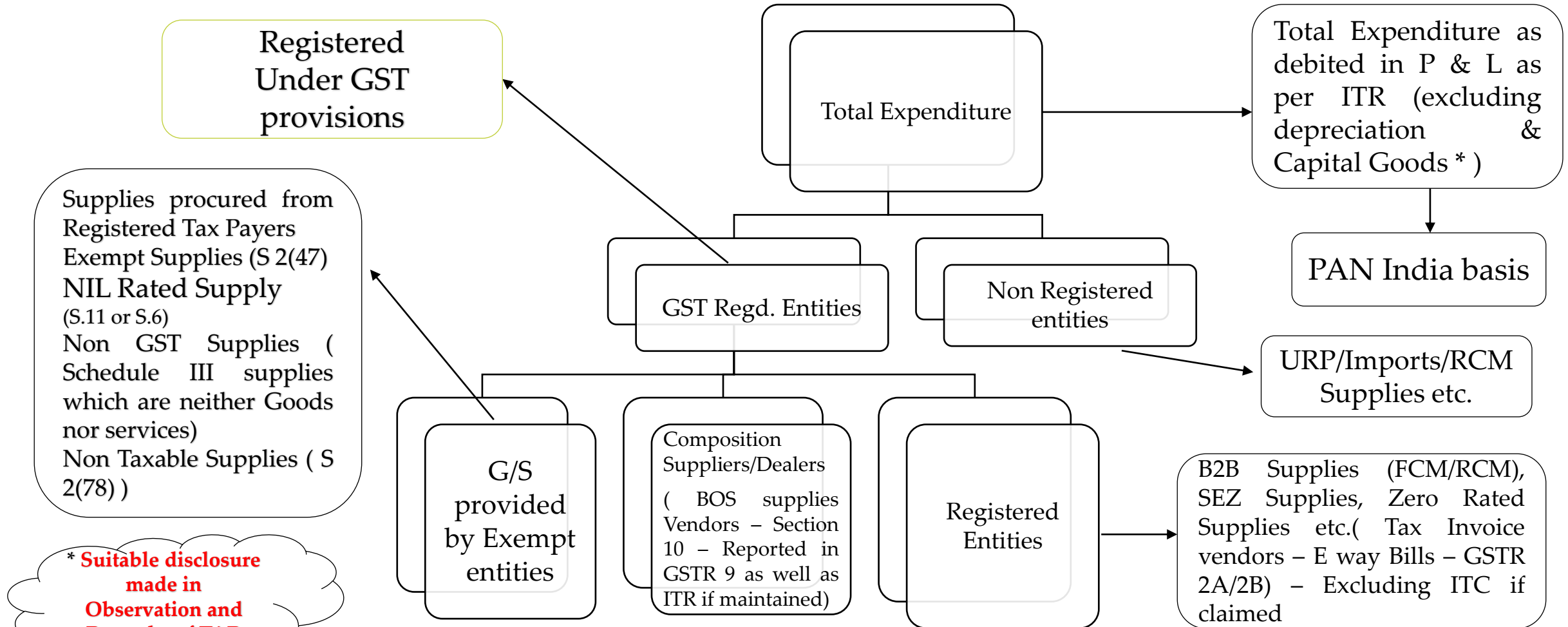


Clause 44 – Reporting Requirements

- **Total Amount of expenditure incurred during the year (1)**
- **Expenditure in respect of entities registered under the GST**
 - **Relating to the goods or services exempt from GST (1.1a)**
 - **Relating to the entities falling under composition scheme(1.1b)**
 - **Relating to the other registered entities(1.1c)**
 - **Total Payment to Registered entities (1.1d) = (1.1a)+(1.1b)+(1.1c)**
- **Expenditure relating to entities not registered under GST =1 –(1.1d)**



Clause 44 – Reporting Requirements



Some Other pointers

- In case of multi GSTIN registrations, such information may sought during the assessments under GST Provisions ?
- If master data in the data systems of the organizations is not configured then how do we verify?
- Do Taxpayers need to verify the registration of each vendors?
- Whether data as per GSTR 2A to be considered or GSTR 2B?
- In respect of supplies from Unregistered dealers can we expect only notices to be issued for payment of GST under RCM? Alternatively when such data/information is sought during the assessments will they issue notices to such suppliers for including them into GST Tax net? Food for thought? **Is it one more data mining exercise/tool to be implemented using AI ?**

Some Other pointers

- Can such exercise be termed as additional reconciliation exercise?
- Can such information would also be sought for CTP or NRTP persons viz. Non Resident persons who are also required to file their Income Tax Returns considering the provisions of Significant Economic Presence as notified under Explanations 2A to Section 9(1)(i) in future?
- In respect of reporting of exempt supplies as per clause 1.1a – whether any data mining for RCM would trigger in addition to data mining of unregistered supplies?
- How to address the changes arising due to change in the constitution of the assessee due to merger & acquisitions, demise, cancellation, revocation or any other reasons?

SURROUND YOURSELF WITH PEOPLE WHO TALK ABOUT VISION AND IDEAS NOT PEOPLE

Appreciated all of You.



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