



Recent Amendments in GST & Critical Issues in GSTR 9& 9C



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Due Date for GST Annual Return and Audit

July 2017 to March 2018	Due date
Original Date	31.12.2018
Extended to	31.03.2019
Further extended to	30.06.2019
Further extended to	31.08.2019
Further extended to	30.11.2019
Further extended to	31.12.2019
Further extended to	31.01.2020
April 2018 to March 2019	Due date
Original Date	31.12.2019
Extended to	31.03.2020


Ek din puri duniya khatam ho jaayega.

Bas FY 2017-18 ka GSTR9 aur GSTR9C Bach jaayega.

Aur phir FY 17-18 ka Annual return file karne ke liye मनुष्य का पुनर्जन्म होगा...

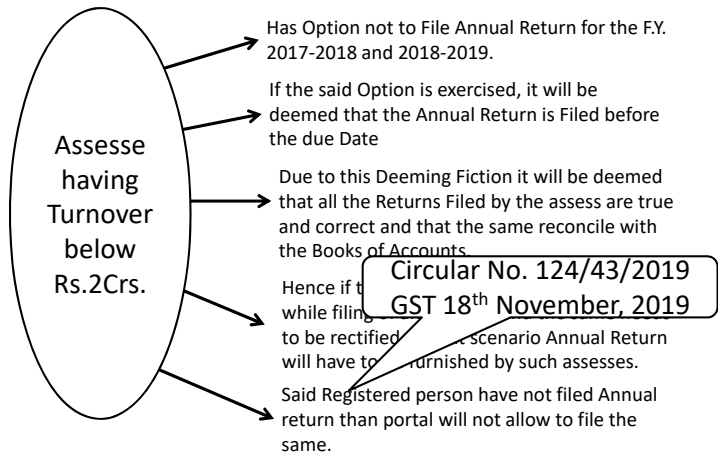
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Critical Issues



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Option to File Annual Return – Notification No. 47/2019 Central Tax Dated 9th October 2019.



Has Option not to File Annual Return for the FY. 2017-2018 and 2018-2019.

If the said Option is exercised, it will be deemed that the Annual Return is Filed before the due Date

Due to this Deeming Fiction it will be deemed that all the Returns Filed by the assess are true and correct and that the same reconcile with the Books of Accounts

Hence if while filing to be rectified scenario Annual Return will have to be furnished by such assesses.

Said Registered person have not filed Annual return than portal will not allow to file the same.

Circular No. 124/43/2019 GST 18th November, 2019

Primary Data Source



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F	Advances on which tax has been paid but invoice has not been issued (not Covered under (A) to (E) above)	Details of Unadjusted advances as per BoA (Table 11A – GSTR-1)
G	Inward supplies on which tax is to be paid on reverse charge basis	Supplies on which 9(3)/5(3) or 9(4)/5(4) is applicable as per BoA . (Table 3.1(d) – GSTR-3B) Does not include Import of Goods on BoE.
H	Sub-total (A to G above)	
I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)	Cr. Note for B2B, Zero Rated, Deemed Exports as per BoA to be included. (Table 9B – GSTR-1). Does't include refund vouchers for advance
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)	Dr. Note for B2B, Zero Rated, Deemed Exports as per BoA to be included. (Table 9B – GSTR-1).
K	Supplies / tax declared through Amendments (+)	Amendments for B2B, Zero Rated, Deemed Exports, Dr/Cr. Notes as per BoA to be included (Table 9A, 9C – GSTR-1). Change in the value to be disclosed.
L	Supplies / tax reduced through Amendments (-)	
M	Sub-total (I to L above)	
N	Supplies and advances on which tax is to be paid (H + M) above	Table 4B to E can be disclose net of 4I to L in case there is any difficulty in reporting such details separately - Notification No. 56/2019 CT 14.11.19

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Pt. II Details of Outward and inward supplies made during the financial year						
Liability neither disclose in 1 nor in 3B of 17-18 or 18-19 will be disclosed in this table						
		(Amount in Rs.in all tables)				
	Nature of Supplies	Taxable Value	Central Tax	State/UT Tax	Integrated Tax	Cess
4	Details of advances, inward and outward supplies made during the financial year on which tax is payable					
A	Supplies made to un-registered persons (B2C)	All B2C, B2C Large, Interstate, Intrastate including through E commerce operator to be reported as per BoA . Dr./Cr/ Note, Amendments to be adjusted and Net value to be disclosed (Table 5, 7, 9, 10 – GSTR-1)				
B	Supplies made to registered persons (B2B)	All B2B including deemed supply related party and distinct person, Interstate, Intrastate to be reported as per BoA . No reporting of supplies on which recipient is paying RCM (Table 4A, 4C – GSTR-1)				
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)	All exports on payment of IGST as per BoA (Non LUT) (Table 6A– GSTR-1)				
D	Supply to SEZs on payment of tax	All SEZ Supplies on payment of IGST as per BoA (Non LUT) (Table 6B– GSTR-1)				
E	Deemed Exports	Supplies to Merchant Exporter - Deemed Exports as per BoA (Table 6C –GSTR-1)				

