

## **Draft Certificates**

### **Under GST Law- Recommendatory**

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**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of Section 18(1)(a) of the said Acts**

1. 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 duly registered in the State of \_\_\_\_\_:
- a. \_\_\_\_\_
  - b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of \_\_\_\_\_ have been duly registered with effect from \_\_\_\_\_ within the stipulated time of 30 days from the date of being liable to obtain registration.

2. In terms of Section 18(1) (a) of the CGST and SGST Acts, the Applicant 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 from which he becomes liable to pay tax under the SGST / CGST Acts, 2017, as on \_\_\_\_\_.
3. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that, subject to our remarks / comments in para 5 infra, the Applicant is eligible to avail Input Tax Credit of Rs..... on 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 SGST / CGST Acts, 2017.
4. The relevant details of inputs held in stock and inputs contained in semi-finished or finished goods held in stock as at \_\_\_\_\_ (that is the day immediately preceding the date from which he becomes liable to pay tax under the SGST / CGST Acts, 2017) and the corresponding input tax credit is provided as **Appendix A**.
5. Remarks / comments (Refer Para 3 supra):
- a. The inputs held in stock (based on FIFO method) on the day immediately preceding the date on which he becomes liable to pay tax under the SGST / CGST Acts, 2017 i.e. \_\_\_\_\_ has been physically verified by us on \_\_\_\_\_ along with the

corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.

- b. The inputs contained in semi-finished or finished goods held in stock (based on FIFO method) is based on the management certificate furnished to us and verified by us along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.

6. This certificate has been issued in terms of Section 18(1) (a) of the SGST / CGST read with Rule 40 (1) (d) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_,  
Chartered Accountants

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Partner

Firm Registration Number: \_\_\_\_\_

Membership Number: \_\_\_\_\_

**Check points for the Chartered Accountant –**

- i. Verify registration particulars with the Registration Certificate.
- ii. Check whether declaration in Form GST ITC-01 is filed by the assessee on GST portal for entitlement to claim such credits within 30 days of being entitled to do so.
- iii. Check the books and records and other relevant documents and registers relating to inputs lying in stock and inputs contained in semi-finished or finished goods on the date immediately preceding the date from which he becomes liable to pay tax under the SGST / CGST Acts, 2017. Eligibility of such credits also needs to be checked under Section 16 and Section 17 of the CGST / SGST Acts, 2017.
- iv. Check computation of input tax credit from tax invoices / bills of entry or other relevant documents.
- v. The books of accounts and relevant documents / records of the Applicant should be thoroughly verified to understand the trigger for liability to pay tax under the GST laws and the correct date on which the Applicant becomes liable for registration.

- vi. Ensure that the Applicant has applied for registration within 30 days from the date from when he is liable to obtain registration under the GST laws.
- vii. The bills of entry / tax invoices should not be older than 1 year on the day on which the Applicant is liable to pay tax (Section 18(2) of the CGST / SGST Acts, 2017). The tax invoice must be the one containing the prescribed particulars (Section 16(2) of the CGST / SGST Acts, 2017 to be read with Rule 46 of the CGST / SGST Rules, 2017).
- 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 SGST / CGST / UTGST and IGST exceeds rupees two lakhs (Rule 40 (1)(d) of the CGST / SGST Rules, 2017)
- x. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional. For example: - If Physical Verification of stock is not carried out then, suitably qualify.
- xi. This certificate is to be issued in respect of a person who seeks fresh registration u/s 22 or 24 of the CGST / SGST Acts, 2017.
- 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 for the details and information provided by them.
- xiv. No ITC must be availed in respect of capital goods and input services.

**Appendix A - under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of section 18(1)(a) of the said Acts**

**Summary of input tax credit eligible as claim under Section 18(1)(a) of the CGST Act, 2017**

Sr. No.	GSTIN/Registration under CX /VAT of supplier	Invoice*/Bill of Entry		Description of input held in stock, input 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
				Inputs held in stock								
				Inputs contained in semi-finished or finished goods held in stock								

As per our Certificate of even date

For \_\_\_\_\_.

Chartered Accountants

\_\_\_\_\_  
Partner

Firm Registration No.:

Membership No.:

Place:

Date:

**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”)**  
**and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms**  
**of Section 18(1)(b) of the said Acts**

1. 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 duly registered in the State of \_\_\_\_\_:
- a. \_\_\_\_\_
  - b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of \_\_\_\_\_ have been registered with effect from \_\_\_\_\_.

2. In terms of Section 18(1)(b) of the CGST and SGST Acts, 2017 the Applicant 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.
3. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that, subject to our remarks / comments in para 5 infra, the Applicant is eligible to avail Input Tax Credit of Rs. .... on 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.
4. The relevant details of inputs held in stock and inputs contained in semi-finished or finished goods held in stock as at \_\_\_\_\_ (that is the day immediately preceding the date of grant of registration) and the corresponding input tax credit is provided as **Appendix A**.
5. Remarks / comments (Refer Para 3 supra):
- a. The inputs held in stock (based on FIFO method) on the day immediately preceding the date of grant of registration i.e. \_\_\_\_\_ has been physically verified by us on \_\_\_\_\_ along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.
  - b. The inputs contained in semi-finished or finished goods held in stock (based on FIFO method) is based on the management certificate furnished to us and verified by us along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant .

6. This certificate has been issued in terms of Section 18(1) (b) of the SGST / CGST Acts, 2017 read with Rule 40 (1)(d) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_.  
Chartered Accountants

Place: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

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### **Check points for the Chartered Accountant –**

- i. Verify registration particulars with the Registration Certificate.
- ii. Check whether declaration in Form GST ITC-01 is filed by the assessee on GST portal for entitlement to claim such credits within 30 days of being entitled to do so.
- iii. Check the books and records and other relevant documents and registers relating to 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. Eligibility of such credits also needs to be checked under Section 16 and Section 17 of the CGST / SGST Acts, 2017.
- iv. Check computation of input tax credit from tax invoices / bills of entry or other relevant documents.
- v. The bills of entry / tax invoices should not be older than 1 year on the day on which registration is granted to the Applicant (Section 18(2) of the CGST / SGST Acts, 2017). The tax invoice must be the one containing the prescribed particulars (Section 16(2) of the CGST / SGST Acts, 2017 to be read with Rule 46 of the CGST / SGST Rules, 2017).
- vi. The books of account and relevant documents / records of the Appellant should be thoroughly verified to understand if it is actually entitled to benefit of credit under Section 18(1)(b) of the CGST / SGST Act, 2017 and was not liable to obtain registration under Section 22 or Section 24 of the CGST / SGST Act, 2017
- vii. Ensure that the debit notes / credit notes, if any, are recorded / accounted against the vendor invoice which are forming part of the closing inventory.
- viii. This certificate is required to be issued only if the aggregate value of the claim on account of SGST / CGST / UTGST and IGST exceeds rupees two lakhs (Rule 40 (1)(d) of the CGST / SGST Rules, 2017)
- ix. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional



- x. This certificate is to be issued in respect of a person who seeks voluntary registration u/s 25(3) of the CGST / SGST 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
- xii. Ensure that a letter of representation is taken from the management for the details and information provided by them

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**Appendix A - under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of section 18(1)(b) of the said Acts**

**Summary of input tax credit eligible as claim under Section 18(1) (b) of the CGST Act, 2017**

Sr. No.	GSTIN/Registration under CX /VAT of Supplier	Invoice*/Bill of entry		Description of input held in stock, input 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
				Inputs held in stock								
				Inputs contained in semi-finished or finished goods held in stock								

As per our Certificate of even date  
For \_\_\_\_\_.  
Chartered Accountants

\_\_\_\_\_  
Partner  
Firm Registration No.:  
Membership No.:

Place :  
Date :

**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of Section 18(1)(c) of the said Acts**

1. 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 duly registered in the State of \_\_\_\_\_:
- a. \_\_\_\_\_
- b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of State have been duly registered with effect from \_\_\_\_\_

2. The Applicant has been paying taxes u/s 10 of the CGST / SGST Acts, 2017 w.e.f. \_\_\_\_\_ upto \_\_\_\_\_. On and from \_\_\_\_\_, the Applicant ceases to pay tax u/s 10 of the CGST / SGST Acts, 2017.
3. In terms of Section 18(1) (c) of the CGST and SGST Acts, the Applicant 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 / SGST Acts, 2017, as on \_\_\_\_\_.
4. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that, subject to our remarks / comments in para 6 infra, the Applicant is eligible to avail Input Tax Credit of Rs..... on 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 / SGST Acts, 2017.
5. The relevant details of inputs held in stock, inputs contained in semi-finished or finished goods held in stock and capital goods as on ----- (that is the day immediately preceding the date from which he becomes liable to pay tax u/s 9 of the CGST / SGST Acts, 2017) and the corresponding input tax credit is provided as **Appendix A**.

6. Remarks / comments (Refer Para 4 supra):

- a. The inputs held in stock (based on FIFO method) on the day immediately preceding the date on which he becomes liable to pay tax u/s 9 of the CGST / SGST Acts, 2017 i.e. \_\_\_\_\_ has been physically verified by us on \_\_\_\_\_ along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.
- b. The inputs contained in semi-finished or finished goods held in stock (based on FIFO method) is based on the management certificate furnished to us and verified by us along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.
- c. The input tax credit in respect of capital goods as reduced by the percentage points prescribed under Rule 40 (1) (a) of the CGST / SGST Rules, 2017 is enclosed as **Appendix B**.

7. This certificate has been issued in terms of Section 18(1) (c) of the SGST / CGST Acts, 2017 read with Rule 40 (1) (d) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_,  
Chartered Accountants

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

**Check points for the Chartered Accountant –**

- i. Verify registration particulars with the Registration Certificate.
- ii. Check whether declaration in Form GST ITC-01 is filed by the assessee on GST portal for entitlement to claim such credits within 30 days of being entitled to do so.
- iii. Check the books and records and other relevant documents and registers relating to 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 /

SGST Acts, 2017. Eligibility of such credits also needs to be checked under Section 16 and Section 17 of the CGST / SGST Acts, 2017.

- iv. Check computation of input tax credit from tax invoices / bills of entry or other relevant documents.
- 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. The books of accounts and relevant documents / records of the Applicant should be thoroughly verified to understand the correct date on which the Applicant is liable to pay tax u/s 9 of the CGST / SGST Act, 2017 and becomes liable for registration under section 9.
- vii. Ensure that a declaration is obtained from the Applicant for the listing of stock and capital goods including quantity
- 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. The bills of entry / tax invoices should not be older than 1 year on the day on which the Applicant is liable to pay tax (Section 18(2) of the CGST / SGST Acts, 2017). The tax invoice must be the one containing the prescribed particulars (Section 16(2) of the CGST / SGST Acts, 2017 to be read with Rule 46 of the CGST / SGST Rules, 2017).
- 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.
- xi. Ensure compliance with Rule 40(1)(e) of the CGST / SGST Rules, 2017 regarding verification of the credits claimed with the details furnished by the supplier in Form GSTR-1 or Form GSTR-4 or GSTR-2A, as applicable.
- xii. This certificate is required to be issued only if the aggregate value of the claim on account of SGST / CGST / UTGST and IGST exceeds rupees two lakhs (Rule 40 (1)(d) of the CGST / SGST Rules, 2017)
- xiii. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional.

- xiv. This certificate is to be issued in respect of a person who ceases to pay tax u/s 10 of the CGST / SGST Acts, 2017 and is liable to pay tax u/s 9 of the CGST / SGST Acts, 2017.
- xv. Ensure that the certificate issued is in accordance with the Guidance note on Reports and Certificates for special purpose issued by the ICAI.
- xvi. Ensure that a letter of representation is taken from the management for the details and information provided by them.

