

GST Annual Return & Audit

Presented By - CA Tarun Arora

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Who is required to file Annual Return and Audit?

Sec 44 CGST Act

Before amendment

Supplier's Pan India Turnover	GSTR - 9 Annual Return	GSTR - 9C GST Audit
Turnover less than 2 crs	Mandatory	Not Applicable
Turnover exceeding 2 crs	Mandatory	Mandatory

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Who is required to file Annual Return and Audit?

[Notification No 47/2019 and 16/2020 Central Tax Non Rate]

After amendment

Supplier's Pan India Turnover	GSTR - 9 Annual Return	GSTR - 9C GST Audit
Turnover less than 2 crs	Optional	Not Applicable
Turnover exceeding 2 crs upto 5 crs	Mandatory	Optional
Turnover exceeding 5 crs	Mandatory	Mandatory

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OPTIONAL FILING OF ANNUAL RETURN

Notification
47/2019 CGST [NR]

In exercise of the powers conferred by [section 148](#) of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government, on the recommendations of the Council, hereby notifies -

- those **registered persons** whose **aggregate turnover in a financial year does not exceed two crore rupees** and
- who have **not furnished the annual return** under sub-section (1) of [section 44](#) of the said Act read with sub-rule (1) of [rule 80](#) of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules) before the due date,
- as the class of registered persons who shall, in **respect of financial years 2017-18 and 2018-19**,
- follow the special procedure such that the said persons **shall have the option to furnish the annual return** under sub-section (1) of [044](#) of the said Act read with sub-rule (1) of [rule 80](#) of the said rules:

Aggregate turnover
[PAN Turnover]

Annual return should not have
be furnished

Applicable for 17-18 and 18-19

Option to furnish

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OPTIONAL FILING OF ANNUAL RETURN

Notification
47/2019 CGST [NR]



What is the status if Annual Return by specified registered person is filed after the due date with late fees?

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OPTIONAL FILING OF ANNUAL RETURN

Notification
47/2019 CGST [NR]

Extract from Notification

Provided that the said return shall be deemed to be furnished on the due date if it has not been furnished before the due date.

After the due date of furnishing the annual return for the year 2017-18 and 2018-19, the common portal shall not permit furnishing of FORM GSTR-9 for the said period.

[Circular 124/43/2019]

Accordingly, it is clarified that if any registered tax payer, during course of reconciliation of his accounts, notices any short payment of tax or ineligible availment of input tax credit, he may pay the same through FORM GST DRC-03.

[Circular 124/43/2019]

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Ques. Is there any category of taxpayer who are not required to Annual Return and Audit?

Ans. Registered person being

- **Input Service Distributor**
- **Tax deductor**
- **Tax collector** ✨
- **Casual taxable person**
- **Non-resident taxable person**

[Sec 44 Read with Rule 80]



Plus -

- Person supplying OIDAR service from Place outside India [Notification No 30/2019 Central Tax Non Rate]
- Foreign Airlines are not required to submit Form GSTR9C [Notification No 30/2019 Central Tax Non Rate]

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Ques. What are the consequences of delay in filing of annual return?



Ans. Late fees shall be payable

@ Rs 200 per day (Rs 100 CGST and Rs 100 SGST)

subject to maximum of

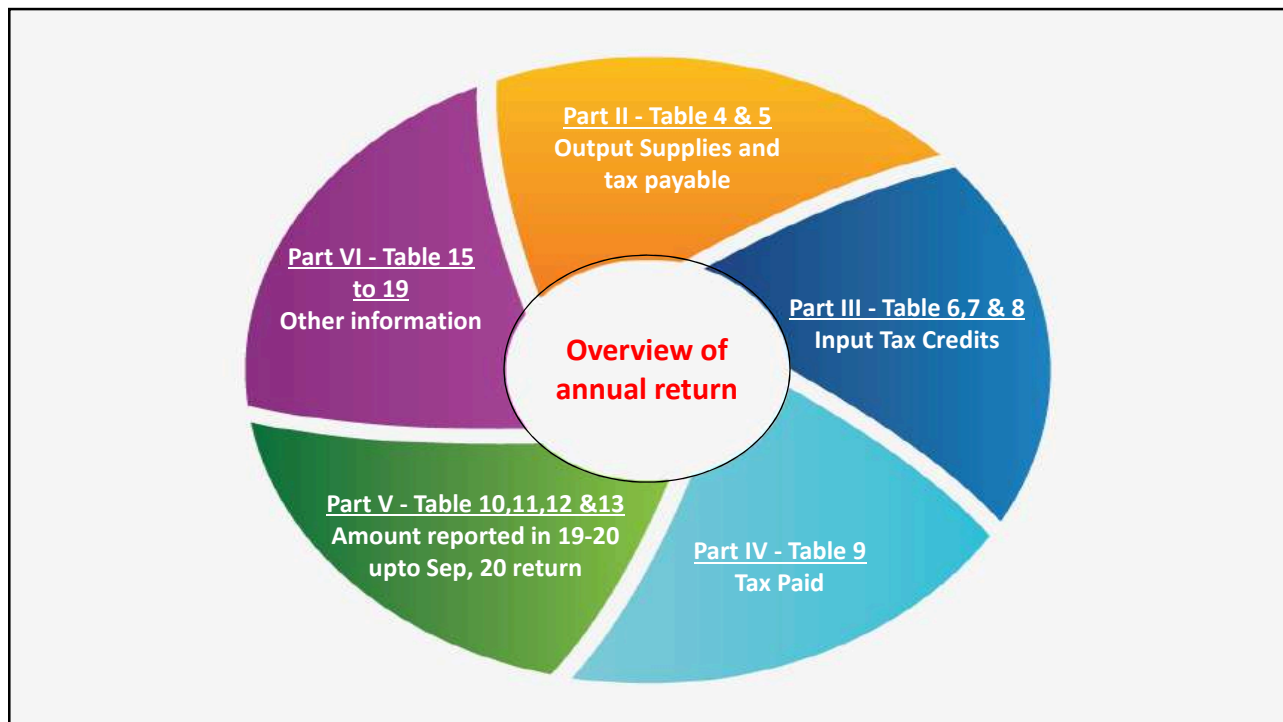
0.50% of turnover in a state (.25% each in CSGT and SGST)

[Sec 47]

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Part 1: Annual Return

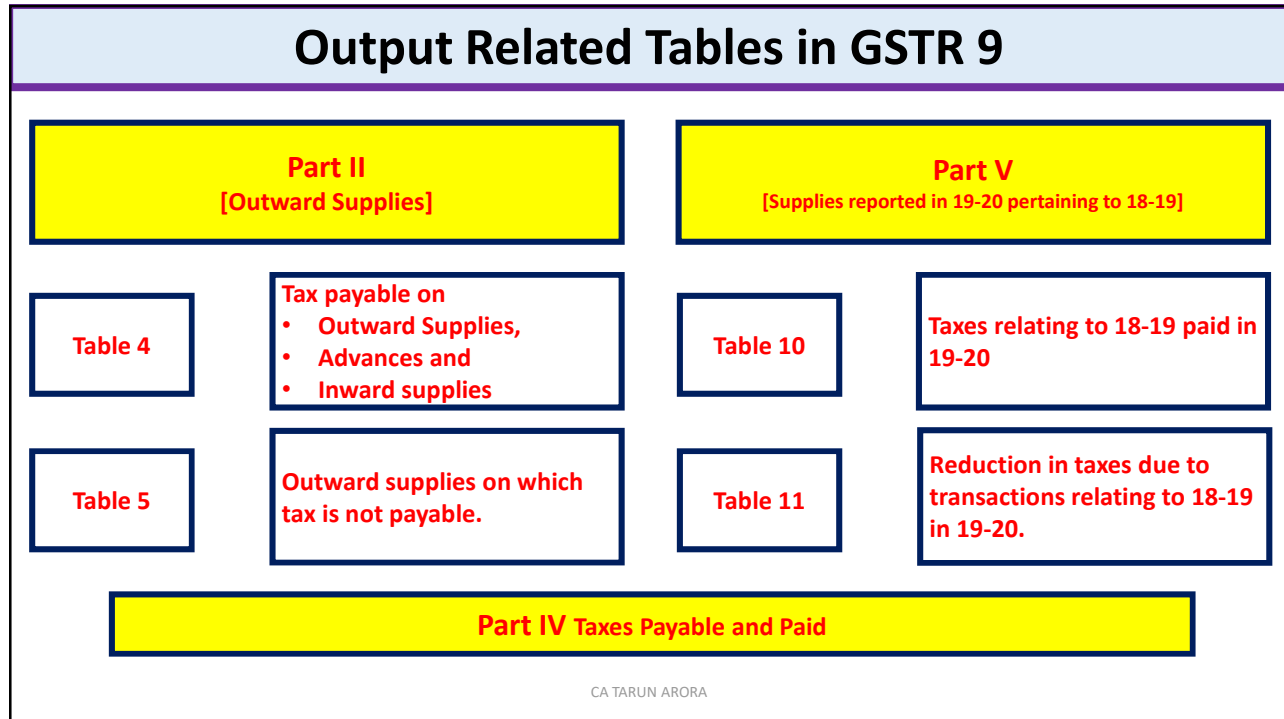
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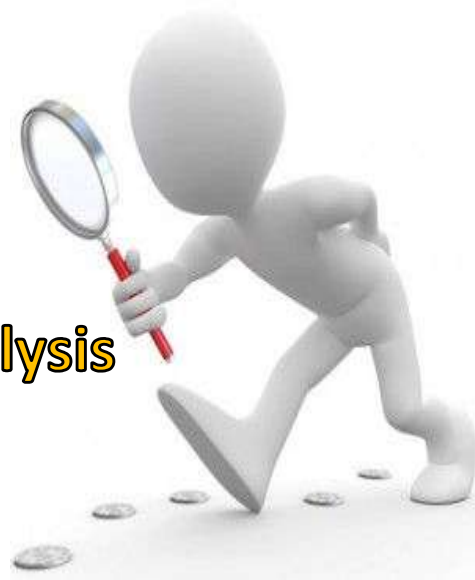
Output and Tax Payable related issues

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Output Related Tables in GSTR 9



Output tax related analysis



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CASE STUDY – 1 [Reporting of Advances]

Extracts from Financials

S. No	Particulars	Taxable	Tax	Remarks
1	Total Sales	Rs 100/-	Rs 18/-	Reported in Both GSTR-1 and GSTR 3B of 18-19
2	Interest Income	Rs 25/-	0	Reported or Unreported
3	Gross Total of Credit Side of P&L	Rs 125/-		
4	Advances on which taxes paid	Rs 10/-	Rs 1.8/-	Reported in Both GSTR-1 and GSTR 3B of 18-19

Part 2

	Table No	Taxable	Tax
Table 4	4A/4B	100	18
	4F	10	1.8
Table 5	5D	25	

Part 5

Table 10 & 11	
Taxable	Tax
Nil	Nil

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CASE STUDY – 2 [Reporting of RCM]

