KRISHNAN RETNA & ASSOCIATES

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GST NEWSLETTER

Stay Updated. Stay Ahead.

Your Monthly Update on **New Judgements & Updated Notifications** under GST

JUNE 2026 EDITION

NEW JUDGEMENTS | UPDATED NOTIFICATIONS | KEY HIGHLIGHTS | PRACTICAL TAKEAWAYS

Expertise that adds value. Insights that keep you ahead.

GST NEWSLETTER

The GST NEWSLETTER is a monthly journal published by ***Krishnan Retna and Associates*** *with the objective of providing concise, reliable, and up-to-date insights on the evolving framework of Goods and Services Tax. The journal brings together significant judicial pronouncements, important notifications, circulars, advance rulings, and key regulatory developments to assist professionals, businesses, and taxpayers in understanding the practical implications of GST law.*

In a rapidly changing tax environment, staying informed is essential for ensuring compliance and making well-informed decisions. Through simplified analysis and structured presentation, The GST NEWSLETTER aims to serve as a valuable reference for readers seeking clarity on recent amendments, interpretational issues, and emerging trends under GST.

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1. Compliance Calendar – June 2026

Due Date	Form / Compliance	Applicable To
10 July 2026	GSTR-7	TDS Deductors
10 July 2026	GSTR-8	E-commerce Operators
11 July 2026	GSTR-1	Monthly Return Filers
13 July 2026	Invoice Furnishing Facility (IFF)	QRMP Taxpayers
20 July 2026	GSTR-3B	Monthly Taxpayers
25 July 2026	PMT-06	QRMP Taxpayers
28 July 2026	GSTR-11	UIN Holders

2. How to Prepare for a GST Audit: A Practical Guide

A GST audit is not merely a verification of tax payments—it is a comprehensive review of a taxpayer's records to ensure compliance with the provisions of the GST law. Proper preparation helps businesses avoid unnecessary disputes, interest, and penalties.

The secret to a hassle-free GST audit is simple: **stay audit-ready throughout the year.**

1. **Start with your returns**
   Think of your GST returns as the foundation of your audit. Ensure that:
   - GSTR 1 and GSTR 3B are filed on time
   - Turnover matches with the Books of Accounts
   - Tax liability has been correctly discharged
2. **Give special attention to ITC**
   Input Tax Credit (ITC) is one of the first areas examined during an audit.

   Before claiming ITC, verify:

   - The invoice is valid
   - Goods or services have been received
   - The invoice appears in GSTR 2B
   - Blocked credits under Section 17(5) are not claimed
3. **Keep the Documents Ready**

   A well-organized file can make all the difference.

- Tax invoice
- Purchase and sales registers
- E-way bills and e-invoices
- Bank statements
- Contracts and agreements
- Stock and fixed asset registers

4. **Reconcile**
   - Books vs. GST returns
   - Purchase Register vs. GSTR-2B
   - Sales Register vs. GSTR-1
   - Financial Statements vs. GST Turnover

5. **Stay Updated**
   GST is constantly evolving through notifications, circulars, and judicial decisions. Reviewing important updates every month ensures your business remains compliant and avoids following outdated practices.

3. <u>Decoding GSTIN</u>

Example: 32ABCDE1234F1Z5

- The first two digits of GSTIN indicates the State or union territory where the registration is obtained.
- The next 10 (3-12) characters are the Taxpayers Permanent Account Number
- The 13th character identifies the number of registrations obtained by the same PAN holder within the same State.
- The 14th character is currently "Z" for all GSTINs. It is reserved for future use.
- The 15th character is a checksum, generated using an algorithm. It helps detect typing or data-entry mistakes when a GSTIN is entered.

4. Did you Know: HSN Facts!

a) HSN stands for Harmonized System of Nomenclature, a globally accepted system for classifying goods developed by the World Customs Organization (WCO).

b) India adopted the HSN system in 1986, well before the introduction of GST, and continues to use it under the GST regime for classifying goods.

c) The GST rate depends on the HSN classification. A wrong HSN code can result in payment of the incorrect tax, leading to interest, penalties, or disputes.

d) Businesses are generally required to mention HSN codes on tax invoices, subject to the turnover thresholds and invoicing requirements prescribed under GST.

5. Letter of Undertaking (LUT): A Smart Tool for Hassle-Free Exports under GST

- What is LUT?
  A Letter of Undertaking (LUT) is a declaration furnished by an exporter under the GST law to export goods or services without payment of Integrated Goods and Services Tax (IGST). It enables exporters to avoid blocking their working capital by paying IGST first and claiming a refund later.
- Who Can Furnish LUT?
  Any registered person intending to supply:
    - Goods for export.
    - Services for export.
    - Supplies to a (SEZ) developer or SEZ unit (without payment of IGST).
- Validity of LUT
    - An LUT is valid for one financial year.
    - It must be furnished every financial year before making zero-rated supplies without payment of IGST.

6. One minute learning

Debit note vs Credit note

Particulars	Debit note	Credit note
Meaning	A document issued to increase the value or tax of an already issued invoice.	A document issued to reduce the value or tax of an already issued invoice.
Issued When	The original invoice has undercharged the recipient.	The original invoice has overcharged the recipient.
Purpose	To recover additional value or GST.	To reduce the amount payable by the recipient.
Effect on Invoice Value	Increases the invoice value. .	Decreases the invoice value.
Effect on GST Liability	Increases GST liability.	Reduces GST liability, subject to the provisions of the GST law.

DISCLAIMER

The contents of this journal are intended for informational purposes only. Readers are advised to refer to the relevant statutory provisions and seek professional guidance before acting on any matter discussed herein. The publishers shall not be liable for any loss arising from reliance on this journal.

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