

Addendum

# GUIDANCE NOTE ON

# GST

# ANNUAL RETURN AND AUDIT



## Goods and Services Tax



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
(Statutory body under an Act of Parliament)

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"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

### Mission Statement

"The Cost and Management Accountant professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting"

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1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners, stakeholders and also Crash Courses on GST for Colleges and Universities.

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- Taxation Help Desk
- Fortnightly Tax Bulletin
- **Indirect Tax** - Certificate Course on GST & Advance GST Course
- **Direct Tax** – Certificate Course on TDS & Filing of Return
- Crash Course on GST for Colleges & Universities
- Various Publications in Direct Tax & Indirect Tax

# **ADDENDUM\_GUIDANCE NOTE ON GST ANNUAL RETURN AND AUDIT**



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## **P R E F A C E**

It is indeed a great pleasure to present the Addendum on "GST Annual Return and Audit", after releasing the revised edition of the book, during National Taxation Seminar on 21<sup>st</sup> December 2019. Despite the efforts of Government to make the process and compliance simpler, the taxpayers faced difficulties during audit for Financial Year 2017-18.

We from the Tax Research Department of the Institute are trying our best to deliver timely service to the taxpayers, Tax practitioners and other stakeholders.

Some of the highlights of this Addendum are as under:-

- Approach of GST Audit
- Criterion of GST Auditor
- Auditor's responsibility during the Audit
- Qualification/Remarks of the Auditor
- Auditor's responsibility after completion of the Audit

As per section 35(5) GSTR-9C can be certified by Cost Accountants and for this purpose we have come up with this addendum in technical approach to provide assistance to our members and stakeholders on the critical issues arising while conducting such audit because the due date of GST Annual Return and Audit for F.Y 2018-19 is also knocking at the door.

We, Team – Tax Research are enlightened to work on this booklet. Further, we would like to acknowledge the sincere efforts put by **CMA Shiba Prasad Padhi** for reviewing this book without whose sincere efforts this accomplishment could not have been possible.

We wish the readers a fruitful and enriching experience.

**Team – Tax Research Department**  
**The Institute of Cost Accountants of India**

April 10, 2020



# ADDENDUM\_GUIDANCE ON GST ANNUAL RETURN AND AUDIT

## GST AUDIT - RELEVANT LEGAL PROVISIONS

Section/ Rule	Act/ Rules	Description
20	IGST	Application of provisions of CGST Act
21	UTGST	Application of provisions of CGST Act
35(5)	CGST	Audit of Accounts by Chartered/ Cost Accountant (Annual Audit)
44	CGST	Applicability of Annual Return & Reconciliation Statement
65	CGST	Audit By Tax Authority
66	CGST	Special audit
80(3)	Rules	Annual Return
101	Rules	Audit by Tax Authorities
102	Rules	Special Audit

## APPROACH OF GST AUDIT

### Pre-requisition of audit

1. Management will start the process to fix the meeting for appointment of an Auditor.
2. Before appointment of an Auditor, the Management should discuss the following matters for designing the scope of audit work in a systematic and comprehensive manner
  - a. Nature and complexity of business / operations, IT framework, business places to be covered, status of audit and filing of all GST returns pertaining to the year proposed to be audited.
  - b. Reconciliation of ITC availed with that of GSTR 2A.
  - c. Due date of filing GSTR 9 and 9C for the year under audit.
  - d. Readiness of the concerned office/person in-charge as regards to availability of data, records, registers, financial statements and the like.



- e. Preparation of Draft GSTR 9 and cross checking of the same with GSTR 3B, GSTR 1 and audited Statement of Profit and Loss.
  - f. Proper estimation of the timelines for commencement and closure of audit.
3. Designing the scope of audit.
  4. Seeking Expression of Interest from suitable and eligible firms.
  5. Selection of the Auditor
  6. Obtaining a consent letter of the Auditor before appointment.
  7. Intimation about the appointment of the auditor to all office/person concerned.

## CRITERION OF GST AUDITOR

### Eligibility of GST Auditor

Only a full time Practising Chartered Accountant or a Cost Accountant can perform a GST Audit u/s 35(5). A Statutory Auditor can be appointed as GST Auditor of the same entity.

### Ineligibility for GST Auditor

A GST Practitioner is not eligible to be appointed for audit u/s 35(5). The power to audit is granted only to a Chartered Accountant (CA) or a Cost Accountant (CMA) who is in full time practice.

## AUDITOR'S RESPONSIBILITY DURING THE AUDIT

### Review of Output liability

- Reconciliation between books and monthly returns (GSTR 1 and GSTR 3B)
- Valuation of supply
- Sales returns
- Discounts
- Classification and rate of tax applicable
- Export of goods and services
- Sale of Capital goods

### Review of Input Tax Credit

- **Eligibility of ITC availed:** Whether the taxpayer has availed ITC as per eligibility and documents available thereof. Blocked credit u/s 17(5) needs to be scrutinized from the Books of Accounts.