Extracts from Financials

S. No	Particulars	Taxable	Tax	Remarks
1	Total Sales	Rs 100/-	Rs 18/-	Reported in Both GSTR-1 and GSTR 3B of 18-19
2	Interest Income	Rs 25/-	0	Reported or Unreported
3	Gross Total of Credit Side of P&L	Rs 125/-		
4	RCM	Rs 10/-	Rs 1.8/-	Reported in GSTR 3B of 18-19

Part 2

	Table No	Taxable	Tax
Table 4	4A/4B	100	18
	4G	10	1.8
Table 5	5D	25	

Part 5

Table 10 & 11	
Taxable	Tax
Nil	Nil

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CASE STUDY – 3 [Reporting of Sale of Assets]

Extracts from Financials

S. No	Particulars	Taxable	Tax	Remarks
1	Total Sales	Rs 100/-	Rs 18/-	Reported in Both GSTR-1 and GSTR 3B of 18-19
2	Profit on Sales of Fixed Assets	Rs 2/-	0	Unreportable
3	Gross Total of Credit Side of P&L	Rs 102/-		
4	Sale of Fixed Assets	Rs 10/-	Rs 1.8/-	Reported in Both GSTR-1 and GSTR 3B of 18-19

Part 2

Table No

Taxable

Tax

Table 4

4A/4B

110

19.8

Table 5

5D

0

Part 5

Table 10 & 11

Taxable

Tax

Nil

Nil

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CASE STUDY - 4

F. Year	Books		GSTR 3B		GSTR 1	
	Taxable Value	Tax Amount	Taxable Value	Tax Amount	Taxable Value	Tax Amount
2018-19	Rs. 100	Rs 18	Rs. 90	Rs 16.20	Rs 100	Rs 18
2019-20	Nil	Nil	Rs 10	Rs 1.80	Nil	Nil

Part 2
[Outward Supplies]
Table 4 & 5

Taxable

Tax

Rs 90/-

Rs 16.20/-

Part 4
[Taxes Paid]
Table 9

Payable
16.20/-

Paid
Rs 16.20

Part 5
[Supplies reported in 19-20 pertaining to 18-19]
Table 10 & 11

Taxable

Tax

Rs 10/-

Rs 1.80/-

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CASE STUDY - 5							
F. Year	Books		GSTR 3B			GSTR 1	
	Taxable Value	Tax Amount	Taxable Value	Tax Amount	Taxable Value	Tax Amount	
2018-19	Rs. 100	Rs 18	17-18	10	1.8	Rs 100	Rs 18
			18-19	100	18		
			Total	110	19.8		
2019-20	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Part 2 [Outward Supplies] Table 4 & 5	Part 4 [Taxes Paid] Table 9	Part 5 [Supplies reported in 19-20 pertaining to 18-19] Table 10 & 11
Taxable	Payable 18/-	Taxable
Tax	Paid Rs 19.80	Tax
Rs 100/-		Nil
Rs 18/-		Nil

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CASE STUDY - 6							
F. Year	Books		GSTR 3B			GSTR 1	
	Taxable Value	Tax Amount	Taxable Value	Tax Amount	Taxable Value	Tax Amount	
2018-19	Rs. 100	Rs 18	17-18	10	1.80	Rs 100	Rs 18
			18-19	80	14.40		
			Total	90	16.20		
2019-20	Nil	Nil	20	3.6	Nil	Nil	

Part 2 [Outward Supplies] Table 4 & 5	Part 4 [Taxes Paid] Table 9	Part 5 [Supplies reported in 19-20 pertaining to 18-19] Table 10 & 11
Taxable	Payable 14.40	Taxable
Tax	Paid Rs 16.20	Tax
Rs 80/-		20
Rs 14.4/-		3.6

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CASE STUDY - 7

F. Year	Books		GSTR 3B			GSTR 1	
	Taxable Value	Tax Amount	Taxable Value	Tax Amount	Taxable Value	Tax Amount	
2018-19	Rs. 100	Rs 18	17-18	10	1.80	Rs 100	Rs 18
			18-19	80	14.40		
			Total	90	16.20		
2019-20	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Part 2 [Outward Supplies] Table 4 & 5	Part 4 [Taxes Paid] Table 9	Part 5 [Supplies reported in 19-20 pertaining to 18-19] Table 10 & 11												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Taxable</td> <td style="width: 50%; text-align: center;">Tax</td> </tr> <tr> <td style="text-align: center;">Rs 100/-</td> <td style="text-align: center;">Rs 18/-</td> </tr> </table>	Taxable	Tax	Rs 100/-	Rs 18/-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Payable 18</td> <td style="width: 50%; text-align: center;">Paid Rs 16.20</td> </tr> <tr> <td colspan="2" style="text-align: center;"> <div style="display: flex; align-items: center; justify-content: center;"> + <div style="border: 1px solid black; border-radius: 50%; padding: 5px;"> DRC-03 3.60 </div> </div> </td> </tr> </table>	Payable 18	Paid Rs 16.20	<div style="display: flex; align-items: center; justify-content: center;"> + <div style="border: 1px solid black; border-radius: 50%; padding: 5px;"> DRC-03 3.60 </div> </div>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Taxable</td> <td style="width: 50%; text-align: center;">Tax</td> </tr> <tr> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> </table>	Taxable	Tax	Nil	Nil
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Rs 100/-	Rs 18/-													
Payable 18	Paid Rs 16.20													
<div style="display: flex; align-items: center; justify-content: center;"> + <div style="border: 1px solid black; border-radius: 50%; padding: 5px;"> DRC-03 3.60 </div> </div>														
Taxable	Tax													
Nil	Nil													

CASE STUDY - 8

F. Year	Books		GSTR 3B			GSTR 1	
	Taxable Value	Tax Amount	Taxable Value	Tax Amount	Taxable Value	Tax Amount	
2018-19	Rs. 100	Rs 18	17-18	-10	-1.80	Rs 100	Rs 18
			18-19	100	18		
			Total	90	16.20		
2019-20	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Part 2 [Outward Supplies] Table 4 & 5	Part 4 [Taxes Paid] Table 9	Part 5 [Supplies reported in 19-20 pertaining to 18-19] Table 10 & 11										
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Taxable</td> <td style="width: 50%; text-align: center;">Tax</td> </tr> <tr> <td style="text-align: center;">Rs 100/-</td> <td style="text-align: center;">Rs 18/-</td> </tr> </table>	Taxable	Tax	Rs 100/-	Rs 18/-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Payable 18</td> <td style="width: 50%; text-align: center;">Paid Rs 16.20</td> </tr> </table>	Payable 18	Paid Rs 16.20	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Taxable</td> <td style="width: 50%; text-align: center;">Tax</td> </tr> <tr> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> </table>	Taxable	Tax	Nil	Nil
Taxable	Tax											
Rs 100/-	Rs 18/-											
Payable 18	Paid Rs 16.20											
Taxable	Tax											
Nil	Nil											

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CASE STUDY - 9							
F. Year	Books		GSTR 3B			GSTR 1	
	Taxable Value	Tax Amount	Taxable Value	Tax Amount	Taxable Value	Tax Amount	
2018-19	Rs. 100	Rs 18	17-18	0	0	Rs 100	Rs 18
			18-19	120	21.60		
			Total	120	21.60		
2019-20	Nil	Nil	-20.00	-3.60	Nil	Nil	

Part 2 [Outward Supplies] Table 4 & 5	Part 4 [Taxes Paid] Table 9	Part 5 [Supplies reported in 19-20 pertaining to 18-19] Table 10 & 11										
<table border="1"> <tr><td>Taxable</td><td>Tax</td></tr> <tr><td>Rs 120</td><td>Rs 21.60</td></tr> </table>	Taxable	Tax	Rs 120	Rs 21.60	<table border="1"> <tr><td>Payable Rs 21.60</td><td>Paid Rs 21.60</td></tr> </table>	Payable Rs 21.60	Paid Rs 21.60	<table border="1"> <tr><td>Taxable</td><td>Tax</td></tr> <tr><td>-20</td><td>3.60</td></tr> </table>	Taxable	Tax	-20	3.60
Taxable	Tax											
Rs 120	Rs 21.60											
Payable Rs 21.60	Paid Rs 21.60											
Taxable	Tax											
-20	3.60											

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CASE STUDY - 10							
F. Year	Books		GSTR 3B			GSTR 1	
	Taxable Value	Tax Amount	Taxable Value	Tax Amount	Taxable Value	Tax Amount	
2018-19	Rs. 100	Rs 18	17-18	0	0	Rs 100	Rs 18
			18-19	120	21.60		
			Total	120	21.60		
2019-20	Nil	Nil	Nil	Nil	Nil	Nil	

Part 2 [Outward Supplies] Table 4 & 5	Part 4 [Taxes Paid] Table 9	Part 5 [Supplies reported in 19-20 pertaining to 18-19] Table 10 & 11												
<table border="1"> <tr><td>Taxable</td><td>Tax</td></tr> <tr><td>Rs 100</td><td>Rs 18.00</td></tr> </table>	Taxable	Tax	Rs 100	Rs 18.00	<table border="1"> <tr><td>Payable Rs 18.00</td><td>Paid Rs 21.60</td></tr> <tr><td></td><td>RFD-01 3.60</td></tr> </table>	Payable Rs 18.00	Paid Rs 21.60		RFD-01 3.60	<table border="1"> <tr><td>Taxable</td><td>Tax</td></tr> <tr><td>Nil</td><td>Nil</td></tr> </table>	Taxable	Tax	Nil	Nil
Taxable	Tax													
Rs 100	Rs 18.00													
Payable Rs 18.00	Paid Rs 21.60													
	RFD-01 3.60													
Taxable	Tax													
Nil	Nil													

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CASE STUDY - 11

Year	Books				GSTR 3B				GSTR 1			
	Taxable	I	C	S	Taxable	I	C	S	Taxable	I	C	S
18-19	300	10	10	10	300	10	10	10	300	0	15	15

Part 5
[Supplies reported in 18-19 pertaining to 17-18]
Table 10 & 11

Taxable

Nil

Tax

Nil

GSTR 3B			
Tax Type	IGST	CGST	SGST
Part 2 [Table 4]	10	10	10
Part 4 [Table 9]	10	10	10
Payable	0	0	0

Advisable

Write a letter to department about mistake in GSTR-1.

