

Guide to CA Certificates in GST



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

Guide to CA Certificates in GST



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

© The Institute of Chartered Accountants of India

DISCLAIMER:

The views expressed are of the author(s). The Institute of Chartered Accountants of India may not necessarily subscribe to the views expressed by the author(s).

The information has been drawn by referring to the GST Law and Rules thereunder. While every effort has been made to keep the information cited error free, the Institute or any office of the same does not take responsibility for any typographical or clerical error which may have crept in while compiling the information provided in this book. These Certificate format/s have been provided as a guideline tool only to the member and which is recommendatory in nature only.

First Edition	:	February, 2020
Second Edition	:	October, 2023
Third Edition	:	December, 2024
Committee/Department	:	GST & Indirect Taxes Committee
E-mail	:	gst@icai.in
Website	:	www.icai.org; https://idtc.icai.org/
Price	:	₹ 210/-
ISBN	:	978-81-8441-977-1
Published by	:	The Publication & CDS Directorate on behalf of the Institute of Chartered Accountants of India, ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi - 110002.
Printed by	:	

Foreword

As Goods and Services Tax (GST) regime celebrates over seven years of its implementation, it is evident that this revolutionary tax reform has transformed the indirect taxation landscape in India. Since its introduction, GST has undergone several amendments aimed at addressing concerns of stakeholders and improving the overall indirect tax regime. As we now look back on seven years of GST, the importance of continuous updates to simplify compliance and maintain transparency remains pivotal.

Chartered Accountants play a crucial role in the success of the GST regime. Their expertise in issuing certifications required under the GST law is trusted by the Government and businesses alike. Recognizing this, the Institute of Chartered Accountants of India (ICAI) has consistently provided timely guidance and support to its members in fulfilling these statutory responsibilities.

The *Guide to CA Certificates in GST*, originally published in 2020, has served as an essential tool for Chartered Accountants for issuing certificates prescribed under GST law. Following the revision in 2023, I am pleased to note that the GST & Indirect Taxes Committee has once again updated this Guide incorporating the latest amendments and introducing the recommended format of newly introduced certificates.

I commend CA. Sushil Kumar Goyal, Chairman, and all the other dedicated members of the Committee for their efforts in revising this crucial publication.

I am positive that this revised edition will be an invaluable resource, enabling members to meet their professional obligations with responsibility and diligence.

CA. Ranjeet Kumar Agarwal
President, ICAI

Date: 19.12.2024

Place: New Delhi

Preface

The requirement for certifications in GST law has become increasingly vital in ensuring compliance and enhancing the integrity of the tax system. This third edition of the "Guide to CA Certificates in GST" has been carefully updated by the GST and Indirect Taxes Committee of the ICAI to reflect the latest amendments and evolving certification requirements under GST law. Building on the foundation laid in previous editions, this publication aims to provide clear and up-to-date guidance to Chartered Accountants.

This Guide outlines the roles, responsibilities, and expectations from the Chartered Accountants (CAs) in the GST certification process, providing clarity for practitioners involved in compliance. It serves as a crucial resource for navigating the complexities of GST law, ensuring members deliver accurate and timely certifications to their clients. The included formats are designed to assist in issuing the required certificates and are not mandatory. Members are encouraged to apply their judgment in situations not explicitly addressed, considering the underlying principles, intent of the law and their professional responsibilities. These certificates have been developed in accordance with the Guidance Note on Reports and Certificates for Special Purposes (Revised 2016) issued by the Auditing and Assurance Standards Board.

We are grateful to CA. Ranjeet Kumar Agarwal, President, ICAI and Vice-President, ICAI for their support and guidance in advancing the initiatives of the GST & Indirect Taxes Committee. We humbly acknowledge the support of CA. Anup Kr Luharuka and CA. Rajat Mohan along with the members of the Group constituted by Auditing & Assurance Standards Board for reviewing the various certificates included in the publication. We also thank the members of our Committee who have been a constant support system in all our endeavours. Further, we acknowledge and appreciate the dedicated efforts of CA. Smita Mishra, Secretary to the Committee and CA. Madhav Kumar Jha in revising this Guide.

Readers are welcome to provide suggestions for the improvement of this guide at gst@icai.in.

CA. Sushil Kumar Goyal

Chairman

GST & Indirect Taxes Committee

Date: 19.12.2024

Place: New Delhi

Contents

Chapter 1	Certificate under Section 18(1)(a) for Availing Input Tax Credit on Registration	1
Chapter 2	Certificate under Section 18(1)(b) for Availing Input Tax Credit on Voluntary Registration	9
Chapter 3	Certificate under Section 18(1)(c) for Availing Input Tax Credit on Shifting from Composition Scheme to Regular Scheme	18
Chapter 4	Certificate under Section 18(1)(d) for Availing Input Tax Credit on Exempt supply Becoming Taxable	30
Chapter 5	Certificate under Section 18(3) for Transfer of Input Tax Credit on Change in Constitution	42
Chapter 6	Certificate under Section 18(4) for Reversal of Input Tax Credit on Opting for Composition Scheme	49
Chapter 7	Certificate under Section 18(4) for Reversal of Input Tax Credit on Taxable Supply Becoming Exempt	61
Chapter 8	Certificate under Section 29(5) for Reversal of Input Tax Credit on Cancellation of Registration	74
Chapter 9	Certificate under Section 54 for Non-Passing of Tax Incidence in Refund Claim	87
Chapter 10	Certificate under Section 54 for Additional Foreign Exchange Remittance Due to Upward Price Revision	109
Chapter 11	Certificate under Circular No. 183/15/2022-GST for Credit Mismatch.....	121
Chapter 12	Certificate under Circular No. 212/6/2024-GST for Credit Reversal for Post Supply Discounts	130

Chapter 1

Certificate under Section 18(1)(a) for Availing Input Tax Credit on Registration

STATUTORY PROVISIONS

Section 18 of the Central Goods and Services Tax Act, 2017 - Availability of credit in special circumstances [Extract]

- (1) Subject to such conditions and restrictions as may be prescribed-
 - (a) a person who has applied for registration under this Act within thirty days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act;
 - (b)
 - (c)
 - (d)
- (2) A registered person shall not be entitled to take input tax credit under sub-section (1) in respect of any supply of goods or services or both to him after the expiry of one year from the date of issue of tax invoice relating to such supply.
- (3)
- (4)
- (5) The amount of credit under sub-section (1) and the amount payable under sub-section (4) shall be calculated in such manner as may be prescribed.
- (6)

Rule 40 of the Central Goods and Services Tax Rules, 2017 - Manner of claiming credit in special circumstances [Extract]

(1) The input tax credit claimed in accordance with the provisions of sub-section (1) of section 18 on the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or the credit claimed on capital goods in accordance with the provisions of clauses (c) and (d) of the said sub-section, shall be subject to the following conditions, namely,-

(a)

¹[(b) the registered person shall within a period of thirty days from the date of becoming eligible to avail the input tax credit under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in FORM GST ITC-01 to the effect that he is eligible to avail the input tax credit as aforesaid:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]

(c) the declaration under clause (b) shall clearly specify the details relating to the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or as the case may be, capital goods-

(i) on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of the Act, in the case of a claim under clause (a) of sub-section (1) of section 18;

¹ Substituted vide Notification No. 22/2017 - CT dated 17.08.2017, w.r.e.f. 01.07.2017, Prior to its substitution, clause (b) read as under: "the registered person shall within a period of thirty days from the date of his becoming eligible to avail the input tax credit under sub-section (1) of section 18 shall make a declaration, electronically, on the common portal in FORM GST ITC-01 to the effect that he is eligible to avail the input tax credit as aforesaid;".

Certificate under Section 18(1)(a) ...

- (ii) on the day immediately preceding the date of the grant of registration, in the case of a claim under clause (b) of sub-section (1) of section 18;
- (iii) on the day immediately preceding the date from which he becomes liable to pay tax under section 9, in the case of a claim under clause (c) of subsection (1) of section 18;
- (iv) on the day immediately preceding the date from which the supplies made by the registered person becomes taxable, in the case of a claim under clause (d) of sub-section (1) of section 18;
- (d) the details furnished in the declaration under clause (b) shall be **duly certified by a practicing chartered accountant or a cost accountant** if the aggregate value of the claim on account of central tax, State tax, Union territory tax and integrated tax **exceeds two lakh rupees**;
- (e)
- (2)

Certificate under Section 18(1)(a) of the CGST Act

Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017 / Union Territory Goods and Services Tax Act, 2017 (in short "SGST/UTGST Act") in terms of Section 18(1)(a) of the CGST and SGST/UTGST Acts and Rule 40(1)(d) of the rules issued under CGST and SGST/UTGST Acts.

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN and is having its principal place of business at in the State of The Applicant has the following additional places of business:
 - (a) _____
 - (b) _____
3. In terms of Section 18(1)(a) of the CGST Act and SGST/UTGST Acts, a person who has applied for registration under this Act within thirty days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take input tax credit in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the CGST and SGST / UTGST Acts by declaring the same, electronically, on the Common Portal in Form GST ITC-01 (hereinafter referred to as the Statement). The details furnished in the above statement shall be duly certified by a practicing Chartered Accountant or a Cost Accountant where the aggregate claim exceeds Rs. 2 Lakhs.

Management's Responsibility for the Statement

4. The preparation of the Statement and declarations in relation to the stock required in terms of the CGST and SGST/UTGST Acts and Rules issued under the said Acts, is the responsibility of the Management of..... [Name of the Applicant]

including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and declaration and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Acts and CGST and SGST/UTGST Rules.

5. Management of the Applicant is responsible to conduct physical verification of inputs held in stock, semi- finished goods and finished goods held in stock on the day immediately preceding _____, the date on which Management becomes liable to pay tax under the provisions of the CGST Act and SGST/UTGST Acts.
6. Management of the Applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

7. Pursuant to the requirements of Section 18(1)(a) of the CGST and SGST / UTGST Acts read with Rule 40(1)(d) of the CGST and SGST / UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents / records of the Applicant and to provide a reasonable assurance that the details furnished in the declaration in Form GST ITC-01 have been accurately drawn from the books of accounts and other relevant documents / records of the Applicant.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Guide to CA Certificates in GST

Opinion

8. Based on our examination as above and the information and explanations given to us, in our opinion, the particulars declared by the Management of the Applicant as annexed herewith in Annexure - A are fairly presented in all material respects and in conformity with the books of accounts and other relevant documents/ records maintained under the CGST Act and the SGST/UTGST Acts.
9. The quantity and value of inputs, inputs contained in semi-finished or finished goods held in stock is based on the calculations and confirmation done by the Management and verified by us along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.

Restriction on Use

10. This certificate is addressed and provided to the[Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 18(1)(a) of the CGST and SGST/UTGST Acts read with Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.

Chartered Accountants

Firm Registration Number: _____

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

ANNEXURE - A

Date from which liability to pay tax arises under Section 9, except under Section 9(3) and Section 9(4) - _____

Sr. No.	GSTIN/ Registration under CX/VAT of supplier	Invoice*		Description of inputs held in stock, inputs contained in semi- finished or finished goods held in stock	Unit Quantity Code (UQC)	Qty	Value (As adjusted by debit note/credit note)	Amount of ITC claimed (Rs.)				
		No.	Date					Central Tax	State Tax	UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12	13
(a) Inputs held in stock												
(b) Inputs contained in semi-finished or finished goods held in stock												

* In case it is not feasible to identify invoice, the principle of first-in-first out may be followed.

Place of Signature: _____

Date: _____

As per our Certificate of even date attached
For XYZ and Co.

Chartered Accountants

Firm's Registration Number: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Guide to CA Certificates in GST

Check points for the Chartered Accountants –

- (i) Verify registration particulars with the Registration Certificate.
- (ii) Do not take responsibility for filing the respective statutory form prescribed as the same is the responsibility of Management. The practitioner's responsibility is to certify the details furnished in the declaration in Form GST ITC-01.
- (iii) Check the books and records and other relevant documents and registers relating to quantity and value of inputs lying in stock and inputs contained in semi-finished or finished goods on the date immediately preceding the date from which the applicant becomes liable to pay tax under the CGST and SGST/UTGST Acts, 2017.
- (iv) Check the basis of calculation of equivalent units of inputs contained in semi-finished and finished goods in stock.
- (v) Statement of bills of entry / tax invoices attributed by Management to be the goods in stock that are not older than 1 year on the day on which the Applicant is liable to pay tax (Section 18(2) of the CGST and SGST/UTGST Acts, 2017) may be collected from the Management and subjected to audit verification tests. The tax invoice must be the one containing the prescribed particulars (Section 16(2) of the CGST and SGST/UTGST Acts to be read with Rule 46 of the CGST and SGST/UTGST Rules).
- (vi) Ensure that the debit notes / credit notes, if any, are recorded / accounted against the vendor invoice which are forming part of the closing inventory.
- (vii) This certificate is required to be issued only if the aggregate value of the claim on account of CGST, SGST / UTGST and IGST exceeds rupees two lakhs. (Rule 40 (1)(d) of the CGST and SGST/UTGST Rules, 2017)
- (viii) Ensure that the certificate issued is in accordance with the Guidance Note on Reports and Certificates for special purpose issued by the ICAI.
- (ix) Ensure that a letter of representation is taken from the Management of the Applicant for the details and information provided by them.
- (x) No input tax credit must be availed in respect of capital goods and input services and the certificate must contain details related to inputs only.
- (xi) Verify whether the registration of the principal place of business and the other places of business is in the State of _____ and is applied on _____ i.e., within the stipulated time of 30 days from the date of being liable to obtain registration.

Chapter 2

Certificate under Section 18(1)(b) for Availing Input Tax Credit on Voluntary Registration

STATUTORY PROVISIONS

Section 18 of the Central Goods and Services Tax Act, 2017 - Availability of credit in special circumstances [Extract]

- (1) Subject to such conditions and restrictions as may be prescribed-
 - (a)
 - (b) a person who takes registration under sub-section (3) of section 25 shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of grant of registration;
 - (c)
 - (d)
- (2)
- (3)
- (4)
- (5) The amount of credit under sub-section (1) and the amount payable under sub-section (4) shall be calculated in such manner as may be prescribed.
- (6)

Rule 40 of the Central Goods and Services Tax Rules, 2017 - Manner of claiming credit in special circumstances [Extract]

- (1) The input tax credit claimed in accordance with the provisions of sub-section (1) of section 18 on the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or the credit claimed on capital goods in accordance with the provisions of clauses (c) and (d) of the said sub-section, shall be subject to the following conditions, namely,-
 - (a)

- ²[(b) the registered person shall within a period of thirty days from the date of becoming eligible to avail the input tax credit under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in FORM GST ITC-01 to the effect that he is eligible to avail the input tax credit as aforesaid:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]

- (c) the declaration under clause (b) shall clearly specify the details relating to the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or as the case may be, capital goods-
- (i) on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of the Act, in the case of a claim under clause (a) of sub-section (1) of section 18;
 - (ii) on the day immediately preceding the date of the grant of registration, in the case of a claim under clause (b) of sub-section (1) of section 18;
 - (iii) on the day immediately preceding the date from which he becomes liable to pay tax under section 9, in the case of a claim under clause (c) of subsection (1) of section 18;
 - (iv) on the day immediately preceding the date from which the supplies made by the registered person becomes taxable, in the case of a claim under clause (d) of sub-section (1) of section 18;

² Substituted vide Notification No. 22/2017 - CT dated 17.08.2017, w.r.e.f. 01.07.2017, Prior to its substitution, clause (b) read as under: "the registered person shall within a period of thirty days from the date of his becoming eligible to avail the input tax credit under sub-section (1) of section 18 shall make a declaration, electronically, on the common portal in FORM GST ITC-01 to the effect that he is eligible to avail the input tax credit as aforesaid;".

Certificate under Section 18(1)(b) ...

- (d) the details furnished in the declaration under clause (b) shall be **duly certified by a practicing chartered accountant or a cost accountant** if the aggregate value of the claim on account of central tax, State tax, Union territory tax and integrated tax **exceeds two lakh rupees**;
- (e)
- (2)

Certificate under Section 18(1)(b) of the CGST Act

Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017/Union Territory Goods and Services Tax Act, 2017 (in short "SGST/UTGST Act") in terms of Section 18(1)(b) of the said Acts and Rule 40(1)(d) of the rules issued under such Acts.

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN..... and is having its principal place of business at in the State of The Applicant has the following additional places of business:
 - (a) _____
 - (b) _____
3. In terms of Section 18(1)(b) of the CGST and SGST/UTGST Acts read with Rule 40 of the CGST and SGST/UTGST Rules, 2017, a person who takes registration under sub-Section (3) of Section 25 of the CGST Act and SGST/UTGST Acts, is eligible to avail input tax credit in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of grant of registration by declaring the same, electronically, on the Common Portal in Form GST ITC-01 (hereinafter referred to as the "Statement"). The details furnished in the above statement shall be duly certified by a practicing Chartered Accountant or a Cost Accountant where the aggregate claim exceeds Rs. 2 Lakhs.

Management's Responsibility for the Statement

4. The preparation of the Statement and declarations in relation to the stock required in terms of the CGST and SGST/UTGST Acts and Rules issued under the said Acts is the responsibility of the Management of..... [Name of the Applicant] including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal

control relevant to the preparation and presentation of the Statement and declaration and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Acts and CGST and SGST/UTGST Rules.

5. Management of the Applicant is responsible to conduct physical verification of inputs held in stock, semi- finished goods and finished goods held in stock on the day immediately preceding _____, the date of grant of registration under the provisions of the CGST Act and SGST/UTGST Acts.
6. Management of the applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

7. Pursuant to the requirements of Section 18(1)(b) of the CGST and SGST/UTGST Acts read with Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents / records of the Applicant and to provide a reasonable assurance that the details furnished in the declaration in Form GST ITC-01 have been accurately drawn from the books of accounts and other relevant documents / records of the Applicant;

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Guide to CA Certificates in GST

Opinion

8. Based on our examination as above and the information and explanation given to us, in our opinion, the particulars declared by the Management of the Applicant as annexed herewith in **Annexure - A** are fairly presented in all material respects and in conformity with the books of accounts and other relevant documents / records maintained under the CGST Act and the SGST/UTGST Acts.
9. The quantity and value of inputs, inputs contained in semi-finished or finished goods held in stock is based on the calculations and confirmation done by the Management and verified by us along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.

Restriction on Use

10. This certificate is addressed and provided to the[Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 18(1)(b) of the CGST and SGST/UTGST Acts read with Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.

Chartered Accountants

Firm Registration Number: _____

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

ANNEXURE -A

Date of grant of voluntary registration -

Sr. No.	GSTIN/ Registration under CX/VAT of supplier	Invoice*		Description of inputs held in stock, inputs contained in semi- finished or finished goods held in stock	Unit Quantity Code (UQC)	Qty	Value (As adjusted by debit note/credit note) (specify the valuation method)	Amount of ITC claimed (Rs.)				
		No.	Date					Central Tax	State Tax	UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12	13
(a) Inputs held in stock												
(b) Inputs contained in semi-finished or finished goods held in stock												

*In case it is not feasible to identify invoice, the principle of first-in-first out may be followed.

Place of Signature: _____

Date: _____

As per our Certificate of even date attached
For XYZ and Co.