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5 Details of Outward supplies made during the financial year on which tax is not payable		
A	Zero rated supply (Export) without payment of tax	All Exports without payment of IGST as per BoA (LUT) (Table 6A– GSTR-1)
B	Supply to SEZs without payment of tax	All SEZ Supplies without payment of IGST as per BoA (LUT) (Table 6B– GSTR-1)
C	Supplies on which tax is to be paid by the recipient on reverse charge basis	Supplies on which 9(3)/5(3) is applicable to recipient as per BoA (Table 4B– GSTR-1)
D	Exempted	Exempt under Notification No. 1/2017-CT(R) or 12/2017- CT(R), etc.
E	Nil Rated	Nil Rated under Notification No. 2/2017-CT(R) or 11/2017- CT(R), etc.
F	Non-GST supply (includes 'no supply') 5D to F can be disclose in 5D	Non- GST Supplies like Alcohol, Petrol, Diesel, Schedule III, Securities , etc. (Table 8 – GSTR-1)
G	Sub-total (A to F above)	

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H	Credit Notes issued in respect of transactions specified in A to F above (-)	Cr. Note for Zero Rated, RCM as per BoA to be included. (Table 9B –GSTR-1).
I	Debit Notes issued in respect of transactions specified in A to F above (+)	Dr. Note for Zero Rated, RCM as per BoA to be included. (Table 9B – GSTR-1).
J	Supplies declared through Amendments (+)	Amendments for Zero Rated, RCM as per BoA to be included (Table 9A, 9C – GSTR-1)
K	Supplies reduced through Amendments (-)	
L	Sub-Total (H to K above)	
M	Turnover on which tax is not to be paid (G + L above)	Table 5A to F can be disclose net of 5H to K in case there is any difficulty in reporting such details separately Not No. 56/2019 CT 14.11.19
N	Total Turnover (including advances) (4N + 5M - 4G above)	

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D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	Input Capital Goods Input Services	ITC on Inward Supplies on which RCM under 9(3)/5(3) has been paid by recipient and availed as per GSTR-3B (Table 4(A)3 – GSTR-3B)
E	Import of goods (including supplies from SEZs)	Inputs Capital Goods	ITC taken on BoE for IGST paid on Import of goods (incl. from SEZ) and availed as per GSTR-3B (Table 4(A)1 – GSTR-3B). ITC availed from July 17 to March 19. Press Release 4-6-19
G	Input Tax credit received from ISD		ITC taken on credit distributed by ISD and availed as per GSTR-3B (Table 4(A)4 – GSTR-3B)
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act		ITC Reclaimed as per GSTR-3B (eg. Invoice value paid after 180 days). Original availment to be shown in 6B above, reversal in 7A below and reclaim amount to be shown here. This value not to be included in 6B above
I	Sub-total (B to H above)		
J	Difference (I - A above)		

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Pt. III Details of ITC for the financial year						
	Description	Type	Central Tax	State/UT Tax	Integrated Tax	Cess
6	Details of ITC availed during the financial year					
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	Auto Populated from Table 4A of GSTR-3B for July 2017 to March 2018 (No amendment allowed)				
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	ITC on Inward supplies claimed on basis of tax Invoice issued by Supplier availed as per GSTR-3B (Table 4(A)5 – GSTR-3B)			
Capital Goods						
Input Services						
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	Inputs	ITC on Inward Supplies (net off) on which RCM under 9(4)/5(4) has been paid by recipient and availed as per GSTR-3B (Applicable upto 12 th Oct, 2017) (Table 4(A)3 – GSTR-3B)			
Capital Goods						
Input Services						

6B & C Have option to disclose consolidated amount in inputs

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7 Details of ITC Reversed and Ineligible ITC for the financial year		
A	As per Rule 37	ITC Reversal of credit on non-payment of Invoice in 180 days. If not reversed than?
B	As per Rule 39	Reversal of credit on account of excess distribution of credit by ISD
C	As per Rule 42	ITC reversal of Inputs and Input Service attributable to Exempt/Non Business
D	As per Rule 43	ITC reversal of Capital Goods attributable to Exempt/Non Business
E	As per section 17(5)	If credit taken and later reversed u/s 17(5). No disclosure of Table 4D of GSTR-3B
F	Reversal of TRAN-I credit	Transitional Credit reversed thru Table 4B of GSTR-3B. Whether Tran Credit reversal thru GST DRC-03 to be disclosed here?
G	Reversal of TRAN-II credit	
H	Other reversals (pl. specify)	Credit reversal for switch to Composition/ Supply become Exempt (ITC-03), etc.
I	Total ITC Reversed (Sum of A to H above)	
J	Net ITC Available for Utilization (6O - 7I)	7A to E Have option to disclose consolidated amount in 7H Not No. 56/2019 CT 14.11.19

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Pt. VI Other Information								
15	Particulars of Demands and Refunds Option not to filed Table 15. Not No. 56/2019 CT 14.11.19							
	Details	Central Tax	State/UT Tax	Integrated Tax	Cess	Interest	Penalty	Late Fee/ Others
A	Total Refund Claimed	Refer Form RFD-01/01A						
B	Total Refund Sanctioned	Refer Form RFD-06 Provisional sanctioned?						
C	Total Refund Rejected	Refer Form RFD-06						
D	Total Refund Pending							
E	Total demand of taxes	Check online GTST Portal also for any demand notice, which are pending						
F	Total taxes paid in respect of E Above	Details of Accepted demand, which is already paid						
G	Total demands Pending out of E Above	Unpaid demand. Unacceptable/litigative demand – Whether Appeal is filed?						
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17 HSN Wise Summary of outward supplies								
HSN	UQC	Total quantity	Taxable Value	Rate of Tax	Central Tax	State/UT Tax	Integrated Tax	Cess
Data can be taken from Table 12 of GSTR-1. To be reported Net of Sales returns. UQC applicable only for Goods.								
Option not to filed Table 17 & 18. Not No. 56/2019 CT 14.11.19								
18 HSN Wise Summary of Inward supplies								
HSN	UQC	Total quantity	Taxable Value	Rate of Tax	Central Tax	State/UT Tax	Integrated Tax	Cess
If inward supply of particular item is 10% of more of total inward supply, then details to be reported for such items only								
19	Late fee payable and Paid				Payable		Paid	
A	Central Tax							
B	State Tax							
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Taxpayers are advised to declare all such data / details (which are not part of their regular statement/returns) to the best of their knowledge and records. This data is only for information purposes and reasonable/explainable variations in the information reported in these tables will not be viewed adversely. – Press Release Dt. 3-7-19