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**Appendix B – Certificate issued under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of section 18(1)(c) of the said Acts**

**ITC on capital goods reduced by percentage points**

<b>Sl. No</b>	<b>Particulars</b>	<b>Reference</b>	<b>Amount<sup>1</sup></b>
1	Inward supply value of Machinery X		12,50,000
	IGST @ 12%	a	1,50,000
	<b>Invoice Value</b>		<b>14,00,000</b>
2	Date of invoice		<b>15 July 2017</b>
3	Date on which the Applicant is liable to pay tax u/s 9 of the CGST/SGST 2017		<b>01 March 2018</b>
4	Number of quarters till 28th February 2018	b	<b>3</b>
5	Reduction percentage prescribed per quarter / part thereof	c	<b>5%</b>
	<b>Eligible ITC as on _____</b>	<b>d = (a - (a*b*c))</b>	<b>1,27,500</b>

<sup>1</sup> Figures given above are used for illustrative purposes.

**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”)**  
**and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms**  
**of Section 18(1)(d) of the said Acts**

1. 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 duly registered in the State of \_\_\_\_\_:
- a. \_\_\_\_\_
- b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of State have been duly registered with effect from \_\_\_\_\_.

2. The Applicant has been effecting exempted supplies of \_\_\_\_\_ (HSN :\_\_\_\_) w.e.f. \_\_\_\_\_ up to \_\_\_\_\_. On and from \_\_\_\_\_, such exempted supplies have become taxable and the Applicant has been discharging the applicable taxes on such supplies.
3. In terms of Section 18(1)(d) of the CGST and SGST Acts, 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 (as reduced by the prescribed percentage points) exclusively used for such exempt supplies on the day immediately preceding the date on which such exempt supplies become taxable supplies under the CGST / SGST Acts, 2017 i.e. \_\_\_\_\_.
4. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that, subject to our remarks / comments in para 6 infra, the Applicant is eligible to avail Input Tax Credit of Rs. .... on 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 (as reduced by the prescribed percentage points) exclusively used for such exempt supplies on the day immediately preceding the date on which such exempt supplies become taxable supplies under the CGST / SGST Acts, 2017.



5. The relevant details of such inputs held in stock, 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 exempt supplies become taxable supplies under the CGST / SGST Acts, 2017) and the corresponding input tax credit is provided as **Appendix A**.
6. Remarks / comments (Refer Para 4 supra):
- a. The inputs held in stock (based on FIFO method) on the day immediately preceding the date on which such exempt supplies become taxable supplies under the CGST / SGST Acts, 2017 i.e. \_\_\_\_\_ has been physically verified by us on \_\_\_\_\_along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant.
  - b. The inputs contained in semi-finished or finished goods held in stock (based on FIFO method) are based on the management certificate furnished to us and verified by us along with the corresponding tax invoices and books of accounts and other relevant records and documents maintained by the Applicant\_\_\_\_\_.
  - c. The input tax credit in respect of capital goods as reduced by the percentage points prescribed under Rule 40 (1) (a) of the CGST / SGST Rules, 2017 is enclosed as **Appendix B**.
7. This certificate has been issued in terms of Section 18(1) (d) of the SGST / CGST Acts, 2017 read with Rule 40 (1) (d) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_.,  
Chartered Accountants

Place: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

### **Check points for the Chartered Accountant –**

- i. Verify registration particulars with the Registration Certificate.
- ii. Check whether declaration in Form GST ITC-01 is filed by the assessee on GST portal for entitlement to claim such credits within 30 days of being entitled to do so.
- iii. Check the books and records and other relevant documents and registers relating to 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 / SGST Acts, 2017. Eligibility of such credits also needs to be checked under Section 16 and Section 17 of the CGST / SGST Acts, 2017.
- iv. Check computation of input tax credit from tax invoices / bills of entry or other relevant documents.
- 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. The books of accounts and 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 Government should also be meticulously perused and documented to identify the date on which such exempt supplies have become taxable supplies.
- vii. Ensure that a declaration is obtained from the Applicant for the listing of stock and capital goods including quantity.
- 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 maintained by the Applicant.
- ix. 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 relating 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 credit would be eligible to the Applicant.

- x. The bills of entry / tax invoices should not be older than 1 year on the day on which the Applicant is liable to pay tax (Section 18(2) of the CGST / SGST Acts, 2017). The tax invoice must be the one containing the prescribed particulars (Section 16(2) of the CGST / SGST Acts, 2017 to be read with Rule 46 of the CGST / SGST Rules, 2017).
- xi. Ensure that the debit notes / credit notes, if any, are recorded / accounted against the vendor invoice which are forming part of the closing inventory.
- xii. Ensure compliance with Rule 40(1) (e) of the CGST / SGST Rules, 2017 regarding verification of the credits claimed with the details furnished by the supplier in Form GSTR-1 or Form GSTR-4, as applicable.
- xiii. This certificate is required to be issued only if the aggregate value of the claim on account of SGST / CGST / UTGST and IGST exceeds rupees two lakhs (Rule 40 (1)(d) of the CGST / SGST Rules, 2017)
- xiv. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional.
- xv. This certificate is to be issued in respect of a 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 for the details and information provided by them.

**Appendix B - Certificate issued under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of section 18(1)(d) of the said Acts**

**ITC on capital goods reduced by percentage points**

Sl. No	Particulars	Reference	Amount <sup>2</sup>
1	Inward supply value of Machinery X		12,50,000
	IGST @ 12%	a	1,50,000
	<b>Invoice Value</b>		<b>14,00,000</b>
2	Date of invoice		<b>15 July 2017</b>
3	Date on which the Applicant is liable to pay tax u/s 9 of the CGST/SGST 2017		<b>01 March 2018</b>
4	Number of quarters till _____	b	<b>3</b>
5	Reduction percentage prescribed per quarter / part thereof	c	<b>5%</b>
	<b>Eligible ITC as on _____</b>	<b>d = (a - (a*b*c))</b>	<b>1,27,500</b>

<sup>2</sup> Figures given above are used for illustrative purposes.