Chartered Accountants

Firm's Registration Number: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Check points for the Chartered Accountants

- (i) Verify registration particulars with the Registration Certificate.
- (ii) Do not take responsibility for filing the respective statutory form prescribed as the same is the responsibility of Management. Practitioner's responsibility is to certify the details furnished in the declaration in Form GST ITC-01.
- (iii) Check the books and records and other relevant documents and registers relating to quantity and value of inputs lying in stock and inputs contained in semi-finished or finished goods on the date preceding the date of grant of registration for verifying quantity of goods held / lying in stock.
- (iv) Check the basis of calculation of equivalent units of inputs contained in semi-finished and finished goods in stock.
- (v) Check computation of input tax credit from tax invoices / bills of entry or other relevant documents. No input tax credit must have been availed in respect of capital goods and input services and the certificate must be issued for input tax credit in respect of inputs only.
- (vi) Statement of bills of entry / tax invoices attributed by Management of the Applicant to be the goods lying in stock and less than 1 year on the day on which registration is granted to the Applicant (Section 18(2) of the CGST and SGST/UTGST Acts) may be collected from Management and subjected to audit verification tests. The tax invoice must be the one containing the prescribed particulars (Section 16(2) of the CGST and SGST/UTGST Acts to be read with Rule 46 of the CGST and SGST/UTGST Rules, 2017).
- (vii) The books of account and relevant documents / records of the Applicant should be thoroughly verified to understand if it is actually entitled to benefit of credit under section 18(1)(b) of the CGST and SGST/UTGST Act, 2017 and was not liable to obtain registration under section 22 or section 24 of the CGST and SGST/UTGST Act.
- (viii) Ensure that the debit notes / credit notes, if any, are recorded / accounted against the vendor invoice which are forming part of the closing inventory.
- (ix) This certificate is required to be issued only if the aggregate value of the claim on account of CGST, SGST / UTGST and IGST exceeds

Certificate under Section 18(1)(b) ...

rupees two lakhs (Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017)

- (x) This certificate is to be issued in respect of a person who seeks voluntary registration u/s 25(3) of the CGST and SGST/UTGST Acts, 2017.
- (xi) Ensure that the certificate is issued in accordance with the Guidance note on Reports and Certificates for special purposes issued by the ICAI.
- (xii) Ensure that a letter of representation is taken from the Management of the Applicant for the details and information provided by them.

Chapter 3

Certificate under Section 18(1)(c) for Availing Input Tax Credit on Shifting from Composition Scheme to Regular Scheme

STATUTORY PROVISIONS

Section 18 of the Central Goods and Services Tax Act, 2017 - Availability of credit in special circumstances [Extract]

- (1) Subject to such conditions and restrictions as may be prescribed-
- (a)
 - (b)
 - (c) where any registered person ceases to pay tax under section 10, he shall be entitled to take credit of input tax in respect of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods on the day immediately preceding the date from which he becomes liable to pay tax under section 9:

Provided that the credit on capital goods shall be reduced by such percentage points as may be prescribed;
 - (d)
- (2) A registered person shall not be entitled to take input tax credit under sub-section (1) in respect of any supply of goods or services or both to him after the expiry of one year from the date of issue of tax invoice relating to such supply.
- (3)
- (4) Where any registered person who has availed of input tax credit opts to pay tax under section 10 or, where the goods or services or both supplied by him become wholly exempt, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-

finished or finished goods held in stock and on capital goods, reduced by such percentage points as may be prescribed, on the day immediately preceding the date of exercising of such option or, as the case may be, the date of such exemption:

Provided that after payment of such amount, the balance of input tax credit, if any, lying in his electronic credit ledger shall lapse.

(5) The amount of credit under sub-section (1) and the amount payable under sub-section (4) shall be calculated in such manner as may be prescribed.

(6) In case of supply of capital goods or plant and machinery, on which input tax credit has been taken, the registered person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher:

Provided that where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value of such goods determined under section 15.

Rule 40 of the Central Goods and Services Tax Rules, 2017 - Manner of claiming credit in special circumstances [Extract]

(1) The input tax credit claimed in accordance with the provisions of sub-section (1) of section 18 on the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or the credit claimed on capital goods in accordance with the provisions of clauses (c) and (d) of the said sub-section, shall be subject to the following conditions, namely,-

(a) the input tax credit on capital goods, in terms of clauses (c) and (d) of sub-section (1) of section 18, shall be claimed after reducing the tax paid on such capital goods by five percentage points per quarter of a year or part thereof from the date of the invoice or such other documents on which the capital goods were received by the taxable person.

³[(b) the registered person shall within a period of thirty days from

³ Substituted vide Notification No. 22/2017 - CT dated 17.08.2017, w.r.e.f. 01.07.2017, Prior to its substitution, clause (b) read as under: "the registered person shall within a period of thirty days from the date of his becoming eligible to avail the input tax credit under sub-section (1) of section 18 shall make a declaration,

the date of becoming eligible to avail the input tax credit under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in **FORM GST ITC-01** to the effect that he is eligible to avail the input tax credit as aforesaid:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]

- (c) the declaration under clause (b) shall clearly specify the details relating to the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or as the case may be, capital goods-
 - (i) on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of the Act, in the case of a claim under clause (a) of sub-section (1) of section 18;
 - (ii) on the day immediately preceding the date of the grant of registration, in the case of a claim under clause (b) of sub-section (1) of section 18;
 - (iii) on the day immediately preceding the date from which he becomes liable to pay tax under section 9, in the case of a claim under clause (c) of subsection (1) of section 18;
 - (iv) on the day immediately preceding the date from which the supplies made by the registered person becomes taxable, in the case of a claim under clause (d) of sub-section (1) of section 18;
- (d) the details furnished in the declaration under clause (b) shall be **duly certified by a practicing chartered accountant or a cost accountant** if the aggregate value of the claim on account of central tax, State tax, Union territory tax and integrated tax **exceeds two lakh rupees**;

electronically, on the common portal in FORM GST ITC-01 to the effect that he is eligible to avail the input tax credit as aforesaid;”.

- (e) the input tax credit claimed in accordance with the provisions of clauses (c) and (d) of sub-section (1) of section 18 shall be verified with the corresponding details furnished by the corresponding supplier in FORM GSTR-1, ⁴[as amended in FORM GSTR-1A if any] or as the case may be, in FORM GSTR-4, on the common portal.

(2) The amount of credit in the case of supply of capital goods or plant and machinery, for the purposes of sub-section (6) of section 18, shall be calculated by reducing the input tax on the said goods at the rate of five percentage points for every quarter or part thereof from the date of the issue of the invoice for such goods.

⁴ Inserted vide Notification No. 12/2024 - CT dated 10.07.2024.

Certificate under Section 18(1)(c) of the CGST Act
Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017/Union Territory Goods and Services Tax Act, 2017 (in short "SGST/UTGST Act") in terms of Section 18(1)(c) of the said Acts and Rule 40(1)(d) of the Rules issued under such Acts

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN..... and is having its principal place of business at in the State of The Applicant has the following additional places of business:
 - (a) _____
 - (b) _____
3. In terms of Section 18(1)(c) of the CGST and SGST/UTGST Acts read with Rule 40 of the CGST and SGST/UTGST Rules, 2017, any registered person ceases to pay tax under section 10 of the CGST and SGST/UTGST Acts, he is eligible to avail input tax credit in respect of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods (as reduced by the prescribed percentage points) on the day immediately preceding the date from which he becomes liable to pay tax u/s 9 of the CGST and SGST/UTGST Acts, by declaring the same, electronically, on the Common Portal in Form GST ITC-01 (hereinafter referred to as the "Statement"). The details furnished in the above statement shall be duly certified by a practicing Chartered Accountant or a Cost Accountant where the aggregate claim exceeds Rs. 2 Lakhs.

Management's Responsibility for the Statement

4. The preparation of the Statement and declarations in relation to the stock required in terms of the CGST and SGST/UTGST Acts and Rules issued under the said Acts is the responsibility of the Management of [Name of the Applicant] including the preparation and maintenance of all accounting and other

relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and declaration and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Acts and CGST and SGST/UTGST Rules.

5. Management of the Applicant is responsible to conduct physical verification of inputs held in stock, semi- finished goods and finished goods held in stock and capital goods on the day immediately preceding _____, the date from which he becomes liable to pay tax under section 9 of the CGST Act and SGST/UTGST Acts.
6. Management of the applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

7. Pursuant to the requirements of Section 18(1)(c) of the CGST and SGST/UTGST Acts read with Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents/ records of the Applicant and to provide a reasonable assurance that the details furnished in the declaration in Form GST ITC-01 have been accurately drawn from the books of accounts and other relevant documents / records of the Applicant;

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination as above and the information and explanations given to us, in our opinion, the particulars declared by the Management of the Applicant as annexed herewith in **Annexure - A** are fairly presented in all material respects and in conformity with the books of accounts and other relevant documents/ records maintained under the CGST Act and the SGST/UTGST Acts.
9. The quantity and value of inputs, inputs contained in semi-finished or finished goods held in stock and capital goods is based on the calculations and confirmation done by the Management and verified by us along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.
10. The computation of input tax credit in respect of capital goods as reduced by the percentage points prescribed under Rule 40(1)(a) of the CGST and SGST/UTGST Rules, 2017 is annexed herewith as **Annexure - B**.

Restriction on Use

11. This certificate is addressed and provided to the[Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 18(1)(c) of the CGST and SGST/UTGST Acts read with Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.

Chartered Accountants

Firm's Registration Number

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

ANNEXURE – A

Date from which liability to pay tax arises under section 9, except section 9 (3) and section 9 (4) –

Sr. No.	GSTIN/ Registration under CX/VAT of supplier	Invoice*/ Bill of Entry		Description of inputs held in stock, inputs contained in semi- finished or finished goods held in stock, capital goods	Unit Quantity Code (UQC)	Qty	Value (As adjusted by debit note/credit note)	Amount of ITC claimed (Rs.)				
		No.	Date					Central Tax	State Tax	UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12	13
(a) Inputs held in stock												
(b) Inputs contained in semi-finished or finished goods held in stock												
(c) Capital goods in stock**												

*In case it is not feasible to identify the invoices, the principle of first-in-first out may be followed.

** The detailed calculation provided in Annexure - B, be treated as part of this certificate.

Place of Signature: _____

Date: _____

As per our Certificate of even date attached
For XYZ and Co.

Chartered Accountants

Firm's Registration Number: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Annexure - B : Computation of ITC on Capital Goods

Sl. No	Particulars	Reference	[Amount] ⁵
1	Inward supply value of Machinery X IGST @ 12%	a	12,50,000 1,50,000
2	Invoice Value Date of invoice		14,00,000 15 th July 2023
3	Date on which the Applicant is liable to pay tax u/s 9 of the CGST/SGST Act 2017		01 st March 2024
4	Number of quarters till 29 th February 2024	b	3
5	Reduction percentage prescribed per quarter / part thereof	c	5%
	Eligible ITC as on 1 st March 2024	d = (a - (a*b*c))	1,27,500

⁵ Figures given above are for illustrative purpose.

Check points for the Chartered Accountants -

- (i) Verify registration particulars with the Registration Certificate.
- (ii) Do not take responsibility for filing the respective statutory form prescribed as the same is the responsibility of Management. Practitioner's responsibility is to certify the details furnished in the declaration in Form GST ITC-01.
- (iii) Check the books and records and other relevant documents and registers relating to quantity and value of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and capital goods on the date immediately preceding the date from which he becomes liable to pay tax u/s 9 of the CGST and SGST/UTGST Acts.
- (iv) Check the basis of calculation of equivalent units of inputs contained in semi-finished and finished goods in stock.
- (v) Statement of bills of entry / tax invoices attributed by Management to be the goods in stock that are not older than 1 year on the day on which the Applicant is liable to pay tax (Section 18(2) of the CGST and SGST/UTGST Acts) may be collected from the Management and subjected to audit verification tests. The tax invoice must be the one containing the prescribed particulars (Section 16(2) of the CGST and SGST/UTGST Acts to be read with Rule 46 of the CGST and SGST/UTGST Rules, 2017).
- (vi) Ensure that the input tax credit on capital goods has been reduced by five percentage points per quarter of a year or part thereof, from the date of invoice.
- (vii) Make sure to obtain a Statement from the Applicant detailing the listing of both stock and capital goods, including their respective quantities.
- (viii) Obtain a list of existing capital assets with the purchase dates (for a period of 5 years). Cross check the listing with the fixed asset register/ledger maintained by the Applicant.
- (ix) Check if there is a depreciation claimed on the input tax credit portion of capital goods under the Income Tax Act, 1961. If depreciation has been claimed, then ensure that input tax credit on such amount has not been availed.
- (x) Ensure that the debit notes / credit notes, if any, are recorded / accounted against the vendor invoice which are forming part of the closing inventory.

Certificate under Section 18(1)(c) ...

- (xi) Ensure compliance with Rule 40(1)(e) of the CGST and SGST/UTGST Rules, 2017 regarding verification of the credits claimed with the details furnished by the corresponding supplier in Form GSTR-1, as amended in FORM GSTR-1A if any or as the case may be, in Form GSTR-4 on the Common Portal.
- (xii) This certificate is required to be issued only if the aggregate value of the claim on account of CGST, SGST/UTGST and IGST exceeds rupees two lakhs (Rule 40 (1)(d) of the CGST / SGST Rules, 2017)
- (xiii) This certificate is to be issued in respect of a person who ceases to pay tax u/s 10 of the CGST and SGST/UTGST Acts and is liable to pay tax u/s 9 of the CGST and SGST/UTGST Acts.
- (xiv) Ensure that the certificate issued is in accordance with the Guidance Note on Reports and Certificates for special purpose issued by the ICAI.
- (xv) Ensure that a letter of representation is taken from the Management of the Applicant for the details and information provided by them.
- (xvi) Verify the period during which the Applicant has been paying taxes u/s 10 of the CGST and SGST/UTGST Acts. Also check the date from which, the Applicant ceases to pay tax u/s 10 of the CGST and SGST/UTGST Acts and has opted / required to pay tax under the normal scheme of taxation.

Chapter 4

Certificate under Section 18(1)(d) for Availing Input Tax Credit on Exempt supply Becoming Taxable

STATUTORY PROVISIONS

Section 18 of the Central Goods and Services Tax Act, 2017 - Availability of credit in special circumstances [Extract]

- (1) Subject to such conditions and restrictions as may be prescribed-
- (a)
 - (b)
 - (c)
 - (d) where an exempt supply of goods or services or both by a registered person becomes a taxable supply, such person shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock relatable to such exempt supply and on capital goods exclusively used for such exempt supply on the day immediately preceding the date from which such supply becomes taxable:

Provided that the credit on capital goods shall be reduced by such percentage points as may be prescribed.
- (2) A registered person shall not be entitled to take input tax credit under sub-section (1) in respect of any supply of goods or services or both to him after the expiry of one year from the date of issue of tax invoice relating to such supply.
- (3)
- (4) Where any registered person who has availed of input tax credit opts to pay tax under section 10 or, where the goods or services or both supplied by him become wholly exempt, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of

input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods, reduced by such percentage points as may be prescribed, on the day immediately preceding the date of exercising of such option or, as the case may be, the date of such exemption:

Provided that after payment of such amount, the balance of input tax credit, if any, lying in his electronic credit ledger shall lapse.

(5) The amount of credit under sub-section (1) and the amount payable under sub-section (4) shall be calculated in such manner as may be prescribed.

(6) In case of supply of capital goods or plant and machinery, on which input tax credit has been taken, the registered person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher:

Provided that where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value of such goods determined under section 15.

Rule 40 of the Central Goods and Services Tax Rules, 2017 - Manner of claiming credit in special circumstances

(1) The input tax credit claimed in accordance with the provisions of sub-section (1) of section 18 on the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or the credit claimed on capital goods in accordance with the provisions of clauses (c) and (d) of the said sub-section, shall be subject to the following conditions, namely,-

- (a) the input tax credit on capital goods, in terms of clauses (c) and (d) of sub-section (1) of section 18, shall be claimed after reducing the tax paid on such capital goods by five percentage points per quarter of a year or part thereof from the date of the invoice or such other documents on which the capital goods were received by the taxable person.

- ⁶[(b) the registered person shall within a period of thirty days from the date of becoming eligible to avail the input tax credit under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in **FORM GST ITC-01** to the effect that he is eligible to avail the input tax credit as aforesaid:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]

- (c) the declaration under clause (b) shall clearly specify the details relating to the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or as the case may be, capital goods-
- (i) on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of the Act, in the case of a claim under clause (a) of sub-section (1) of section 18;
 - (ii) on the day immediately preceding the date of the grant of registration, in the case of a claim under clause (b) of sub-section (1) of section 18;
 - (iii) on the day immediately preceding the date from which he becomes liable to pay tax under section 9, in the case of a claim under clause (c) of subsection (1) of section 18;
 - (iv) on the day immediately preceding the date from which the supplies made by the registered person becomes taxable, in the case of a claim under clause (d) of sub-section (1) of section 18;

⁶ Substituted vide Notification No. 22/2017 - CT dated 17.08.2017, w.r.e.f. 01.07.2017, Prior to its substitution, clause (b) read as under: "the registered person shall within a period of thirty days from the date of his becoming eligible to avail the input tax credit under sub-section (1) of section 18 shall make a declaration, electronically, on the common portal in FORM GST ITC-01 to the effect that he is eligible to avail the input tax credit as aforesaid;".

- (d) the details furnished in the declaration under clause (b) shall be **duly certified by a practicing chartered accountant or a cost accountant** if the aggregate value of the claim on account of central tax, State tax, Union territory tax and integrated tax **exceeds two lakh rupees**;
 - (e) the input tax credit claimed in accordance with the provisions of clauses (c) and (d) of sub-section (1) of section 18 shall be verified with the corresponding details furnished by the corresponding supplier in FORM GSTR-1, ⁷[as amended in FORM GSTR-1A if any,] or as the case may be, in FORM GSTR- 4, on the common portal.
- (2) The amount of credit in the case of supply of capital goods or plant and machinery, for the purposes of sub-section (6) of section 18, shall be calculated by reducing the input tax on the said goods at the rate of five percentage points for every quarter or part thereof from the date of the issue of the invoice for such goods.

⁷ Inserted vide Notification No. 12/2024 - CT dated 10.07.2024.

Certificate under Section 18(1)(d) of the CGST Act

Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017/Union Territory Goods and Services Tax Act, 2017 (in short "SGST/UTGST Act") in terms of Section 18(1)(d) of the said Acts and Rule 40(1)(d) of the rules issued under such Acts

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
 - (a) M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN and is having its principal place of business at. in the State of The Applicant has the following additional places of business:
 - (b) _____
 - (c) _____
2. In terms of Section 18(1)(d) of the CGST and SGST/UTGST Acts read with Rule 40 of the CGST and SGST/UTGST Rules, 2017, where an exempt supply by a registered person becomes taxable supply, the registered person is eligible to avail input tax credit in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock relating to such exempt supplies and on capital goods exclusively used for such exempt supply on the day immediately preceding the date on which such exempt supplies become taxable supplies under the CGST and SGST/UTGST Acts i.e. _____ by declaring the same, electronically, on the Common Portal in Form GST ITC-01 (hereinafter referred to as the "Statement"). The details furnished in the above statement shall be duly certified by a practicing Chartered Accountant or a Cost Accountant where the aggregate claim exceeds Rs. 2 Lakhs.

Management's Responsibility for the Statement

3. The preparation of the Statement and declarations in relation to the stock required in terms of the CGST and SGST/UTGST Acts and Rules issued under the said Acts, is the responsibility of the Management of..... [Name of the Applicant]

including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the statements and declaration and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Act and CGST and SGST/UTGST Rules.