- **Payment to supplier:** Verification of payments made to suppliers vis-à-vis claim of Input Tax Credit
- **Reconciliation between books and returns:** Verification of ITC claimed as per books and the GSTR 3B.
- **Reversals of excess ITC and interest:** Analysis of ineligible transactions and reversal of excess ITC claimed and computation of interest paid/payable.
- **ITC reversal:** Reversal of ITC on sample sales, wastage etc. and exceptional events like damages, fire accidents etc.
- **Reverse Charge Mechanism:** Scrutinizing ledgers and verification of payment of GST under Reverse Charge Mechanism on taxable transactions. Details of supplies made under RCM as per the information available in the Portal can also be verified.
- **Exempt and Non-GST Supply:** Study of exempt and Non-GST Supply made by the taxpayer during the year under audit.

### Compliance Review

- **Filing of returns:** Compliance regarding filing of returns within the due date/extended due date and implication of delay thereof, if any. Late fees is system computed and the taxpayer must have paid such late fees for delayed filing of returns, while filing his return of next month.
- **Interest:** Computation of applicable interest in case of delay in return filing which resulted to delay in payment of tax, on the gross tax liability.
- **Notices & Orders:** Portal of the taxpayer must be verified to check and know the Notices and Order issued to him during the period under audit and compliance made thereof. Additional Notices and Orders issued, if any should also be checked
- **Place and time of supply:** Determination of the place and time of supply of goods and services as per GST law.
- **Notifications and circulars:** Applicable notifications and circulars to the taxpayer for the period under audit.
- **Annual Return:** Filing of Annual Return in Form9C by the taxpayer within the due date.

### Internal Control under GST

- **Ledger scrutiny:** Analysis of transactions/ledger accounts, for identification of eligible ITC and payment of tax on output liability.
- **Process controls and compliance:** Review of the organization structure established for ensuring GST compliance.
- **Maintenance of records:** Review of adequacy and efficacy of records maintained under GST.



- **Job work:** Review of internal control mechanism in case of Job Work, Sale on approval basis, Sales returns etc.
- **ERP Utilization:** Analysis of the utilization of ERP and provide recommendations for optimum utilisation of ERP to reduce manual errors and omission, including last updation of Vendor Master.

### **Deliverables under GST Audit**

- **Input Tax Credit**

1. Monthly return comparison with Books/Purchase Register.
2. ITC mismatches, reversals and reclaimed during the year.

- **Output Liability**

1. Monthly return comparisons with books/Sales Register.
2. Reconciliation between values of supplies as per annual return with audited financial statement.

- **Internal Control**

1. Recommendations on efficiency and effectiveness of internal control.
2. Scope of improvement in the ERP/accounting software.

### **Delay in filing of Annual Return**

Late Fees u/s 47(2) of CGST Act, 2017 of Rs.200 per day (Rs. 100 CGST + Rs. 100 SGST), maximum upto 0.25% of the turnover

### **Not getting accounts Audited**

No specific penalty provided for delay in filing of GST Audit Report. General penalty u/s 125 of CGST Act, 2017 can be upto Rs.25,000/-.

## **QUALIFICATION/REMARKS OF THE AUDITOR**

Sample Qualification/Remarks of the Auditor can be as under:

### **1. List of Documents not maintained**

As per the information and explanation given to us, the taxpayer has maintained proper records of books and documents listed in Sec. 35 read with Rule 56 to 58 of The CGST Act, except stock of goods wherein memorandum stock statement is prepared. Partially maintained documents of supplies attracting payment of tax on reverse charge mechanism along with relevant documents such as invoices, credit notes, debit notes, refund



vouchers, bill of supply etc. Partially some E-way Bills and/or Delivery Challans were not prepared in some cases. According to information and explanation given by the management and in our opinion the same are not material.

## **2. Financial Year and Aggregate Turnover (Table 5A)**

Financial Year(FY) is not defined under GST Law. As per General Clauses Act, FY means the year commencing on the first day of April and ends on last day of March of next year.

## **3. Financial Year and Business commenced during the Year**

The taxpayer has commenced business during the year on dated..... Taxpayer has obtained Voluntary registration on dated .....or Applied for registration on dated .....After crossing the threshold for registration.

## **4. Business closed during the year**

The taxpayer has closed his business operation w.e.f \_\_\_\_\_. The application for closure has been duly filed in GSTREG-06 with Tax Authorities on \_\_\_\_\_. ITC of Rs.\_\_\_\_\_has been disallowed on the closing stock of goods”.