**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of Section 18(3) of the said Acts**

1. 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 duly registered in the State of \_\_\_\_\_:

- a. \_\_\_\_\_
- b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of \_\_\_\_\_ have been duly registered with effect from \_\_\_\_\_

2. In terms of Section 18(3) of the CGST and SGST Acts, 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 / SGST Rules, 2017.

3. The Applicant has sold / merged / de-merged / amalgamated / leased / transferred [*strike whichever not applicable*] its business to M/s Sujatha Enterprises GSTIN : xxxxxxxx (hereinafter referred to as “Transferee”) vide amalgamation / merger Order No..... dated ..... passed by ..... / Business Transfer Agreement dated ..... with a specific provision for the transfer of liabilities vide Clause .... of the said document.

4. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that the Applicant is entitled to transfer the input tax credit aggregating Rs..... (detailed below) to the Transferee.

Nature of credit	Amount matched available	of ITC	Amount of matched ITC to be transferred
Central Tax			

State Tax		
UT Tax		
Integrated Tax		
Cess		
<b>Total</b>		

5. This certificate has been issued in terms of Section 18(3) of the CGST / SGST Acts, 2017 read with Rule 41 (2) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_,  
Chartered Accountants

Place:  
Date:

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

**Check points for the Chartered Accountant –**

- i. Verify registration particulars with the Registration Certificate.
- ii. Check whether declaration in Form GST ITC-02 is filed by the tax payer on GST portal declaring the above amounts in the appropriate columns.
- iii. Ensure that the transferee has a valid GSTIN. The Amalgamation / Merger Order or relevant Business Transfer Agreements should be thoroughly perused to ensure that there is a specific provision for transfer of liabilities.
- iv. Document the mode of transfer i.e. sale, merger, demerger, amalgamation, lease or transfer or change in ownership of business. In case of demerger, ensure that the input tax credit is apportioned in the ratio of the value of assets of the new units as specified in the demerger scheme.
- v. Cross check the amount of ITC to be transferred with latest return filed by the Applicant.
- vi. Ensure that the inputs or capital goods whose credit is proposed to be transferred are also accounted in books of the Applicant as transferred.

- vii. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional.
- viii. 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.
- ix. Ensure that the certificate issued is in accordance with the Guidance note on Reports and Certificates for special purpose issued by the ICAI.

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**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”)**  
**and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms**  
**of Section 54 of the said Acts**

1. 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 State. The Applicant has the following additional places of business duly registered in the State of \_\_\_\_\_:

- a. \_\_\_\_\_
- b. \_\_\_\_\_

The principal place of business and the additional places of business in the State have been duly registered with effect from\_\_\_\_\_.

2. The Applicant has filed an application for refund u/s 54 of the CGST / SGST Act, 2017 under the following scenario:

- refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies; \*
- refund of unutilised input tax credit under sub-section (3); \*
- 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; \*
- refund of tax in pursuance of section 77; \*
- the tax and interest, if any, or any other amount is paid by the applicant and he has not passed on the incidence of such tax and interest to any other person; \*

*[\*strike whichever is not applicable]*

3. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that, in respect of the refund amounting to Rs. ...., the incidence of such tax and interest or any other amount claimed as refund has not been passed on by the Applicant to any other person.

4. This certificate has been issued in terms of Section 54 of the CGST / SGST Acts, 2017 read with Rule 89 (2) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_.,



Chartered Accountants

Place:  
Date:

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

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### **Check points for the Chartered Accountant –**

- 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.
- iii. Ensure that the applicant is not in-eligible for claim of refund under Section 54(3) of the CGST / SGST Act, 2017 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 / SGST Act, 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 / SGST Act, 2017].
- 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.
- vii. Ensure compliance with provisions of Section 54(10) of the CGST / SGST Act, 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 40 (1)(d) of the CGST / SGST Rules, 2017)
- ix. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional.
- 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 / SGST Act, 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.
- xii. Ensure that a letter of representation is taken from the management for the details and information provided by them.
- xiii. Ensure that a declaration is taken from the Applicant with regard to non-availability of tax invoices and reasons for the same.

**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”)**  
**and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms**  
**of Section 29(5) of the said Acts**

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 duly registered in the State of \_\_\_\_\_:

- a. \_\_\_\_\_
- b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of \_\_\_\_\_ have been duly registered with effect from \_\_\_\_\_

2. The Applicant has been paying taxes u/s 9 of the CGST / SGST Acts, 2017 w.e.f. \_\_\_\_\_ up to \_\_\_\_\_. On the registration of Applicant has been cancelled under Section 29 of the CGST / SGST Acts, 2017.

3. In terms of Section 29(5) of the CGST and SGST Acts, 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 (as reduced by the prescribed percentage points) on the day immediately preceding the date of such cancellation or the output tax payable on such goods, whichever is higher under the CGST / SGST Acts, 2017 i.e.--\_\_\_\_\_.

4. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that, subject to our remarks / comments in para 6 infra, the Applicant is required to pay an amount of Rs ....., 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 where tax invoices are not available with it, on the day immediately preceding the date on which it’s registration has been cancelled under the CGST / SGST Acts, 2017.

5. The relevant details of inputs held in stock and inputs contained in semi-finished or finished goods held in stock as on \_\_\_\_\_ (that is the day preceding the date on which registration of the Applicant under under the CGST / SGST Acts, 2017 has been cancelled) where tax invoices are not available with Applicant and the corresponding input tax credit is provided as **Appendix A**.