4. Management of the Applicant is responsible to conduct physical verification of inputs held in stock, semi- finished goods and finished goods held in stock and capital goods on the day immediately preceding _____, the date from which he becomes liable to pay tax under section 9 of the CGST Act and SGST/UTGST Acts.
5. Management of the applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

6. Pursuant to the requirements of Section 18(1)(d) of the CGST and SGST/UTGST Acts read with Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to provide a reasonable assurance that the details furnished in the declaration in Form GST ITC-01 have been accurately drawn from the books of accounts and other relevant documents / records of the Applicant;

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination as above and the information and explanations given to us, in our opinion, the particulars declared by the Management of the Applicant as annexed herewith in **Annexure - A** are fairly presented in all material respects and in conformity with the books of accounts and other relevant documents/ records maintained under the CGST Act and the SGST/UTGST Acts.
8. The quantity and value of inputs, inputs contained in semi-finished or finished goods held in stock and capital goods is based on the calculations and confirmation done by the Management and verified by us along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.
9. The computation of input tax credit in respect of capital goods as reduced by the percentage points prescribed under Rule 40(1)(a) of the CGST and SGST/UTGST Rules, 2017 is enclosed as **Annexure -B**.

Restriction on Use

10. This certificate is addressed and provided to the [Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 18(1)(d) of the CGST and SGST/UTGST Acts read with Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.
Chartered Accountants
Firm's Registration Number

Place of Signature: _____

Date: _____

Signature
(Name of the Member Signing the Certificate)
(Designation)
Membership Number: _____
UDIN: _____

ANNEXURE - A

Date on which goods or services or both becomes taxable –

Sr. No.	GSTIN/ Registration under CX/VAT of supplier	Invoice*/Bill of Entry		Description of inputs held in stock, inputs contained in semi- finished or finished goods held in stock, capital goods	Unit Quantity Code (UQC)	Qty	Value (As adjusted by debit note/credit note)	Amount of ITC claimed (Rs.)				
		No.	Date					Central Tax	State Tax	UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12	13
(a) Inputs held in stock												
(b) Inputs contained in semi-finished or finished goods held in stock												
(c) Capital goods in stock **												

*In case it is not feasible to identify the invoices, the principle of first-in and first out may be followed.

** The detailed calculation provided in Annexure - B, be treated as part of this certificate.

Place of Signature: _____

Date: _____

As per our Certificate of even date attached

For XYZ and Co.

Chartered Accountants

Firm's Registration Number: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Annexure - B : Computation of ITC on Capital Goods

Sl. No	Particulars	Reference	[Amount]⁸
1	Inward supply value of Machinery X IGST @ 12%	a	12,50,000 1,50,000
2	Invoice Value Date of invoice		14,00,000 15 th July 2022
3	Date on which the Applicant is liable to pay tax u/s 9 of the CGST/SGST 2017		01 st March 2023
4	Number of quarters till 28 th February 2023	b	3
5	Reduction percentage prescribed per quarter / part thereof	c	5%
	Eligible ITC as on 1 st March 2023	d = (a - (a*b*c))	1,27,500

⁸ Figures given above are for illustrative purpose.

Check points for the Chartered Accountants –

- (i) Verify registration particulars with the Registration Certificate.
- (ii) Do not take responsibility for filing the respective statutory form prescribed as the same is the responsibility of Management. Practitioner's responsibility is to certify the details furnished in the declaration in Form GST ITC-01.
- (iii) Check the books and records and other relevant documents and registers relating to quantity and value of inputs held in stock and inputs contained in semi-finished or finished goods held in stock relating to such exempt supplies and capital goods exclusively used for such exempt supplies on the date immediately preceding the date on which such exempt supplies become taxable supplies under the CGST and SGST/UTGST Acts.
- (iv) Check the basis of calculation of equivalent units of inputs contained in semi-finished and finished goods in stock.
- (v) Ensure that the input tax credit on capital goods has been reduced by five percentage points per quarter of a year or part thereof, from the date of invoice.
- (vi) Check if there is a depreciation claimed on the input tax credit portion of capital goods under the Income Tax Act, 1961. If depreciation has been claimed, then ensure that input tax credit on such amount has not been availed.
- (vii) Obtain a list of existing capital assets with the purchase dates (for a period of 5 years). Cross check the listing with the fixed asset register maintained by the Applicant.
- (viii) The books of accounts and other relevant documents / records of the Applicant should be thoroughly verified to identify the exempt supplies effected by the Applicant. The relevant notifications issued by the CBIC should also be meticulously perused and documented to identify the date on which such exempt supplies have become taxable supplies.
- (ix) Make sure to obtain a statement from the Applicant detailing the listing of both stock and capital goods, including their respective quantities.
- (x) Ensure that the claim of credits under this section is made only on inputs held in stock and inputs contained in semi-finished or finished

goods held in stock relatable to such exempt supplies and capital goods exclusively used for such exempt supply. Where capital goods have been used for both taxable and exempt supplies, no input tax credit would be eligible to the Applicant.

- (xi) Statement of bills of entry / tax invoices attributed by Management to be the goods in stock that are not older than 1 year on the day on which the Applicant is liable to pay tax (Section 18(2) of the CGST and SGST/UTGST Acts) may be collected from the Management and subjected to audit verification tests. The tax invoice must be the one containing the prescribed particulars (Section 16(2) of the CGST and SGST/UTGST Acts to be read with Rule 46 of the CGST and SGST/UTGST Rules, 2017).
- (xii) Ensure that the debit notes / credit notes, if any, are recorded / accounted against the vendor invoice which are forming part of the closing inventory.
- (xiii) Ensure compliance with Rule 40(1)(e) of the CGST and SGST/UTGST Rules, 2017 regarding verification of the credits claimed with the details furnished by the corresponding supplier in Form GSTR-1, as amended in FORM GSTR-1A if any or as the case may be, in Form GSTR-4 on the Common Portal.
- (xiv) This certificate is required to be issued only if the aggregate value of the claim on account of CGST, SGST / UTGST and IGST exceeds rupees two lakhs. (Rule 40(1)(d) of the CGST and SGST/UTGST Rules, 2017)
- (xv) This certificate is to be issued in respect of a registered person who effects exempt supplies, those of which have become taxable supplies subsequently.
- (xvi) Ensure that the certificate issued is in accordance with the Guidance Note on Reports and Certificates for special purpose issued by the ICAI.
- (xvii) Ensure that a letter of representation is taken from the Management of the Applicant for the details and information provided by them.
- (xviii) Check the period during which the Applicant has been effecting exempted supplies of _____ (HSN : ____). Further, check the date from which such exempted supplies have become taxable and ensure that the Applicant has been discharging the applicable taxes on such supplies.

Chapter 5

Certificate under Section 18(3) for Transfer of Input Tax Credit on Change in Constitution

STATUTORY PROVISIONS

Section 18 of the Central Goods and Services Tax Act, 2017 - Availability of credit in special circumstances [Extract]

- (1) Subject to such conditions and restrictions as may be prescribed-
 - (a)
 - (b)
 - (c)
 - (d)
- (2)
- (3) Where there is a change in the constitution of a registered person on account of sale, merger, demerger, amalgamation, lease or transfer of the business with the specific provisions for transfer of liabilities, the said registered person shall be allowed to transfer the input tax credit which remains unutilised in his electronic credit ledger to such sold, merged, demerged, amalgamated, leased or transferred business in such manner as may be prescribed.
- (4)
- (5)
- (6)

Rule 41 of the Central Goods and Services Tax Rules, 2017 - Transfer of credit on sale, merger, amalgamation, lease or transfer of a business

- (1) A registered person shall, in the event of sale, merger, de-merger, amalgamation, lease or transfer or change in the ownership of business for any reason, furnish the details of sale, merger, de-merger, amalgamation, lease or transfer of business, in **FORM GST ITC-02**, electronically on the common portal along with a request for transfer of unutilized input tax credit lying in his electronic credit ledger to the transferee:

Provided that in the case of demerger, the input tax credit shall be apportioned in the ratio of the value of assets of the new units as specified in the demerger scheme.

⁹**[Explanation:** - For the purpose of this sub-rule, it is hereby clarified that the "value of assets" means the value of the entire assets of the business, whether or not input tax credit has been availed thereon.]

(2) The transfer or shall also submit a copy of a **certificate issued by a practicing chartered accountant or cost accountant certifying that the sale, merger, de-merger, amalgamation, lease or transfer of business has been done with a specific provision for the transfer of liabilities.**

(3) The transferee shall, on the common portal, accept the details so furnished by the transfer or and, upon such acceptance, the un-utilized credit specified in **FORM GST ITC-02** shall be credited to his electronic credit ledger.

(4) The inputs and capital goods so transferred shall be duly accounted for by the transferee in his books of account.

⁹ Inserted vide Notification No. 16/2019-CT dated 29.03.2019, w.e.f. 01.04.2019.

Certificate under Section 18(3) of the CGST Act

Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017 / Union Territory Goods and Services Tax Act (in short "SGST/UTGST Act") in terms of Section 18(3) of the said Acts and Rule 41(2) of the Rules issued under such Acts.

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant" or 'Transferor') is a registered person vide GSTIN and is having its principal place of business at in the State of The Applicant has the following additional places of business:
 - (a)
 - (b)
3. In terms of Section 18(3) of the CGST and SGST/UTGST Acts read with Rule 41 of the CGST and SGST/UTGST Rules, 2017, where there is a change in the constitution of a registered person on account of sale, merger, demerger, amalgamation, lease or transfer of the business with the specific provisions for transfer of liabilities, the said registered person shall be allowed to transfer the input tax credit which remains un-utilized in his electronic credit ledger to such sold, merged, demerged, amalgamated, leased or transferred business in the manner prescribed in the CGST and SGST/UTGST Rules, 2017 by declaring the same, electronically, on the common portal in Form GST ITC-02. (hereinafter referred to as the "Statement")

Rule 41(2) of the CGST and SGST/UTGST Rules, 2017 provides that the transferor shall also submit a copy of a certificate issued by a practicing Chartered Accountant or Cost Accountant certifying that the sale, merger, de-merger, amalgamation, lease or transfer of business has been done with a specific provision for the transfer of liabilities.
4. The Applicant has sold / merged / de-merged / amalgamated / leased / transferred [strike whichever not applicable] its business to M/s GSTIN: (hereinafter referred

Certificate under Section 18(3) ...

to as “Transferee”) vide amalgamation / merger / demerger Order No..... dated passed by with a specific provision for the transfer of all liabilities.

OR

Business Transfer Agreement dated with a specific provision for the transfer of all liabilities vide clause of the said document.

OR

Change in ownership of business taken place due to death of the transferor on dated and the business of the transferor stands transferred to Legal heir of the transferor having GSTIN (Hereinafter referred as “Transferee” on dated....)

Management’s Responsibility for the Statement

5. The preparation of the Statement is the responsibility of the Management of..... [Name of the Applicant] including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and declaration and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Acts and CGST and SGST/UTGST Rules.

6. Management of the Applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner’s Responsibility

7. Pursuant to the requirements of Section 18(3) of the CGST and SGST/UTGST Acts read with Rule 41(2) of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents / records of the

Guide to CA Certificates in GST

Applicant and to provide a reasonable assurance that the sale, merger, demerger, amalgamation, lease or transfer of business has been done with a specific provision for the transfer of liabilities.

8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. We have examined the books of accounts and other relevant documents / records of the Applicant for the purpose of Section 18(3) of the CGST Act and SGST/UTGST Acts and Rule 41(2) of CGST and SGST/UTGST Rules, 2017.
10. Based on our examination as above and the information and explanation given to us, in our opinion, the sale, merger, demerger, amalgamation, lease or transfer of business has been done with the specific provision for the transfer of liabilities.

Restriction on Use

11. This certificate is addressed and provided to the [Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 18(3) of the CGST and SGST/UTGST Acts read with Rule 41(2) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.
12. The certificate as per Rule 41(2) is only required to be issued to certify that the sale, merger, demerger, amalgamation, lease or transfer of business has been done with a specific provision for the transfer of liabilities. The certificate has not been issued to certify admissibility of

Certificate under Section 18(3) ...

the input tax credit with reference to any other condition as per the provisions of Section 18(3) read with Rule 41 or any other provision under the Statute.

For XYZ and Co. _____,

Chartered Accountants

Firm's Registration Number

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Check points for the Chartered Accountants -

- (i) Verify registration particulars with the Registration Certificate.
- (ii) Do not take responsibility for filing the respective statutory form prescribed as the same is the responsibility of Management. Practitioner's responsibility is to certify that the sale, merger, demerger, amalgamation, lease or transfer of business has been done with a specific provision for the transfer of liabilities.
- (iii) Ensure that the transferee has a valid GSTIN. The Amalgamation / Merger / Demerger Order or relevant Business Transfer Agreements should be thoroughly perused to ensure that there is a specific provision for transfer of liabilities.
- (iv) Ensure that the inputs or capital goods whose credit is proposed to be transferred are also accounted in books of the Applicant as transferred.
- (v) This certificate is to be issued in respect of a person who has sold / merged / de-merged / amalgamated / leased / transferred its business with a specific provision for the transfer of liabilities.
- (vi) Ensure that the certificate issued is in accordance with the Guidance note on Reports and Certificates for special purposes issued by the ICAI.
- (vii) Ensure that a letter of representation is taken from the Management of the Applicant for the details and information provided by them.

Chapter 6

Certificate under Section 18(4) for Reversal of Input Tax Credit on Opting for Composition Scheme

STATUTORY PROVISIONS

Section 18 of the Central Goods and Services Tax Act, 2017 - Availability of credit in special circumstances [Extract]

- (1) Subject to such conditions and restrictions as may be prescribed-
 - (a)
 - (b)
 - (c)
 - (d)
- (2)
- (3)
- (4) Where any registered person who has availed of input tax credit opts to pay tax under section 10 or, where the goods or services or both supplied by him become wholly exempt, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods, reduced by such percentage points as may be prescribed, on the day immediately preceding the date of exercising of such option or, as the case may be, the date of such exemption:

Provided that after payment of such amount, the balance of input tax credit, if any, lying in his electronic credit ledger shall lapse.
- (5) The amount of credit under sub-section (1) and the amount payable under sub-section (4) shall be calculated in such manner as may be prescribed.
- (6) In case of supply of capital goods or plant and machinery, on which input tax credit has been taken, the registered person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and

Guide to CA Certificates in GST

machinery reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher:

Provided that where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value of such goods determined under section 15.

Rule 44 of the Central Goods and Services Tax Rules, 2017 - Manner of reversal of credit under special circumstances

(1) The amount of input tax credit relating to inputs held in stock, inputs contained in semi-finished and finished goods held in stock, and capital goods held in stock shall, for the purposes of sub-section (4) of section 18 or sub-section (5) of section 29, be determined in the following manner, namely,-

- (a) for inputs held in stock and inputs contained in semi-finished and finished goods held in stock, the input tax credit shall be calculated proportionately on the basis of the corresponding invoices on which credit had been availed by the registered taxable person on such inputs;
- (b) for capital goods held in stock, the input tax credit involved in the remaining useful life in months shall be computed on pro-rata basis, taking the useful life as five years.

Illustration:

Capital goods have been in use for 4 years, 6 month and 15 days.

The useful remaining life in months= 5 months ignoring a part of the month

Input tax credit taken on such capital goods= C

Input tax credit attributable to remaining useful life= C multiplied by 5/60

¹⁰[(2) The amount, as specified in sub-rule (1) shall be determined separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

(3) Where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount under sub-rule (1)

¹⁰ Substituted vide Notification No. 17 /2017-CT dated 27.07.2017, w.e.f. 01.07.2017.

based on the prevailing market price of the goods on the effective date of the occurrence of any of the events specified in sub-section (4) of section 18 or, as the case may be, sub-section (5) of section 29.]

(4) The amount determined under sub-rule (1) shall form part of the output tax liability of the registered person and the details of the amount shall be furnished in **FORM GST ITC-03**, where such amount relates to any event specified in sub-section (4) of section 18 and in **FORM GSTR-10**, where such amount relates to the cancellation of registration.

(5) **The details furnished in accordance with sub-rule (3) shall be duly certified by a practicing chartered accountant or cost accountant.**

(6) The amount of input tax credit for the purposes of sub-section (6) of section 18 relating to capital goods shall be determined in the same manner as specified in clause (b) of sub-rule (1) and the amount shall be determined separately for input tax credit of ¹¹[Central tax, State tax, Union territory tax and integrated tax]:

Provided that where the amount so determined is more than the tax determined on the transaction value of the capital goods, the amount determined shall form part of the output tax liability and the same shall be furnished in **FORM GSTR-1** .

¹¹ Substituted vide Notification No. 15 /2017-CT dated 01.07.2017, w.e.f. 01.07.2017.

**Certificate under Section 18(4) of the CGST Act- Regular to
Composition Scheme**

Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017/Union Territory Goods and Services Tax Act, 2017 (in short "SGST/UTGST Act") in terms of Section 18(4) of the said Acts and Rule 44(5) of the Rules issued under such Acts.

(Registered person who opts to pay tax under section 10)

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN and is having its principal place of business at in the State of The Applicant has the following additional places of business :
 - (a) _____
 - (b) _____
3. In terms of Section 18(4) of the CGST and SGST/UTGST Acts read with Rule 44 of the CGST and SGST/UTGST Rules, 2017, the Applicant who has availed input tax credit opts to pay tax under Section 10 of the CGST and SGST/UTGST Acts, shall be liable to pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date of exercising the option to pay tax u/s 10 of the CGST and SGST/UTGST Acts, as on by declaring the same, electronically, on the common portal in Form GST ITC-03 (hereinafter referred to as the "Statement").
4. As per Rule 44(3) of the CGST and SGST/UTGST Rules, 2017, where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount mentioned in para 3 above, based on the prevailing market price of the goods on the effective date of the occurrence of any of the events specified in Section 18(4) of the CGST Act and SGST/UTGST Acts. As per Rule

44(5) of the CGST and SGST/UTGST Rules, 2017, the details so furnished in the above statement shall be duly certified by a practicing Chartered Accountant or a Cost Accountant.

Management's Responsibility for the Statement

5. The preparation of the Statement and declarations in relation to the stock required in terms of the CGST and SGST/UTGST Acts and Rules issued under the said Acts is the responsibility of the Management of..... [Name of the Applicant] including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and declaration and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Applicant complies with the requirements of CGST /and SGST/UTGST Act and CGST and SGST/UTGST Rules.

6. Management of the Applicant is responsible to conduct physical verification of inputs held in stock, semi- finished goods and finished goods held in stock and capital goods on the day immediately preceding, the date of exercising an option to pay tax under section 10 of the CGST Act and SGST/UTGST Acts.
7. Management of the Applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

8. Pursuant to the requirements of Section 18(4) of the CGST and SGST/UTGST Acts read with Rule 44(5) of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents / records of the Applicant and to provide a reasonable assurance as regards the identification of the quantum of the amounts declared in the Form GST ITC-03 to the extent they relate to details of inputs held in stock, inputs contained in semi-finished or finished goods held in stock, and capital goods held in stock on the day immediately preceding the date from which it opts to pay tax under Section 10 of the CGST and

Guide to CA Certificates in GST

SGST/UTGST Acts, and in respect of which the tax invoices are not available but input tax credit is required to be reversed and paid back to Government, in a manner computed in Rule 44(3) of the CGST and SGST/UTGST Rules, 2017.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC- 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. We have examined the books of accounts and other relevant documents / records of the Applicant for the purpose of Section 18(4) of the CGST Act and SGST/UTGST Act and Rule 44(5) of CGST and SGST/UTGST Rules, 2017.
10. Based on our examination as above and the information and explanation given to us, in our opinion, the amounts declared by the Management of the Applicant as annexed herewith in **Annexure – A** and which is related to inputs held in stock, inputs contained in semi-finished or finished goods held in stock, and capital goods held in stock on the day immediately preceding the date from which it opts to pay tax under Section 10 of the CGST and SGST Acts, and in respect of which the tax invoices are not available but input tax credit is required to be reversed and paid back to Government, under section 18(4) of the CGST and SGST Acts, are fairly presented in all material respects and in conformity with the books of accounts and other relevant documents/ records maintained under the CGST Act and the SGST/UTGST Acts.
11. The description, quantity, value and rate of GST of the inputs, inputs contained in semi-finished or finished goods held in stock and capital goods as on, (that is the day immediately preceding the date on which Applicant opts to pay tax u/s 10 of the CGST and SGST/UTGST Acts) is based on the calculations and confirmation done by the Management and verified by us, are in accordance with the books of accounts and other relevant records and documents maintained by the Applicant, where input tax credit is available to the

applicant. According to the Management certificate, the value of inputs, inputs contained in semi-finished or finished goods and capital goods is an estimated price of such goods which is based on their prevailing market price as on

12. These estimates have been worked out by Management as per the requirement of section 18(4) of CGST and SGST/UTGST Acts read with Rule 44(3) of CGST and SGST/UTGST Rules, 2017 and we have reviewed their assumptions and workings. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that assumptions do not provide a reasonable basis for the estimate. Actual results are likely to be different from the estimate since anticipated events might not occur as expected and the variation might be material.
13. The stocks have not been physically verified. Reliance has been placed on the declaration given by Applicant in respect of quantity of stocks held by it as on, whose invoices are not available with it.

