



e-Newsletter

Chartered Accountants July 2021 Edition

Editorial Board

CA. Nitin Kataria, Chief Editor

Members

CA. Mohit Singhal, CA. Nishant Kumar, CA. Lalit Aggarwal, CA. Dheeraj Sharma,
CA. Arun Aggarwal, CA. Sanjeev Aggarwal, CA. Atul Kumar Gupta,
CA. Avinash Gupta, CA. Sumit Garg, CA. Nitin Kanwar, CA. Vijay Kr. Gupta



Index

3 Chairman's Message

SQL- An Emerging Audit & Accounting tool

4

7 GST Latest Updates

Administration

13



Chairman's Message

Happy Chartered Accountants Day

“

CA Nitin Kataria

Chairman



My Dear Professional Colleagues,

Hope you all are doing well.

At the outset, I would like to wish all of you a very very happy 73rd Chartered Accountants Day. This day marks the end of 72 years of glory and pride. This glory and pride is hard earned and the legacy of it will be never ending as the young chartered accountants are becoming epitome of success in all the fields.

The day is being celebrated by ICAI and all the branches as a festival. We spent sleepless nights to become the part of this esteemed profession. I would also like to congratulate our professional Doctor brothers and sisters on the occasion of Doctors Day. Both the CA & Doctors Day are celebrated on 1st July every year it itself give an important message that be healthy and be wealthy.

The month of June was full with various activities including the 2nd Mega Vaccination Camp on 3rd June where more than 350 Chartered Accountant members and their families got vaccinated & a same vaccination camp is being planned in the coming month also. Along with this we celebrated the International MSME day on 27th June, which was attended by Ms. Sofia Dahiya, Secretary Finance, Haryana Government.

I sincerely thanks all the members of Gurugram branch & all other branches for taking active participation in our activities including the webinar participation. We assure you that we will keep on doing such activities on regular basis to always keep you a step forward.

Once again I wish you all a very very Happy Chartered Accountants' day. keep striving for the best.

Would like to leave you with a wonderful shaloka from Bhagvad Gita

कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।
मा कर्मफलहेतुर्भूर्मा ते संगोऽस्त्वकर्मणि ॥

You have the right to work but never to the fruits of the action. Further you do not have the right to the root cause of the fruits of action. You also do not have the right to remain in the society without performing any work.

Stay safe, stay healthy.

”



SQL- An Emerging Audit & Accounting tool

Author : CA. Devki Nandan Jindal

CA. Devki Nandan Jindal

INTRODUCTION

In the fast-evolving technological world, imagining a life without technology is next to impossible. Information technology plays a major role in both our personal as well as professional life and we can't deny the fact that even our practicing methodology has evolved due to emerging techniques and tools. Information technology has grown a long way and all the work is now more technology driven. The Covid epidemic has made us realise the importance of technology; businesses with low technological bandwidth were forced to shut and hence, survival is only possible if we are in line with the upcoming technologies and its tools. One such powerful tool is SQL.

What is SQL-

SQL stands for "Structured Query Language". Gone are the days of traditional practice, when we as finance people use to draft books of accounts or audit them manually. Nowadays, almost every organization is using one or the other ERP (enterprise resource planning) software for accounting and auditing. A number of ERP software are available in the market such as SAP, PeopleSoft, fusion, workday etc. that help organisations in recording transactions and reporting results. However, the master key to

decode any ERP database is the SQL.

SQL is a query language which was developed at IBM in the early 1970s. It was created for getting access and modifying data held in databases. Initially, it was called SEQUEL (Structured English Query Language). Thereafter, SQL turned into an official standard for the ANSI (American National Standards Institute) and ISO (International Organization for Standardization).