6. Remarks / comments (Refer Para 4 supra):

- a. The description, value along with rate of GST of the inputs held in stock, inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date on which registration of the Applicant under the CGST / SGST Acts, 2017 has been cancelled i.e. \_\_\_\_\_, whose invoices are not available with Applicant, is based on the management certificate furnished to us on \_\_\_\_\_. According to the management certificate the value of inputs as such, semi-finished goods, finished goods and capital goods is an estimated price of such goods which is based on their prevailing market price as on \_\_\_\_\_.
- b. These estimates have been worked on as per the requirement of Section 18(4) of SGST/CGST Acts, 2017 read with Rule 44(5) of CGST/SGST Rules, 2017 by the applicant 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.
- c. 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.
- d. The inputs contained in semi-finished or finished goods held in stock are based on the management certificate furnished to us on \_\_\_\_\_.
3. This certificate has been issued in terms of Section 29(5) of the SGST / CGST Acts, 2017 read with Rule 44 (5) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_.  
Chartered Accountants

Place:  
Date:

\_\_\_\_\_  
Firm Registration Number:  
Membership Number:

### **Check points for the Chartered Accountant –**

- 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 (Rule 44 (3) and Rule 44(5) of the CGST / SGST Rules, 2017). It may be noted that the above said Rule 44 (3) stipulates issuance of a Certificate only in cases of non-possession of invoices. The said Rule does not speak of issuance of Certificate if the registered person is in possession of the relevant tax invoices.
- ii. Verify registration particulars with the Registration Certificate. Check whether declaration in Form GSTR-10 is filed by the tax payer on GST portal declaring the above amounts in the respective columns.
- iii. 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.
- iv. 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.
- v. 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).
- vi. Check reversal of credit in Electronic Credit Ledger and payment in Electronic Cash Ledger of the amount as specified in GSTR -10.
- vii. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional.
- viii. This certificate is to be issued in respect of a person whose registration has been cancelled under Section 29 of the CGST / SGST Acts, 2017.
- 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 for the details and information provided by them.

Ensure that a declaration is taken from the Applicant with regard to non-availability of tax invoices and reasons for the same.

Appendix A to Certificate issued under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of section 18(4) of the said Acts

Summary of stock of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on which input tax credit is required to be paid under section 29(5)-whose invoices are not available

Sr. No.	GSTIN/ Reg istration under CX /VAT of supplier	Description of input held in stock, input contained in semi- finished or finished goods held in stock,	Unit Quantity Code (UQC)	Qty	Value* (Based on prevailing Market Value)	Amount of ITC claimed (Rs.)				
						Central tax	State Tax	UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11
		Inputs held in Stock								
		Inputs contained in semi-finished or finished goods held in stock								

As per our Certificate of even date  
For \_\_\_\_\_  
Chartered Accountants

\_\_\_\_\_  
Partner  
Firm Registration No.:  
Membership No.:

Place:

Date:

**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of Section 18(4) of the said Acts**  
**(Registered person who opts to pay tax under section 10)**

1. 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 duly registered in the State of \_\_\_\_\_:
- a. \_\_\_\_\_
  - b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of State have been duly registered with effect from \_\_\_\_\_.

2. The Applicant has been paying taxes u/s 9 of the CGST / SGST Acts, 2017 w.e.f. \_\_\_\_\_ up to \_\_\_\_\_. On and from \_\_\_\_\_, the Applicant ceases to pay tax u/s 9 and has opted to pay tax under Section 10 of the CGST / SGST Acts, 2017.
3. In terms of Section 18(4) of the CGST and SGST Acts, the Applicant who has availed input tax credit opts to pay tax under Section 10 of the CGST and SGST Acts, shall be liable 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 9 of the CGST / SGST Acts, 2017, as on \_\_\_\_\_.
4. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that, subject to our remarks / comments in para 6 infra, the Applicant is required to pay an amount of Rs ....., 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 capital goods where tax invoices are not available with it on the day immediately preceding the date from which it opts to pay tax under Section 10 of the CGST and SGST Acts, 2017.
5. The relevant details of inputs held in stock and capital goods-as on \_\_\_\_\_ (that is the day preceding the date from which he becomes liable to pay tax u/s 9 of the CGST / SGST Acts, 2017) where whose tax invoices are not available with the Applicant Assessee and the corresponding input tax credit is provided as **Appendix A**.
6. Remarks / comments (Refer Para 4 supra):
- a. The description, value along with rate of GST of the inputs held in stock on the day immediately preceding the date on which the Applicant opts to pay tax u/s 10 of the CGST /

SGST Acts, 2017 i.e. \_\_\_\_\_, whose invoices are not available with the Applicant, is based on the management certificate furnished to us on \_\_\_\_\_. According to the management certificate, the value of inputs as such and capital goods is an estimated price of such goods which is based on their prevailing market price as on \_\_\_\_\_.

- b. These estimates have been worked on as per the requirement of Section 18(4) of SGST/CGST Acts, 2017 read with Rule 44(5) of CGST/SGST Rules, 2017 by the Applicant 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.
- c. The stocks have not been physically verified. Reliance has been placed on the declaration given by the Applicant in respect of quantity of stocks held by it as on \_\_\_\_\_ whose invoices are not available with it.