Restriction on Use

14. This certificate is addressed and provided to the[Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 18(4) of the CGST and SGST/UTGST Acts read with Rule 44(5) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.

Chartered Accountants

Firm's Registration Number

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

ANNEXURE – A

Sr. No.	GSTIN/Registration under CX/VAT of Supplier	*Invoice/Bill of Entry		Description of inputs held in stock, inputs contained in semi- finished or finished goods held in stock and capital goods	Unit Quantity Code (UQC)	Qty	Value** (As adjusted by debit note / credit note)	Amount of ITC claimed (Rs.)				
		No.	Date					Central tax	State	UT tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12	13
(a) Inputs held in Stock (where invoice is not available)												
(b) Inputs contained in semi-finished or finished goods held in stock (where invoice is not available)												
(c) Capital goods held in stock (where invoice is not available)***												

* In case it is not feasible to identify invoice, the principle of first in first out may be followed.

** Where invoices are not available, value shall be estimated based on prevailing market price.

*** The detailed calculation provided in Annexure - B, be treated as part of this certificate.

Place of Signature: _____

Date: _____

As per our Certificate of even date attached

For XYZ and Co.

Chartered Accountants

Firm's Registration Number: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Guide to CA Certificates in GST

Annexure - B : Computation of ITC on Capital Goods

Sl. No	Particulars	Reference	[Amount] ¹²
1	Inward supply value of Machinery X		12,50,000
	IGST @ 12%	A	1,50,000
	Invoice Value		14,00,000
2	Date of invoice		15 th July 2023
3	Date on which the Applicant is liable to pay tax u/s 9 of the CGST & SGST/UTGST Act, 2017		01 st March 2024
4	Capital goods have been in use for		7 Months 16 Days
	Remaining useful life (ignoring part of the month)	B	52 months
	Total useful life	C	60 Months
5	ITC for remaining useful life	$D = (A - (A*B/C))$	$= 1,50,000 * 52/60$ $= 1,30,000$
	ITC to be reversed		1,30,000

¹² Figures given above are for illustrative purpose.

Check points for the Chartered Accountants –

- (i) This certificate is required to be issued only if the tax invoices related to the inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods are not available with the Applicant. (Rule 44(3) and Rule 44(5) of the CGST and SGST/UTGST Rules, 2017).
- (ii) Verify registration particulars with the Registration Certificate.
- (iii) Check whether declaration in Form GST ITC-03 is filed by the registered person on GST portal declaring the above amounts in the respective columns.
- (iv) Ensure the turnover is within the limits as specified u/s 10(1) and 10(3) of the CGST and SGST/UTGST Acts. Aggregate turnover has to be computed in terms of Section 2(6) of the CGST and SGST/UTGST Acts.
- (v) Corroborate the quantity and values by physical verification and other external statements submitted by the Applicant such as stock statement submitted to bank etc. Validate the input-output ratio adopted by the Applicant in case of Finished Goods and Semi Finished Goods.
- (vi) Check computation of input tax credit to be reversed by multiplying the effective rate of tax specified under *Notification 1/2017-CT (Rate) dated 28.06.2017* as amended from time to time, with the estimated value of inputs or input contained in semi-finished or finished goods.
- (vii) Ensure that the amount is determined separately for input tax credit of Central Tax, State Tax, Union Territory Tax and Integrated Tax and verified / reconciled with the ledger balances.
- (viii) The date on which the Applicant has opted to pay tax u/s 10 of the CGST and SGST/UTGST Act should be thoroughly verified. The applicability of conditions meted out under the GST laws for a taxpayer opting to pay tax u/s 10 of the CGST and SGST/UTGST Acts should be checked to confirm the above said date.
- (ix) In case there are stock-in-transits as on the specified date of eligibility of credits, appropriate treatment to be considered. (Note: Practical difficulty may arise to determine the credit amount and invoice-wise details of items consumed at WIP / semi-finished and finished goods stage. This may be computed by way of a fixed % and relevant assumptions / note may be included in the Certificate).

Guide to CA Certificates in GST

- (x) Verify and cross check the details which have been filed in Form GST CMP-02 which is an intimation to opt to pay tax under Section 10 of CGST and SGST/UTGST Acts.
- (xi) Check reversal of credit in electronic credit ledger and payment in electronic cash ledger of the amount as specified in Form GST ITC - 03.
- (xii) Ensure that the certificate issued is in accordance with the Guidance Note on Reports and Certificates for special purpose issued by the ICAI.
- (xiii) Ensure that a letter of representation is taken from the Management of the Applicant for the details and information provided by them.
- (xiv) Ensure that a declaration is taken from the Applicant regarding non-availability of tax invoices and reasons for the same.
- (xv) Check the period during which the Applicant has been paying tax u/s 9 of the CGST and SGST/UTGST Acts. Also check the date on which the Applicant ceases to pay tax u/s 9 and has opted to pay tax under Section 10 of the CGST and SGST/UTGST Acts.

Chapter 7

Certificate under Section 18(4) for Reversal of Input Tax Credit on Taxable Supply Becoming Exempt

STATUTORY PROVISIONS

**Section 18 of the Central Goods and Services Tax Act, 2017 -
Availability of credit in special circumstances [Extract]**

- (1) Subject to such conditions and restrictions as may be prescribed-
 - (a)
 - (b)
 - (c)
 - (d)
- (2)
- (3)
- (4) Where any registered person who has availed of input tax credit opts to pay tax under section 10 or, where the goods or services or both supplied by him become wholly exempt, he shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock and on capital goods, reduced by such percentage points as may be prescribed, on the day immediately preceding the date of exercising of such option or, as the case may be, the date of such exemption:

Provided that after payment of such amount, the balance of input tax credit, if any, lying in his electronic credit ledger shall lapse.
- (5) The amount of credit under sub-section (1) and the amount payable under sub-section (4) shall be calculated in such manner as may be prescribed.
- (6) In case of supply of capital goods or plant and machinery, on which input tax credit has been taken, the registered person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and

Guide to CA Certificates in GST

machinery reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery determined under section 15, whichever is higher:

Provided that where refractory bricks, moulds and dies, jigs and fixtures are supplied as scrap, the taxable person may pay tax on the transaction value of such goods determined under section 15.

Rule 44 of the Central Goods and Services Tax Rules, 2017 - Manner of reversal of credit under special circumstances

(1) The amount of input tax credit relating to inputs held in stock, inputs contained in semi-finished and finished goods held in stock, and capital goods held in stock shall, for the purposes of sub-section (4) of section 18 or sub-section (5) of section 29, be determined in the following manner, namely,-

- (a) for inputs held in stock and inputs contained in semi-finished and finished goods held in stock, the input tax credit shall be calculated proportionately on the basis of the corresponding invoices on which credit had been availed by the registered taxable person on such inputs;
- (b) for capital goods held in stock, the input tax credit involved in the remaining useful life in months shall be computed on pro-rata basis, taking the useful life as five years.

Illustration:

Capital goods have been in use for 4 years, 6 month and 15 days.

The useful remaining life in months= 5 months ignoring a part of the month

Input tax credit taken on such capital goods= C

Input tax credit attributable to remaining useful life= C multiplied by 5/60

¹³[(2) The amount, as specified in sub-rule (1) shall be determined separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

¹³ Substituted vide Notification No. 17 /2017-CT dated 27.07.2017, w.e.f. 01.07.2017.

(3) Where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount under sub-rule (1) based on the prevailing market price of the goods on the effective date of the occurrence of any of the events specified in sub-section (4) of section 18 or, as the case may be, sub-section (5) of section 29.]

(4) The amount determined under sub-rule (1) shall form part of the output tax liability of the registered person and the details of the amount shall be furnished in **FORM GST ITC-03**, where such amount relates to any event specified in sub-section (4) of section 18 and in **FORM GSTR-10**, where such amount relates to the cancellation of registration.

(5) **The details furnished in accordance with sub-rule (3) shall be duly certified by a practicing chartered accountant or cost accountant.**

(6) The amount of input tax credit for the purposes of sub-section (6) of section 18 relating to capital goods shall be determined in the same manner as specified in clause (b) of sub-rule (1) and the amount shall be determined separately for input tax credit of ¹⁴[Central tax, State tax, Union territory tax and integrated tax]:

Provided that where the amount so determined is more than the tax determined on the transaction value of the capital goods, the amount determined shall form part of the output tax liability and the same shall be furnished in **FORM GSTR-1**.

¹⁴ Substituted vide Notification No. 15 /2017-CT dated 01.07.2017, w.e.f. 01.07.2017.

Certificate under Section 18(4) of the CGST Act - Taxable supplies become wholly Exempt

Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017/ Union Territory Goods and Services Tax Act (in short "SGST/UTGST Act") in terms of Section 18(4) of the said Acts and Rule 44(5) of the Rules issued under such Acts (Taxable supplies by registered person becomes wholly exempt)

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN..... and is having its principal place of business at in the State of The Applicant has the following additional places of business:
 - (a) _____
 - (b) _____
3. In terms of Section 18(4) of the CGST and SGST/UTGST Acts read with Rule 44 of the CGST and SGST/UTGST Rules, 2017, where a taxable supply by a registered person becomes exempt supply, the Applicant who has availed input tax credit, shall be liable to pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods used for such taxable supplies on the day immediately preceding the date on which such taxable supplies become exempt supplies i.e. by declaring the same, electronically, on the Common Portal in Form GST ITC-03 (hereinafter referred to as the "Statement").
4. As per Rule 44(3) of the CGST and SGST/UTGST Rules, where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount mentioned in para 3

above, based on the prevailing market price of the goods on the effective date of the occurrence of any of the events specified in section 18(4) of the CGST Act and SGST/UTGST Acts. As per Rule 44(5) of the CGST and SGST/UTGST Rules, 2017, the details so furnished in the above statement shall be duly certified by a practicing Chartered Accountant or a Cost Accountant.

Management's Responsibility for the Statement

5. The preparation of the Statement and declarations in relation to the stock required in terms of the CGST and SGST/UTGST Acts and Rules issued under the said Acts, is the responsibility of the Management of [Name of the Applicant] including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and declaration and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Act and CGST and SGST/UTGST Rules.

Management of the Applicant is responsible to conduct physical verification of inputs held in stock, semi- finished goods and finished goods held in stock and capital goods on the day immediately preceding, the date on which taxable supply becomes exempt supply.

6. Management of the Applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

7. Pursuant to the requirements of Section 18(4) of the CGST and SGST/UTGST Acts read with Rule 44(5) of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents/ records of the

Applicant and to provide a reasonable assurance as regards the identification of the quantum of the amounts declared in the Form GST ITC-03 to the extent they relate to details of inputs held in stock, inputs contained in semi-finished or finished goods held in stock, and capital goods held in stock on the day immediately preceding the date from which such taxable supplies become exempt supplies under the CGST and SGST/UTGST Acts, and in respect of which the tax invoices are not available but input tax credit is required to be reversed and paid back to Government, in a manner computed in Rule 44(3) of the CGST and SGST/UTGST Rules, 2017.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. We have examined the books of accounts and other relevant documents / records of the Applicant for the purpose of Section 18(4) of the CGST Act and SGST/UTGST Acts and Rule 44(5) of CGST and SGST/UTGST Rules, 2017.
9. Based on our examination as above and the information and explanation given to us, in our opinion, the amounts declared by the Management of the Applicant as annexed herewith in **Annexure -A**, relate to details of inputs held in stock, inputs contained in semi-finished or finished goods held in stock, and capital goods held in stock on the day immediately preceding the date from which such taxable supplies become exempt supplies under the CGST and SGST/UTGST Acts, and in respect of which the tax invoices are not available but input tax credit is required to be reversed and paid back to Government, under section 18(4) of the CGST and SGST/UTGST Acts, are fairly presented in all material respects and in conformity with

the books of accounts and other relevant documents/ records maintained under the CGST Act and the SGST/UTGST Acts.

10. The description, quantity, value and rate of GST of the inputs, inputs contained in semi-finished or finished goods held in stock and capital goods as on, (that is the day preceding the date on which such taxable supplies become exempt supplies) is based on the calculations and confirmation done by the Management and verified by us, are in accordance with the books of accounts and other relevant records and documents maintained by the Applicant, where input tax credit is available to the Applicant. According to the Management certificate, the value of inputs, inputs contained in semi-finished or finished goods and capital goods is an estimated price of such goods which is based on their prevailing market price as on
11. These estimates have been worked out by Management as per the requirement of section 18(4) of CGST and SGST/UTGST Acts read with rule 44(3) of CGST and SGST/UTGST Rules, 2017 and we have reviewed their assumptions and workings. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that assumptions do not provide a reasonable basis for the estimate. Actual results are likely to be different from the estimate since anticipated events might not occur as expected and the variation might be material.
12. The stocks have not been physically verified. Reliance has been placed on the declaration given by Applicant in respect of quantity of stocks held by it as on, whose invoices are not available with it.

Restriction on Use

13. This certificate is addressed and provided to the [Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 18(4) of the CGST and SGST/UTGST Acts read with Rule 44(5) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Guide to CA Certificates in GST

For XYZ and Co.

Chartered Accountants

Firm's Registration Number

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the
Certificate)

(Designation)

Membership Number: _____

UDIN: _____

ANNEXURE – A

Sr. No.	GSTIN/Registration under CX/VAT of Supplier	*Invoice/Bill of Entry		Description of inputs held in stock, inputs contained in semi- finished or finished goods held in stock and capital goods	Unit Quantity Code (UQC)	Qty	Value** (As adjusted by debit note / credit note)	Amount of ITC claimed (Rs.)				
		No.	Date					Central tax	State	UT tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12	13
(a)Inputs held in Stock (where invoice is not available)												
(b)Inputs contained in semi-finished or finished goods held in stock (where invoice is not available)												
(c)Capital goods / plant and machinery held in stock (where invoice is not available) ***												

* In case it is not feasible to identify the invoices, the principle of first in first out may be followed.

** Where invoice is not available, value shall be estimated based on prevailing market price.

*** The detailed calculation provided in Annexure - B, be treated as part of this certificate.

Place of Signature: _____

Date: _____

As per our Certificate of even date attached

For XYZ and Co.

Chartered Accountants

Firm's Registration Number: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Annexure - B : Computation of ITC on Capital Goods

Sl. No	Particulars	Reference	[Amount] ¹⁵
1	Inward supply value of Machinery X		12,50,000
	IGST @ 12%	A	1,50,000
	Invoice Value		14,00,000
2	Date of invoice		15 July 2023
3	Date on which the Applicant is liable to pay tax u/s 9 of the CGST & SGST/UTGST Act, 2017		01 March 2024
4	Capital goods have been in use for		7 Months 16 Days
	Remaining useful life (ignoring part of the month)	B	52 months
	Total useful life of capital goods	C	60 Months
5	Input Tax Credit attributable to remaining useful life	$D = (A - (A*B/C))$	$= 1,50,000 * 52 / 60$ $= 1,30,000$
	ITC needs to be reversed		1,30,000

¹⁵ Figures given above are for illustrative purpose.

Check points for the Chartered Accountants –

- (i) This certificate is required to be issued only if the tax invoices related to the inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods are not available with the Applicant. (Rule 44 (3) and Rule 44(5) of the CGST and SGST/UTGST Rules).
- (ii) Verify registration particulars with the Registration Certificate.
- (iii) Check whether declaration in Form GST ITC-03 is filed by the registered person on GST portal declaring the above amounts in the respective columns.
- (iv) Check computation of input tax credit to be reversed by multiplying the effective rate of tax specified under *Notification 1/2017-CT (Rate) dated 28.06.2017* as amended from time to time with the estimated value of inputs or input contained in semi-finished or finished goods and capital goods.
- (v) Ensure that the amount is determined separately for input tax credit of Central Tax, State Tax, Union Territory Tax and Integrated Tax and verified / reconciled with the ledger balances.
- (vi) Corroborate the quantity and values by physical verification and other external statements submitted by the Applicant such as stock statement submitted to bank etc. Validate the input-output ratio adopted by the Applicant in case of Finished Goods and Semi Finished Goods.
- (vii) The books of accounts and relevant documents / records of the Applicant should be thoroughly verified to identify the supplies that were earlier taxable and have now become exempted. The relevant notifications issued by the Government should be meticulously perused to identify the date on which such taxable supplies have become exempted supplies.
- (viii) In case there are stock-in-transits as on the specified date of eligibility of credits, appropriate treatment to be considered. (Note: Practical difficulty may arise to determine the credit amount and invoice-wise details of items consumed at WIP / semi-finished and finished goods stage. This may be computed by way of a fixed % and relevant assumptions / note may be included in the Certificate).

- (ix) Check reversal of credit or payment by way of debit in electronic credit ledger and electronic cash ledger of the amount as specified in Form GST ITC -03.
- (x) The date on which the taxable supply become exempt supply should be thoroughly verified.
- (xi) Ensure that the certificate issued is in accordance with the Guidance Note on Reports and Certificates for special purpose issued by the ICAI.
- (xii) Ensure that a letter of representation is taken from the Management of the Applicant for the details and information provided by them.
- (xiii) Ensure that a declaration is taken from the Applicant regarding non-availability of tax invoices and reasons for the same.
- (xiv) Check the period during which the Applicant has been effecting taxable supplies of (HSN: ____). Also check the date on which, such taxable supplies have become exempted and the Applicant has ceased to discharge the tax on such supplies.

Chapter 8

Certificate under Section 29(5) for Reversal of Input Tax Credit on Cancellation of Registration

STATUTORY PROVISIONS

Section 29 of the Central Goods and Services Tax Act, 2017 - Cancellation ¹⁶[or suspension] of registration

(1) The proper officer may, either on his own motion or on an application filed by the registered person or by his legal heirs, in case of death of such person, cancel the registration, in such manner and within such period as may be prescribed, having regard to the circumstances where,-

- (a) the business has been discontinued, transferred fully for any reason including death of the proprietor, amalgamated with other legal entity, demerged or otherwise disposed of; or
- (b) there is any change in the constitution of the business; or

¹⁷[(c) the taxable person is no longer liable to be registered under section 22 or section 24 or intends to optout of the registration voluntarily made under sub-section (3) of section 25:]

¹⁸[**Provided** that during pendency of the proceedings relating to cancellation of registration filed by the registered person, the registration may be suspended for such period and in such manner as may be prescribed.]

(2) The proper officer may cancel the registration of a person from such date, including any retrospective date, as he may deem fit, where,-

¹⁶ Inserted vide sec 14 of The Central Goods and Services Tax (Amendment) Act, 2018 (No. 31 of 2018) - Brought into force w.e.f. 01.02.2019.