SQL and Finance-

Data and financial records form the very backbone of all financial analysis. All data is now stored in digital form through various ERP software. This digital data is captured in tables and every table is broken up into smaller entities called fields. A field is a column in a table that is designed to maintain specific information about every record/row in the table. For instance, if an organization records its purchase vouchers in ERP software, the same would be captured in a table as follows-

Purchase table

Vendor ID	Vendor Name	Amount	Tax	Total
123	ABC	50	5	55
456	XYZ	100	10	110
789	PQR	150	15	165

Row

Column



Various tables combined together forms a database and SQL helps to play within and across these databases.

What Can SQL do?

There are truly no boundaries of what one can do with SQL. People have specialized as a programmer, developer, data analyst etc. with SQL skill set, and now SQL can be a powerful tool in the hands of chartered accountants due to its expanding and significant usages-

SQL can execute queries against a database

SQL can retrieve data from a database

SQL can insert records in a database

SQL can update records in a database

SQL can delete records from a database

SQL can create new databases

SQL can create new tables in a database

SQL can create stored procedures in a database

SQL can create views in a database

SQL can set permissions on tables, procedures, and views

Thus, SQL lets you access and manipulate databases which form the basics of any ERP or IT Audit. SQL includes numerous important commands that allows you to interact with the data. If these

commands are utilized effectively, they can be very powerful and help clients to manage and modify vast volumes of data effortlessly. Here are some important commands:

SELECT, DELETE, CREATE DATABASE, INSERT INTO, ALTER DATABASE, CREATE TABLE, and CREATE INDEX.

Advantages of SQL

1. SQL is a universally adopted language. Any database such as MySQL, SQL Server, MS Access, Oracle, Sybase, Informix, Postgres etc can be interacted through one single tool i.e., SQL.

2. SQL is an open-source and easy to use programming language. Therefore, it has a large community of developers. SQL is comparatively easier to learn than other programming languages, like C++. Various online platforms are offering courses free of cost to have an hands on experience using this tool.

3. SQL helps to manage large data. The volume of the data can be 1,000 records or 100 million records. SQL is completely equipped to handle data pools of virtually all sizes. Microsoft Excel is an incredible tool, but it was not developed to perform tasks on millions of rows at once. Relational databases are intended for such huge tasks, and SQL is the language that enables you to execute them.

4. SQL is a powerful technological tool. Database



technologies like MySQL, Microsoft SQL, and PostgreSQL Server reinforce huge associations, small companies, banks, hospitals, colleges. In fact, every PC or individual with access to some kind of mechanical device eventually touches SQL. It is even on your Smartphone since Android and iOS both use SQL.

5. SQL is a unique skill. There aren't many chartered accountants in the present workforce who have a working experience in SQL. Many businesses perceive the value of such a skill in the current market. Companies are currently searching out for those individuals who are skilled in SQL.

Conclusion

SQL is a great programming language for financial applications. Most people shy away from SQL as it prima facie appears to be complex and full of math. However, contrary to the general belief, SQL is quite easy similar to learning excel formulas. We as accountants can have an edge over others with this skill set. Audit like IT audits, forensic audits and ERP audits becomes effective and efficient through SQL. Auditors can have their data, the way they want and without needing to depend upon the organisational users. SQL is truly an exceptional tool which can be used for the best advantage of chartered accountants.

DISCLAIMER

The opinion expressed in each article is the opinion of author and does not necessarily reflect the opinion of Gurugram Branch. Gurugram Branch assumes no liability or responsibility for any inaccurate delayed or incomplete information nor for any actions taken in reliance thereon. The information contained about each individual event or organization has been provided by such individual event organizers or organization.



I. Latest Notifications issued on 29.08.2021:

1. Notification No. 32/2021-Central Tax regarding EVC:

- The filing of FORM GSTR-3B and FORM GSTR-1/ IFF by companies using electronic verification code (EVC), instead of Digital Signature certificate (DSC) has already been enabled for the period from 27.04.2021 to 31.08.2021. This has been further extended to 31st October, 2021.
- The facility of blocking E-way bill generation has been temporarily suspended in case the person fails to file their return in Form GSTR-3B (Monthly / Quarterly) / statement in CMP-08, for a two or more consecutive tax periods 01.05.2020 to 18.08.2021.
- Thus, after 18th August 2021, the System will block the generation of EWB in cases of:
 - ⇒ Non filing of two or more returns in Form GSTR-3B (Monthly/Quarterly frequency as may be applicable) and
 - ⇒ Non filing of two or more statements in Form GST CMP-08 for the quarters.

