

GST Annual Filing and Audit Requirements w.e.f. 1 August 2021

Finance Act 2021 has brought in certain amendments to the GST Act regarding the filing of GST returns and certification thereof. Following is a brief update on the same.

Position till 1 August 2021

1. Every registered person (except certain persons*) under the CGST Act was required to furnish an annual return for the financial year (FY) in form no. GSTR 9 by 31 December, i.e. within 9 months from the close of the FY.
2. In case the aggregate turnover exceeded INR 2 crores the registered person was required to get his accounts audited by a chartered accountant or a cost accountant and submit a copy of the audited annual accounts, and other prescribed documents.
3. In addition to the above, a reconciliation statement in form no. GSTR 9C (certified by the auditor) was required to be filed showing the reconciliation of

the turnover as per GSTR 9 and the turnover reported in the audited accounts.

With effect from 1 August 2021, CBIC has notified the following amendments

1. A registered person (except certain persons*) whose aggregate turnover during the FY 2020-21 and onwards does not exceed INR 2crores is exempt from filing the GST annual return.
2. The requirement of a chartered accountant or a cost accountant to audit the accounts is done away with. Instead, the registered person shall himself certify the correctness of the annual return and upload the same on the GST portal.
3. The format of self-certified reconciliation statement shall be in form GSTR 9C only. This self-certification is required for those registered persons whose aggregate turnover (turnover under single PAN) exceeds INR 5 crores as per amended Rule 80(3).

*The following persons are not required to file annual returns:

- Input Service Distributor
- Person paying tax u/s 51 or 52 (TDS and TCS)
- Casual taxable person
- Non-resident taxable person

Therefore

Small dealers with a turnover of less than INR 2 crores have been relieved from annual filing process. This will mean lesser compliances for smaller dealers.

Removing the mandatory audit requirement will bring time and cost savings for the dealers. The onus of correctness of the return is now shifted to owners instead of auditors. This move will surely bring awareness and accountability within the enterprise.

In all, the hassle-free process of the GST returns will ensure time and cost savings to medium and small dealers.

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