7. This certificate has been issued in terms of Section 18(4) of the SGST / CGST Acts, 2017 read with Rule 44 (5) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_  
Chartered Accountants

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

Place:  
Delhi:



### **Check points for the Chartered Accountant –**

- 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 (Rule 44 (3) and Rule 44(5) of the CGST / SGST Rules, 2017). It may be noted that the above said Rule 44 (3) stipulates issuance of a Certificate only in cases of non-possession of invoices. The said Rule does not speak of issuance of Certificate if the registered person is in possession of the relevant tax invoices.
- ii. Verify registration particulars with the Registration Certificate.
- iii. Check whether declaration in Form GST ITC-03 is filed by the tax payer 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 / SGST Act, 2017. Aggregate turnover has to be computed in terms of Section 2(6) of the CGST / SGST Act, 2017.
- 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. The date on which the applicant has opted to pay tax u/s 10 of the CGST / SGST Act, 2017 should be thoroughly verified. The applicability of conditions meted out under the GST laws for a tax payer opting to pay tax u/s 10 of the CGST / SGST Act, 2017 should be checked to confirm the above said date.
- 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. 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/SGST Act, 2017.
- x. Check reversal of credit in Electronic Credit Ledger and payment in Electronic Cash Ledger of the amount as specified in GST ITC -03

- xi. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional.
- xii. This certificate is to be issued in respect of a person who ceases to pay tax u/s 9 of the CGST / SGST Acts, 2017 and opts to pay tax u/s 10 of the CGST / SGST Acts, 2017.
- xiii. Ensure that the certificate issued is in accordance with the Guidance note on Reports and Certificates for special purpose issued by the ICAI.
- xiv. Ensure that a letter of representation is taken from the management for the details and information provided by them.
- xv. Ensure that a declaration is taken from the Applicant with regard to non-availability of tax invoices and reasons for the same.

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Appendix A to Certificate issued under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of section 18(4) of the said Acts

Summary of stock of inputs held in stock and capital goods on which input tax credit is required to be paid under section 18(4)-whose invoices are not available

Sr. No.	GSTIN/Registration under CX /VAT of supplier	Description of input held in stock, input contained in semi-finished or finished goods held in stock,	Unit Quantity Code (UQC)	Qty	Value* (Based on prevailing Market Value)	Amount of ITC claimed (Rs.)				
						Central Tax	State Tax	UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9	10	11
		Inputs held in stock								
		Inputs contained in semi-finished or finished goods held in stock								

Place:  
Delhi:

For \_\_\_\_\_  
Chartered Accountants

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

**Certificate under the State Goods and Services Tax Act, 2017 (in short “SGST Act”)**  
**and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms**  
**of Section 18(4) of the said Acts (Become Wholly Exempt)**

1. 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 duly registered in the State of \_\_\_\_\_:

- a. \_\_\_\_\_
- b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of \_\_\_\_\_ have been duly registered with effect from \_\_\_\_\_

2. The Applicant has been effecting taxable supplies of ..... (HSN: \_\_\_\_\_) w.e.f. \_\_\_\_\_ up to \_\_\_\_\_. On and from \_\_\_\_\_, such taxable supplies have become exempted and the Applicant has ceased to discharge the taxes on such supplies.

3. In terms of Section 18(4) of the CGST and SGST Acts, where a taxable supply by a registered person becomes exempt supply the Applicant who has availed input tax credit, shall be liable 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 (as reduced by the prescribed percentage points) used for such taxable supplies on the day immediately preceding the date on which such taxable supplies become exempt supplies under the CGST / SGST Acts, 2017 i.e. \_\_\_\_\_.

4. We have examined the books of accounts and other relevant documents / records of the Applicant and on the basis of such examination & the information and explanation furnished to us, we hereby certify that, subject to our remarks / comments in para 6 infra, the Applicant is required to pay an amount of Rs ....., 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 used for taxable supplies where tax invoices are not available with it, on the day immediately preceding the date on which such taxable supplies become exempt supplies under the CGST / SGST Acts, 2017.

5. The relevant details of inputs held in stock and inputs contained in semi-finished or finished goods held in stock as on \_\_\_\_\_ (that is the day preceding the date on which such taxable supplies become exempt supplies under the CGST / SGST Acts, 2017) where tax invoices are not available with Applicant and the corresponding input tax credit is provided as **Appendix A**.

6. Remarks / comments (Refer Para 4 supra):

- a. The description, value along with rate of GST of the inputs held in stock, inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date on which such taxable supplies become exempt supplies under the CGST / SGST Acts, 2017 i.e. \_\_\_\_\_, whose invoices are not available with Applicant, is based on the management certificate furnished to us on \_\_\_\_\_. According to the management certificate the value of inputs as such, semi-finished goods, finished goods and capital goods is an estimated price of such goods which is based on their prevailing market price as on \_\_\_\_\_.
- b. These estimates have been worked on as per the requirement of Section 18(4) of SGST/CGST Acts, 2017 read with Rule 44(5) of CGST/SGST Rules, 2017 by the Applicant 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.
- c. 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.
- d. The inputs contained in semi-finished or finished goods held in stock are based on the management certificate furnished to us on \_\_\_\_\_.
7. This certificate has been issued in terms of Section 18(4) of the SGST / CGST Acts, 2017 read with Rule 44 (5) of the CGST / SGST Rules, 2017.

For \_\_\_\_\_  
Chartered Accountants

Place:  
Delhi:

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:

### **Check points for the Chartered Accountant –**

- 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 (Rule 44 (3) and Rule 44(5) of the CGST / SGST Rules, 2017). It may be noted that the above said Rule 44 (3) stipulates issuance of a Certificate only in cases of non-possession of invoices. The said Rule does not speak of issuance of Certificate if the registered person is in possession of the relevant tax invoice.
- ii. Verify registration particulars with the Registration Certificate.
- iii. Check whether declaration in Form GST ITC-03 is filed by the tax payer 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.
- 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. 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.
- 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 GST ITC -03.
- ix. This certificate is to be suitably modified wherever applicable. The names of the registered persons, dates, addresses etc. are only illustrative and needs to be modified in each case. Any resemblance to any person / place is purely unintentional.
- x. This certificate is to be issued in respect of a person who ceases to pay tax u/s 9 of the CGST / SGST Acts, 2017 and opts to pay tax u/s 10 of the CGST / SGST 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.

- xii. Ensure that a letter of representation is taken from the management for the details and information provided by them.
- xiii. Ensure that a declaration is taken from the Applicant with regard to non-availability of tax invoices and reasons for the same.