2. Notification No. 33/2021-Central Tax regarding late fees amnesty scheme:

- The last date to avail benefit of the late fee amnesty scheme for non-furnishing FORM

GSTR-3B for the tax periods from July, 2017 to April, 2021, has now been extended from existing 31.08.2021 to 30.11.2021. i.e.,

- For GSTR-3B Return of Jul 17 to Apr 21 if filed between 01.06.2021 to 30.11.2021

Late fee per return capped to Rs. 500/-
if nil tax Liability
Rs. 1,000/- if tax liability

3. Notification No. 34/2021-Central Tax regarding revocation of GST Number:

- Extension in timelines for filing of application for revocation of cancellation of registration to 30.09.2021, where the due date of filing of application for revocation of cancellation of registration falls between 01.03.2020 to 31.08.2021.
- The extension would be applicable only in those cases where registrations have been cancelled under clause (b) or clause (c) of sub-section (2) of section 29 of the CGST Act."

II. GST defaulter of last 2 months to be barred from filing GSTR-1 from 1st September, 2021:

1) Rule-59(6) of CGST Rules, 2017; inserted vide Notification No. 1/2021 dated 1st January 2021, provides for restriction in filing of GSTR-1 in certain cases:

A) a registered person shall not be allowed to



furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for preceding two months;

B) a registered person, required to furnish return for every quarter under the proviso to sub-section (1) of section 39, shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility, if he has not furnished the return in FORM GSTR-3B for preceding tax period;

2) This Rule will be implemented on GST Portal from 1st September, 2021:

On implementation of the said Rule, the system will check that whether before the filing of GSTR-1/IFF of a tax-period, the following has been filed or not:

A) GSTR-3B for the previous two monthly tax-periods (for monthly filers),
OR

B) GSTR-3B for the previous quarterly tax period (for quarterly filers), as the case may be. The system will restrict filing of GSTR-1/IFF till Rule-59(6) is complied with.

3) This check will operate on clicking the SUBMIT button of GSTR-1 and the system will give an error message if the condition of Rule-59(6) is not met. It may be noted that records which have been saved in GSTR-1 will remain saved and filing of such records will be permitted after Rule-59

(6) is complied with.

4) Implementation of Rule-59(6) on the GST Portal will be completely automated, similar to the blocking & un-blocking of e-way bill as per Rule-138E and facility for filing of GSTR-1 will be restored immediately after filing of relevant GSTR-3B. No separate approval would be needed from the tax-officer to restore the facility for filing of GSTR-1.

5) To ensure no disruption in filing GSTR-1/IFF, taxpayers who have not filed their pending GSTR-3B, especially from period November 2020 and afterwards may do so at the earliest.

III. Recent Updated on GST Portal:

1. Download of Electronic Cash/Credit for 12 months

- Taxpayers have now been provided the facility to view/download Electronic cash or Credit ledgers for a period of 12 months.
- Earlier, the ledgers were allowed to be downloaded for a period of 6 months only. The ledgers can be downloaded in both Excel and Pdf formats.

2. Up-to 6 preferred banks will be shown while making E-Payment

- When a taxpayer makes the first payment, the GST portal will automatically add the selected bank and it will get updated in the Preferred Banks list.



- Taxpayer can delete any of the preferred banks at any point of time.

3. Import of E-Way Bill Data while filing GSTR-1

Taxpayers can now easily Import the E-way Bill data using the “Import EWB Data” tab available on GST Portal on the Form GSTR-1 page –

- 4A, 4B, 4C, 6B, 6C – B2B invoices
- 5A, 5B – B2C (Large) invoices
- 12 – HSN wise summary of outward supplies.