CASE STUDY - 12

Year	Books				GSTR 3B				GSTR 1			
	Taxable	I	C	S	Taxable	I	C	S	Taxable	I	C	S
18-19	300	10	10	10	300	0	15	15	300	10	10	10
19-20	NA	0	0	0	NA	10	-5	-5	NA	0	0	0

Summary				
S. No	Tax Type	IGST	CGST	SGST
1	Part 5 [Table 10/11]	10	-5	-5

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CASE STUDY - 12

Year	Books				GSTR 3B				GSTR 1			
	Taxable	I	C	S	Taxable	I	C	S	Taxable	I	C	S
18-19	300	10	10	10	300	0	15	15	300	10	10	10
19-20	NA	0	0	0	NA	10	-5	-5	NA	0	0	0

Summary				
S. No	Tax Type	IGST	CGST	SGST
1	Part 5 [Table 10/11]	10	-5	-5
2	Part 2 [Table 4]	0	15	15

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CASE STUDY - 12

Year	Books				GSTR 3B				GSTR 1			
	Taxable	I	C	S	Taxable	I	C	S	Taxable	I	C	S
18-19	300	10	10	10	300	0	15	15	300	10	10	10
19-20	NA	0	0	0	NA	10	-5	-5	NA	0	0	0

Summary				
S. No	Tax Type	IGST	CGST	SGST
1	Part 5 [Table 10/11]	10	-5	-5
2	Part 2 [Table 4]	0	15	15
3	Effective Total	10	10	10

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CASE STUDY - 12

Year	Books				GSTR 3B				GSTR 1			
	Taxable	I	C	S	Taxable	I	C	S	Taxable	I	C	S
18-19	300	10	10	10	300	0	15	15	300	10	10	10
19-20	NA	0	0	0	NA	10	-5	-5	NA	0	0	0

Summary				
S. No	Tax Type	IGST	CGST	SGST
1	Part 5 [Table 10/11]	10	-5	-5
2	Part 2 [Table 4]	0	15	15
3	Effective Total	10	10	10
4	Part 4 [Table 9] to be matched with Part 2	0	15	15

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**Input Tax
related issues**

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VARIOUS SOURCES OF CLAIMING CREDIT

Normal Purchases

Invoice/Debit Note

RCM

Invoice/Self Invoice

Import of Goods

Bill of Entry

ISD

ISD Document

VARIOUS FORMS FOR CLAIMING CREDIT

GSTR 3B

ITC-01 & ITC-02

TRANS-1 AND TRANS-2

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Input Related Tables in GSTR 9

Part 3
[Input Tax credit]

Table 6

Credit claimed in during 18-19

Table 7

Reversal of credits

Table 8

Reconciliation with GSTR 2A and other

Part 5

[Supplies reported in 19-20 pertaining to 18-19]

Table 12

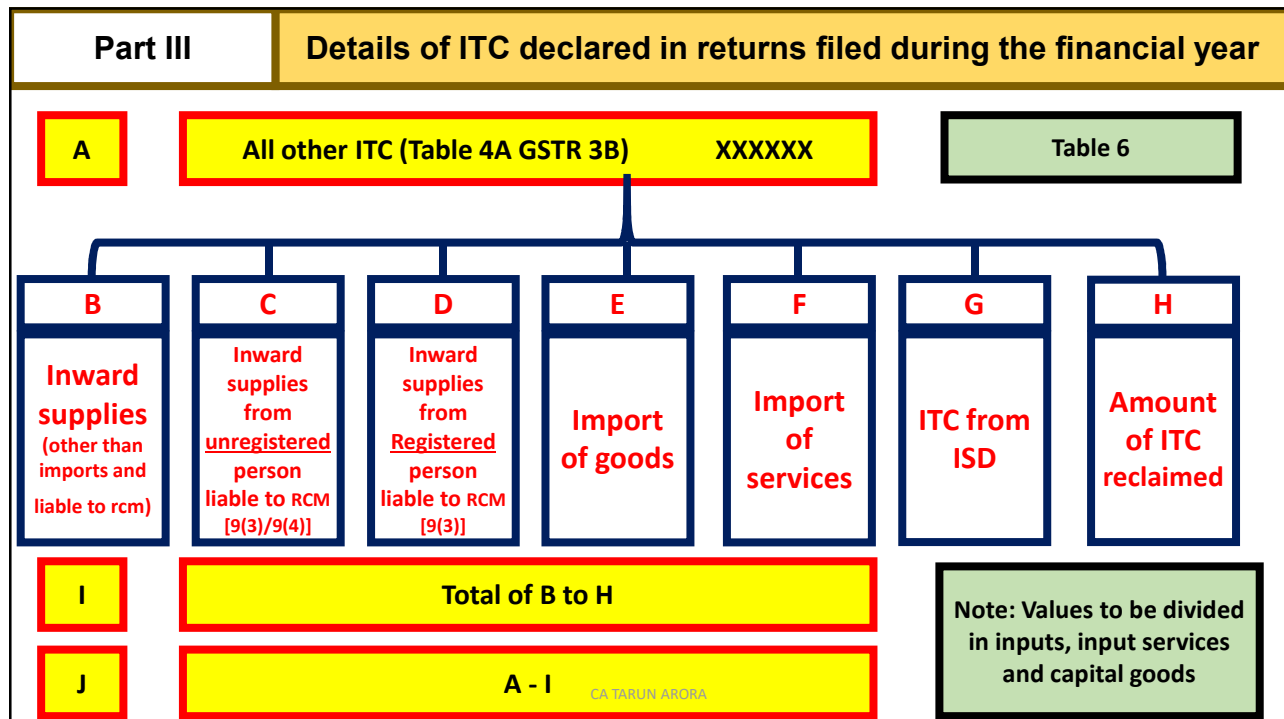
Reversal of ITC availed during the previous financial year.

Table 13

ITC availed for the previous financial year.

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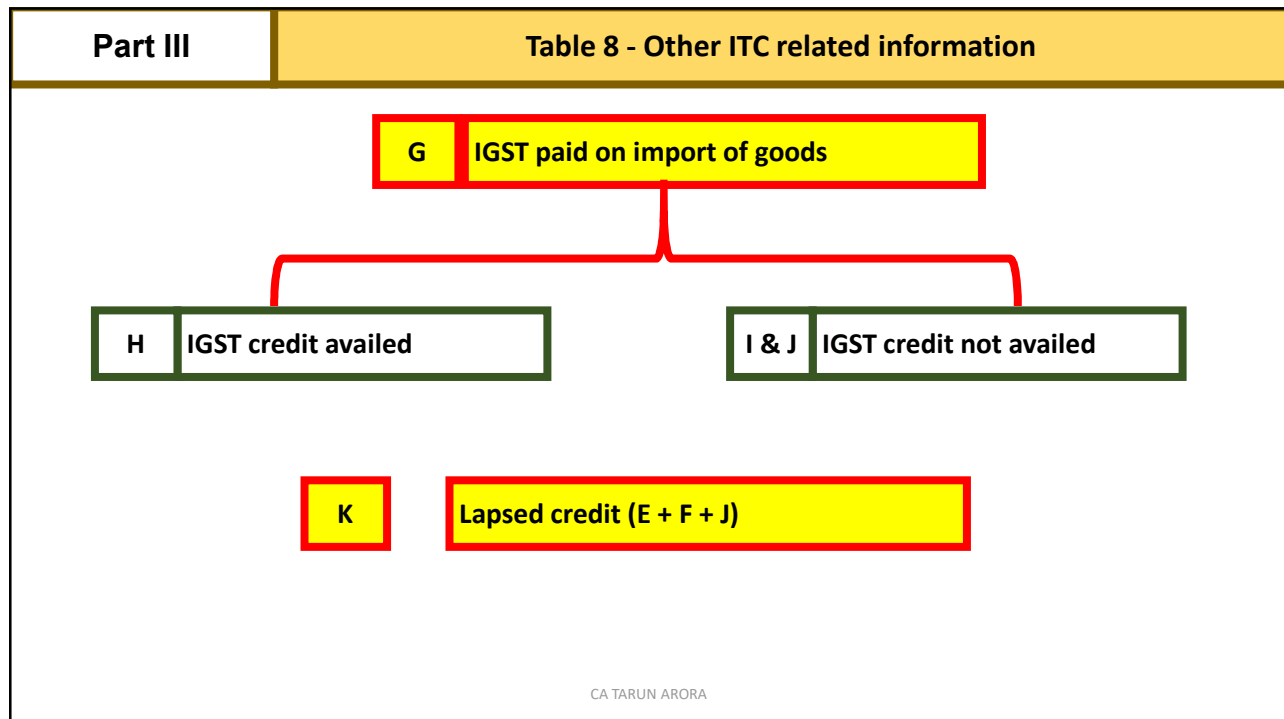
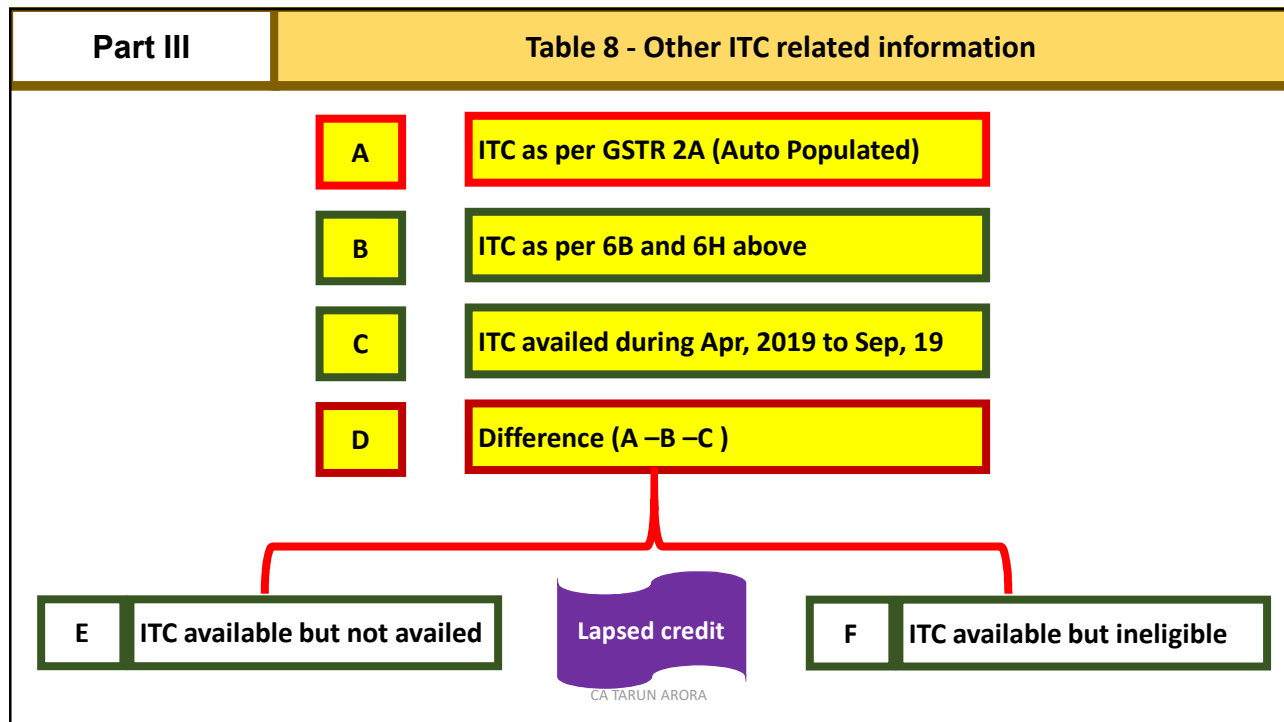
4. Eligible ITC Help ?				
Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(A) ITC Available (whether in full or part)				
(1) Import of goods	₹0.00			₹0.00
(2) Import of services	₹0.00			₹0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	₹0.00	₹0.00	₹0.00	₹0.00
(4) Inward supplies from ISD	₹0.00	₹0.00	₹0.00	₹0.00
(5) All other ITC	₹0.00	₹0.00	₹0.00	₹0.00
(B) ITC Reversed				
(1) As per Rule 42 & 43 of CGST/SGST rules	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00
(C) Net ITC Available (A) - (B)	₹0.00	₹0.00	₹0.00	₹0.00
(D) Ineligible ITC				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00