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**Appendix A** to Certificate issued under the State Goods and Services Tax Act, 2017 (in short “SGST Act”) and the Central Goods and Services Tax Act, 2017 (in short “CGST Act”) in terms of section 18(4) of the said Acts

Summary of stock of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on which input tax credit is required to be paid under section 18(4)-whose invoices are not available

Sr. No.	GSTIN/Registration under CX/VAT of supplier	Description of input held in stock, input contained in semi-finished or finished goods held in stock,	Unit Quantity Code (UQC)	Qty	Value* (Based on prevailing Market Value)	Amount of ITC claimed (Rs.)				
						Central Tax	State Tax	UT Tax	Integrated Tax	Cess
1	2	5	6	7	8	9	10	11	12	13
Inputs held in stock										
Inputs contained in semi-finished or finished goods held in stock										

Place:  
Delhi:

For \_\_\_\_\_  
Chartered Accountants

\_\_\_\_\_  
Partner  
Firm Registration Number:  
Membership Number:



**Certificate under Notification dated 05<sup>th</sup> October, 2017 issued by Department of Industrial Policy and Promotion read with circular number 1060/9/2017-CX dated 27<sup>th</sup> November, 2017 issued by Central Board of Excise and Customs**

**(Eligible unit has not received any inputs from another business premises)**

1. M/s. \_\_\_\_\_ (hereinafter referred to as the “Assessee”) is a registered person vide GSTIN..... and is having its principal place of business at \_\_\_\_\_ in the State of \_\_\_\_\_. The Assessee has the following additional places of business duly registered in the State of \_\_\_\_\_:
- a. \_\_\_\_\_
- b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of \_\_\_\_\_ have been duly registered with effect from \_\_\_\_\_.

2. The business premises of assessee situated at \_\_\_\_\_ (hereinafter known as the eligible unit) was registered under the provisions of the Central Excise Act 1944 upto \_\_\_\_\_ and was drawing benefits under the earlier excise duty exemption/refund schemes vide notification number 56/2002-CE dated 14.11.2002, 57/2002-CE dated 14.11.2002 and 01/2010-CE dated 06.02.2010 as amended from time to time or Notification nos. 49/2003-CE dated 10.06.2003 and 50/2003-CE dated 10.06.2003 as amended from time to time or Notification no 20/2007-CE dated 25.04.2007 as amended from time to time.
3. The business premises of assessee situated at \_\_\_\_\_ known as the non-eligible unit) was registered/not registered under the provisions of the Central Excise Act 1944 upto \_\_\_\_\_ but was not drawing any benefits under the earlier excise duty exemption/refund schemes.
4. In terms of Notification dated 05th October, 2017 issued by Department of Industrial Policy and Promotion read with Circular No. 1060/9/2017-CX dated 27th November, 2017 issued by Central Board of Excise and Customs, the eligible unit is entitled for budgetary support on manufacture of specified goods which shall be sum total of
- i. 58% of the Central tax paid through debit in the cash ledger account maintained by the unit in terms of sub-section(1) of section 49 the Central Goods and Services Act, 2017 after utilization of the Input tax credit of the Central Tax and Integrated Tax.
- ii. 29% of the integrated tax paid through debit in the cash ledger account maintained by the unit in terms of section 20 of the Integrated Goods and Services Act, 2017 after utilization of the Input tax credit Tax of the Central Tax and Integrated Tax.
5. In compliance of conditions specified under para 5.9.1 and 5.9.2 of the notification dated Notification dated 05th October, 2017 issued by Department of Industrial Policy and Promotion based on our verification of the GST returns, Electronic Cash Registers, Electronic Credit Registers (as maintained by assessee on its GSTIN), books of accounts and other relevant documents/records, for the period \_\_\_\_\_ to \_\_\_\_\_, we hereby certify, subject to our remarks / comments in para 6 infra, that following information is in accordance

with the books of accounts maintained and GST Returns filed by the assessee for the period \_\_\_\_\_ to \_\_\_\_\_: -

a. That the below mentioned business premises of assessee are registered under the GSTIN \_\_\_\_\_.

S. No.	Address	Whether this premises avail area based exemption?
1	Address of Eligible unit	Yes (Eligible unit )
2	Any other address within same state, if any	No (Non-eligible unit )

b. That under the same GSTIN,

i. the assessee has received inputs and paid tax after availing input tax credit as per the under-mentioned details:

(Note: This table includes figures of both eligible & non-eligible unit under GSTIN: \_\_\_\_\_)

Name of the Tax	Tax Amount Payable	Amount utilized from Cash Ledger for payment of Tax	Credit Availed and utilized “ \$ ”	Balance of Credit, if any	Total value of taxable inputs received “ * ”	Total receipts from composition dealers
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Central Tax State/UT Tax Integrated Tax Cess <b>Total</b>						

“ \* ” Figure in column “F” are basic value of Inputs/input services on which input tax credit has been claimed and it does not include value of Inputs of the credit as per GST TRAN-1.

“ \$ ” Figures under column “D” includes the amount of credit transferred from GST TRAN-1.

ii. the quantity of the specified goods supplied by the eligible unit during the aforesaid period are as under :

Month	HSN Code	Product Description	Production Quantity	UQC
Month 1				
Month 2				
Month 3				
<b>Total</b>				

c. That in respect of eligible unit under the given GSTIN

i. the eligible unit has received inputs and has tax payable after availing input tax credit involved in input and capital goods received by it as under :

(Amount in INR)

Name of the Tax	Tax Amount Payable	Amount utilized from Cash Ledger for payment of Tax	Credit Availed and utilized “ \$ ”	Balance of Credit, if any	Total value of taxable inputs received “ * ”	Total receipts from composition dealers
(A)	(B)	(C)	(D)	(E)	(F)	(G)
Central Tax						
State/UT Tax						
Integrated Tax						
Cess						
<b>Total</b>						

“ \* ” Figure in column “F” are basic value of Inputs/input services on which input tax credit has been claimed and it does not include value of Inputs of the credit as per GST TRAN-1.