16 Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis		
A	Supplies received from Composition taxpayers	Info may be taken from Table 5 of GSTR-3B
B	Deemed supply under Section 143	Goods sent to job worker not received in prescribe time.
C	Goods sent on approval basis but not returned	
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Option not to filed Table 16. Not No. 56/2019 CT 14.11.19

- ### Additional information Required
- Bifurcation of zero rated supplies between actual exports and SEZ supplies
 - ITC needs to be bifurcated into Input, Input services and Capital Goods
 - Bifurcation of ITC on inward supplies liable to reverse charge mechanism, received registered and unregistered suppliers
 - ITC reconciliation with GSTR-2A [including 'ITC available but not availed' and 'ITC available but ineligible']
 - Particulars of the transactions for the previous FY declared in returns of April to March of current FY – Amendments, reversal of ITC and ITC availed for the previous FY
 - HSN wise details of Outward and Inward supplies (10%) made
 - Details of goods purchased from composition tax payer, goods sent for job work, goods sent on approval
 - Details of refund claimed, sanctioned, rejected and pending details
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Aggregate Turnover

2(6) means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis), exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;

- Dealer of Second Hand Goods
- Air Travel Agent
- Forex Dealer
- Life Insurance
- Pure Agent – Reimbursement
- Sale of Capital Goods

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GST Audit – An Introduction

Who is required to undergo GST Audit - Sec 35 (5)

“Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of Section 44 and such other documents in such form and manner as may be prescribed”.

What is the turnover limit for GST audit - Rule 80(3)

“Every registered person whose aggregate turnover during a financial year exceeds two crore rupees shall get his accounts audited as specified under sub-section (5) of Section 35 and he shall furnish a copy of the audited annual accounts and a reconciliation statement, duly certified, in GSTR 9C, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner”.

- RTP Supplying OIDAR Service from Outside India to India is not required to furnish GSTR9C – Noti. No. 30/2019 CT Dtd 28th June, 19

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Turnover Press Release Dt. 3rd July, 2019

- The turnover of all the registrations having the same PAN is to be used for determining the requirement of filing of reconciliation statement. Therefore, if there are two registrations in two different States on the same PAN, say State A (with turnover of Rs. 1.2 Crore) and State B (with turnover of Rs. 1 Crore) they are both required to file reconciliation statements individually for their registrations since their aggregate turnover is greater than Rs. 2 Crore.
- The aggregate turnover for this purpose shall be reckoned for **the period July, 2017 to March, 2018.**

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Audit Sec 2(13)

- audit means the examination of records, returns and other documents
- Maintained or furnished by the Registered Person
- under this Act or the rules made thereunder or under any other law for the time being in force
- 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 this Act or the rules made thereunder;

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Document require to start GST Audit

- GSTR1, GSTR3B, GSTR2A, GSTR9, TRAN1, TRAN2
- Statutory Audit Report, Income Tax Audit Report, Cost Audit Report, Branch Auditors Report etc.
- Signed Copy of Financial Statements, along with notes, schedules, groupings, segment reports etc.
- Consolidated and GSTIN wise trial balance and financial statements of registrations
- Reconciliation of figures pre and post GST GSTIN wise.
- GSTIN and password

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Press Release
Dt. 3rd July, 19


Role of CA

- **Role of chartered accountant or a cost accountant in certifying reconciliation statement:**
- There are apprehensions that the chartered accountant or cost accountant may go beyond the books of account in their recommendations under **FORM GSTR-9C**.
- The GST Act is clear in this regard. With respect to the **reconciliation statement**, their **role is limited to reconciling** the values declared in annual return (**FORM GSTR-9**) with the audited annual accounts of the taxpayer.

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Pt.	Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)	
5	Reconciliation of Gross Turnover	
A	Turnover (including exports) as per audited financial statements for the State / UT (For multi-GSTIN units under same PAN the turnover shall be derived from the audited Annual Financial Statement)	Turnover as per the audited Annual Financial Statement shall be declared here. For Multiple GSTIN entity, internally derive GSTIN wise turnover.
B	Unbilled revenue at the beginning of Financial Year	(+) Unbilled revenue in the BoA (accrual system) in the last FY. & was c/f to the current FY. shall be declared here
C	Unadjusted advance Financial Year	(+) Advances on which GST has been paid but revenue not recognized AFS
D	Deemed Supply under Schedule I 	(+) Deemed supply already part of the T/o AFS not required to be included here.
E	Credit Notes issued after the end of the financial year but reflected in the annual return	(-) GST Credit notes issued between April to Sep 2018
F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST	(+) Commercial Discount (Non GST) to be disclosed here (if value of CN is reducing T/o in AFS
G	Turnover from April 2017 to June 2017	(-) Turnover included in the AFS for Apr to Jun 2017