Part III	Details of ITC declared in returns filed during the financial year
K	Transition credit through Tran I
L	Transition credit through Tran II
M	Any other ITC availed but not specified
N	Sub total (K to M)
O	Total ITC availed (I +N)

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Part III	Table 7 Details of ITC Reversed and Ineligible ITC as declared in returns filed during for the financial year				
A	As per Rule 37	→	For non payment of consideration in 180 days		
B	As per Rule 39				
C	As per Rule 42	} →	Apportionment ITC for exempt supplies		
D	As per Rule 43				
E	As per section 17(5)				
F	Reversal of TRAN-I credit				
G	Reversal of TRAN-II credit				
H	Other reversals (pl. specify)				
I	Total ITC Reversed (A to H above)				
J	Net ITC Available for Utilization (60 - 7I)	CA TARUN ARORA			



Input Related

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CASE STUDY - 1

Year	Books	GSTR 3B	GSTR-2A
2018-19	100	100	100
2019-20	-	-	-

Part 3 [Input Tax Credit]

Table 6	6B 100		
Table 7	NIL		
Table 8	8A 100	8B + 8C 100	8D Zero

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Part 5 [ITC reported in 19-20 pertaining to 18-19]

Table 12	Nil
Table 13	Nil

CASE STUDY - 2

Year	Books	GSTR 3B	GSTR-2A
2018-19	100	90	100
2019-20	-	10	-

Part 3
[Input Tax Credit]

Table 6	6B 90		
Table 7	NIL		
Table 8	8A 100	8B + 8C 100	8D -0

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Part 5
[ITC reported in 19-20 pertaining to 18-19]

Table 12	Nil
Table 13	10

CASE STUDY - 3

Year	Books	GSTR 3B	GSTR-2A
2018-19	100	110	100
2019-20	-	-10	-

Part 3
[Input Tax Credit]

Table 6	6B 100	6M 10	
Table 7	NIL		
Table 8	8A 100	8B + 8C 100	8D Zero

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Part 5
[ITC reported in 19-20 pertaining to 18-19]

Table 12	-10
Table 13	Nil

CASE STUDY - 4				
Year	Books	GSTR 3B		GSTR-2A
2018-19	100	17-18	10	100
		18-19	100	
		Total	110	
2019-20	-	-	-	-

Part 3 [Input Tax Credit]				Part 5 [ITC reported in 19-20 pertaining to 18-19]	
Table 6	6B 100	6M 10		Table 12	0
Table 7	NIL			Table 13	Nil
Table 8	8A 100	8B + 8C 100	8D Zero		

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CASE STUDY - 5				
Year	Books	GSTR 3B		GSTR-2A
2018-19	100	17-18	-10	100
		18-19	100	
		Total	90	
2019-20	-	-	-	-

Part 3 [Input Tax Credit]				Part 5 [ITC reported in 19-20 pertaining to 18-19]	
Table 6	6B 100	6M 0		Table 12	0
Table 7	7H -10			Table 13	Nil
Table 8	8A 100	8B + 8C 100	8D Zero		

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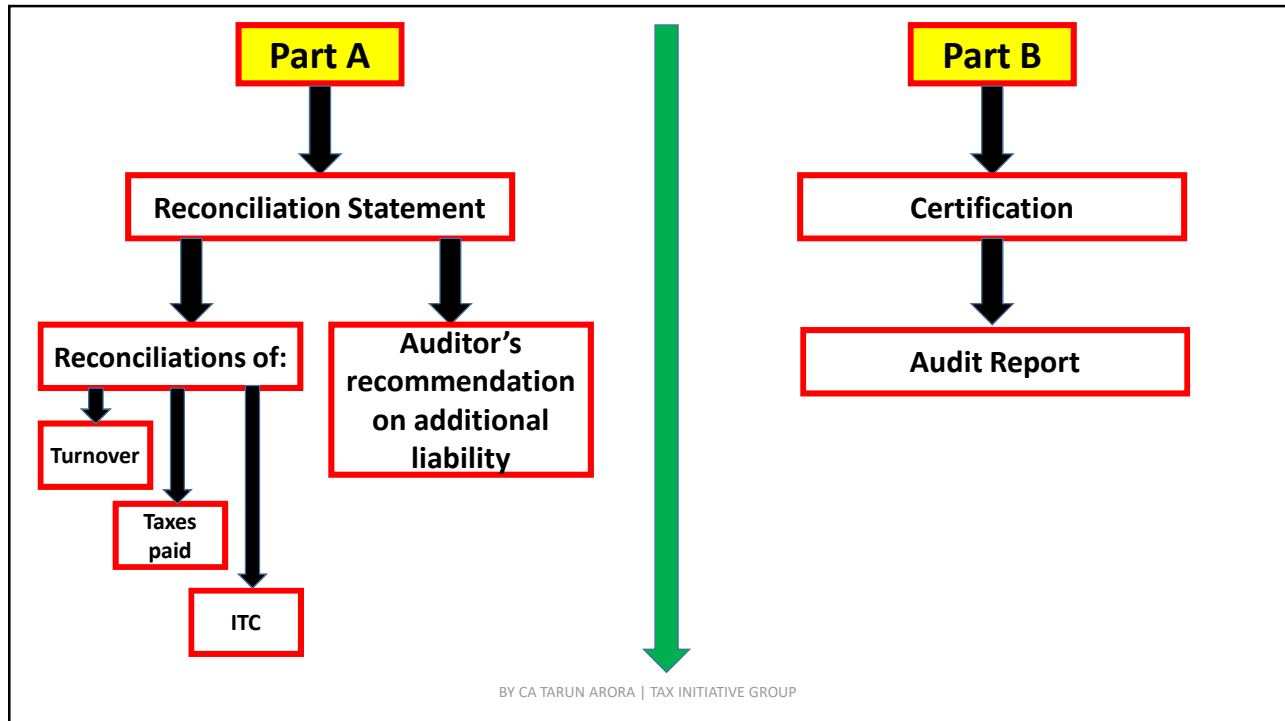
CASE STUDY - 6									
Year	Books			GSTR 3B			GSTR-2A		
	I	C	S	I	C	S	I	C	S
2018-19	10	10	10	0	15	15	10	10	10
2019-20	-	-	-	10	-5	-5	-	-	-

Part 3 [Input Tax Credit]				Part 5 [ITC reported in 19-20 pertaining to 18-19]			
Table 6	6B	0 10 10	6M	0 5 5	Table 12	0 -5 -5	
Table 7	NIL				Table 13	10 0 0	
Table 8	8A	10 10 10	8B+8C	10 10 10			8D Zero

