

EXPORT PROMOTION COUNCIL FOR EOUs & SEZs

Ministry of Commerce & Industry, Government of India
8G, Hansalaya Building, 15, Barakhamba Road, New Delhi-110001

Tel: 23329766-69 Fax No.011-23329770

E-mail : epces@epces.in Web: www.epces.in

AnandGiri
Dy. Director General
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Please find below the details of recent notifications as under:-

This is to inform that Government of India has recently issued certain notifications, key features of the same are summarized herein below for your reference:

Notification No. 49/2018 – Central Tax, dated 13 September 2018

The Government has notified GST audit report in Form GSTR-9C, important details amongst other to be furnished in the said form are summarised herein below:

- Reconciliation of turnover declared in audited Financial Statement vis-à-vis Annual Return;
- Reconciliation of tax paid;
- Reconciliation of Input Tax Credit (ITC);
- Reconciliation of ITC declared in Annual Return (GSTR-9) with ITC availed as per audited Financial Statements; and
- Auditor's recommendation on additional liability in cases involving discrepancies being reported.

GT Comments:

The long awaited GST audit report has finally seen the light of the day. Government has re-looked at previously introduced draft format and pruned the same to remove detailed business information. However, the format still requires comprehensive reconciliations between Annual return and Audited Financial Statements on above mentioned parameters. Further, the same would require finalization of Annual return first.

Additionally, Audit report is the last opportunity for the taxpayers to declare supplies that went non-reported in monthly as well as Annual return. Hence, taxpayers would have to be very diligent and undertake review of all supplies to ensure that all transactions previously missed are captured while finalizing the audit report.

With the notification of final format, the Government has now only provided short period of 3 months period for collation of data, preparation of reconciliations and finalization of Annual return as well as Audit and capturing missed transactions.

All-in-all the present GST Audit report appears to compliment Annual return and is primarily based on the matching of Annual return vis-à-vis financial statements.

Notification No. 50/2018 – Central Tax, dated 13 September 2018

Provisions of Tax Deducted at Source (TDS) have been made effective from **1 October 2018**. Further, following class of persons have also been notified to deduct TDS in addition to the one's already notified:

- Authority/board/any other body, set up by an Act of Parliament/ State Legislature or Government establishment with fifty-one per cent or more participation by way of equity or control, to carry out any function;
- Society established by the Central Government/State Government/Local Authority under the Societies Registration Act, 1860 (21 of 1860); and
- Public sector undertakings.

Notification No. 51/2018 – Central Tax, dated 13 September 2018

The present notification provides for the date i.e. *1 October 2018* when the provisions of Collection of tax at source (TCS) shall come in force.

This issues with the permission of Chairman EPCES.