4. Now QRMP taxpayers can file NIL Returns through SMS.

- Nil filing of Form GSTR-1 (Quarterly) through SMS has been enabled for taxpayers under QRMP Scheme.
- ⇒ They can now file it by sending a message in specified format to 14409.
- ⇒ The format of the message is < NIL > space < Return Type (R1) > space < GSTIN > space < Return Period (mmyyyy) >
Example: NIL R1 07XXXXX1234H8Z6 062020 (where return period must be last month of the quarter)
- However, NIL filing through SMS can't be done in following scenarios:

If IFF for Month 1 or 2 of a quarter is in submitted stage, but not Filed.

If invoices are saved in IFF for Month 1 or 2 of a quarter, which was not submitted or filed by due date.

IV. Advisory on HSN and GSTR-1 Filing Date:

Background:

1. In accordance with Notification No. 78/2020 – Central Tax, dated October 15, 2020, taxpayers need to declare Harmonised System of Nomenclature (HSN) Code of Goods and Services supplied by them on raising of tax invoices, with effect from 1 st April, 2021 on the below mentioned lines.

S. No.	Aggregate Turnover in the preceding Financial Year	Number of Digits of HSN Code to be reported in GSTR-1
1.	Upto Rs. 5 crores	4
2.	Above Rs. 5 crores	6

2. It has been reported by few taxpayers that HSN used by them for reporting in GSTR-1 is not available in the Table 12 HSN drop-down. They have further stated that they are facing issues in adding the required HSN details in Table 12 and filing of statement of outward supplies in form GSTR-1 of July 2021. Further, in some JSON files, the HSN field is coming as blank from the offline tool, along with other errors as mentioned below:

-



(i) Processed with Error,

(ii) In Progress or Received but pending,

(iii) Duplicate Invoice Number found in payload, please correct.

3. HSN related issues leading to error messages –

A. 'Processed with error', 'In progress', 'Received but pending': Issue & Resolution:

Taxpayers should check their HSN code in Search HSN functionality provided by GSTN on GST portal and with the directory of HSN codes provided in a downloadable excel format at the following link:

<https://services.gst.gov.in/services/searchhsnsac>

Kindly also refer to the advisory issued by GSTN on 12th April 2021 as "Clarification on reporting 4-digit/6-digit HSNs", available at the following link:

<https://www.gst.gov.in/newsandupdates/read/463>

B. On examination of the HSN codes reported as missing, it has been observed that few taxpayers are trying to report truncated first 6-digits out of an otherwise valid 8-digit HSN. These truncated HSN codes are actually not available in GST Tariff at 6-digit level, with no corresponding description of goods. Therefore, these truncated 6-digit

HSN are invalid. Taxpayers are therefore advised not to create 6-digit HSN code by truncating/removing the last two digits (including "00") of a valid 8-digit HSN code. However, there are no validations at present in the system.

C. It may be noted that presently GSTN has relaxed these validations in GSTR-1 due to the pandemic situation in the country and if taxpayers do not find a valid HSN code from the search drop down, then the system is presently accepting the user entries and they can add the HSN & description in the system and proceed to file the GSTR-1.

D. However, it may be noted that these validations are not relaxed on IRP portal for reporting e-invoices & also three-way bill portal for issuing e-way bills.

E. It may kindly be noted that in some cases, the taxpayers are facing rejection at the time of filling the data in Table 12 of GSTR-1 at the GST portal, where the taxpayers are trying to proceed only after entering the HSN code, without entering any other data. It may be noted that without entering any data in "Description" text box or any other field, other fields will not be enabled. Thereafter, all the mandatory fields have to be filled before Submission of the data.

F. Filing of GSTR-1 is to be done using the following steps:

I. Log-on to GST portal and click on Return



dashboard.

