



THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax : +91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website : www.icmai.in

Ref No: TRD/19-20/7

Date: 20.03.2020

**Shri M Ajit Kumar, IRS**

Chairman  
Central Board of Indirect Taxes & Customs  
Department of Revenue,  
Ministry of Finance  
Government of India  
North Block,  
New Delhi – 110 001

**Subject: Request for not increasing Threshold Limit for GST Annual Return and Audit**

Respected Sir,

Greetings from the Institute of Cost Accountants of India.

The Institute of Cost Accountants of India is a Statutory Body set up under an Act of Parliament in the year 1959 and is headquartered in Kolkata. The Institute has, 4 Regional Councils, 106 Chapters all over India, 10 Overseas Centers, 4 Centre of Excellence and many more ROCCs extension Centers and Support Centers and is a Founder Member of IFAC, CAPA and SAFA. The Institute has been putting in sustained efforts to support the Government in smooth implementation of GST by providing suggestions, creating awareness and dispersing the knowledge about GST among various stakeholders through the conduct of Courses, Webinars, Corporate Trainings, Seminars, publication of Tax Bulletins and handbooks on various Topics of Taxation, both Direct and Indirect, among many others since the implementation of GST.

From various media and through communications from our various esteemed CMAs working in the field of GST and participating in our Seminars and Webinars, it has been brought to our notice that Government may be having the thought to increase the threshold limit of GST Audit in Form GSTR 9C from Rs. 2 Crore to Rs. 5 Crore for filing.

However, it is our humble request not to increase the threshold limit for the following reasons:

- A major part of the Taxpayers would not be having a turnover of Rs. 5 Crore. So if the threshold limit of filling GSTR 9C is increased up to Rs. 5 crores, then a large amount of taxpayers would escape from requirement of certification of business transaction. Lesser number of Taxpayer would imply less collection of tax and hence loss of revenue to the Government.



THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
**CMA BHAWAN**  
12, SUDDER STREET, KOLKATA – 700 016.

Telephones : +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax : +91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723  
Website : www.icmai.in

- GSTR 9 is Annual Return and GSTR 9C is reconciliation statement. GSTR 9 can also be submitted, even if there is a mismatch of ITC availed as per GSTR 3B and ITC available as per GSTR 2A. So there is every possibility of leakage of revenue to the Government if filling of GSTR 9 only, is made compulsory. Mismatch of ITC can be reconciled by filling DRC 03 and thereafter filling GSTR 9C which results in prevention of revenue loss to the Government. Therefore, threshold limit should not be increased.
- In a practical scenario, such businesses having turnover below Rs. 5 crores may not have proper procedure of accounts maintenance (though for a company having turnover of more than Rs. 1 crore, it is a compulsion to maintain the books of accounts under section 44AA of Income Tax Act). In such a case, if the Threshold limit of GST Audit is maintained at Rs. 2 Crore, then even the small and medium enterprises would be bound to maintain books of accounts along with relevant documents for GST Audit.
- “Ease of Doing Business” and “5 trillion Economy” are the main focuses of the Government for the development of our nation. Compliance and Good Governance is the call of the day. Date of monthly return and annual return submission has been extended from time to time and GST Portal has been updated many a times so that taxpayers can adapt with the new indirect tax regime i.e. GST and comply with the GST Laws and provisions. Procedures under GST have been made simplified so as to keep it easy for compliance. Taxpayers have started to abide by the rules and processes and it has become a part and parcel of the business processes with a sense of complying with the law. At this situation increasing the threshold limit of GST Audit may lead to non-compliance of GST Laws and rules which may be detrimental to the interest of the Country in terms of losing revenue and sacrificing the culture of compliance that has been developed by now.

In view of the above, our Institute being a professional body under the act of Parliament 1959, it is our humble request not to increase the limit of GSTR 9C ensuring better compliance which in turn will pave the way for increasing revenue of Government.

Thank you.

Regards

**CMA Niranjana Mishra**

Chairman, Indirect Taxation Committee

The Institute of Cost Accountants of India