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Part 2: GST Audit

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GENERAL MEANING OF AUDIT

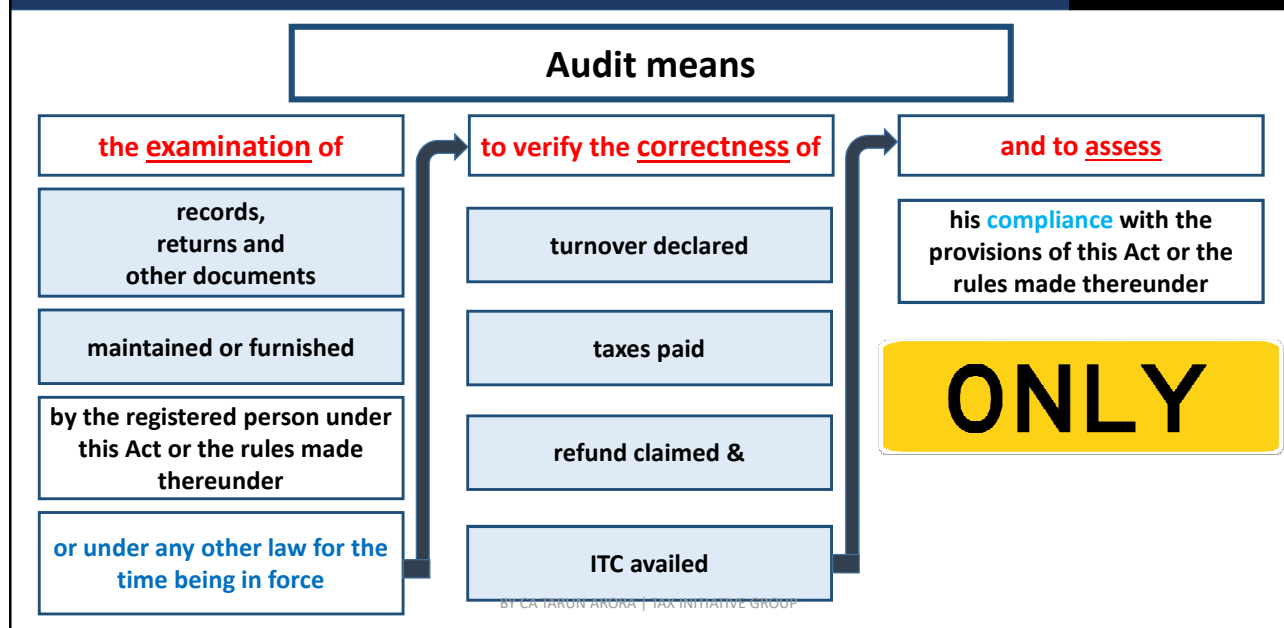
An audit is a

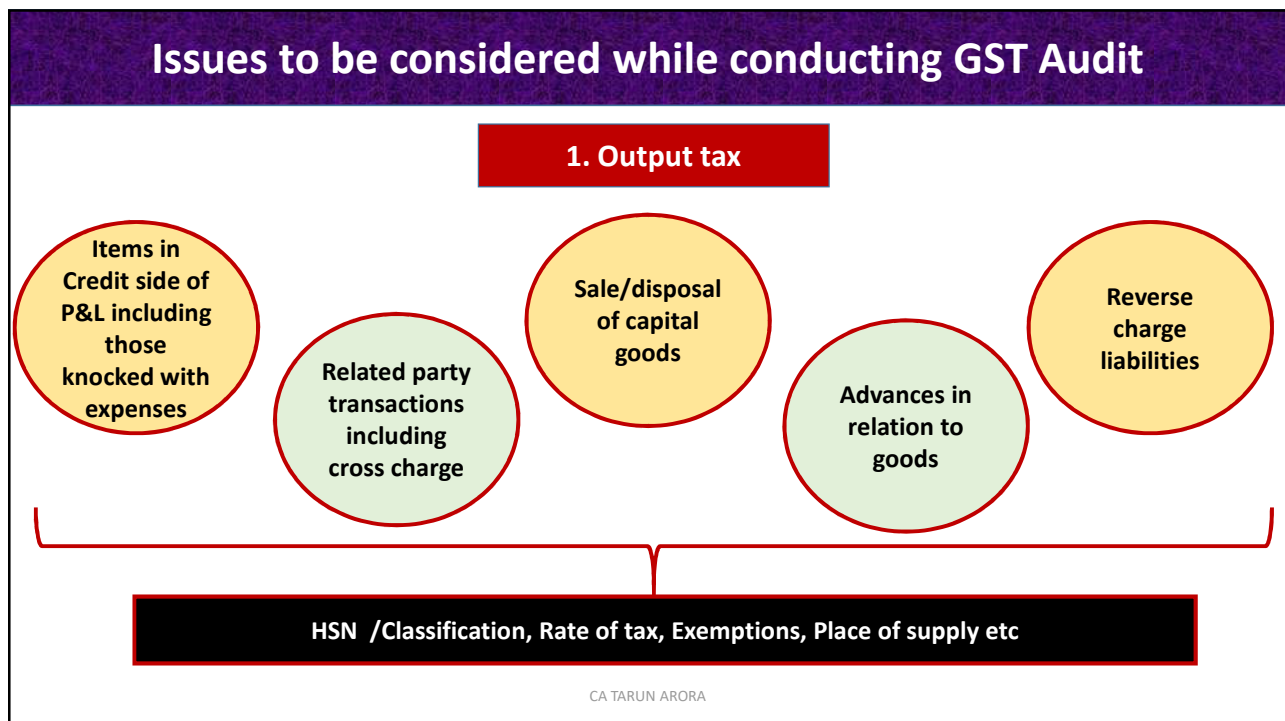
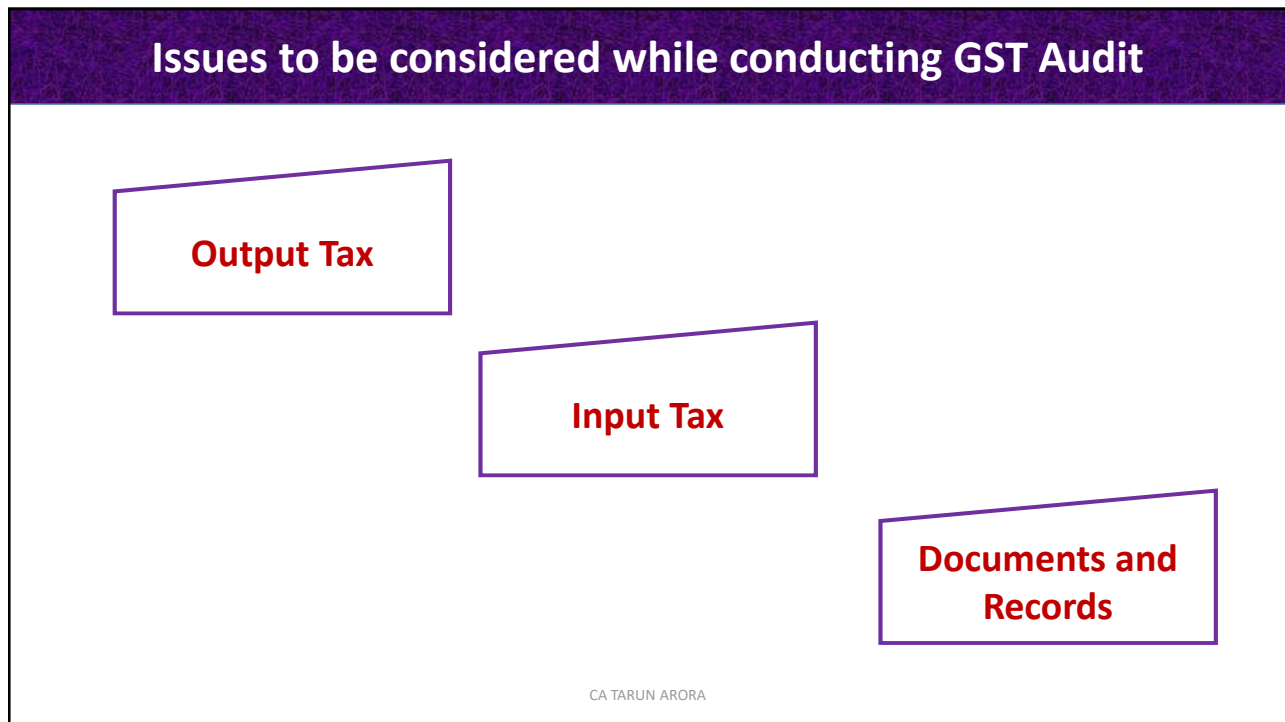
- ❑ systematic and independent **examination** of
- ❑ books, accounts, statutory records, documents and vouchers
- ❑ of an organization to ascertain
- ❑ how far the financial statements as well as non-financial disclosures present a **true and fair view** of the concern.

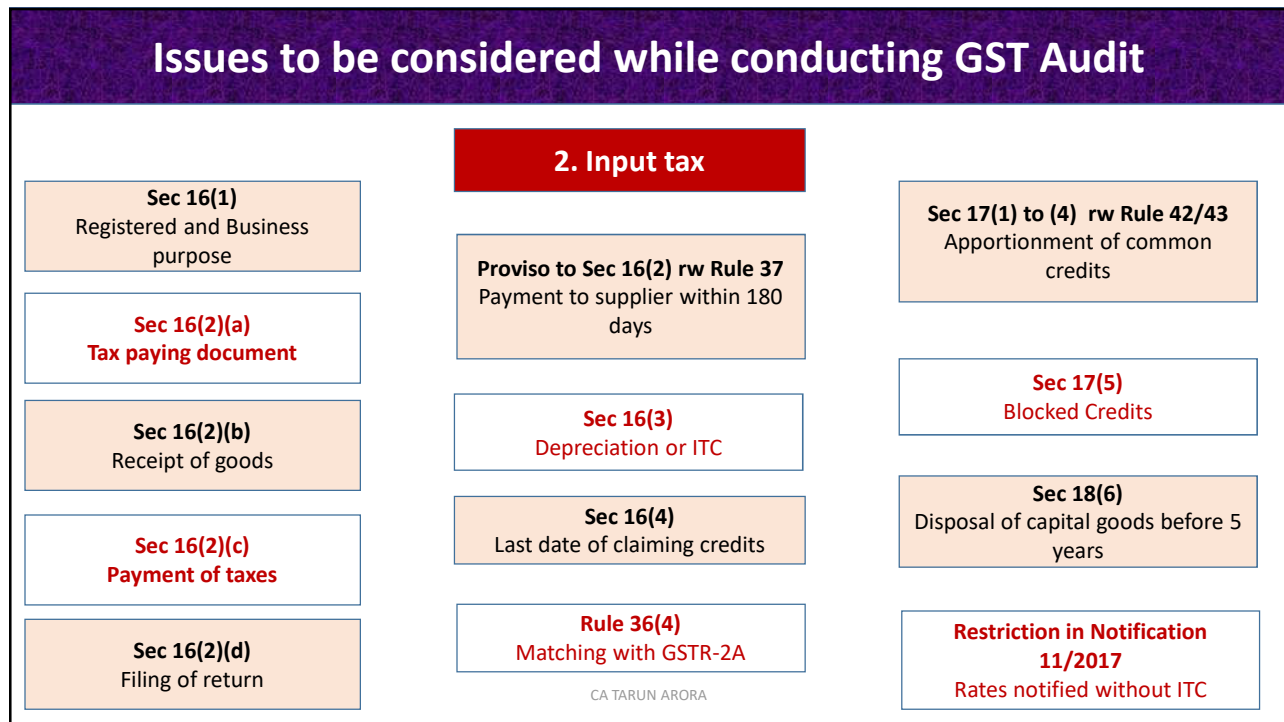
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MEANING OF AUDIT UNDER GST

Sec 2(13)







Sec 16 (4) Last date of claiming credit

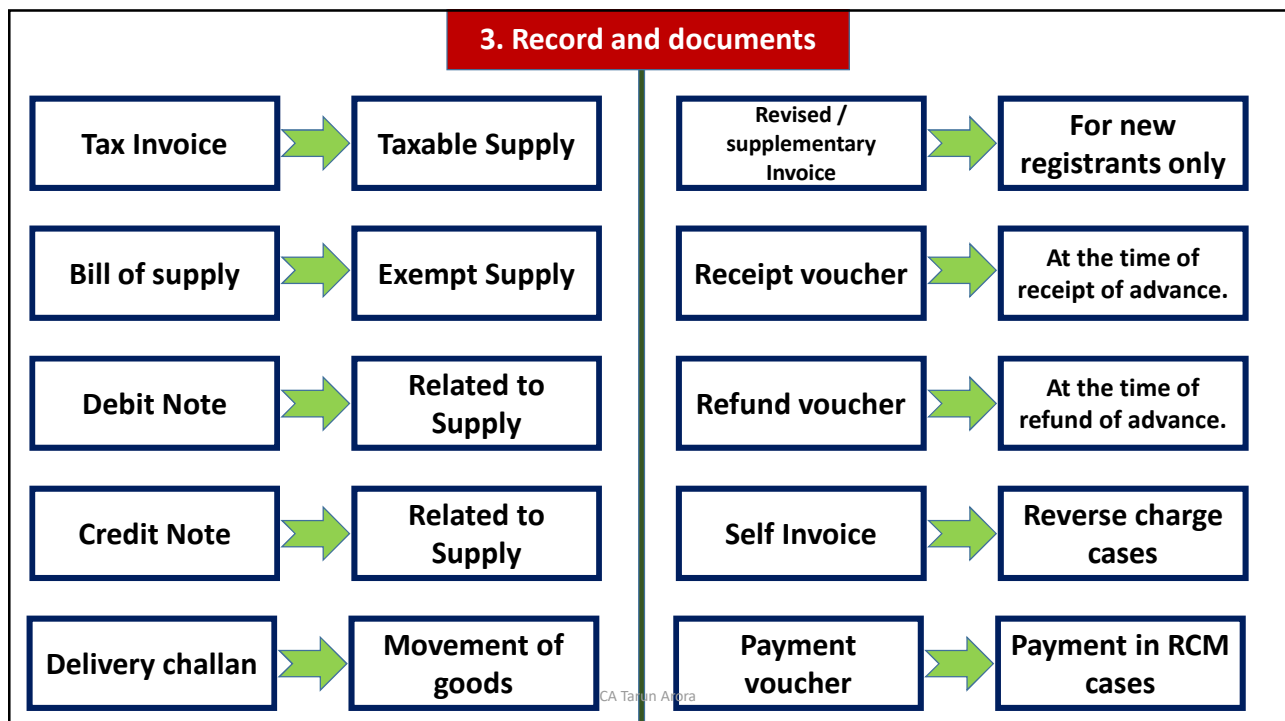
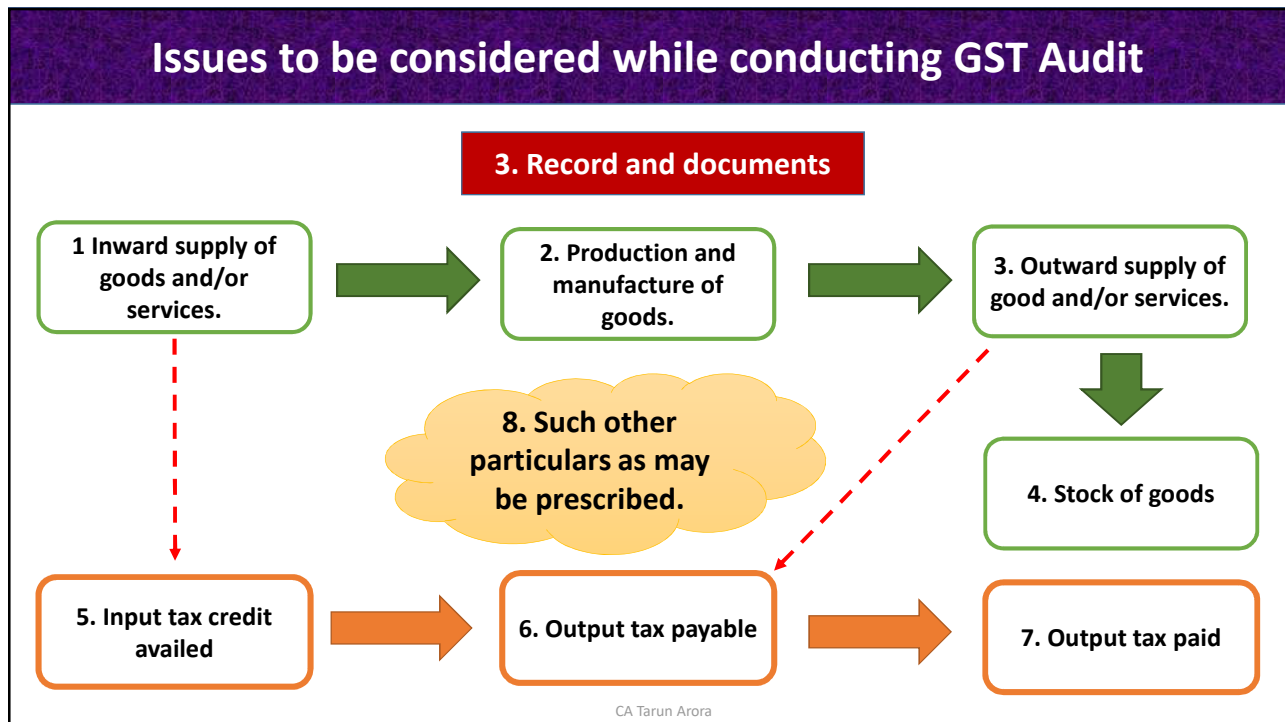
(4) A registered person shall **not be entitled to take input tax credit**