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
H	Unbilled revenue at the end of Financial Year	(-)	Unbilled revenue in the BoA (accrual system) in the current
I	Unadjusted Advances at the beginning of the Financial Year	(-)	Advances on which GST has been paid but revenue not recognized AFS
J	Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)	Commercial Credit notes (Non GST) to be disclosed here (if value of CN is reducing T/o in AFS)
K	Adjustments on account of supply of goods by SEZ units to DTA Units	(-)	Filled by SEZ Unit which is supplying to DTA (DTA to pay under Import)
L	Turnover for the period under composition scheme	(-)	
M	Adjustments in turnover under section 15 and rules thereunder 	(+/-)	Related party Transaction, Branch Transfer, Sch I, ATA, Forex Dealer
N	Adjustments in turnover due to foreign exchange fluctuations	(+/-)	
O	Adjustments in turnover due to reasons not listed above	(+/-)	Eg: Cash Basis accounting, Construction, etc
P	Annual turnover after adjustments as above		
Q	Turnover as declared in Annual Return (GSTR9)		
R	Un-Reconciled turnover (Q - P)		

Table 5B to 5N option has been given to make adjustment in Table 5O
Not 56/2019 CT 14.11.19

14.	Description	Value	Amount of Total ITC	Amount of eligible ITC availed
	1	2	3	4
A	Purchases	The various sub-heads specified under this table are general expenses in the audited Annual Financial Statement or books of account on which ITC may or may not be available . Further, this is only an indicative list of heads under which expenses are generally booked. Taxpayers may add or delete any of these heads but all heads of expenses on which GST has been paid / was payable are to be declared here. only those expenses are to be reconciled where input tax credit has been availed. Press Release Dt. 3 rd July, 2019		
B	Freight / Carriage			
C	Power and Fuel			
D	Imported goods (Including received from SEZs)			
E	Rent and Insurance			
F	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples			
G	Royalties			
H	Employees' Cost (Salaries, wages, Bonus etc.)			

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Pt. IV	Reconciliation of Input Tax Credit (ITC)		
12	Reconciliation of Net Input Tax Credit (ITC)		
A	ITC availed as per audited Annual Financial Statement for the State/UT (For multi-GSTIN units under same PAN this should be derived from BOA)		ITC availed (after reversals) as per the AFS shall be declared here. For Multiple GSTIN entity, internally derive GSTIN wise ITC
B	ITC booked in earlier Financial Years claimed in current Financial Year April or July? Whether any ITC exist upto 30 th June	(+)	ITC booked in the AFS of earlier F.Y. but availed in the ITC ledger in the current F.Y. (TRAN-1 to be reported here for 2017-18)
C	ITC booked in current Financial Year to be claimed in subsequent Financial Years	(-)	ITC booked in the AFS of current F.Y. but availed in the ITC ledger in the next F.Y.
D	ITC availed as per audited financial statements or books of account		Table 12B & 12C is optional Not 56/2019 CT 14.11.19
E	ITC claimed in Annual Return (GSTR9)		As per Table 7J of GSTR-9 (Figures are Net of Reversal)
F	Un-reconciled ITC		

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	1	2	3	4
I	Conveyance charges			
J	Bank Charges			
K	Entertainment charges			
L	Stationery Expenses (including postage etc.)			
M	Repair and Maintenance			
N	Other Miscellaneous expenses			
O	Capital goods			
P	Any other expense 1			
Q	Any other expense 2			

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	1	2	3	4
R	Total amount of eligible ITC availed	Auto filled		
S	ITC claimed in Annual Return (GSTR9)	As per Table 7J of GSTR-9 (Figures are Net of Reversal)		
T	Un-reconciled ITC (ITC 2)			

Table 14 is optional for 17-18 and 18-19 Notification No. 56/2019 CT 14.11.19

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Verification

I hereby **solemnly affirm** and declare that the information given herein above is **true and correct** to the best of my knowledge and belief and nothing has been **concealed** there from.

** (Signature and stamp/Seal of the Auditor)

Place:
 Name of the signatory
 Membership No.
 Date:
 Full address

Verification of registered person:

I hereby solemnly affirm and declare that I am uploading the reconciliation statement in **FORM GSTR-9C prepared and duly signed by the Auditor** and nothing has been tampered or altered by me in the statement. I am also uploading other statements, as applicable, including financial statement, profit and loss account and balance sheet etc.

Signature

Date: _____ Name of Authorized Signatory _____
 Designation/status _____

solemn means "serious or earnest"
affirm means "confirm, establish or ratify".
 A solemn affirmation is ratification under a statute.

Whether to check;
 1. Place of Supply
 2. Nature of Supply
 3. Time of Supply
 4. Rate of tax
 5. Valuation
 6. ITC eligibility, etc.

Pt.V	Auditor's recommendation on additional Liability due to non-reconciliation					
	RTP May accept or reject			To be paid through Cash		
	Description	Value	CGST	SGST/UTGST	IGST	CESS
	5%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Input Tax Credit					
	Interest					
	Late Fee	For 17-18 due date for GSTR1 and 3b has been extended till 31.10.18				
	Penalty					

How to calculate interest?

Not from ITC

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Certificate Vs. Audit

- **Certificate**
 - is a written confirmation of the accuracy of the facts stated therein and
 - **does not involve any estimate or opinion.**
 - It is certification of **factual accuracy** of what is stated therein.
 - Arithmetical accuracy
- **Audit**
 - is a formal statement usually made after an enquiry, examination or review of specified matters under report and
 - includes the reporting an **opinion** thereon. It is giving an opinion based on factual data and that is arrived at by the application of due care and skill.
 - Materiality, control, evidence, etc.
 - Based on professional judgement

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PART – B- CERTIFICATION

1. Certification in cases where the reconciliation statement (FORM GSTR-9C) is drawn up by the person who had conducted the audit:

I/we have examined the—

- (a) balance sheet as on In case of Multiple GSTN?
- (b) the *profit and loss account/income and expenditure account for the period beginning fromto ending on, and
- (c) the cash flow statement (if available) for the period beginning fromto ending on, —attached herewith, of M/s (Name), (Address),(GSTIN).