¹⁷ Substituted for "(c) the taxable person, other than the person registered under sub-section (3) of section 25, is no longer liable to be registered under section 22 or section 24." -- By sec 121 of the Finance Act, 2020 (No. 12 of 2020) - Brought into force w.e.f. 01.01.2021 vide Notification No. 92/2020 - C.T., dated 22.12.2020.

¹⁸ Inserted vide sec 14 of The Central Goods and Services Tax (Amendment) Act, 2018 (No. 31 of 2018) - Brought into force w.e.f. 01.02.2019.

- (a) a registered person has contravened such provisions of the Act or the rules made thereunder as may be prescribed; or
- (b) a person paying tax under section 10 has not furnished ¹⁹[the return for a financial year beyond three months from the due date of furnishing the said return]; or
- (c) any registered person, other than a person specified in clause (b), has not furnished returns for a ²⁰[such continuous tax period as may be prescribed]; or
- (d) any person who has taken voluntary registration under sub-section (3) of section 25 has not commenced business within six months from the date of registration; or
- (e) registration has been obtained by means of fraud, wilful misstatement or suppression of facts:

Provided that the proper officer shall not cancel the registration without giving the person an opportunity of being heard:

²¹**[Provided** further that during pendency of the proceedings relating to cancellation of registration, the proper officer may suspend the registration for such period and in such manner as may be prescribed.]

(3) the cancellation of registration under this section shall not affect the liability of the person to pay tax and other dues under this Act or to discharge any obligation under this Act or the rules made thereunder for any period prior to the date of cancellation whether or not such tax and other dues are determined before or after the date of cancellation.

(4) The cancellation of registration under the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act, as the case may be, shall be deemed to be a cancellation of registration under this Act.

¹⁹ Substituted vide sec 101 by The Finance Act 2022 (No. 6 of 2022), notified through Notification No. 18/2022 – CT dated 28.09.2022, w.e.f. 01.10.2022, prior to its substitution, it was read as: "returns for three consecutive tax periods".

²⁰ Substituted vide sec 101 by The Finance Act 2022 (No. 6 of 2022, notified through Notification No. 18/2022 – CT dated 28.09.2022, w.e.f. 01.10.2022, prior to its substitution, it was read as: "a continuous period of six months".

²¹ Inserted vide sec 14 of The Central Goods and Services Tax (Amendment) Act, 2018 (No. 31 of 2018) - Brought into force w.e.f. 01.02.2019.

Guide to CA Certificates in GST

(5) Every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher, calculated in such manner as may be prescribed:

Provided that in case of capital goods or plant and machinery, the taxable person shall pay an amount equal to the input tax credit taken on the said capital goods or plant and machinery, reduced by such percentage points as may be prescribed or the tax on the transaction value of such capital goods or plant and machinery under section 15, whichever is higher.

(6) The amount payable under sub-section (5) shall be calculated in such manner as may be prescribed.

Rule 44 of the Central Goods and Services Tax Rules, 2017 - Manner of reversal of credit under special circumstances

(1) The amount of input tax credit relating to inputs held in stock, inputs contained in semi-finished and finished goods held in stock, and capital goods held in stock shall, for the purposes of sub-section (4) of section 18 or sub-section (5) of section 29, be determined in the following manner, namely,-

- (a) for inputs held in stock and inputs contained in semi-finished and finished goods held in stock, the input tax credit shall be calculated proportionately on the basis of the corresponding invoices on which credit had been availed by the registered taxable person on such inputs;
- (b) for capital goods held in stock, the input tax credit involved in the remaining useful life in months shall be computed on pro-rata basis, taking the useful life as five years.

Illustration:

Capital goods have been in use for 4 years, 6 month and 15 days.

The useful remaining life in months= 5 months ignoring a part of the month

Input tax credit taken on such capital goods= C

Input tax credit attributable to remaining useful life= C multiplied by 5/60

²²[(2) The amount, as specified in sub-rule (1) shall be determined separately for input tax credit of central tax, State tax, Union territory tax and integrated tax.

(3) Where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount under sub-rule (1) based on the prevailing market price of the goods on the effective date of the occurrence of any of the events specified in sub-section (4) of section 18 or, as the case may be, sub-section (5) of section 29.]

(4) The amount determined under sub-rule (1) shall form part of the output tax liability of the registered person and the details of the amount shall be furnished in **FORM GST ITC-03**, where such amount relates to any event specified in sub-section (4) of section 18 and in **FORM GSTR-10**, where such amount relates to the cancellation of registration.

(5) **The details furnished in accordance with sub-rule (3) shall be duly certified by a practicing chartered accountant or cost accountant.**

(6) The amount of input tax credit for the purposes of sub-section (6) of section 18 relating to capital goods shall be determined in the same manner as specified in clause (b) of sub-rule (1) and the amount shall be determined separately for input tax credit of ²³[Central tax, State tax, Union territory tax and integrated tax]:

Provided that where the amount so determined is more than the tax determined on the transaction value of the capital goods, the amount determined shall form part of the output tax liability and the same shall be furnished in **FORM GSTR-1**.

²² Substituted vide Notification No. 17 /2017-CT dated 27.07.2017, w.e.f. 01.07.2017.

²³ Substituted vide Notification No. 15 /2017-CT dated 01.07.2017, w.e.f. 01.07.2017.

Certificate under Section 29(5) of the CGST Act

Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017 / Union Territory Goods and Services Tax Act, 2017 (in short "SGST/UTGST Act") in terms of Section 29(5) of the said Acts and Rule 44(5) of the Rules issued thereunder.

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN..... and is having its principal place of business at in the State of The Applicant has the following additional places of business:
 - (a) _____
 - (b) _____
3. In terms of Section 29(5) of the CGST and SGST/UTGST Acts read with Rule 44 of the CGST and SGST/UTGST Rules, 2017, every registered person whose registration is cancelled shall pay an amount, by way of debit in the electronic credit ledger or electronic cash ledger, equivalent to the credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock or capital goods or plant and machinery on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher by declaring the same, electronically, on the Common Portal in Form GSTR-10 (hereinafter referred to as the "Statement").
4. As per Rule 44(3) of the CGST and SGST/UTGST Rules, 2017, where the tax invoices related to the inputs held in stock are not available, the registered person shall estimate the amount mentioned in para 3 above, based on the prevailing market price of the goods on the effective date of the occurrence of the event specified in section 29(5) of the CGST Act and SGST/UTGST Acts. As per Rule 44(5) of the CGST and SGST/UTGST Rules, 2017, the details so furnished in the

above statement shall be duly certified by a practicing Chartered Accountant or a Cost Accountant.

Management's Responsibility for the Statement

5. The preparation of the Statement and declarations in relation to the stock required in terms of the CGST and SGST/UTGST Acts and Rules issued under the said Acts is the responsibility of the Management of [Name of the Applicant] including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and declaration and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Acts and CGST and SGST/UTGST Rules, 2017.

6. Management of the Applicant is responsible to conduct physical verification of inputs held in stock, semi- finished goods and finished goods held in stock and capital goods and plant and Machinery on the day immediately preceding, the date of such cancellation under section 29 of the CGST Act and SGST/UTGST Acts.
7. Management of the Applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

8. Pursuant to the requirements of Section 29(5) of the CGST and SGST/UTGST Acts read with Rule 44(5) of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents / records of the Applicant and to provide a reasonable assurance as regards the identification of the quantum of the amounts declared in the Form GSTR-10 to the extent they relate to details of inputs held in stock, inputs contained in semi-finished or finished goods held in stock, and capital goods/plant and machinery held in stock on the day immediately preceding the date on which registration has been cancelled under the CGST and SGST/UTGST Acts and in respect of which the tax invoices are not available but input tax credit is required

Guide to CA Certificates in GST

to be reversed and paid back to Government, in a manner computed in Rule 44(3) of the CGST and SGST/UTGST Rules, 2017.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC- 1), Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. We have examined the books of accounts and other relevant documents / records of the Applicant for the purpose of Section 29(5) of the CGST Act and SGST/UTGST Act and Rule 44(3) of CGST and SGST/UTGST Rules.
10. Based on our examination as above and the information and explanation given to us, in our opinion, the amounts declared by the Management of the Applicant as annexed herewith in **Annexure - A** and which is related to inputs held in stock, inputs contained in semi-finished or finished goods held in stock, and capital goods / plant and machinery held in stock on the day immediately preceding the date on which registration of the Applicant has been cancelled under the CGST and SGST/UTGST Acts and in respect of which the tax invoices are not available but input tax credit is required to be reversed and paid back to Government under section 29(5) of the CGST and SGST/UTGST Acts, are fairly presented in all material respects and in conformity with the books of accounts and other relevant documents/ records maintained under the CGST Act and the SGST/UTGST Acts.
11. The description, quantity, value and rate of GST of the inputs, inputs contained in semi-finished or finished goods held in stock and capital goods / plant machinery as on, (that is the day immediately preceding the date on which registration of the Applicant under the CGST and SGST/UTGST Acts, has been cancelled) is based on the calculations and confirmation done by the Management and verified by us, are in accordance with the books of accounts and other relevant records and documents maintained by the Applicant, where input tax credit is available to the Applicant. According to the Management

Certificate under Section 29(5) ...

certificate, the value of inputs, inputs contained in semi-finished or finished goods and capital goods or plant and machinery is an estimated price of such goods which is based on their prevailing market price as on

12. These estimates have been worked out by Management as per the requirement of section 29(5) of CGST and SGST/UTGST Acts read with rule 44(3) of CGST and SGST/UTGST Rules, 2017 and we have reviewed their assumptions and workings. Based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that assumptions do not provide a reasonable basis for the estimate. Actual results are likely to be different from the estimate since anticipated events might not occur as expected and the variation might be material.
13. The stocks have not been physically verified. Reliance has been placed on the declaration given by Applicant in respect of quantity of stocks held by it as on _____, whose invoices are not available with it.

Restriction on Use

14. This certificate is addressed and provided to the [Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 29(5) of the CGST and SGST/UTGST Acts read with Rule 44(5) of the CGST / SGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.
Chartered Accountants
Firm's Registration Number

Place of Signature: _____

Date: _____

Signature
(Name of the Member Signing the Certificate)
(Designation)
Membership Number: _____
UDIN: _____

ANNEXURE - A

Sr. No.	GSTIN	Invoice/Bill of Entry		Description of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and capital goods/plant and machinery	Unit Quantity Code (UQC)	Qty	Value* (As adjusted by debit note / credit note)	Amount of Input tax credit (Rs.)			
		No.	Date					Central tax	State/Union territory tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12
(b) Inputs held in Stock (where invoice is not available)											
(b) Inputs contained in semi-finished or finished goods held in stock (where invoice is not available)											
Capital goods / plant and machinery held in stock **											

* Value shall be estimated based on prevailing market price.

** The detailed calculation provided in Annexure - B, be treated as part of this certificate.

Place of Signature: _____

Date: _____

As per our Certificate of even date attached

For XYZ and Co.

Chartered Accountants

Firm's Registration Number: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Annexure - B : Computation of ITC on capital goods / Plant and Machinery

Sl. No	Particulars	Reference	[Amount] ²⁴
1	Inward supply value of Machinery X		12,50,000
	IGST @ 12%	A	1,50,000
	Invoice Value		14,00,000
2	Date of invoice		15 th July 2023
3	Date on which the Applicant is liable to pay tax u/s 9 of the CGST & SGST/UTGST Act, 2017		01 st March 2024
4	Capital goods have been in use for		7 Months 16 Days
	Remaining useful life in months (ignoring part of the month)	B	52 months
	Total useful life of capital goods	C	60 Months
5	Input Tax Credit attributable to remaining useful life	$D = (A - (A*B/C))$	$= 1,50,000 * 52/60$ $= 1,30,000$
	ITC to be reversed		1,30,000

²⁴ Figures given above are for illustrative purpose.

Check points for the Chartered Accountants -

- (i) Verify registration particulars with the Registration Certificate.
- (ii) This certificate is required to be issued only if the tax invoices related to the inputs held in stock, inputs contained in semi-finished or finished goods held in stock and on capital goods / plant and machinery are not available with the Applicant. (Rule 44 (3) and Rule 44(5) of the CGST and SGST/UTGST Rules, 2017).
- (iii) Check whether declaration in Form GSTR-10 is filed by the taxpayer on GST portal declaring the above amounts in the respective columns.
- (iv) Corroborate the quantity and values by physical verification and other external statements submitted by the Applicant such as stock statement submitted to bank etc. Validate the input-output ratio adopted by the Applicant in case of Finished Goods and Semi Finished Goods.
- (v) Check computation of input tax credit to be reversed by multiplying the effective rate of tax specified under *Notification 1/2017-CT (Rate) dated 28.06.2017* as amended from time to time with the estimated value of inputs or input contained in semi-finished or finished goods.
- (vi) Ensure that the amount is determined separately for input tax credit of Central Tax, State Tax, Union Territory Tax and Integrated Tax and verified / reconciled with the ledger balances.
- (vii) In case there are stock-in-transits as on the specified date of eligibility of credits, appropriate treatment to be considered. (Note: Practical difficulty may arise to determine the credit amount and invoice-wise details of items consumed at WIP / semi-finished and finished goods stage. This may be computed by way of a fixed % and relevant assumptions / note may be included in the Certificate).
- (viii) Check reversal of credit in electronic credit ledger and payment in electronic cash ledger of the amount as specified in Form GSTR -10.
- (ix) Ensure that the certificate issued is in accordance with the Guidance Note on Reports and Certificates for special purpose issued by the ICAI.
- (x) Ensure that a **letter of representation** is taken from the **Management of the Applicant** for the details and information provided by them.

Guide to CA Certificates in GST

- (xi) Ensure that a declaration is taken from the Applicant with regard to non-availability of tax invoices and reasons for the same.
- (xii) Check the period during which the Applicant has been paying taxes u/s 9 of the CGST and SGST/UTGST Acts, 2017. Also check the date on which the registration of Applicant has been cancelled under Section 29 of the CGST and SGST/UTGST Acts, 2017.

Chapter 9

Certificate under Section 54 for Non-Passing of Tax Incidence in Refund Claim

STATUTORY PROVISIONS

Section 54 of the Central Goods and Services Tax Act, 2017 - Refund of tax

(1) Any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed:

Provided that a registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49, may claim such refund in ²⁵[such form and] manner as may be prescribed.

(2)

(3) Subject to the provisions of sub-section (10), a registered person may claim refund of any unutilised input tax credit at the end of any tax period:

Provided that no refund of unutilised input tax credit shall be allowed in cases other than-

- (i) zero rated supplies made without payment of tax;
- (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council:

²⁵ Substituted vide section 113 of The Finance Act 2022 (No. 06 of 2022) notified through Notification No. 18/2022 - CT dated 28.09.2022, w.e.f. 01.10.2022, prior to substitution, it was read as: "the return furnished under section 39 in such".

Guide to CA Certificates in GST

²⁶[***]

Provided also that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies.

- (4) The application shall be accompanied by-
- (a) such documentary evidence as may be prescribed to establish that a refund is due to the applicant; and
 - (b) such documentary or other evidence (including the documents referred to in section 33) as the applicant may furnish to establish that the amount of tax and interest, if any, paid on such tax or any other amount paid in relation to which such refund is claimed was collected from, or paid by, him and the incidence of such tax and interest had not been passed on to any other person:

Provided that where the amount claimed as refund is less than two lakh rupees, it shall not be necessary for the applicant to furnish any documentary and other evidences but he may file a declaration, based on the documentary or other evidences available with him, certifying that the incidence of such tax and interest had not been passed on to any other person.

(5)

(6)

(7)

(8) Notwithstanding anything contained in sub-section (5), the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to-

- (a) refund of tax paid on ²⁷[export] of goods or services or both or on inputs or input services used in making such ²⁸[exports];
- (b) refund of unutilised input tax credit under sub-section (3);

²⁶ Omitted vide the Finance (No.2) Act, 2024. Notified vide Notification No. 17/2024-CT dated 27.09.2024, effective from 01.11.2024. Prior to its omission, it read as under "Provided further that no refund of unutilised input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty".

²⁷ Substituted vide Central Goods and Services Tax (Amendment) Act, 2018 w.e.f. 01-02-2019 before it was read as "zero-rated supplies".

²⁸ Substituted vide Central Goods and Services Tax (Amendment) Act, 2018 w.e.f. 01-02-2019 before it was read as "zero-rated supplies".

- (c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued;
- (d) refund of tax in pursuance of section 77;
- (e) the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person; or
- (f) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.

.....

Rule 89 of the Central Goods and Services Tax Act, 2017 - Application for refund of tax, interest, penalty, fees or any other amount

(1) Any person, except the persons covered under notification issued under section 55 claiming refund of ²⁹[any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 or] any tax, interest, penalty, fees or any other amount paid by him, other than refund of integrated tax paid on goods exported out of India, may file electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 or ³⁰[subject to the provisions of rule 10B,] an application electronically in **FORM GST RFD-01** through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

³¹[****]

³²[**Provided that**] in respect of supplies to a Special Economic Zone unit or a

²⁹ Inserted vide Notification No. 19/2022 - CT dated 28.09.2022, w.e.f. 01.10.2022.

³⁰ Inserted vide Notification No. 35/2021-C.T., dated 24.09.2021. Brought into force w.e.f. 01.01.2022 vide Notification No. 38/2021-C.T., dated 21.12.2021.

³¹ Omitted (w.e.f. 01.10.2022) vide Notification No. 19/2022 - CT dated 28.09.2022, prior to omission, it was read as: "Provided that any claim for refund relating to balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 may be made through the return furnished for the relevant tax period in FORM GSTR-3 or FORM GSTR-4 or FORM GSTR-7, as the case may be".

³² Substituted (w.e.f. 01.10.2022) vide Notification No. 19/2022 - CT dated 28.09.2022 for "Provided further that".

Guide to CA Certificates in GST

Special Economic Zone developer, the application for refund shall be filed by the -

- (a) supplier of goods after such goods have been admitted in full in the Special Economic Zone for authorised operations, as endorsed by the specified officer of the Zone;
- (b) supplier of services along with such evidence regarding receipt of services for authorised operations as endorsed by the specified officer of the Zone:

³³ [³⁴ **Provided** further that] in respect of supplies regarded as deemed exports, the application may be filed by, -

- (a) the recipient of deemed export supplies; or
- (b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund]

Provided also that refund of any amount, after adjusting the tax payable by the applicant out of the advance tax deposited by him under section 27 at the time of registration, shall be claimed ³⁵[only after the last return required to be furnished by him has been so furnished].

³⁶**[Explanation.—**For the purposes of this sub-rule, — “specified officer” means a “specified officer” or an “authorised officer” as defined under rule 2 of the Special Economic Zone Rules, 2006.]

(1A)

³⁷ [(1B) Any person, claiming refund of additional integrated tax paid on account of upward revision in price of the goods subsequent to exports, and on which the refund of integrated tax paid at the time of export of such goods has already been sanctioned as per rule 96, may file an application for such

³³ Substituted vide Notification No. 47/2017-CT dated 18.10.2017 for "Provided also that in respect of supplies regarded as deemed exports, the application shall be filed by the recipient of deemed export supplies"

³⁴ Substituted (w.e.f. 01.10.2022) vide Notification No. 19/2022 - CT dated 28.09.2022 for "Provided also that".

³⁵ Substituted vide Notification No. 38/2023 - CT dated 04.08.2023, prior to substitution, it was read as: 'in the last return required to be furnished by him'.

³⁶ Inserted by Notification No. 14/2022- CT dated 05.07.2022.