- **in respect of any invoice or debit note**
- for supply of goods or services or both
- **after** the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.

Provided..... [One time extension for financial year 2017-18].

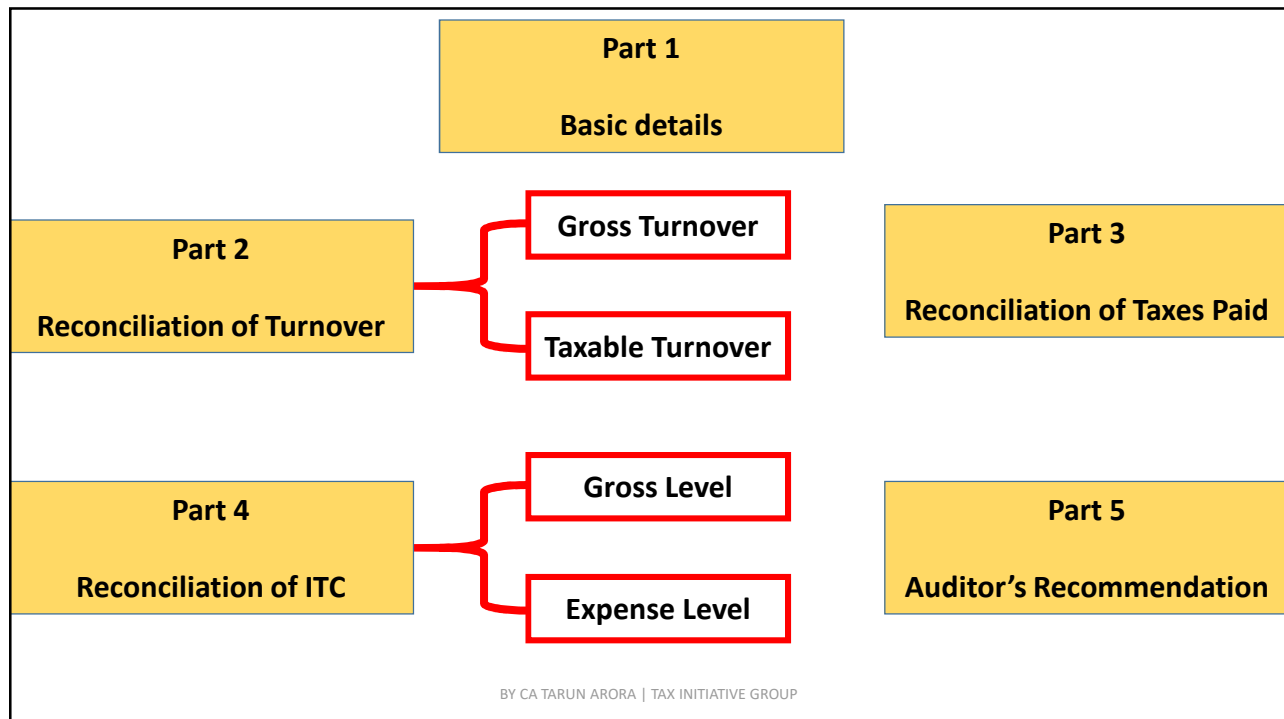
Rule 36(1)(b) Documentary requirements

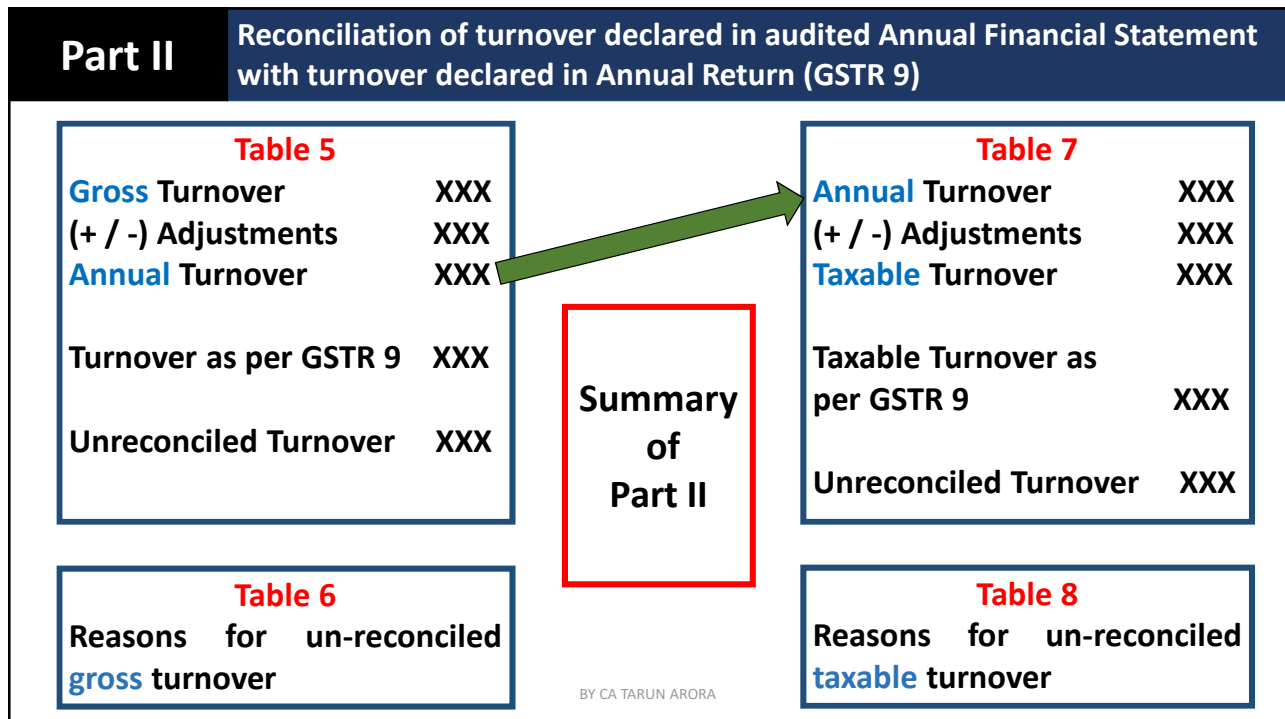
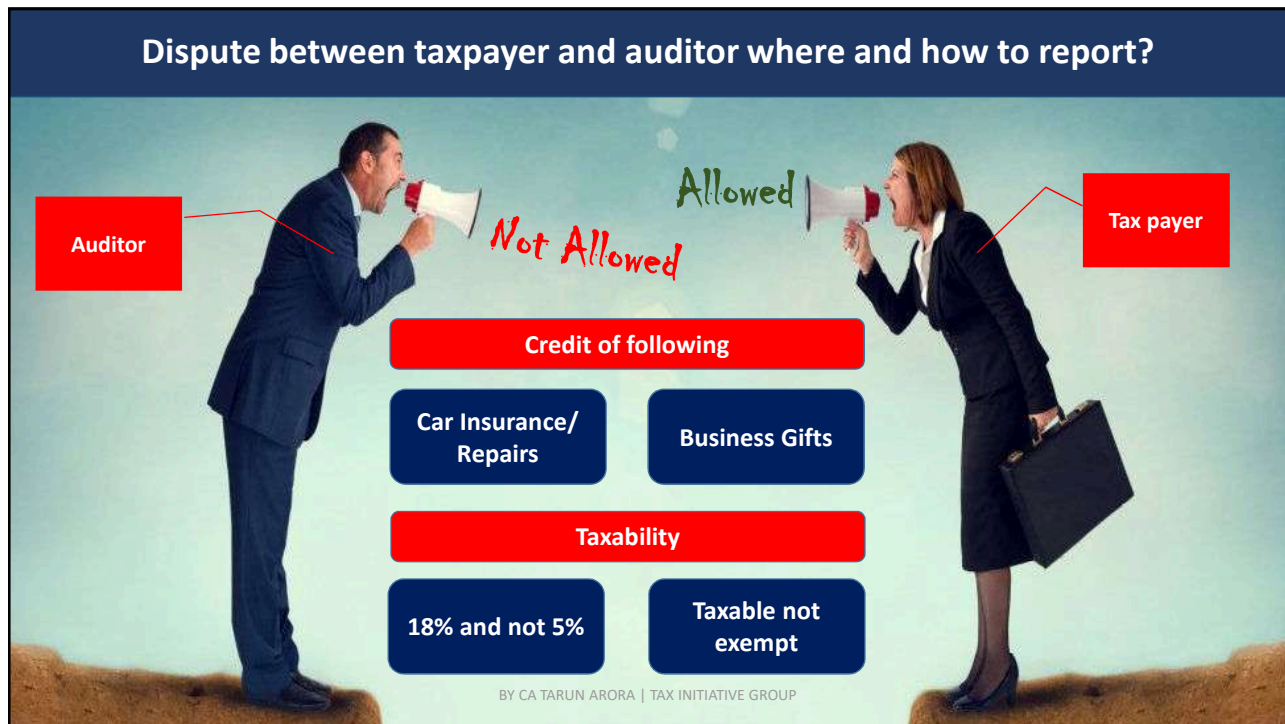
- an invoice issued in accordance with the provisions of clause (f) of sub-section (3) of section 31,;
- subject to the payment of tax;