2. Based on our audit I/we report that the said registered person—

*has maintained the books of accounts, records and documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder

*has not maintained the following accounts/records/documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder:

- 1.
- 2.
- 3.

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List of documents required to be maintained

- Inward and outward supply of goods or services or both
- Stock of goods – 3CD?
- Input tax credit availed
- Output tax payable and paid
- Goods and Services imported and exported
- Supplies attracting payment of tax on reverse charge mechanism along with along relevant documents such as invoices, credit notes, debit notes, refund vouchers, bill of supply etc.
- Advances received, paid and adjustments thereof

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Books of Account

- Section 35(1) of The CGST ACT, 2017
- Every registered person shall keep and maintained
- at his **principal place of business**, as mentioned in the certificate of registration
- **A true and correct accounts of -**
- Section 128 of The Companies Act, 2013
- every **company** to prepare and keep the books of account and other relevant books and papers and financial statements at its registered office
- May be true and fair

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3. (a) *I/we report the following observations/ comments / discrepancies / inconsistencies; if any:

.....

3. (b) *I/we further report that, -

(A) *I/we have obtained all the information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit/ information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit were not provided/partially provided to us.

(B) In *my/our opinion, proper books of account *have/have not been kept by the registered person so far as appears from *my/ our examination of the books.

(C) I/we certify that the balance sheet, the *profit and loss/income and expenditure account and the cash flow Statement (if available) are *in agreement/not in agreement with the books of account maintained at the Principal place of business atand **additional place of business within the State.

4. The documents required to be furnished under section 35 (5) of the CGST Act / SGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act / SGST Act is annexed herewith in Form No. GSTR-9C.

5. In ***my/our opinion** and to the best of *my/our information and according to explanations given to *me/us, the particulars given in the said Form No.GSTR-9C are **true and correct** subject to following

observations/qualifications, if any:

fair

- (a)
- (b)
- (c)

** (Signature and stamp/Seal of the Auditor)

Place:

Name of the signatory

Membership No.....

Date:

Full address

3. The documents required to be furnished under section 35 (5) of the CGST Act / SGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act / SGST Act is annexed herewith in Form No.GSTR-9C.

4. In ***my/our opinion** and to the best of *my/our information and according to examination of books of account including other relevant documents and explanations given to *me/us, the particulars given in the said Form No.9C are **true and correct** subject to the following observations/qualifications, if any:

- (a)
- (b)
- (c)

Fair

** (Signature and stamp/Seal of the Auditor)

Place:

Name of the signatory

Membership No.....

Date:

Full address

II. Certification in cases where the reconciliation statement (FORM GSTR-9C) is drawn up by a person other than the person who had conducted the audit of the accounts

*I/we report that the audit of the books of accounts and the financial statements of M/s. (Name and address of the assessee with GSTIN) was conducted by M/s. (full name and address of auditor along with status), bearing membership number in pursuance of the provisions of theAct, and *I/we annex hereto a copy of their audit report dated along with a copy of each of :-

- (a) balance sheet as on
- (b) the *profit and loss account/income and expenditure account for the period beginning fromto ending on,
- (c) the cash flow statement (if available) for the period beginning fromto ending on, and
- (d) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/income and expenditure account and balance sheet.

2. I/we report that the said registered person—

*has maintained the books of accounts, records and documents as required by the IGST/CGST/.....GST Act, 2017 and the rules/notifications made/issued thereunder

*has not maintained the following accounts/records/documents as required by the IGST/CGST/.....GST Act, 2017 and the rules/notifications made/issued thereunder:

- 1.
- 2.
- 3.

Some important points

- Engagement Letter , Appointment Letter, Scope
- Management Representation Letter;
 - Deemed supply transactions and transactions for non-monetary consideration
 - Barter Transaction – Not recorded, etc.
- Turnover from April 2017 to June 2017 to be extracted on reasonable basis
- Commercial credit notes Vs. GST credit note
- Credit notes in respect of original supplies during the financial year but issued in the subsequent financial have been / have not been included within the financial year itself as an event occurring after the date of the Balance Sheet

Some important points

- Reversal of ITC under Rule 37 – non payment within 180 days
- Reversal of ITC under Rule 42 and 43
- Blocked Credit
- ITC used for personal use
- RCM under Section 9(4)/5(4)
- GST on Advance received towards goods
- Cross charge between Distinct Persons

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- As per Para h to Press Release dt. 3rd July 2019 on Clarification regarding Annual Returns and Reconciliation Statement, the role of the Auditor is limited to reconciling the values declared in annual return (FORM GSTR-9) with the audited annual accounts of the taxpayer, while giving details in Form GSTR-9C [Part A and Part B]. Our reconciliation statement and certification is based on the above understanding.
- The registered person claims that the GST liability reduced by issue of Credit Note is in accordance with the provisions of the GST Law. We have relied on such claims. MRL
- Where registered person does not have HSN details, they have discharged GST liability @ 18% for all such cases of inward supplies which are liable to RCM u/s. 9(4) of the CGST Act, 2017 / 5(4) of the IGST Act, 2017.

