

Instruction No. 05/2025-GST, issued by the Central Board of Indirect Taxes and Customs (CBIC) on **May 2, 2025**, addresses the **timely production of records and information for audits conducted by the Comptroller and Auditor General (C&AG)** of India. This directive responds to concerns highlighted in the C&AG's Audit Report No. 7 of 2024 regarding non-production or partial production of records by GST field formations

Key Highlights of Instruction No. 05/2025-GST

1. Constitutional Mandate for Audit

- Article 149 of the Constitution empowers the C&AG to audit government accounts, public sector undertakings, and entities funded or controlled by the Central or State governments.
- Field formations are obligated to provide all records and information available with them or required to be maintained by them to facilitate these audits

2. Addressing Audit Observations

- The C&AG's Audit Report identified instances where GST offices failed to produce complete records, such as financial statements, GSTR-9C, and GSTR-2A, hindering the audit process.
- In 6% of sampled cases, no records were produced, and in 34% of cases, only partial records were provided, limiting the audit's scope.

3. Instructions to Field Formations

- All Principal Chief Commissioners, Chief Commissioners, Principal Director Generals, and Director Generals are directed to ensure that officers under their jurisdiction:
 - Promptly furnish all requested records to the C&AG audit teams.
 - If certain documents are held by taxpayers, issue formal requests to obtain these documents and follow up to ensure timely submission.

4. Ensuring Accountability and Compliance

- Officers are to be sensitized about the importance of cooperating with audit teams to uphold transparency and accountability in tax administration.
- Non-compliance with these instructions may lead to administrative action, emphasizing the seriousness of adhering to audit requirements.