- II. On the return dashboard select Financial Year, Quarter and Period.
- III. Select Prepare Online button on GSTR-1 Tile (Box).
- IV. Select 'Table 12 -HSN wise summary of outward supplies' to add HSN details
- V. Enter minimum two digits of HSN in the HSN box and the system will provide the drop down list of related valid HSN codes.
- VI. Select the applicable HSN from the drop-down and the description will be auto-populated in the “Description” field.
- VII. In case the desired HSN is not appearing in drop-down menu then you can manually enter the desired/applicable HSNs as mandated by law in HSN filed; the system shall accept manually entered HSN as of now.
- VIII. After entering manual HSN, mandatorily fill the description of HSN in “Description” field.
- IX. Fill the all other mandatory fields i.e. UQC, Rate, Total taxable value, IGST/CGST/SGST and click on “Add” button.
- X. This shall move the added records to “Added/Edited invoices to be Saved” section.
- XI. Continue to add remaining records, if any

by following step 5 to 9.

- XII. After adding all records, click “SAVE” button under “Added/Edited invoices to be saved” section to save all added records.
- XIII. This will move all added records to “Processed Records” section.
- XIV. Enter records in other applicable Tables of GSTR-1 and proceed filing GSTR-1.

4. Error messages – ‘Processed with error’, ‘In progress’, ‘Received but pending’:

Issue & Resolution:

It has been noticed in a few cases that the taxpayers have not used the latest version of Offline Tool while uploading their GSTR-1 return through Offline mode on the GST portal. In some instances, it was observed that HSN Code and Tax rate fields were left blank in Table 12 of GSTR-1 and hence the system has not processed the said GSTR-1.

The taxpayers are advised to download the latest version of Offline Tool (version 3.0.4) provided on the GST portal, instead of any older version. In case the taxpayer is using any third party GSTR-1 offline tool, then the service provider of the third party offline tool should be contacted & requested that the tool be updated.



Error message reported as – “Duplicate Invoice Number found in payload please correct”:

Issue & Resolution:

GST law requires an invoice, credit/debit note to be unique across a Financial Year, and the same record number should not be repeated in the same Financial Year. If the same record number is reported again in the same Financial Year, the same is treated as a duplicate record, and rejected by the system. It has been noticed that taxpayers were reporting duplicate records, and the same were being rejected by the system, causing inconvenience to other genuine filers. It is requested this kind of check may be exercised by the taxpayer or by the offline tool used by the taxpayer.

6. Further, if the HSN of any Goods/Service is otherwise valid but not accepted on GST Portal/ e-invoice Portal / e-way Bill portal, please raise a ticket on GST Self-Service Portal:

<https://selfservice.gstsystem.in/> > Report Issue > Type ‘HSN’ in ‘Type of Issue/Concern’ search box > Select relevant sub-category, e.g. ‘e-Invoice – IRP – HSN Code related’

Gurugram Branch Managing Committee for the Session 2021-2022

Name	Designation	Contact	E-mail
CA. NITIN KATARIA	Chairman	9899354222	canitinkataria@gmail.com
CA. MOHIT SINGHAL	Vice - Chairman	9555379714	fcasmc@gmail.com
CA. NISHANT KUMAR	Secretary	9560753535	nishant@jkn.in
CA. LALIT AGGARWAL	Treasurer	9999565491	lalit.agrwal@gmail.com
CA. DHEERAJ SHARMA	Immediate Past Chairman	9818396559	dheerajks@sankalp.co
CA. ARUN AGGARWAL	Executive Member	9891338830	arunaggarwalca@gmail.com
CA. SANJEEV AGGARWAL	Executive Member	9818264355	sanjeevaggarwal2@gmail.com

DISCLAIMER

The opinion expressed in each article is the opinion of author and does not necessarily reflect the opinion of Gurugram Branch. Gurugram Branch assumes no liability or responsibility for any inaccurate delayed or incomplete information nor for any actions taken in reliance thereon. The information contained about each individual event or organization has been provided by such individual event organizers or organization.



Gurugram Branch of NIRC of ICAI

 2A Second Floor Pavilion Building Sector-14 Gurugram-122001

 gurgaon@icai.org  www.icaigurugram.org  124-4268867