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- The registered person has claimed Input tax credit even for cases where transactions are not reflected in their Form GSTR-2A on the basis of supporting documents available with them.
- The registered person claims that ITC is not claimed for cases which are covered under Section 17 of the CGST Act, 2017. We have relied on such claims.
- The transactions of High Seas Sales / Out to Out sales / Bond transfer are not considered by the registered person in GST Annual Return as the registered person claims that the said transactions does not fall within the jurisdiction of India.
- The registered person claims that ITC reversal as per Rule 42 / 43 of the CGST Rules, 2017 is not applicable. We have relied on such claims.

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- The registered person claims that ITC reversal as per Rule 42 / 43 of the CGST Rules, 2017 is not applicable wrt Interest income earned wef 01st July 2017 irrespective of the fact that the said benefit is inserted vide Notification No. 3/2018 – CT dt. 23 Jan 2018, amendment being clarificatory in nature.
- The registered person claims that they have made payment to their suppliers within 180 days from the date of invoice for all cases where ITC is claimed.

OR

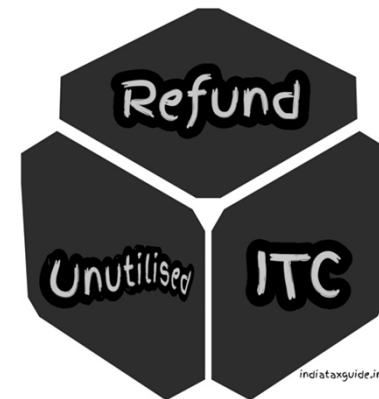
- The registered person claims that they have reversed GST ITC for all cases where payments are not made to their suppliers within 180 days from the date of invoice. We have relied on such claims.
- The registered person has paid interest upto the date of payment to supplier [and not upto the date of reversal of ITC] for all cases where GST ITC is reversed on account of payments not made to suppliers within 180 days from the date of invoice. We have accordingly reported the interest figures upto the date of payment to supplier in Form GSTR-9C.

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Changes in availment of ITC



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- The registered person has paid interest on Net Liability [Gross Liability – ITC] and not on Gross Liability. We have accordingly reported the figures as per Net Liability in Form GSTR-9C. As per the opinion of management interest is paid according to net liability is prudent interpretation of Sec 50 of CGST Act based on amendment proposed in Sec 50 in Union Budget, 2019.
- The registered person claims that for all supplies made to related / distinct person, the said related / distinct person is eligible for full ITC.
- The registered person claims that they have raised invoice for all the services rendered to the distinct person and further that the said distinct person is eligible for full ITC.

OR

- As represented by the management no supplies are made to related / distinct person.
- The registered person claims that the transitional credit claimed is in accordance with the provisions of GST Law. We have relied on such claims.

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ITC Shall not be available

- ITC to be **availed** by a registered person in respect of **invoices or debit notes**, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, **shall not exceed 20% of the eligible credit available** in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37. [Rule 36(4)] in accordance with notification 49/2019 CT Dt. 10 October, 2019.

10% w.e.f. 1st January, 2020

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Circular No. 123/42/2019-GST DT. 11th Nov, 2019

- Full ITC in respect of Import and ISD
- The restriction of 36(4) will be applicable only on the invoices, etc. on which credit is availed after 09.10.2019.
- The restriction imposed is not supplier wise
- The calculation would be based on only those invoices which are otherwise eligible for ITC
- The taxpayer may have to ascertain the same from his auto populated **FORM GSTR 2A as available on the due date of filing of FORM GSTR-1 under sub-section (1) of section 37.**

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When can Balance ITC be claimed

- Can claim **proportionate ITC** in any of the succeeding months as and when details of some invoices are uploaded by the suppliers.
- The details of which are not uploaded remains under 20 per cent of the eligible ITC, the details of which are uploaded by the suppliers.

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Calculation of Restrictions

Sr. No	Particulars	Before 09.10.19	on or after 09.10.19
1	Total ITC as per Books	55,00,000	55,00,000
2	Eligible ITC as per Books	50,00,000	50,00,000
3	Ineligible ITC as per Books (1-2)	5,00,000	5,00,000
4	Total ITC as per GSTR-2A	35,00,000	35,00,000
5	Eligible ITC as per GSTR-2A	30,00,000	30,00,000
6	Ineligible ITC as per GSTR-2A (4-5)	5,00,000	5,00,000
7	20% of the Eligible ITC as per Form GSTR-2A [Rule 36(4)] (5*20%)	NA	6,00,000
8	Maximum Permissible ITC [As per Rule 36(4)] (5+7)	NA	36,00,000
9	ITC allowable	50,00,000	36,00,000
10	Additional Cash Outflow / Impact [As per Rule 36(4)]		14,00,000

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When can Balance ITC be claimed

Particulars	Formula	Amount
Balance ITC invoices Uploaded by the suppliers in the month of November		12,00,000
Fresh ITC Can be claimed in November	Amount of fresh invoices uploaded/1.2	10,00,000
Balance ITC invoices Uploaded by the suppliers in the month of December		8,00,000
Fresh ITC Can be claimed in December	Amount of fresh invoices uploaded/1.2	6,66,666
Maximum allowed (14,00,000-10,00,000)		4,00,000

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Restriction on Availment of ITC

- It is Important to Reconcile GSTR 2-A with the Books of Accounts before filing of GSTR 3-B.
- If More than 20% ITC is claimed, department may seek interest, Penalty on the same.
- Refund Applications may also be rejected on the said grounds.
- Some Suppliers may file Quarterly GSTR-1.
- To be calculated separately for CGST, SGST/UTGST and IGST

Gujrat HC admitted the writ challenging validity of Rule 36(4) in case of Society for Tax Analysis and Research

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Restriction on use of amount in Electronic Credit Ledger - Rule 86A

- May, for reasons to be recorded in writing, not allow debit of an amount equivalent to such credit in electronic credit ledger for discharge of any liability under section 49 or for claim of any refund of any unutilised amount.
- The Commissioner, or the officer authorised by him under sub-rule (1) may, upon being satisfied that conditions for disallowing debit of electronic credit ledger as above, no longer exist, allow such debit.
- Such restriction shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction.