³⁷ Inserted by Notification No. 12/2024- CT dated 10.07.2024.

refund of additional integrated tax paid, electronically in FORM GST RFD-01 through the common portal, subject to the provisions of rule 10B, before the expiry of two years from the relevant date as per clause (a) of Explanation (2) of section 54:

Provided that the said application for refund can, in cases where the relevant date as per clause (a) of Explanation (2) of section 54 of the Act was before the date on which this sub-rule comes into force, be filed before the expiry of two years from the date on which this sub-rule comes into force;]

(2) The application under sub-rule (1) shall be accompanied by any of the following documentary evidences in Annexure 1 in **FORM GST RFD-01**, as applicable, to establish that a refund is due to the applicant, namely:-

- (a) the reference number of the order and a copy of the order passed by the proper officer or an appellate authority or Appellate Tribunal or court resulting in such refund or reference number of the payment of the amount specified in sub-section (6) of section 107 and sub-section (8) of section 112 claimed as refund;
- (b) a statement containing the number and date of shipping bills or bills of export and the number and the date of the relevant export invoices, in a case where the refund is on account of export of goods, ³⁸[other than electricity];
- (ba)

³⁹[(bb) a statement containing the number and date of export invoices along with copy of such invoices, the number and date of shipping bills or bills of export along with copy of such shipping bills or bills of export, the number and date of Bank Realisation Certificate or foreign inward remittance certificate in respect of such shipping bills or bills of export along with copy of such Bank Realisation Certificate or foreign inward remittance certificate issued by Authorised Dealer-I Bank, the details of refund already sanctioned under sub-rule (3) of rule 96, the number and date of relevant supplementary invoices or debit notes issued subsequent to the upward revision in prices along with copy of such supplementary invoices or debit notes, the details of payment of additional amount of integrated tax, in

³⁸ Inserted vide Notification No. 14/2022- CT dated 05.07.2022.

³⁹ Inserted vide Notification No. 12/2024- CT dated 10.07.2024.

respect of which such refund is claimed, along with proof of payment of such additional amount of integrated tax and interest paid thereon, the number and date of foreign inward remittance certificate issued by Authorised Dealer-I Bank in respect of additional foreign exchange remittance received in respect of upward revision in price of exports along with copy of such foreign inward remittance certificate, along with a certificate issued by a practicing chartered accountant or a cost accountant to the effect that the said additional foreign exchange remittance is on account of such upward revision in price of the goods subsequent to exports and copy of contract or other documents, as applicable, indicating requirement for the revision in price of exported goods and the price revision thereof, in a case where the refund is on account of upward revision in price of such goods subsequent to exports;

- (bc) a reconciliation statement, reconciling the value of supplies declared in supplementary invoices, debit notes or credit notes issued along with relevant details of Bank Realisation Certificate or foreign inward remittance certificate issued by Authorised Dealer-I Bank, in a case where the refund is on account of upward revision in price of such goods subsequent to exports;]
- (c) a statement containing the number and date of invoices and the relevant Bank Realisation Certificates or Foreign Inward Remittance Certificates, as the case may be, in a case where the refund is on account of the export of services;
- (d)
- (e)
- [(f)
- (g)
- (h)
- (i)
- (j)
- (k)
- [(ka)
- (kb)

- (l) a declaration to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lakh rupees:

Provided that a declaration is not required to be furnished in respect of the cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of sub-section (8) of section 54;

- (m) a Certificate in Annexure 2 of **FORM GST RFD-01** issued by a chartered accountant or a cost accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees:

Provided that a certificate is not required to be furnished in respect of cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of subsection (8) of section 54;

⁴⁰**[Provided** further that a certificate is not required to be furnished in cases where refund is claimed by an unregistered person who has borne the incidence of tax.]

Explanation. - For the purposes of this rule-

- (i) in case of refunds referred to in clause (c) of sub-section (8) of section 54, the expression "invoice" means invoice conforming to the provisions contained in section 31;
- (ii) where the amount of tax has been recovered from the recipient, it shall be deemed that the incidence of tax has been passed on to the ultimate consumer.

(3) Where the application relates to refund of input tax credit, the electronic credit ledger shall be debited by the applicant by an amount equal to the refund so claimed.

⁴¹[(4) In the case of zero-rated supply of goods or services or both without

⁴⁰ Inserted vide Notification No. 26/2022-CT dated 26.12.2022.

⁴¹ Substituted (w.e.f. 23.10.2017) by Notification No. 75/2017-C.T., dated 29.12.2017 for "(4) In the case of zero-rated supply of goods or services or both without payment of tax under bond or letter of undertaking in accordance with the provisions

Guide to CA Certificates in GST

payment of tax under bond or letter of undertaking in accordance with the provisions of sub-section (3) of section 16 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), refund of input tax credit shall be granted as per the following formula -

Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷ Adjusted Total Turnover

Where, -

- (A) "Refund amount" means the maximum refund that is admissible;
- (B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both;

of sub-section (3) of section 16 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), refund of input tax credit shall be granted as per the following formula -

Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC

÷ Adjusted Total Turnover

Where,-

- (A) "Refund amount" means the maximum refund that is admissible;
- (B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period;
- (C) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking;
- (D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:-
Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;
- (E) "Adjusted Total turnover" means the turnover in a State or a Union territory, as defined under *[clause] (112) of section 2, excluding the value of exempt supplies other than zero-rated supplies, during the relevant period;
- (F) "Relevant period" means the period for which the claim has been filed."

* Substituted (w.e.f. 01.07.2017) vide Notification No. 17/2017 – CT dated 27.07.2017, for "sub-section".

⁴²[(C) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking or the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier, whichever is less, other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both;]

(D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:-

Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;

⁴³[(E) "Adjusted Total Turnover" means the sum total of the value of-

(a) the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the turnover of services; and

(b) the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services,

excluding-

(i) the value of exempt supplies other than zero-rated supplies; and

⁴² Substituted vide Notification No. 16/2020-CT dated 23.03.2020 for

"(C) "Turnover of zero-rated supply of goods" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking, other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both;"

⁴³ Substituted (w.e.f. 04.09.2018) vide Notification No. 39/2018-CT dated 04.09.2018 for: "(E) "Adjusted Total turnover" means the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding -

(a) the value of exempt supplies other than zero-rated supplies and

(b) the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both, if any, during the relevant period;"

Guide to CA Certificates in GST

- (ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any, during the relevant period.]
- (F) "Relevant period" means the period for which the claim has been filed.
⁴⁴[**Explanation.**—For the purposes of this sub-rule, the value of goods exported out of India shall be taken as –
 - (i) the Free on Board (FOB) value declared in the Shipping Bill or Bill of Export form, as the case may be, as per the Shipping Bill and Bill of Export (Forms) Regulations, 2017; or
 - (ii) the value declared in tax invoice or bill of supply, whichever is less.]

⁴⁵[(4A) In the case of supplies received on which the supplier has availed the benefit of the Government of India, Ministry of Finance, notification No. 48/2017-Central Tax dated the 18th October, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R 1305 (E) dated the 18th October, 2017, refund of input tax credit, availed in respect of other inputs or input services used in making zero-rated supply of goods or services or both, shall be granted.

⁴⁴ Inserted vide Notification No. 14/2022- CT dated 05.07.2022.

⁴⁵ Substituted vide Notification No. 3/2018-CT dated 23.01.2018, w.e.f. 23.10.2017, prior to its substitution, it was read as: "(4A) In the case of supplies received on which the supplier has availed the benefit of notification No. 48/2017-Central Tax dated 18th October, 2017, refund of input tax credit, availed in respect of other inputs or input services used in making zero-rated supply of goods or services or both, shall be granted.

(4B) In the case of supplies received on which the supplier has availed the benefit of notification No. 40/2017-Central Tax (Rate) dated 23rd October, 2017 or notification No. 41/2017-Integrated Tax (Rate) dated 23rd October, 2017, or both, refund of input tax credit, availed in respect of inputs received under the said notifications for export of goods and the input tax credit availed in respect of other inputs or input services to the extent used in making such export of goods, shall be granted.]"

⁴⁶[(4B) Where the person claiming refund of unutilised input tax credit on account of zero rated supplies without payment of tax has -

- (a) received supplies on which the supplier has availed the benefit of the Government of India, Ministry of Finance, notification No. 40/2017-Central Tax (Rate), dated the 23rd October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1320 (E), dated the 23rd October, 2017 or notification No. 41/2017 Integrated Tax (Rate), dated the 23rd October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1321(E), dated the 23rd October, 2017; or
- (b) availed the benefit of notification No. 78/2017-Customs, dated the 13th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1272(E), dated the 13th October, 2017 or notification No. 79/2017-Customs, dated the 13th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1299 (E), dated the 13th October, 2017,

the refund of input tax credit, availed in respect of inputs received under the said notifications for export of goods and the input tax credit availed in respect of other inputs or input services to the extent used in making such export of goods, shall be granted.]]

⁴⁶ Substituted vide Notification No. 54/2018-CT dated 09.10.2018 for

"(4B) In the case of supplies received on which the supplier has availed the benefit of the Government of India, Ministry of Finance, notification No. 40/2017 Central Tax (Rate) dated the 23rd October, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1320 (E) dated the 23rd October, 2017 or notification No. 41/2017 Integrated Tax (Rate) dated the 23rd October, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1321(E) dated the 23rd October, 2017 or notification No. 78/2017 Customs dated the 13th October, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i), vide number G.S.R 1272(E) dated the 13th October, 2017 or notification No. 79/2017-Customs dated the 13th October, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1299(E) dated the 13th October, 2017, or all of them, refund of input tax credit, availed in respect of inputs received under the said notifications for export of goods and the input tax credit availed in respect of other inputs or input services to the extent used in making such export of goods, shall be granted."

Guide to CA Certificates in GST

⁴⁷[(5) In the case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formula:-

Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) x Net ITC Adjusted Total Turnover} - ⁴⁸[{tax payable on such inverted rated supply of goods and services x (Net ITC ÷ ITC availed on inputs and input services)}].

Explanation: - For the purposes of this sub-rule, the expressions -

- (a) "Net ITC" shall mean input tax credit availed on inputs during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both; and
- ⁴⁹(b) ["Adjusted Total turnover" and "relevant period" shall have the same meaning as assigned to them in sub-rule (4).]

⁴⁷ Substituted vide Notification No. 26/2018-CT dated 13.06.2017, w.e.f. 01.07.2017, prior to its substitution, it was read as: "(5) In the case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formula -

Maximum Refund Amount = {(Turnover of inverted rated supply of goods) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods

Explanation.- For the purposes of this sub rule, the expressions "Net ITC" and "Adjusted Total turnover" shall have the same meanings as assigned to them in sub-rule (4)."

⁴⁸ Substituted vide Notification No. 14/2022-CT dated 05.07.2022, prior to its substitution, it was read as: "tax payable on such inverted rated supply of goods and services"

⁴⁹ Substituted vide Notification No. 74/2018-C.T., dated 31.12.2018, prior to its substitution, it was read as: "(b) Adjusted Total turnover shall have the same meaning as assigned to it in sub-rule (4)."

Circular 125/44/2019-GST [CBEC-20/16/04/18-GST] dated 18.11.2019

[Extract]

Annexure-A - List of all statements/declarations/undertakings/ certificates and other supporting documents to be provided along with the refund application

Sl. No.	Type of Refund	Declaration / Statement / Undertaking / Certificates to be filled online	Supporting documents to be additionally uploaded
1	Refund of unutilized ITC on account of exports without payment of tax	Declaration under second and third proviso to section 54(3)	***]
		³ [Undertaking in relation to section 16(2)(c)]	Statement of invoices (Annexure-B)
		Statement 3 under rule 89(2)(b) and rule 89(2)(c)	***]
		Statement 3A under rule 89(4)	BRC/FIRC in case of export of services and shipping bill (only in case of exports made through non-EDI ports) in case of goods
2	Refund of tax paid on export of services made with payment of tax	Declaration under second and third proviso to section 54(3)	BRC/FIRC/any other document indicating the receipt of sale proceeds of services
		³ [Undertaking in relation to section 16(2)(c)]	***]
		Statement 2 under rule 89(2)(c)	Statement of invoices (Annexure-B)
			***]
			Self-declaration

Guide to CA Certificates in GST

			regarding non-prosecution under sub-rule (1) of rule 91 of the CGST Rules for availing provisional refund
3	Refund of unutilized ITC on account of supplies made to SEZ units/developer without payment of tax	Declaration under third proviso to section 54(3)	***]
		Statement 5 under rule 89(2)(d) and rule 89(2)(e)	Statement of invoices (Annexure-B)
		Statement 5A under rule 89(4)	***]
		Declaration under rule 89(2)(f)	Endorsement(s) from the specified officer of the SEZ regarding receipt of goods/services for authorized operations under second proviso to rule 89(1)
		³ [Undertaking in relation to section 16(2)(c)]	
		Self-declaration under rule 89(2)(l) if amount claimed does not exceed two lakh rupees, certification under rule 89(2)(m) otherwise	
4	Refund of tax paid on supplies made to SEZ units/developer with payment of tax	Declaration under second and third proviso to section 54(3)	Endorsement(s) from the specified officer of the SEZ regarding receipt of goods/services for authorized operations

Certificate under Section 54 ...

			under second proviso to rule 89(1)
		Declaration under rule 89(2)(f)	***]
		Statement 4 under rule 89(2)(d) and rule 89(2)(e)	Self-declaration regarding non-prosecution under sub-rule (1) of rule 91 of the CGST Rules for availing provisional refund
		³ [Undertaking in relation to section 16(2)(c)]	
		Self-declaration under rule 89(2)(l) if amount claimed does not exceed two lakh rupees, certification under rule 89(2)(m) otherwise	
5	Refund of ITC unutilized on account of accumulation due to inverted tax structure	Declaration under second and third proviso to section 54(3)	***]
		Declaration under section 54(3)(ii)	Statement of invoices (Annexure-B)
		[Undertaking in relation to section 16(2)(c)]	***]
		Statement 1 under rule 89(5)	
		Statement 1A under rule 89(2)(h)	
		Self-declaration under rule 89(2)(l) if amount claimed does not exceed two lakh rupees, certification	

Guide to CA Certificates in GST

		under rule 89(2)(m) otherwise	
6	Refund to supplier of tax paid on deemed export supplies	Statement 5(B) under rule 89(2)(g)	Documents required under Notification No. 49/2017-Central Tax dated 18.10.2017 and Circular No. 14/14/2017-GST dated 06.11.2017
		Declaration under rule 89(2)(g)	
		³ [Undertaking in relation to section 16(2)(c)]	
		Self-declaration under rule 89(2)(l) if amount claimed does not exceed two lakh rupees, certification under rule 89(2)(m) otherwise	
7	Refund to recipient of tax paid on deemed export supplies	Statement 5(B) under rule 89(2)(g)	Documents required under Circular No. 14/14/2017-GST dated 06.11.2017
		Declaration under rule 89(2)(g)	
		³ [Undertaking in relation to section 16(2)(c)]	
		Self-declaration under rule 89(2)(l) if amount claimed does not exceed two lakh rupees, certification under rule 89(2)(m) otherwise	
8	Refund of excess payment of tax	Statement 7 under rule 89(2)(k)	
		³ [Undertaking in	

Certificate under Section 54 ...

		<i>relation to section 16(2)(c)]</i>	
		Self-declaration under rule 89(2)(l) if amount claimed does not exceed two lakh rupees, certification under rule 89(2)(m) otherwise	
9	Refund of tax paid on intra-state supply which is subsequently held to be an inter-state supply and vice versa	Statement 6 under rule 89(2)(j)	
		³ [<i>Undertaking in relation to section 16(2)(c)]</i>	
10	Refund on account of assessment/assessment/appeal/ any other order	³ [<i>Undertaking in relation to section 16(2)(c)]</i>	Reference number of the order and a copy of the Assessment/ Provisional Assessment/Appeal/ Any Other Order
		Self-declaration under rule 89(2)(l) if amount claimed does not exceed two lakh rupees, certification under rule 89(2)(m) otherwise	Reference number/proof of payment of pre-deposit made earlier for which refund is being claimed
11	Refund on account of any other ground or reason	³ [<i>Undertaking in relation to section 16(2)(c)]</i>	Documents in support of the claim
		Self-declaration under rule 89(2)(l) if amount claimed does not exceed two lakh rupees, certification under rule 89(2)(m) otherwise	

Certificate under Section 54 of the CGST Act

Suggested Format of Certificate

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017 / Union Territory Goods and Services Tax Act, 2017 (in short "SGST/UTGST Act") in terms of Section 54 of the said Acts read with Rule 89 of the Central Goods & Rules, 2017 (in short "CGST Rules") issued under such Acts & Circular No. 125/44/2019-GST dated 18.11.2019

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN and is having its principal place of business at in the State of The Applicant has the following additional places of business:
 - (a)
 - (b)
3. The Management of the Applicant has filed an application for refund u/s 54 of the CGST and SGST/UTGST Acts and provision of Rule 89(2)(m) of the CGST and SGST/UTGST Rules, 2017 requires that a certificate in Annexure 2 of Form GST RFD-01 be issued by a Chartered Accountant or a Cost Accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees.

Management's Responsibility

4. The preparation and filing of refund application under the provisions of GST law is the responsibility of the Management of..... [Name of the Applicant] including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of refund application and applying an appropriate basis of

preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Acts and CGST and SGST/UTGST Rules.

5. Management of the Applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

6. Pursuant to the requirements of Section 54 of the CGST and SGST/UTGST Acts read with Rule 89 of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents/ records of the Applicant and to provide a reasonable assurance that the incidence of tax, interest or any other amount claimed as refund, has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. Our responsibility while issuing the certificate is only limited to provide a reasonable assurance that the incidence of tax, interest or any other amount claimed as refund, in the refund application has not been passed on to any other person. The responsibility does not extend in any manner whatsoever in verifying any other particulars stated in the refund application including the eligibility to claim refund, output tax rate charged or admissibility of the Input Tax Credit.

Opinion

8. We have examined the books of accounts and other relevant documents / records of the Applicant for the purpose of section 54 of

Guide to CA Certificates in GST

the CGST Act and SGST/UTGST Acts and Rule 89(2)(m) of the CGST and SGST/UTGST Rules, 2017.

9. Based on our examination as above and the information and explanation given to us, in our opinion, in respect of the refund amounting to Rs. as mentioned in Annexure-2 of Form GST RFD -01 for the tax period _____, incidence of tax and interest, has not been passed on to any other person.
10. The Certificate contained in Annexure 2 of Form GST RFD-01 shall be read together with this Certificate.

Restriction on Use

11. This certificate is addressed and provided to the[Name of the Applicant] solely for the purpose of submission to (Name of the Authority) pursuant to the requirements of Section 54 of the CGST and SGST/UTGST Acts read with Rule 89(2)(m) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.,

Chartered Accountants

Firm Registration Number: _____

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Check points for the Chartered Accountants –

- (i) Verify registration particulars with the Registration Certificate.
- (ii) Copy of the refund claim for which the Certificate is sought, to be obtained. Check whether the refund claim has been made within the specified time limit. All amounts to be claimed as refund must have been carried in the balance sheet as a current asset and not expensed (or included in the capitalized value of any asset) of the Applicant or debited to any customer directly on any invoice. Provision made towards such refundable amounts due to uncertainty of sanction of refund is not fatal to the claim of refund or for issue of this certificate.
- (iii) Ensure that the applicant is not barred from claiming refund under Section 54(3) of the CGST and SGST/UTGST Acts and document the basis on which refund claim is sought by the Applicant. Compare the GST rate of inputs and the GST rate on outputs.
- (iv) Obtain a declaration from the suppliers to the effect that they have not claimed refund or drawback on the supplies made i.e. this proviso forming part of 54(3) of the CGST and SGST/UTGST Acts, 2017, to ensure that there is no double refund / revenue loss to Government.
- (v) Obtain documentary evidence from the applicant for ensuring that there is no unjust enrichment of the refund amount claimed [Section 54 (4) (b) of the CGST and SGST/UTGST Acts, 2017]. Examine if uniform pricing methodology is applicable in the business of the Applicant such as sales based on standard list price. Where such methodology is applicable then two successive invoices, one involving a refundable amount and the other not involving any claim for refund are 'unlikely' to be the same price. If this is observed, then further substantive tests are required to establish that the 'burden of this refundable amount' has not been passed on. However, if negotiated, price methodology is applicable in the business of the Applicant, suitable representation may be obtained to the effect that refundable amount has not been passed on.
- (vi) Ensure that the refund claimed is recorded as receivable in books and tallies with ledger balances. Also test check the tax invoices and flow of accounting entries recorded in books for such supplies and related taxes.