Reconciliation Statement Part A

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Adjustment of Credit Notes and/or Discounts on which tax is not allowed to be reversed

Extracts from Financials			
S. No	Particulars	Amount	Remarks
1	Total Supply Invoice issued	Rs 100/-	Reportable in GSTR -9
2	Discounts/Credit Notes (Non GST)	Rs -10/-	Not Reportable in GSTR -9
3	Gross Total	Rs 90/-	

Extracts from GSTR-9C		
S. No	Particulars	Amount
1	GSTR 9C Starting Point	Rs 90/-
2	+/- Adjustment of Discount/Credit Note	Rs +10/-
3	Amount reported in GSTR-9	Rs 100/-

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Adjustment of Closing Un-billed Revenue

Extracts from Financials			
S. No	Particulars	Amount	Remarks
1	Total Supply Invoice issued	Rs 100/-	Reportable in GSTR -9
2	Unbilled Revenue	Rs 10/-	Not Reportable in GSTR -9
3	Gross Total	Rs 110/-	

Extracts from GSTR-9C		
S. No	Particulars	Amount
1	GSTR 9C Starting Point	Rs 110/-
2	+/- Adjustment of Unbilled Revenue	Rs -10/-
3	Amount reported in GSTR-9	Rs 100/-

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Telephone company having billing from 15th of Month to 14th of Next month

The company for the Month of March, 2018 Invoice for 16 days will be issued in April and taxes will be payable accordingly.

However as per Accounting Standards Income will be booked in 17-18

Adjustment of Opening Un-billed Revenue

Extracts from Financials			
S. No	Particulars	Amount	Remarks
1	Total Supply Invoice issued	Rs 100/-	Reportable in GSTR -9
2	Unbilled Revenue Opening	Rs -10/-	Not Reportable in GSTR -9
3	Gross Total	Rs 90/-	

Extracts from GSTR-9C		
S. No	Particulars	Amount
1	GSTR 9C Starting Point	Rs 90/-
2	+/- Adjustment of Advance	Rs +10/-
3	Amount reported in GSTR-9	Rs 100/-

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Adjustment of Advances

Extracts from Financials			
S. No	Particulars	Amount	Remarks
1	Total Supply Invoice issued	Rs 100/-	Reportable in GSTR -9
2	Gross Total	Rs 100/-	
3	Advances on which taxes paid	Rs 10/-	Reportable in GSTR -9

Extracts from GSTR-9C		
S. No	Particulars	Amount
1	GSTR 9C Starting Point	Rs 100/-
2	+/- Adjustment of Discount/Credit Note	Rs +10/-
3	Amount reported in GSTR-9	Rs 110/-

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Part 4 Table 12		Reconciliation of Input Tax Credit (ITC)	
A	ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)		XXX
B	ITC booked in earlier Financial Years claimed in current Financial Year	+	XXX
C	ITC booked in current Financial Year to be claimed in subsequent Financial Years	-	XXX
D	ITC availed as per audited financial statements or books of account [A + B - C]		XXX
E	ITC claimed in Annual Return (GSTR 9) [Table 7J of GSTR 9: Net ITC available after reversals]		XXX
F	Un-reconciled ITC [D - E]		XXX

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Table 14 Reconciliation of ITC declared in Annual Return (GSTR 9) with ITC availed on expenses as per audited Annual Financial Statement or books of account

Description	Value	Amount of Total ITC	Amount of eligible ITC Availed
A. Purchases			
B. Freight/Cartage			
C. Power and fuel			
Other expense heads			
O. Capital Goods			
P. Any other expense 1			
Q. Any other expense 2			
R. Total amount of eligible ITC			
S. ITC Claimed in Annual Return (Table 7J of Annual Return i.e. after reversals)			
T. Unreconciled ITC			

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CASE STUDY - 1	Year	Books	GSTR 3B
	2018-19	100	100
	2019-20	-	-

GSTR-9			
Table 6 (Part III)	Rs 100/-	Table 12/13 (Part V)	Nil

GSTR-9C Table 12	
12 A. ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)	100
12 B. ITC booked in earlier Financial Years claimed in current Financial Year	0
12 C. ITC booked in current Financial Year to be claimed in subsequent Financial Years	0
12 D. ITC availed as per audited financial statements or books of account [12D = 12A + 12B – 12C]	100
12 E. ITC claimed in Annual Return (GSTR9) [Table 7J of Annual Return]	100
12 F. Unreconciled ITC [12 D – 12F]	0

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CASE STUDY - 2	Year	Books	GSTR 3B
	2018-19	100	90
	2019-20	-	10

GSTR-9			
Table 6 (Part III)	Rs 90/-	Table 12/13 (Part V)	10

GSTR-9C Table 12	
12 A. ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)	100
12 B. ITC booked in earlier Financial Years claimed in current Financial Year	0
12 C. ITC booked in current Financial Year to be claimed in subsequent Financial Years	10
12 D. ITC availed as per audited financial statements or books of account [12D = 12A + 12B – 12C]	90
12 E. ITC claimed in Annual Return (GSTR9) [Table 7J of Annual Return]	90
12 F. Unreconciled ITC [12 D – 12F]	0

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CASE STUDY - 3	Year	Books	GSTR 3B
	2018-19	100	110
	2019-20		-10

GSTR-9			
Table 6 (Part III)	Rs 110/-	Table 12/13 (Part V)	-10

GSTR-9C Table 12	
12 A. ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)	100
12 B. ITC booked in earlier Financial Years claimed in current Financial Year	0
12 C. ITC booked in current Financial Year to be claimed in subsequent Financial Years	0
12 D. ITC availed as per audited financial statements or books of account [12D = 12A + 12B – 12C]	100
12 E. ITC claimed in Annual Return (GSTR9) [Table 7J of Annual Return]	110
12 F. Unreconciled ITC [12 D – 12F]	-10

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CASE STUDY - 4	Year	Books	GSTR 3B
	2018-19	100	17-18 = 10 18-19 100
	2019-20	-	-

GSTR-9			
Table 6 (Part III)	Rs 110/-	Table 12/13 (Part V)	0

GSTR-9C Table 12	
12 A. ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)	100
12 B. ITC booked in earlier Financial Years claimed in current Financial Year	10
12 C. ITC booked in current Financial Year to be claimed in subsequent Financial Years	0
12 D. ITC availed as per audited financial statements or books of account [12D = 12A + 12B – 12C]	110
12 E. ITC claimed in Annual Return (GSTR9) [Table 7J of Annual Return]	110
12 F. Unreconciled ITC [12 D – 12F]	0

BY CA TARUN ARORA | TAX INITIATIVE GROUP

CASE STUDY - 5	Year	Books	GSTR 3B
	2018-19	100	17-18 = -10 18-19 100
	2019-20	-	-

GSTR-9			
Table 6 (Part III)	Rs 90/-	Table 12/13 (Part V)	0

GSTR-9C Table 12	
12 A. ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)	100
12 B. ITC booked in earlier Financial Years claimed in current Financial Year	-10
12 C. ITC booked in current Financial Year to be claimed in subsequent Financial Years	0
12 D. ITC availed as per audited financial statements or books of account [12D = 12A + 12B – 12C]	90
12 E. ITC claimed in Annual Return (GSTR9) [Table 7J of Annual Return]	90
12 F. Unreconciled ITC [12 D – 12F]	0

BY CA TARUN ARORA | TAX INITIATIVE GROUP

Pt. 5 Auditors Recommendation on additional liability

BY CA TARUN ARORA

Part. 5

Auditor's recommendation on additional liability due to non-reconciliation

What is the scope of the heading?



Does it mean that the Auditor has to recommend additional liability only if the liability is on account of reconciliation (Outward Supply/Input Tax Credit)? Can there be other reasons too?

Why is this issue important?

8. Towards, the end of the reconciliation statement taxpayers shall be given an option to pay their taxes as recommended by the auditor.

BY CA TARUN ARORA

Part. 5

Auditor's recommendation on additional liability due to non-reconciliation

Extracts from Instructions-

- ❑ Part V consists of the auditor's recommendation on the additional liability to be discharged by the taxpayer due to non-reconciliation of turnover or non-reconciliation of input tax credit.
- ❑ **The auditor shall also recommend if there is any other amount to be paid for supplies not included in the Annual Return.**
- ❑ Any **refund which has been erroneously taken** and shall be paid back to the Government shall also be declared in this table.
- ❑ Lastly, any other **outstanding demands** which is recommended to be settled by the auditor shall be declared in this Table.

BY CA TARUN ARORA

Types of Reports

Type I-

Certification in cases where the reconciliation statement (FORM GSTR 9C) is drawn up by the person who had conducted the audit

Where Statutory Audit or Tax Audit or any other Audit was conducted by the GST Auditor.

Where Statutory Audit or Tax Audit or any other Audit was not conducted by the GST Auditor.


Type II -


Certification in cases where the reconciliation statement (FORM GSTR 9C) is drawn up by a person other than the person who had conducted the audit of the accounts

BY CA TARUN ARORA | TAX INITIATIVE GROUP


Para	Certification Type 1	Certification Type 2
1	<p>I/we have examined the</p> <p>(a) balance sheet as on 31.03.2018.</p> <p>(b) the *profit and loss account/income and expenditure account for the period beginning from – 01.04.2017 to ending on 31.03.2018, and</p> <p>(c) the cash flow statement (If available) for the period beginning from 01.04.2017 to ending on 31.03.2018 - ,</p> <p>attached herewith, of M/s (Name), (Address), (GSTIN).</p> <p style="text-align: right;"><small>BY CA TARUN ARORA TAX INITIATIVE GROUP</small></p>	<p>I/we report that the audit of the books of accounts and the financial statements of M/s. (Name), (Address), (GSTIN) was conducted by M/s. (Name & address of auditor), bearing membership number in pursuance of the provisions of the ____, Act, and I/we annex hereto a copy of their audit report dated XXXXXX, along with a copy of each of :-</p> <p>(a) balance sheet as on 31.03.2018,</p> <p>(b) the profit and loss account/income and expenditure account for the period beginning from 01.04.2017 to ending on 31.03.2018,</p> <p>(c) the cash flow statement (If available) for the period beginning from 01.04.2017 to ending on 31.03.2018, and</p> <p>(d) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/income and expenditure account and balance sheet.</p>

**CA Rohit
Tax Auditor**












**CA Rahul
GST Auditor**







Which certification would be used - Type 1 or Type 2?