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Restriction on use of amount in Electronic Credit Ledger - Rule 86A

- The Commissioner or an officer not below the rank of an AC,
- Having reasons to believe that credit of ITC available in the electronic credit ledger has been fraudulently availed or is ineligible in as much as:
 - the credit of input tax has been availed on the strength of tax invoices, etc. as prescribed under rule 36
 - ❖ issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
 - ❖ without receipt of goods or services or both; or
 - Tax has been not paid by the supplier; or
 - The registered person availing the credit of input tax has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
 - The registered person availing any credit of input tax is not in possession of a tax invoice, etc.

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Standard Operating Procedure for non-filers of returns

Cir 129/48/2019 Dtd. 24th December, 2019

- Registered person will get a system generated email/ message 3 days before the due date to file their GST returns.
- Once the due date of filing GST Return is over, a system generated email/message will be sent to the registered person, authorized signatory, Proprietor/ partner/ director/ karta, etc. stating that he has not filed the returns.
- 5 days after the due date is over, a notice in FORM GSTR-3A will be issued to the registered person stating that he is required to furnish the said returns within 15 days.
- In case the registered person does not file the return within 15 days, proper officer will issue a best judgment order in FORM GST ASMT-10 and also generate summary in GST

DRC07.
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CHANGES IN REVERSE CHARGE MECHANISM



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- In case, if the registered person files a valid return within 30 days from issue of assessment order in FORM GST ASMT-13, order will be deemed to be withdrawn.
- If the registered person fails to file a valid return within 30 days from issue of assessment order then proper officer may start recovery proceedings.
- If the return has not been furnished for the period specified in section 29 proper officer may cancel the registration.

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Services provided by an Author

Particulars	Up to 30th September 2019	W.e.f. 1st October 2019
Services provided by an Author by transferring or permitting the use of copyright relating to original literary works to a publisher	Compulsory RCM and publisher were liable to pay.	Now option has been given to author to pay GST subject to fulfillment of following conditions: 1. The Author should be registered. 2. He should file a declaration in Annexure I within prescribed time limit. 3. He should make a declaration as prescribed in Annexure II on the Invoice issued by him in Form GST Inv-1. 4. Option once exercised cannot be withdrawn within a period of 1 year from the date of exercising it.

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Renting of Motor Vehicle

Particulars	Up to 30th September 2019	W.e.f. 1st October 2019
Renting of Motor Vehicle to a Body Corporate by supplier other than Body Corporate	Forward Charge	If supplier is opting to pay GST @5% then the recipient (Body Corporate) is liable to pay tax.

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Security lending services

Particulars	Up to 30th September 2019	W.e.f. 1st October 2019
Lending fees	Forward Charge	Borrower of the Securities through an approved intermediary under the Scheme of SEBI will pay the tax and not the lender of Securities.

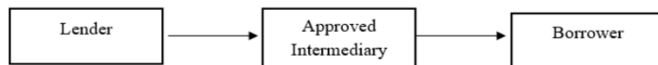
- Borrower may not be registered.
- Sec 24(iii) mandatory registration

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Security lending services



Transaction of lending of securities	Exempt since neither goods nor service
Lending fees charged	Taxable @18%

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Logistic

- Supply of **storage or warehousing services** in respect of cereals, pulses, fruits, nuts and vegetables, spices, copra, sugarcane, jaggery, raw vegetable fibers such as cotton, flax, jute etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, rice, coffee and tea
- **Transportation of goods** from India to a place outside India by air or Sea has been extended till 30th September 2020
 - value of such service may be excluded from the value of exempted services for the purpose of reversal of ITC.

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Other Exemptions

- **FIFA:** All Services supplied by and to FIFA & its subsidiaries directly or indirectly related to any of the events under FIFA U-17 Women's World Cup 2020 to be hosted in India has been exempted.
- **Liquor License Fee:** It is clarified that liquor license fees paid to state government will be **No Supply**.



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Insurance

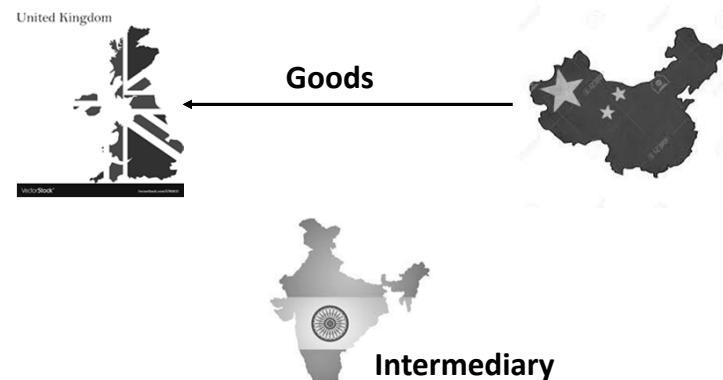
- The “**BANGLA SHASYA BIMA**” (BSB) crop insurance scheme of West Bengal Government and **life insurance business** provided or agreed to be provided by the Central Armed Paramilitary Forces (under Ministry of Home Affairs) Group Insurance Funds to their members under the respective Group Insurance Schemes of these Central Armed Paramilitary forces.