“ \$ ” Figures under column “D” includes the amount of credit transferred from GST TRAN-1 and ITC of Central Tax and Integrated Tax availed by the supplying unit for supplies to the eligible unit. *(in case inputs are received by the eligible unit from supplying unit under the same GSTIN)*

- ii. The quantity of the specified goods manufactured by the eligible unit during the aforesaid period are as under :

Month	HSN Code	Product Description	Production Quantity	UQC
Month 1				
Month 2				
Month 3				
<b>Total</b>				

- d. That the eligible unit has not received any inputs from another business premises (Non-eligible unit) under the same registration (GSTIN). *(in case no inputs are received by the eligible unit from supplying unit under the same GSTIN)*

or

That the eligible unit has received inputs (including manufactured semi-finished goods) from another non-eligible unit as under:

Month	HSN Code	Product Description	Quantity Received	Value of Inputs received	Central Tax on Inputs received	Integrated Tax on Inputs received
Month 1						
Month 2						
Month 3						
<b>Total</b>						

6. Remarks / comments (Refer Para 4 supra):

- a. The quantity of inputs transferred from non-eligible unit to eligible unit is based on FIFO method. and value for same have been taken basis of corresponding delivery challan and books of accounts and other relevant records and documents maintained by the assessee.
- b. Any other remark, if any.

7. This certificate has been issued at the specific request of the company for submission with GST department for claiming budgetary support under Notification issued by Department of Industrial Policy And Promotion under Ministry of Commerce and Industry, dated 5<sup>th</sup> October 2017, and is not meant for general circulation.

**For**

\_\_\_\_\_  
Chartered Accountants

(\_\_\_\_\_)

Partner

Membership Number.

Place:

Date:

DRAFT

**Certificate under Notification dated 05<sup>th</sup> October, 2017 issued by Department of Industrial Policy and Promotion read with circular number 1060/9/2017-CX dated 27<sup>th</sup> November, 2017 issued by Central Board of Excise and Customs**  
**(Eligible unit received any inputs from another business premises)**

1. M/s. \_\_\_\_\_ (hereinafter referred to as the “Assessee”) is a registered person vide GSTIN..... and is having its principal place of business at \_\_\_\_\_ in the State of \_\_\_\_\_. The Assessee has the following additional places of business duly registered in the State of \_\_\_\_\_:
- a. \_\_\_\_\_
- b. \_\_\_\_\_

The principal place of business and the additional places of business in the State of \_\_\_\_\_ have been duly registered with effect from \_\_\_\_\_.

2. The business premises of assessee situated at \_\_\_\_\_ (hereinafter known as the eligible unit) was registered under the provisions of the Central Excise Act 1944 upto \_\_\_\_\_ and was drawing benefits under the earlier excise duty exemption/refund schemes vide notification number 56/2002-CE dated 14.11.2002, 57/2002-CE dated 14.11.2002 and 01/2010-CE dated 06.02.2010 as amended from time to time or Notification nos. 49/2003-CE dated 10.06.2003 and 50/2003-CE dated 10.06.2003 as amended from time to time or Notification no 20/2007-CE dated 25.04.2007 as amended from time to time.
3. The business premises of assessee situated at \_\_\_\_\_ known as the non-eligible unit) was registered/not registered under the provisions of the Central Excise Act 1944 upto \_\_\_\_\_ but was not drawing any benefits under the earlier excise duty exemption/refund schemes.
4. In terms of Notification dated 05th October, 2017 issued by Department of Industrial Policy and Promotion read with Circular No. 1060/9/2017-CX dated 27th November, 2017 issued by Central Board of Excise and Customs, the eligible unit is entitled for budgetary support on manufacture of specified goods which shall be sum total of

- iii. 58% of the Central tax paid through debit in the cash ledger account maintained by the unit in terms of sub-section(1) of section 49 the Central Goods and Services Act, 2017 after utilization of the Input tax credit of the Central Tax and Integrated Tax.
- iv. 29% of the integrated tax paid through debit in the cash ledger account maintained by the unit in terms of section 20 of the Integrated Goods and Services Act, 2017 after utilization of the Input tax credit Tax of the Central Tax and Integrated Tax.

5. In compliance of conditions specified under para 5.9.2 of the notification dated Notification dated 05th October, 2017 issued by Department of Industrial Policy and Promotion based on our verification of the GST returns, Electronic Cash Registers, Electronic Credit Registers (as maintained by assessee on its GSTIN), books of accounts and other relevant documents/records, for the period \_\_\_\_\_ to \_\_\_\_\_, we hereby certify, subject to our remarks / comments in para 6 infra, that the eligible unit has received inputs from another business premises (non-eligible unit) of the same registrant (GSTIN) and Input Tax Credit of Central Tax amounting to

Rs.\_\_\_\_\_ and Integrated Tax amounting to Rs.\_\_\_\_\_ has been availed by the non-eligible unit for supplies to the eligible unit.

6. Remarks / comments (Refer Para 5 supra):

- a. The records produced before us consisted of details of inputs transferred by the supplying unit to the eligible unit in form of Raw Material and Semi-Finished Goods and reports generated from books of accounts containing details relating to input tax paid on quantity of inputs procured and consumed for supplies to the eligible unit.
- b. The value of inputs in form of semi-finished goods transferred has been taken on the basis of delivery challan prepared by non-eligible in accordance with Rule 55 of the CGST/SGST Rules, 2017.

7. This certificate has been issued at the specific request of the company for submission with GST department for claiming budgetary support under Notification issued by Department of Industrial Policy And Promotion under Ministry of Commerce and Industry, dated 5th October 2017, and is not meant for general circulation

Place:  
Date:

**For**

\_\_\_\_\_  
Chartered Accountants

(\_\_\_\_\_)

Partner

Membership Number.