BY CA TARUN ARORA | TAX INITIATIVE GROUP

CA Rohit Tax Auditor	CA Rohit GST Auditor
	
	
Which certification would be used - Type 1 or Type 2?	
BY CA TARUN ARORA TAX INITIATIVE GROUP	

CA Rohit Statutory Auditor	CA Rahul Tax Auditor	CA Rahul GST Auditor
		
	Which certification needs to be used - Type 1 or Type 2?	
BY CA TARUN ARORA TAX INITIATIVE GROUP		

<div style="border: 1px solid black; padding: 5px; background-color: #e6f2ff; margin-bottom: 5px;"> CA Rohit Statutory Auditor </div> 	<div style="border: 1px solid black; padding: 5px; background-color: #e6f2ff; margin-bottom: 5px;"> CA Rahul Tax Auditor </div> 	<div style="border: 1px solid black; padding: 5px; background-color: #e6f2ff; margin-bottom: 5px;"> CA Tarun GST Auditor </div> 
<div style="border: 2px solid black; border-radius: 15px; padding: 10px; display: inline-block;"> <p>Which Auditor's details need to be furnished under Type 2 certification?</p> </div> 		
BY CA TARUN ARORA TAX INITIATIVE GROUP		

Para	Certification Type 1	Certification Type 2
2	<p>Based on our audit I/we report that the said registered person</p> <p>*has maintained the books of accounts, records and documents as required by the IGST/CGST/SGST Act, 2017 and the rules/notifications made/issued thereunder</p> <p>*has not maintained the following accounts/records/documents as required by the IGST/CGST/SGST Act, 2017 and the rules/notifications made/issued thereunder:</p> <ol style="list-style-type: none"> 1. 2. 	<p>I/we report that the said registered person</p> <p>*has maintained the books of accounts, records and documents as required by the IGST/CGST/SGST Act, 2017 and the rules/notifications made/issued there under.</p> <p>*has not maintained the following accounts/records/documents as required by the IGST/CGST/SGST Act, 2017 and the rules/notifications made/issued there under:</p> <ol style="list-style-type: none"> 1. 2.
BY CA TARUN ARORA TAX INITIATIVE GROUP		


What are the various

- books of accounts,
- records and
- documents

required under the GST Act?

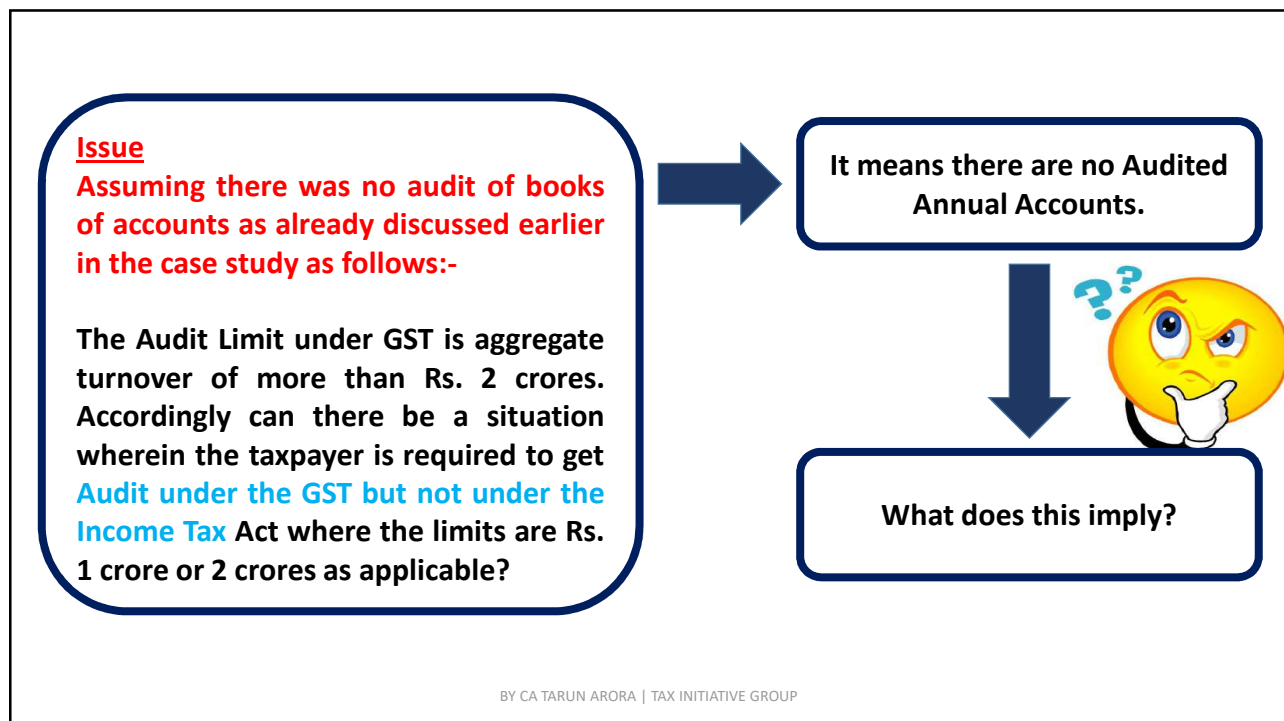
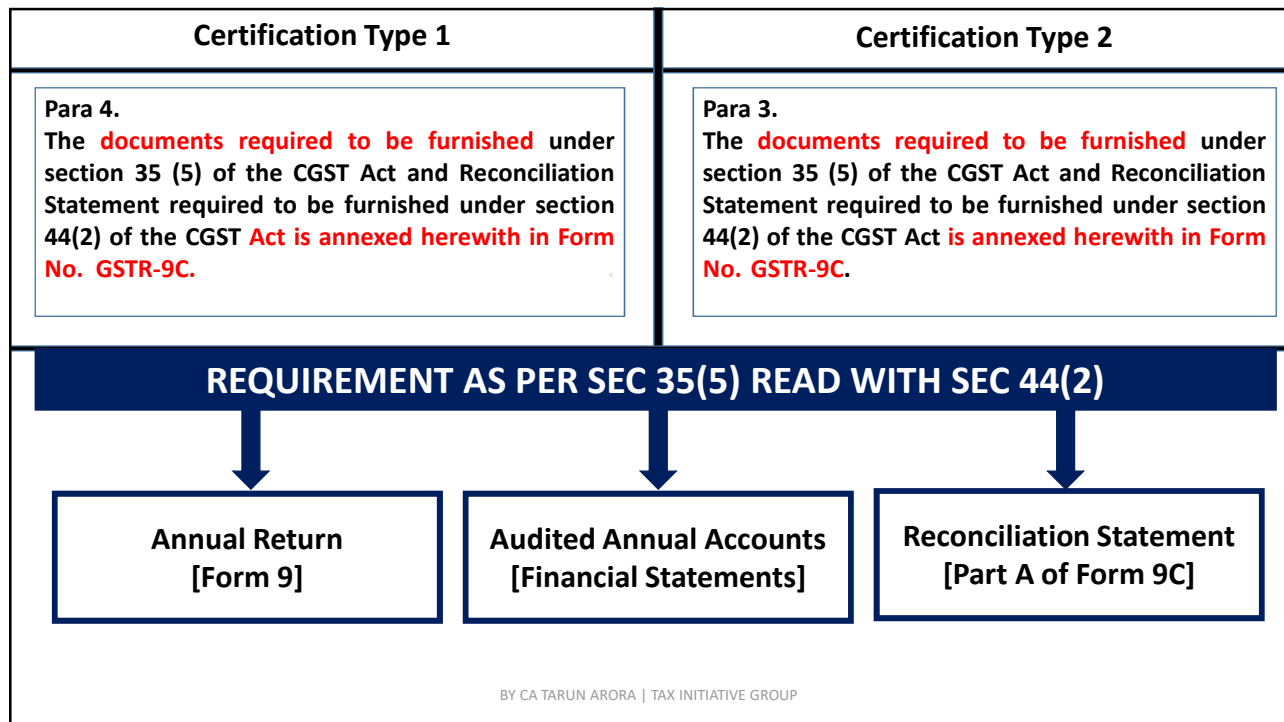
Sec 35 Read with Rule 56



Sec 31, Sec 34 Read with Rule 46 to Rule 55



BY CA TARUN ARORA | TAX INITIATIVE GROUP

Para	Certification Type 1	Certification Type 2
3	<p>3. (a) *I/we report the following observations/ comments / discrepancies / inconsistencies; if any: ---- ----</p> <p>3. (b) *I/we further report that, -</p> <p>(A) I/we have obtained all the information and explanations which, to the best of my/our knowledge and belief, were necessary for the purpose of the audit/ information and explanations which, to the best of my/our knowledge and belief, were necessary for the purpose of the audit were not provided/partially provided to us.</p> <p>(B) In my/our opinion, proper books of account have/have not been kept by the registered person so far as appears from my/ our examination of the books.</p> <p>(C) I/we certify that the balance sheet, the profit and loss/income and expenditure account and the cash flow Statement are in agreement/not in agreement with the books of account maintained at the Principal place of business at --"and ** --"additional place of business within the State.</p> <p style="text-align: center; font-size: x-small;">BY CA TARUN ARORA TAX INITIATIVE GROUP</p>	<div style="border: 1px solid black; border-radius: 15px; padding: 10px; width: 80%; margin: auto;"> <p>Issues covered in Para 3 of certification type 1 have been dealt with in Para 4 of type 2 certification</p> </div>



<p>No Statutory Auditor</p>	<p>No Tax Auditor</p>	<p>CA Rahul GST Auditor</p> 
<p>Which certification needs to be used Type 1 or Type 2?</p>		
		
<p><small>BY CA TARUN ARORA TAX INITIATIVE GROUP</small></p>		

Certification Type 1	Certification Type 2
<p>Para 5 In my/our opinion and to the best of my/our information and according to</p> <p>explanations given to me/us,</p> <p>the particulars given in the said Form No. GSTR 9C are <u>true and fair</u> subject to following observations/qualifications, if any:</p> <p>(a) --- (b) --- (c) ---</p>	<p>Para 4 In my/our opinion and to the best of my/our information and according to</p> <p>examination of books of account</p> <p>including other relevant documents and explanations given to me/us,</p> <p>the particulars given in the said Form No. GSTR 9C are <u>true and fair</u> subject to following observations/qualifications, if any:</p> <p>(a) --- (b) --- (c) ---</p>
<p><small>BY CA TARUN ARORA TAX INITIATIVE GROUP</small></p>	

*Thank
you*



CA Tarun Arora

M/s Tarun Subhash Arora & Co

Mobile: +91-9891284889 | Email: tarun@tsarora.com

CA TARUN ARORA