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Exemption



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Miscellaneous Changes



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- The circular further states that If the additional discount given by the supplier of goods to the dealer for doing some acts like undertaking special sales drives, advertisement campaign, exhibition etc. then such acts of the dealer is a service provided by the dealer to the supplier where the additional discount will be treated as consideration for such service.
- The dealer would be required to charge GST on the service, and the supplier being recipient of service, will be eligible to claim Input Tax Credit on the GST charged by the dealer.

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Withdrawal of Circular No. 105/24/2019

- **Circular No. 105/24/2019-GST** dated 28th June 2019 issued to clarify various doubts related to treatment of secondary or post-sales discounts under GST has been withdrawn by **Circular No. 112/31/2019 – GST** dated 3rd October 2019
- As per the said circular, if the post- sale discount is given by the supplier of goods to the dealer without any further obligation or action required at the dealers end subject to the fulfillment of provisions of sub-section (3) of section 15 of CGST Act. Then the post sales discount given by the supplier would not be included in the value of supply.

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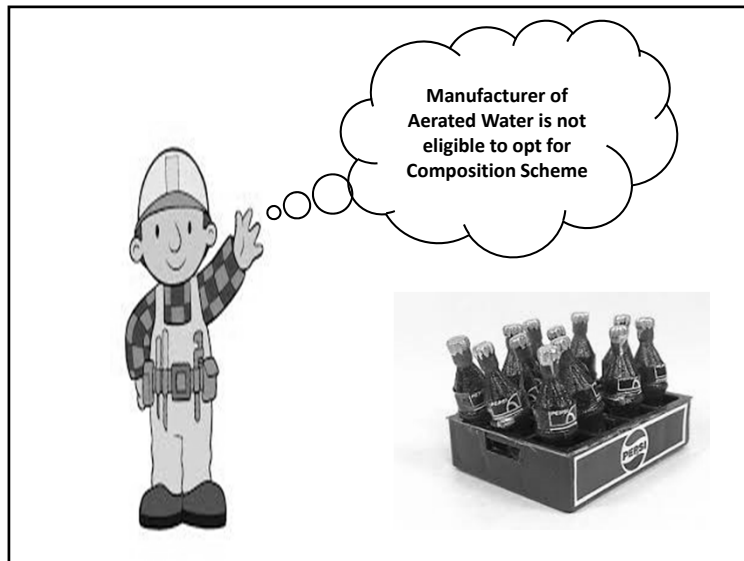
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- The circular also clarifies that if the additional discount is given **by supplier to dealer** to offer a special reduced price **by dealer to the customer** to augment sales volume, such additional discount shall be treated as a consideration flowing **from supplier to dealer** for the supply made **by dealer to customer**. Therefore, GST is to be paid by the dealer on such additional discount.
- Since, the circular has been withdrawn, the acts of the dealer such as undertaking special sales drives, advertisement campaign, exhibition etc. shall not be treated as a service and the additional discount given by the supplier to the dealer shall not be treated as consideration for any such acts.

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Document Identification Number (DIN)

- Compulsory to quote DIN on communication issued by the officers on or after 8th November 2019.
- Exceptions-
 - Technical difficulties
 - Communication at short notice or required urgently and officer is outside his office discharging official duties
- In any other case, communication will be treated as invalid

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Taxability of Donations

- Whether GST is applicable on donations or gifts received from individual donors by charitable organizations, which is acknowledged by them by placing name plates in the name of the individual donor?
- As per **circular no. 116/35/2019** dated 11/10/2019, No GST if following three conditions are satisfied:-
 - gift or donation is made to a charitable organization
 - the payment has the character of gift or donation
 - the purpose is philanthropic (i.e. not commercial gain) and not advertisement

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Revocation of suspension of registration

- Between period of suspension and revocation of suspension, supplies can be made but taxable invoice cannot be issued and no GST can be charged
- After revocation of cancellation, revised invoice shall be issued within one month from date of issue of certificate of registration.
- Outward supplies made during the period shall be declared in the first return.

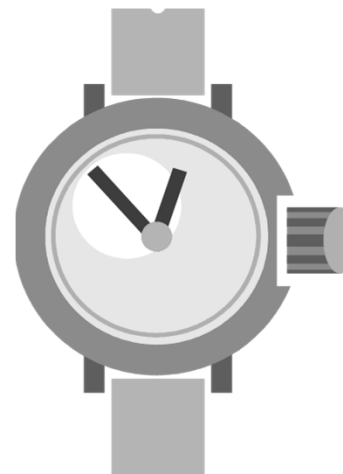
E-Invoicing

- Registered person whose aggregate turnover in a F.Y. exceeds Rs.100 Crs. have to mandatorily issue an E-Invoice in case of B2B outward supplies.
- Registered person whose aggregate turnover in a F.Y. exceeds Rs. 500 Crs. Have to mandatorily issue invoice with QR CODE in case of B2C Supplies.
- Invoice not issued as mentioned above, it shall be invalid as per GST.
- Above provisions shall come into force w.e.f. 1st April,2020.

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**Opinions or views
are like wrist
watches.**

**Every watch shows
different time from
others.**

**But every one
believes that their
time is right!**

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GST Portals for preparation of E-Invoice

1. www.einvoice1.gst.gov.in
2. www.einvoice2.gst.gov.in
3. www.einvoice3.gst.gov.in
4. www.einvoice4.gst.gov.in
5. www.eninvoice5.gst.gov.in
6. www.envoice6.gst.gov.in
7. www.einvoice7.gst.gov.in
8. www.einvoice8.gst.gov.in
9. www.einvoice9.gst.gov.in
10. www.einvoice10.gst.gov.in

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