Guide to CA Certificates in GST

- (vii) Ensure compliance with provisions of Section 54(10) of the CGST and SGST/UTGST Acts, 2017 with respect to default in furnishing any returns, non-payment of tax, interest or penalty etc.
- (viii) This certificate is required to be issued only if the aggregate value of the refund claim exceeds rupees two lakhs (Rule 89 of the CGST and SGST/UTGST Rules, 2017)
- (ix) Care must be taken to disclose the basis on which the conclusion was reached regarding the incidence of tax not being passed on. Merely declaring that incidence of tax has not been passed on will not suffice.
- (x) This certificate is to be issued in respect of a person who has made a claim of refund u/s 54 of the CGST and SGST/UTGST Acts, 2017
- (xi) Ensure that the certificate issued is in accordance with the Guidance Note on Reports and Certificates for special purpose issued by the ICAI.

Chapter 10

Certificate under Section 54 for Additional Foreign Exchange Remittance Due to Upward Price Revision

STATUTORY PROVISIONS

Rule 89 of the Central Goods and Services Tax Act, 2017 - Application for refund of tax, interest, penalty, fees or any other amount

(1) Any person, except the persons covered under notification issued under section 55 claiming refund of ⁵⁰[any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 or] any tax, interest, penalty, fees or any other amount paid by him, other than refund of integrated tax paid on goods exported out of India, may file electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 or ⁵¹[subject to the provisions of rule 10B,] an application electronically in **FORM GST RFD-01** through the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

⁵²[****]

⁵³[**Provided that**] in respect of supplies to a Special Economic Zone unit or a Special Economic Zone developer, the application for refund shall be filed by the -

- (a) supplier of goods after such goods have been admitted in full in

⁵⁰ Inserted vide Notification No. 19/2022 - CT dated 28.09.2022, w.e.f. 01.10.2022.

⁵¹ Inserted vide Notification No. 35/2021-C.T., dated 24.09.2021. Brought into force w.e.f. 01.01.2022 vide Notification No. 38/2021-C.T., dated 21.12.2021.

⁵² Omitted (w.e.f. 01.10.2022) vide Notification No. 19/2022 - CT dated 28.09.2022, prior to omission, it was read as: "Provided that any claim for refund relating to balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49 may be made through the return furnished for the relevant tax period in FORM GSTR-3 or FORM GSTR-4 or FORM GSTR-7, as the case may be".

⁵³ Substituted (w.e.f. 01.10.2022) vide Notification No. 19/2022 - CT dated 28.09.2022 for "Provided further that".

Guide to CA Certificates in GST

the Special Economic Zone for authorised operations, as endorsed by the specified officer of the Zone;

- (b) supplier of services along with such evidence regarding receipt of services for authorised operations as endorsed by the specified officer of the Zone:

⁵⁴ [⁵⁵ **Provided** further that] in respect of supplies regarded as deemed exports, the application may be filed by, -

- (a) the recipient of deemed export supplies; or
- (b) the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund]

Provided also that refund of any amount, after adjusting the tax payable by the applicant out of the advance tax deposited by him under section 27 at the time of registration, shall be claimed ⁵⁶[only after the last return required to be furnished by him has been so furnished].

⁵⁷[**Explanation.**—For the purposes of this sub-rule, — “specified officer” means a “specified officer” or an “authorised officer” as defined under rule 2 of the Special Economic Zone Rules, 2006.]

(1A)

⁵⁸ (1B) Any person, claiming refund of additional integrated tax paid on account of upward revision in price of the goods subsequent to exports, and on which the refund of integrated tax paid at the time of export of such goods has already been sanctioned as per rule 96, may file an application for such refund of additional integrated tax paid, electronically in FORM GST RFD-01 through the common portal, subject to the provisions of rule 10B, before the

⁵⁴ Substituted vide Notification No. 47/2017-CT dated 18.10.2017 for "Provided also that in respect of supplies regarded as deemed exports, the application shall be filed by the recipient of deemed export supplies"

⁵⁵ Substituted (w.e.f. 01.10.2022) vide Notification No. 19/2022 - CT dated 28.09.2022 for "Provided also that".

⁵⁶ Substituted vide Notification No. 38/2023 - CT dated 04.08.2023, prior to substitution, it was read as: 'in the last return required to be furnished by him'.

⁵⁷ Inserted by Notification No. 14/2022- CT, dated 05.07.2022.

⁵⁸ Inserted vide Notification No. 12/2024-CT, dated 10.07.2024.

expiry of two years from the relevant date as per clause (a) of Explanation (2) of section 54:

Provided that the said application for refund can, in cases where the relevant date as per clause (a) of Explanation (2) of section 54 of the Act was before the date on which this sub-rule comes into force, be filed before the expiry of two years from the date on which this sub-rule comes into force

(2) The application under sub-rule (1) shall be accompanied by any of the following documentary evidences in Annexure 1 in **FORM GST RFD-01**, as applicable, to establish that a refund is due to the applicant, namely:-

- (a)
- (b) a statement containing the number and date of shipping bills or bills of export and the number and the date of the relevant export invoices, in a case where the refund is on account of export of goods, ⁵⁹[other than electricity];
- (ba)
- ⁶⁰[(bb) a statement containing the number and date of export invoices along with copy of such invoices, the number and date of shipping bills or bills of export along with copy of such shipping bills or bills of export, the number and date of Bank Realisation Certificate or foreign inward remittance certificate in respect of such shipping bills or bills of export along with copy of such Bank Realisation Certificate or foreign inward remittance certificate issued by Authorised Dealer-I Bank, the details of refund already sanctioned under sub-rule (3) of rule 96, the number and date of relevant supplementary invoices or debit notes issued subsequent to the upward revision in prices along with copy of such supplementary invoices or debit notes, the details of payment of additional amount of integrated tax, in respect of which such refund is claimed, along with proof of payment of such additional amount of integrated tax and interest paid thereon, the number and date of foreign inward remittance certificate issued by Authorised Dealer-I Bank in respect of additional foreign exchange remittance received in

⁵⁹ Inserted by Notification No. 14/2022- CT dated 05.07.2022.

⁶⁰ Inserted by Notification No. 12/2024- CT dated 10.07.2024.

Guide to CA Certificates in GST

respect of upward revision in price of exports along with copy of such foreign inward remittance certificate, along with a certificate issued by a practicing chartered accountant or a cost accountant to the effect that the said additional foreign exchange remittance is on account of such upward revision in price of the goods subsequent to exports and copy of contract or other documents, as applicable, indicating requirement for the revision in price of exported goods and the price revision thereof, in a case where the refund is on account of upward revision in price of such goods subsequent to exports;

- (bc) a reconciliation statement, reconciling the value of supplies declared in supplementary invoices, debit notes or credit notes issued along with relevant details of Bank Realisation Certificate or foreign inward remittance certificate issued by Authorised Dealer-I Bank, in a case where the refund is on account of upward revision in price of such goods subsequent to exports;]

- (c)
- (d)
- (e)
- (f)
- (g)
- (h)
- (i),
- (j)
- (k)
- (ka)
- (kb)

- (l) a declaration to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed does not exceed two lakh rupees:

Provided that a declaration is not required to be furnished in respect of the cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of sub-section (8) of section 54;

- (m) a Certificate in Annexure 2 of **FORM GST RFD-01** issued by a chartered accountant or a cost accountant to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, in a case where the amount of refund claimed exceeds two lakh rupees:

Provided that a certificate is not required to be furnished in respect of cases covered under clause (a) or clause (b) or clause (c) or clause (d) or clause (f) of subsection (8) of section 54;

⁶¹**[Provided** further that a certificate is not required to be furnished in cases where refund is claimed by an unregistered person who has borne the incidence of tax.]

Explanation. - For the purposes of this rule-

- (i) in case of refunds referred to in clause (c) of sub-section (8) of section 54, the expression "invoice" means invoice conforming to the provisions contained in section 31;
- (ii) where the amount of tax has been recovered from the recipient, it shall be deemed that the incidence of tax has been passed on to the ultimate consumer.

⁶¹ Inserted vide Notification No. 26/2022-CT dated 26.12.2022.

Rule 96 of the Central Goods and Services Tax Act, 2017 - Refund of integrated tax paid on goods ⁶²[or services] exported out of India.-

(1) The shipping bill filed by ⁶³[an exporter of goods] shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India and such application shall be deemed to have been filed only when:-

(a) the person in charge of the conveyance carrying the export goods duly files ⁶⁴[a departure manifest or] an export manifest or an export report covering the number and the date of shipping bills or bills of export; and

(b) ⁶⁵[the applicant has furnished a valid return in **FORM GSTR-3B**:

Provided that if there is any mismatch between the data furnished by the exporter of goods in Shipping Bill and those furnished in statement of outward supplies in **FORM GSTR-1** ⁶⁶[, **as amended in FORM GSTR-1A if any,**] such application for refund of integrated tax paid on the goods exported out of India shall be deemed to have been filed on such date when such mismatch in respect of the said shipping bill is rectified by the exporter;]

⁶⁷[(c) the applicant has undergone Aadhaar authentication in the manner provided in rule 10B;]

⁶⁸[**Provided** that the exporter of goods may file an application electronically in **FORM GST RFD-01** through the common portal for refund of additional integrated tax paid on account of upward revision in price of goods subsequent to export of such goods, and on which the amount of integrated tax paid at the time of export of such goods has already been refunded in accordance with provisions of sub-rule (3) of this rule, and such application shall be dealt with in accordance with the provisions of rule 89.]

⁶² Inserted by the Central Goods and Services Tax (Fourteenth Amendment) Rules, 2017, w.e.f. 23-10-2017.

⁶³ Substituted for the words "an exporter" w.e.f. 23.10.2017 vide Notification No. 03/2018-CT dated 23.01.2018.

⁶⁴ Inserted vide Notification No. 74/2018-CT dated 31.12.2018

⁶⁵ Substituted for the words "the applicant has furnished a valid return in FORM GSTR-3 or FORM GSTR-3B, as the case may be" w.e.f. 01.07.2017 vide Notification No. 14/2022-CT dated 05.07.2022.

⁶⁶ Inserted by the Central Goods and Services Tax (Amendment) Rules, 2024, w.e.f. 10-7-2024.

⁶⁷ Inserted vide Notification No. 35/2021-CT dated 24.09.2021. Brought into force w.e.f. 01.01.2022 vide Notification No. 38/2021-CT dated 21.12.2021.

⁶⁸ Inserted vide Notification No. 12/2024-CT dated 10.07.2024.

Certificate under Section 54 of the CGST Act in case of supplementary invoices or debit notes issued subsequent to the upward revision in prices.

Suggested Format of Certificate

(Refer-Notification No. 12/2024-Central Tax dated 10.07.2024)

Independent Practitioner's Certificate under the Central Goods and Services Tax Act, 2017 (in short "CGST Act") and State Goods and Services Tax Act, 2017 / Union Territory Goods and Services Tax Act, 2017 (in short "SGST/UTGST Act") in terms of Section 54 of the said Acts for refund of additional integrated tax paid on account of upward revision in price of the goods subsequent to exports

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s. (hereinafter referred to as the "Applicant") is a registered person vide GSTIN and is having its principal place of business at in the State of The Applicant has the following additional places of business:
 - (c) _____
 - (d) _____
 - (e) The Management of the Applicant has filed an application for refund of additional integrated tax paid on account of upward revision in price of the goods subsequent to exports in terms of section 54 of the CGST and SGST/UTGST Acts read with sub-rule (1B) of Rule 89 of the Central Goods & Services Tax Rules, 2017 (in short CGST Rules) inserted vide *Notification No. 12/2024 CT dated 10.07.2024*. Clause (bb) of sub-rule (2) of Rule 89 of the CGST and SGST/UTGST Rules, 2017 inserted vide *Notification No. 12/2024 CT dated 10.07.2024* requires that a certificate be issued by a Chartered Accountant or a Cost Accountant to the effect that the said additional foreign exchange remittance is on account of such upward revision in price of the goods subsequent to exports.

Management's Responsibility

3. The preparation and filing of refund application under the provisions of GST law is the responsibility of the Management of the Applicant] including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of refund application and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The management is also responsible for ensuring that the Applicant complies with the requirements of CGST and SGST/UTGST Acts and CGST and SGST/UTGST Rules.

4. Management of the Applicant is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

5. Pursuant to the requirements of Section 54 of the CGST and SGST/UTGST Acts read with sub-rules (1B) and 2(bb) of Rule 89 of the CGST and SGST/UTGST Rules, 2017, it is our responsibility to examine the books of accounts and other relevant documents/ records of the Applicant and to provide reasonable assurance that the additional foreign exchange remittance is on account of upward revision in price of the goods subsequent to exports.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. Our responsibility while issuing the certificate is only limited to provide a reasonable assurance that the additional foreign exchange remittance is on account of upward revision in price of the goods subsequent to exports. The responsibility does not extend in any manner whatsoever in verifying any other particulars stated in the refund application including the eligibility to claim refund/refund amount, output tax rate charged or admissibility of the input tax credit.

Opinion

8. We have examined the books of accounts and other relevant documents / records of the Applicant for the purpose of section 54 of the CGST Act and SGST/UTGST Acts read with sub-rules (1B) and 2(bb) of Rule 89 of the CGST and SGST/UTGST Rules, 2017.
9. Based on our examination as above and the information and explanation given to us, in our opinion, in the additional foreign exchange remittance amounting to Rs. as mentioned in Statement 9A of Form GST RFD -01 for the tax period _____, is on account of upward revision in price of the goods subsequent to exports of the said goods. The details of the same are given below:

[illegible]

Restriction on Use

10. This certificate is addressed and provided to the Applicant solely for the purpose of submission to..... (Name of the Authority) pursuant to the requirements of Section 54 of the CGST and SGST/UTGST Acts read with Rule 89(2)(bb) of the CGST and SGST/UTGST Rules, 2017 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.,

Chartered Accountants

Firm Registration Number: _____

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN: _____

Check points for the Chartered Accountants –

- (i) Ensure the existence of a valid contract or agreement that explicitly mentions the provision for upward revision of prices after export.
- (ii) Verify the number and date of the supplementary invoice or debit note issued post-export. Ensure the supplementary invoice aligns with the upward price revision and reflects the additional integrated tax (IGST) amount.
- (iii) Obtain and verify the Foreign Inward Remittance Certificate (FIRC) issued by the Authorized Dealer-I Bank that indicates the additional foreign exchange remittance on account of price revision.
- (iv) Check the original export invoices and shipping bills to ensure the correctness of the initial export value. Compare them with the supplementary invoice and revised value to confirm the upward revision.
- (v) If the foreign exchange remittance includes other considerations (e.g., payments for services or other goods), obtain a detailed breakdown of the remittance. This breakdown should identify the portion attributable to the upward price revision of the export goods.
- (vi) Obtain supporting documents such as contracts, invoices, or agreements that clarify the various components of the foreign exchange remittance. Ensure that the portion of the remittance related to the upward price revision is distinctly identified in these documents.
- (vii) Ensure that the certificate issued is in accordance with the Guidance Note on Reports and Certificates for special purpose issued by the ICAI.
- (viii) Ensure that a letter of representation is taken from the Management of the Applicant for the details and information provided by them.

Chapter 11

Certificate under Circular No. 183/15/2022-GST for Credit Mismatch

Circular No. 183/15/2022-GST [CBIC-20001/2/2022 – GST] dated 27.12.2022 [Extract]

Clarification to deal with difference in Input Tax Credit (ITC) availed in FORM GSTR-3B as compared to that detailed in FORM GSTR-2A for FY 2017-18 and 2018-19

1.
2.
3.
4. The proper officer shall first seek the details from the registered person regarding all the invoices on which ITC has been availed by the registered person in his FORM GSTR 3B but which are not reflecting in his FORM GSTR 2A. He shall then ascertain fulfillment of the following conditions of Section 16 of the CGST Act in respect of the input tax credit availed on such invoices by the said registered person:
 - i) That he is in possession of a tax invoice or debit note issued by the supplier or such other tax paying
 - ii) That he has received the goods or services or both;
 - iii) That he has made payment for the amount towards the value of supply, along with tax payable thereon, to the supplier.

Besides, the proper officer shall also check whether any reversal of input tax credit is required to be made in accordance with section 17 or section 18 of CGST Act and also whether the said input tax credit has been availed within the time period specified under sub-section (4) of section 16 of CGST Act.

Guide to CA Certificates in GST

- 4.1 In order to verify the condition of clause (c) of sub-section (2) of Section 16 of CGST Act that tax on the said supply has been paid by the supplier, the following action may be taken by the proper officer:
 - 4.1.1 In case, where difference between the ITC claimed in FORM GSTR-3B and that available in FORM GSTR 2A of the registered person in respect of a supplier for the said financial year exceeds Rs 5 lakh, the proper officer shall ask the registered person to produce a certificate for the concerned supplier from the Chartered Accountant (CA) or the Cost Accountant (CMA), certifying that supplies in respect of the said invoices of supplier have actually been made by the supplier to the said registered person and the tax on such supplies has been paid by the said supplier in his return in FORM GSTR 3B. Certificate issued by CA or CMA shall contain UDIN. UDIN of the certificate issued by CAs can be verified from ICAI website <https://udin.icai.org/search-udin> and that issued by CMAs can be verified from ICMAI website <https://eicmai.in/udin/VerifyUDIN.aspx>
 - 4.1.2 In cases, where difference between the ITC claimed in FORM GSTR-3B and that available in FORM GSTR 2A of the registered person in respect of a supplier for the said financial year is upto Rs 5 lakh, the proper officer shall ask the claimant to produce a certificate from the concerned supplier to the effect that said supplies have actually been made by him to the said registered person and the tax on said supplies has been paid by the said supplier in his return in FORM GSTR 3B.
- 4.2 However, it may be noted that for the period FY 2017-18, as per proviso to section 16(4) of CGST Act, the aforesaid relaxations shall not be applicable to the claim of ITC made in the FORM GSTR-3B return filed after the due date of furnishing return for the month of September, 2018 till the due date of furnishing return for March, 2019, if supplier had not furnished details of the said supply in his FORM GSTR-1 till the due date of furnishing FORM GSTR 1 for the month of March, 2019.
5. It may also be noted that the clarifications given hereunder are case specific and are applicable to the bona fide errors committed in reporting during FY 2017-18 and 2018-19. Further, these guidelines are clarificatory in nature and may be applied as per the actual facts

Certificate under Circular No. 183/15/2022-GST for Credit Mismatch

and circumstances of each case and shall not be used in the interpretation of the provisions of law.

6.

Independent Practitioner's Certificate in respect of credit mismatch as required by CBIC Circular No. 183/15/2022-GST dated 27th December 2022 and Circular No. 193/05/2023-GST dated 17th July 2023.

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s(hereinafter referred as "Supplier") is having GSTIN(Registration with effect from) and is having principal place of business at and Supplier has following additional places of business:
(a)
(b)
3. M/s (hereinafter referred as "Recipient") is having GSTIN (Registration with effect from) and is having principal place of business at Supplier has following additional places of business:
(a)
(b)
4. Central Board of Indirect Taxes & Customs ('CBIC') has issued *Circular No. 183/15/2022-GST dated 27th December 2022* (hereinafter referred to as "Circular") & *Circular No. 193/05/2023-GST dated 17th July 2023*, in case of mismatch of *bona fide* eligible input tax credit of a Recipient with respect to the invoices issued by the Supplier (hereinafter referred to as "mismatched invoices") that cannot be validated through the mechanism of FORM GSTR- 2A report for the period [i.e., the supplier has omitted or failed to furnish the correct details of outward supplies in their FORM GSTR-1,

which has led to certain deficiencies or discrepancies in FORM GSTR-2A of their Recipient].