## **5. Additional Place of business not included in Registration Certificate but turnover considered in GST**

The additional place of business \_\_\_\_\_ is not included in Registration Certificate under CGST/SGST Act,2017 obtained by the taxpayer, but the turnover of outward and inward supplies and taxes thereon are included in the GST Returns filed for the period under audit.

## **6. Unbilled revenue at the beginning of the year (Table 5B)**

On the basis of our examination no records of the taxpayer, unbilled revenue which was recorded in books of accounts on basis of accrual system of accounting in the previous financial year (i.e.2017-18) and billed in current financial year (2018-19)has been declared in Table 5B. However 2017-18 and 2018-19 figures have been audited by other statutory audit or and the same has been considered by us.

## **7. Unadjusted advances at the beginning/ end of the Financial Year (Table 5C/5I)**

As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, reliance has been placed on the audited financial statements for determining the unadjusted advances and no separate exercise has been conducted to validate the same.



## **8. Deemed Supply (Table 5D)**

The term “deemed supply” is not defined under GST Law. It has listed out certain transactions / activities which is deemed as a supply in absence of consideration. Section 7(1)(c) of the CGST Act, 2017 provides that the activities specified in Schedule I is to be treated as a supply, when it is made without consideration. We have obtained management representation letter regarding the same.

## **9. Credit Note issued after end of FY but not reflected in Annual Return (Table 5E)**

As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, the disclosure is made of collation of data related to Credit Notes on account of return of goods or reduction in value of supply of goods and services made during financial year 2018-19. Credit Note raised during the period April, 2019 to September, 2019 has been done on the basis of statement provided by the Management.

## **10. Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST (Table 5F/5J)**

The trade discounts provided in Clause 5F are not permissible as part of deductions from the value of supply under the GST Laws. The amount of trade discount has been obtained by checking the nature of discounts from Statement of Profit and Loss, Agreements, Debit Notes and Credit Notes. The trade discount amounting to Rs. \_\_\_\_\_ has been reduced from sales but the same has not been reduced from value of supply as per GST being it's not a pre-agreed discount/tax and is not separately shown in Debit/Credit Notes as per Sec. 15 of the CGST Act, 2017.

## **11. Unbilled Revenue at year end of financial year (Table 5H)**

As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, reliance has been placed on the audited financial statements and reconciliation provided by the management for determining the unbilled revenue and no separate exercise has been conducted to validate the same.

## **12. Turnover for the period under composition scheme (Table 5L)**

Taxpayer had earlier registered under the Composition scheme from dated.....to dated ..... And Rs. \_\_\_\_ was the turnover under Composition scheme. Later on he has opted out of the scheme w.e.f dated .....Taxpayer has filed both forms GSTR9 and GSTR9A. Management has provided reconciliation statement of annual accounts with above forms and we have relied on the same. Compliance of Sec.18of the CGST Act, 2017has been made by the taxpayer. Our disclosure under this report includes both periods and is based on books of accounts maintained by the taxpayer.



### **13. Adjustments in Turnover u/s 15 and rule thereunder (Table 5M)**

The explanation and information given to us and on the basis of our examination of records of the taxpayer, there is no adjustment warranted as per Sec. 15 and rules thereunder on taxable value of outward supply reported in GSTR-9. The management is of the opinion that there is no material impact on GST liability.

### **14. Adjustment due to foreign exchange fluctuations (Table 5N)**

The forex gain/loss is included in turnover as per audited financial statement and the corresponding effects of such fluctuations have been reported in Table 5N. On the basis of our examination of records of the taxpayer, there is no impact on GST liability.

### **15. Sale of Fixed Asset (Table 5O)**

The outward supply amounting to Rs.\_\_\_\_ is of disposal of capital goods on which GST has been (has not been) paid and the same has been (has not been) verified with the deletion in the Fixed Asset Registers. The same has been reported in Table 5O.

### **16. Value of Exempted, Nil Rated, Non-GST supplies, No-Supply turnover (Table 7B)**

Value of exempted, nil rated, non-GST and no supply turnover has been declared in Table 7B of GSTR 9C. The turnover reported is after adjustments of credit notes, debit notes and amendments. The total amount of Exempted, Nil Rated, Non-GST supplies and No-Supply turnover depends upon the management representation letter as received from register person.

### **17. Zero-rated supplies without payment of tax (Table 7C)**

Row C of Table 7 of GSTR9C requires disclosure of value of zero-rated supplies without payment of tax which forms part of the 'Annual turnover'. Letter of Undertaking (LUT) dated ..... has been submitted to the GST Department by the taxpayer for the zero-rated supplies made without payment of tax.