Para 4.1 and 4.1.1. of Circular requires that in order to verify the condition of clause (c) of sub-Section (2) of Section 16 of CGST Act that tax on the said supply has been paid by the Supplier in cases, where difference between the ITC claimed in FORM GSTR-3B and that available in FORM GSTR 2A of the registered person in respect of a Supplier for the said financial year exceeds Rs. 5 lakh, the proper officer shall ask the registered person to produce a certificate for the concerned Supplier from the Chartered Accountant (CA) or the Cost Accountant (CMA), certifying that supplies in respect of the said invoices of Supplier have actually been made by the Supplier to the said registered person and the tax on such supplies has been paid by the said Supplier in his return in FORM GSTR 3B.

Responsibility of Management of the Supplier

5. Management of the Supplier is responsible for preparation, maintenance and submission of records in relation to requirements for verification and validation that due tax has been paid on the supplies covered by the mismatched invoice satisfying the condition as provided under Section 16(2)(c) of the Central Goods and Services Tax Act, 2017 (in short “CGST Act”).
6. It is the responsibility of the Management of the Supplier to ascertain fulfilment of the following conditions of Section 16 of CGST Act in respect of the input tax credit availed by them and utilised for discharging output liability:
 - i) They are in possession of a tax invoice or debit note issued by the Supplier or such other tax paying documents;
 - ii) They have received the goods or services or both;
 - iii) They have made payment for the amount towards the value of supply, along with tax payable thereon, to the registered person who has supplied goods or services or both to the Supplier;
 - iv) The registered person who has supplied goods or services or both to the Supplier, has have paid due tax on the outward supply by way of cash or admissible input tax credit in respect of the said supply;

Certificate under Circular No. 183/15/2022-GST for Credit Mismatch

v) Appropriate reversal of input tax credit has been made in accordance with Section 17 or Section 18 of CGST Act.

7. Management of the Supplier is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

8. Pursuant to requirements of Circular, our responsibility is to verify and validate that tax in respect of the supplies covered by the mismatched invoices, has been paid by the Supplier in his return in FORM GSTR 3B as the difference between the ITC claimed in FORM GSTR-3B and that available in FORM GSTR 2A of the Recipient in respect of the said Supplier for the said financial year exceeds Rs 5 lakh.
9. All details which are required to be furnished in the certificate have been provided by the Management (of the Supplier) to us. The authorship of underlying data based on which the present certificate has been issued, will not be ours but will always be with them (Management of the Supplier).

Our exercise is to review and verify the books of account, tax invoices, returns and other records of the Supplier and not that of the Recipient who has availed the input tax credit. Considering that we are carrying out the exercise of verification and validation of discharge of output tax by the Supplier, the scope of our responsibility is not to examine or opine on the admissibility of input tax credit in the hands of the Recipient.

The present certificate is limited to statement of fact and is not an opinion about the admissibility of input tax credit. The certificate traces the flow of tax invoice(s) under review into the data in Common Portal and related taxes discharged via FORM GSTR-3B returns filed in one or other tax period.

10. Provision of Section 16(2)(c) of the CGST Act requires that the tax charged in respect of supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply.

Guide to CA Certificates in GST

However, given the inherent limitation which arises out of non-availability of reliable mechanism either by the Common Portal or by the Government, pertaining to tax being deposited in respect of the credit being availed and utilised by the Supplier for discharge of outward liability on the supplies covered by the mismatched invoices, we have relied upon the data to the extent available by the Common Portal and the information and documents made available by the Management of the Supplier for verification of stipulation as provided under Section 16(2)(c) of the CGST Act.

11. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

12. The present certificate is limited to statement of fact and is not an opinion about the admissibility of input tax credit to the Recipient. The certificate traces the flow of tax invoice(s) under review into the data in Common Portal and related taxes discharged via FORM GSTR-3B returns in one or other tax period filed.
13. Based on our examination as above and the information and explanations given to us, in our opinion, amount of Rs. _____ being CGST, SGST/ UTGST, IGST and Cess in respect of the supplies covered by the mismatched invoices, have been deposited by the Supplier via FORM GSTR 3B returns filed under section 39 of CGST Act. The details are given below:

SL. NO.	INVOICE NUMBER	DATE OF INVOICE	TAXABLE VALUE	TAX PAID				TOTAL INVOICE VALUE	DATE OF DELIVERY (ONLY IN CASE OF GOODS)	LOCATION OF DELIVERY (ONLY IN CASE OF GOODS)	REMARKS
				IGST	CGST	SGST /UTGST	CESS				

Certificate under Circular No. 183/15/2022-GST for Credit Mismatch

Restriction on Use

14. This certificate is issued for the purposes of verification of compliance of requirements in Section 16(2)(c) of CGST Act that the tax has been paid by the Supplier in respect of the supplies covered by the mismatched invoices, as required by the Proper Officer of above named Recipient for financial year...../.....as required under *Circular No.183/15/2022-GST dated 27th December 2022* issued by CBIC . This certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.

Chartered Accountants

Firm's Registration Number

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN _____

Guide to CA Certificates in GST

Checkpoints for Chartered Accountants -

1. The certificate is to be issued only for the following four categories of mismatches as listed in para 3 of the Circular:
 - i. Where Supplier has not filed FORM GSTR-1 but has filed FORM GSTR-3B;
 - ii. Where outward supply(ies) have been omitted from FORM GSTR-1 and FORM GSTR-3B has been filed;
 - iii. Where outward supply(ies) have been wrongly reported as 'B2C' supply in FORM GSTR-1 instead of 'B2B' supply and FORM GSTR-3B has been filed;
 - iv. Where outward supply(ies) have been reported with 'incorrect GSTIN' under 'B2B' category in FORM GSTR-1 and FORM GSTR-3B has been filed.
2. The Circular provides that the certificate by a Chartered Accountant should be issued when amount of mismatched input tax credit exceeds Rs.5 lakh. This limit will be (i) Rs.5 lakh for IGST mismatch or (ii) Rs.2.5 lakh each of CGST and SGST/UTGST mismatch.
3. Considering that invoice-wise details are not available in return filed in FORM GSTR-3B, it is important to verify (i) tax invoices (ii) books and records and (iii) Annual Return in FORM GSTR-9 and Reconciliation Statement in FORM GSTR-9C to confirm the reliability of assertion made by the Supplier.

Payment made only through returns in FORM GSTR-3B is to be considered for the purpose of this certificate. Payment made via FORM GST DRC-03 or through any other mode of recovery is beyond the scope of this certificate.
4. Verification must extend to review of multiple tax periods to identify output tax discharged in such subsequent tax period is not pertaining to any other liability.
5. Verification must start with the total mismatch informed by Recipient (as directed Proper Officer) and therefrom the scenarios that are outside the scope of this Circular (illustrated below) must be excluded to arrive at the extent of mismatch to be considered for certification.

Certificate under Circular No. 183/15/2022-GST for Credit Mismatch

- a) Amount of mismatch that is discharged other than *via* FORM GSTR-3B such as FORM GST DRC-03 or FORM DRC-13 or any other;
 - b) Amount of mismatch that is resolved without being discharged *via* FORM GSTR-3B such as credit notes, return supplies etc.
6. Care must be taken to note:
- a) Tax period relating to the date of issue of tax invoice;
 - b) Tax period in which outward supply is reported in FORM GSTR-1;
 - c) Tax period in which output tax is discharged in FORM GSTR-3B;
 - d) Consolidated data reported in FORM GSTR-1 and FORM GSTR-3B and the annualized and final versions filed in annual return in FORM GSTR-9;
 - e) Mismatch may not be limited to one of the four (4) categories discussed in this Circular

Chapter 12

**Certificate under Circular No.
212/6/2024-GST for Credit Reversal for
Post Supply Discounts**

STATUTORY PROVISIONS

Section 15. Value of Taxable Supply [Extract]

- (1)
- (2)
- (3) The value of the supply shall not include any discount which is given-
 - (a)
 - (b) after the supply has been effected, if-
 - (i) such discount is established in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and
 - (ii) input tax credit as is attributable to the discount on the basis of document issued by the supplier has been reversed by the recipient of the supply.
- (4)
- (5)

Circular No. 212/6/2024-GST [CBIC-20001/4/2024 – GST] dated 26.06.2024 [Extract]

Mechanism for providing evidence of compliance of conditions of Section 15(3)(b)(ii) of the CGST Act, 2017 by the suppliers

- 1.
- 2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, hereby clarifies the issues as under

Certificate under Circular No. 212/6/2024-GST for Credit Reversal ...

- 2.1 Section 15 of the CGST Act provides for value of taxable supply of goods or services or both. Sub-section (3) of the said section provides that the value of supply shall not include discount given by the supplier, subject to certain conditions. As per clause (b) of the said sub-section, any discount which is given after the supply has been effected shall not be included in the value of the supply, only if it satisfies the following conditions:
- i. Such discount is established in terms of an agreement entered into at or before the time of such supply;
 - ii. Such discount must be specifically linked to the relevant invoices
 - iii. Input Tax Credit attributable to such discount on the basis of document issued by the supplier has been duly reversed by the recipient
- 2.2 Accordingly, wherever any discount is offered by the supplier to the recipient, by issuance of a tax credit note as per section 34 of the CGST Act, after the supply has been effected, the said discount can be excluded from the value of taxable supply only if the conditions of clause (b) of sub-section (3) of section 15 of the CGST Act are fulfilled. Such conditions inter alia includes the requirement of reversal of input tax credit by the recipient attributable to the said discount.
- 2.3 However, there is no system functionality/ facility presently available on the common portal to enable the supplier or the tax officer to verify the compliance of the said condition of proportionate reversal of input tax credit by the recipient.
- 2.4 In view of the above, till the time a functionality/ facility is made available on the common portal to enable the suppliers as well as the tax officers to verify whether the input tax credit attributable to such discounts offered through tax credit notes has been reversed by the recipient or not, the supplier may procure **a certificate from the recipient of supply, issued by the Chartered Accountant (CA) or the Cost Accountant (CMA), certifying that the recipient has made the required proportionate reversal of input tax credit at his end in respect of such credit note issued by the supplier.**
- 2.5 The said CA/CMA certificate may include details such as the details of the credit notes, the details of the relevant invoice number against which the said credit note has been issued, the amount of ITC reversal in respect of

Guide to CA Certificates in GST

each of the said credit notes along with the details of the FORM GST DRC-03/ return / any other relevant document through which such reversal of ITC has been made by the recipient.

- 2.6 Such certificate issued by CA or CMA shall contain UDIN (Unique Document Identification Number). UDIN of the certificate issued by CAs can be verified from ICAI website <https://udin.icaai.org/search-udin> and that issued by CMAs can be verified from ICAI website <https://eicmai.in/udin/VerifyUDIN.aspx>
- 2.7 In cases, where the amount of tax (CGST+SGST+IGST and including compensation cess, if any) involved in the discount given by the supplier to a recipient through tax credit notes in a Financial Year is not exceeding Rs 5,00,000 (rupees five lakhs only), then instead of CA/CMA certificate, the said supplier may procure an undertaking/ certificate from the said recipient that the said input tax credit attributable to such discount has been reversed by him, along with the details mentioned in Para 2.5 above
- 2.8 Such certificates issued by the CA/CMA or the undertakings/ certificates issued by the recipient of supply, as the case may be, shall be treated as a suitable and admissible evidence for the purpose of section 15(3)(b)(ii) of the CGST Act, 2017. The supplier shall produce such certificates/ undertakings before the tax officers, if required, during any proceedings such as scrutiny, audit, investigations, etc. Even for the past period, where ever any such evidence as per section 15(3)(b)(ii) of CGST Act in respect of credit note issued by the supplier for post-sale discounts is required to be produced by him to the tax authorities, the concerned taxpayer may procure and provide such certificates issued by CA/CMA or the undertakings/ certificates issued by the recipients of supply, as the case may be, to the concerned investigating/audit/adjudicating authority as evidence of requisite reversal of input tax credit by his recipients.
3.
4.

Certificate under Circular No. 212/6/2024-GST for Credit Reversal ...

Independent Practitioner's Certificate in respect of proportionate reversal of input tax credit as required by CBIC Circular No. 212/6/2024-GST dated 26th June 2024.

Name and Address of the Applicant

1. This Certificate is issued in accordance with the terms of our agreement dated
2. M/s(hereinafter referred as "Supplier") is having GSTIN(Registration with effect from) and is having principal place of business at and Supplier has following additional places of business:
(a)
(b)
3. M/s (hereinafter referred as "Recipient") is having GSTIN (Registration with effect from) and is having principal place of business at Supplier has following additional places of business:
(a)
(b)
4. Central Board of Indirect Taxes & Customs ('CBIC') has issued *Circular No. 212/6/2024-GST dated 26th June 2024* (hereinafter referred to as "Circular") to provide a mechanism for providing evidence of compliance of condition of clause (b)(ii) of sub-section (3) of section 15 of the Central Goods and Services Tax Act, 2017 (in short "CGST Act"). As per section 15(3)(b)(ii) of the CGST Act, where discounts are offered by the suppliers through tax credit notes, after the supply has been effected, the said discount is not to be included in the taxable value only if the input tax credit attributable to the said discount is reversed by the recipient.
5. Paras 2.4 and 2.5 of Circular require that in order to verify as to whether the input tax credit attributable to such discounts offered through tax credit notes has been reversed by the recipient or not, the supplier may procure a certificate from the recipient of supply, issued

Guide to CA Certificates in GST

by the Chartered Accountant (CA) or the Cost Accountant (CMA), certifying that the recipient has made the required proportionate reversal of input tax credit at his end in respect of such tax credit note issued by the supplier.

Responsibility of Management of the Recipient

6. Management of the Recipient is responsible for preparation, maintenance and submission of records in relation to requirements for verification and validation that input tax credit attributable to any discount given after the supply has been affected is duly reversed in compliance with Section 15(3)(b)(ii) of the CGST Act.
7. Management of the Recipient is responsible to ensure that books, records documents and information made available for purposes of verification are truthful and reliable, extracted from contemporaneous records for the purposes of establishing reliability of assertions made by them.

Practitioner's Responsibility

8. Pursuant to requirements of Circular, our responsibility is to verify and validate that the Recipient has made the required proportionate reversal of input tax credit at his end in his return in FORM GSTR 3B/DRC-03/other relevant document in respect of tax credit note(s) issued by the Supplier
9. All details which are required to be furnished in the certificate have been provided by the Management (of the Recipient) to us. The authorship of underlying data based on which the present certificate has been issued, will not be ours but will always be with them (Management of the Recipient).
10. We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that

Certificate under Circular No. 212/6/2024-GST for Credit Reversal ...

Perform Audits and Reviews of Historical Financial Information, and
Other Assurance and Related Services Engagements.

Opinion

11. The present certificate is limited to statement of fact and does not form any opinion. The certificate traces the required proportionate reversal of input tax credit at the end of the Recipient via FORM GSTR-3B/DRC-03/ other relevant document in respect of credit note(s) issued by the Supplier during the period.....
12. Based on our examination as above and the information and explanations given to us, in our opinion, amount of Rs. _____ being CGST, SGST/ UTGST, IGST and Cess has been reversed by the Recipient in respect of credit note(s) issued by the Supplier via FORM GSTR-3B/DRC-03/ other relevant document during the period..... The details are given below:

Guide to CA Certificates in GST

SL. NO.	CREDIT NOTE NUMBER	DATE OF CREDIT NOTE	TAXABLE VALUE	AMOUNT OF TAX				INPUT TAX CREDIT REVERSED				TAX PERIOD IN WHICH INPUT TAX CREDIT REVERSED	MODE OF REVERSAL- FORM GSTR-3B/FORM DRC-03/OTHERS	ORIGINAL INVOICE NUMBER#	ORIGINAL INVOICE DATE#	TOTAL INVOICE VALUE#	TAX PERIOD IN WHICH INPUT TAX CREDIT AVAILED#	REMARKS
				IGST	CGST	SGST /UTGST	CESS	IGST	CGST	SGST /UTGST	CESS							

Where a credit note is issued for multiple invoices, the aforementioned details pertaining to all such invoices need to be given for that credit note.

Certificate under Circular No. 212/6/2024-GST for Credit Reversal ...

Restriction on Use

13. This certificate is issued for the purpose of verification of compliance of condition under Section 15(3)(b)(ii) of the CGST Act & SGST/UTGST Act of proportionate reversal of input tax credit by the Recipient via FORM GSTR-3B/DRC-03/other relevant document in respect of the tax credit note(s) issued by the Supplier during the period as required under *Circular No. 212/6/2024-GST dated 26th June 2024* issued by CBIC. This certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For XYZ and Co.

Chartered Accountants

Firm's Registration Number

Place of Signature: _____

Date: _____

Signature

(Name of the Member Signing the Certificate)

(Designation)

Membership Number: _____

UDIN _____

Checkpoints for Chartered Accountants -

1. The Certificate by a Chartered Accountant should be issued when the amount of tax (CGST+SGST or IGST and compensation cess, if any) involved in the discount given by the Supplier to a Recipient through tax credit notes in a Financial Year exceeds Rs. 5,00,000 (Rupees five lakhs only)
2. The said CA certificate may include details of the tax credit notes, details of the relevant invoice number against which the said credit note has been issued, the amount of input tax credit reversed in respect of each of the said credit notes along with the details of the FORM GSTR 3B/Form GST DRC-03/any other relevant document through which such reversal has been made by the Recipient.
3. The certificate issued by CA shall contain UDIN (Unique Document Identification Number).
4. Verification must start with the total input tax credit reversal informed by Recipient and therefrom the scenarios that are outside the scope of this Circular (illustrated below) must be excluded to arrive at the extent of reversal to be considered for certification.
 - ✓ Credit notes issued for reasons that do not impact the GST liability, such as accounting adjustments, price adjustments unrelated to supply, or clerical corrections
 - ✓ Credit notes issued after the statutory time limit (i.e., after October of the following financial year or filing of the annual return, whichever is earlier) as they do not qualify for input tax credit adjustment under GST law.
 - ✓ Reversals due to non-payment to the supplier within 180 days, as required under second proviso to Section 16(2) of the CGST Act
 - ✓ Reversals related to blocked credits (such as motor vehicles, personal consumption, etc.) since these are statutory disallowances under Section 17(5) of the CGST Act and unrelated to post-supply adjustments covered by tax credit notes.

Certificate under Circular No. 212/6/2024-GST for Credit Reversal ...

- ✓ Reversal due to non-compliance of conditions relating to return of inputs and capital goods sent on job work (under Section 19 of the CGST Act)
 - ✓ Reversals due to the wrongful claim of input tax credit in previous periods (such as clerical errors or duplicate claims)
5. Cross-check whether the credit note issued by the Supplier is reflected in the Recipient's Form GSTR-2B for the respective month.
6. Care must be taken to note:
- a) Tax period in which credit note(s) is issued by the Supplier;
 - b) Tax period in which input tax credit is reversed in FORM GSTR-3B/DRC-03/other relevant document.

ISBN : 978-81-8441-977-1



GST & Indirect Taxes Committee
The Institute of Chartered Accountants of India
ICAI Bhawan, A - 29, Sector - 62, Noida - 201 309
Phone : 0120 - 3045954
E-mail : gst@icai.in
Website : <https://icai.org/>, <https://idtc.icai.org/>