### **18. Supplies made under RCM basis (Table 7D)**

Outward supplies on which tax is to be paid by the recipient on reverse charge basis has been identified and disclosed by the management. The taxpayer has complied with tax invoice rule 46(p) and the taxpayer has also complied with ITC reversal u/s 17 of the CGST Act, 2017 wherever required.

### **19. Rate-wise Tax Liability on outward Supplies (Table 9)**

GST rate wise details of taxable value for outward supply are disclosed in Table 9 of GSTR 9C. In absence of availability of tax rate-wise ledgers the auditor has relied on information as provided by the management and relies upon the management responsibility letter.



## **20. Reporting of Payment of Interest (Table 9L)**

The details of total tax payable for the period under audit as declared in GSTR 9. The calculation of interest as done by the management on gross tax liability basis

## **21. Reporting of Penalty (Table 9N)**

As per the information available and based on the management representation, no penalty notices are received from the Tax Authorities. Hence, our disclosure of penalty is based on facts mentioned by the management.

## **22. Recommended additional tax liability (Table 11)**

We have recommended in Part V of the GSTR9C, the additional tax Liability to be paid by the Registered Person due to the reasons mentioned there in. Rs. \_\_\_\_ tax /interest are paid on \_\_\_\_ via DRC-03.

## **23. TRANS credit (Table 12B)**

We have verified the claims made in Trans 1 and Trans 2 from the books of accounts vis-a-vis the conditions laid down under law for the claim of the same. Also the same has been verified online from the system to ascertain that the claim made in the books have been registered on the site for its availment. However, the credit availability is subject to the finality of notice received from GST Departments on the basis of original/revised returns filed by the taxpayer.

## **24. Goods in transit and it's ITC (Table 12C)**

The ITC of goods in transit amounting to Rs. \_\_\_\_ was not availed as basic condition for claiming ITC was not met. So, the ITC appearing in the books is not matching with ITC as claimed in GSTR-9 in Table 12 of GSTR 9C. We have relied on management representation letter for deriving amount of such ITC.

## **25. ITC reversal and 180 days**

ITC availed and reversal, if any, is being reported on the basis of available records and information provided by the management. We have test checked the ITC availed and payments made to taxpayer. Accordingly, the management is of the view that no ITC reversal arise u/s 16(2) of the CGST Act, 2017. As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, our audit report is subject to the above non-disclosure of correct and complete compliance of ITC provisions by the taxpayer.

## **26. Ineligible ITC and exempt turnover**

As per the information and explanation given to us and on the basis of our examination of records of the taxpayer, the exempt turnover of the



taxpayer comprises of interest from bank, etc. The ITC availed is of taxable turnover, thus reversal of ITC on proportionate basis is not applicable as per rule 42 of the CGST Rules, 2017.

## **27. ITC as per GSTR-2A and GSTR-9C**

There is some amount which is not appearing in GSTR 2A which has been claimed as credit and vice versa, as the case may be, also based on confirmation of payment of such tax obtained by the management. Further, the management is of the opinion that no liability of ITC reversal/excess claim arises due to difference in information of ITC as per GSTR-2A and GSTR 9C, as the case may be.

## **28. Reporting of RCM**

As per the information and explanation given to us and on the basis of our examination of records, the taxpayer has not maintained complete record of inward supplies on which RCM is applicable u/s 9(3). Thus, we are unable to comment on the liability of the taxpayer under reverse charge for the year 2018-19.

## **29. Expense head-wise ITC (Table 14)**

We have received management representation letter for obtaining details of expense head-wise ITC availed and taxable value in Table 14 of GSTR 9C. We have test-checked with books of accounts and reported the figures on which ITC is availed. The classification of various expenses under various expense head are taken from the audited financial statements.

## **30. Valuation on Inventories**

For accounting purchases other than capital goods, the taxpayer has followed Para 6-13 of AS-2 "Valuation on Inventories" where "Cost of Purchases" includes only those taxes, which are not subsequently recoverable by the enterprise, from the taxing authorities." Accordingly a separate ledger for ITC has been maintained.

## **31. Accounting Treatment and disclosure of Capital Goods and ITC thereof**

The taxpayer has followed Para 17 of AS-10 (revised) "Property, Plant & Equipment", which provides that "*The cost of an item of property, plant and equipment comprises:*

- (a) *its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.*
- (b) *any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.*
- (c) *the initial estimate of the costs of dismantling, removing the item and*



*restoring the site on which it is located, referred to as decommissioning, restoration and similar liabilities', the obligation for which an enterprise incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period."*

### **32. Turnover of unregistered dealer (URD) Period included Audit Report**

The taxpayer has obtained Registration on dated .... Being first year of operation, the books of accounts are prepared from \_\_\_\_ to 31st March, 2019. Figures of URD period from \_\_\_\_ to \_\_\_\_\_ period have been disclosed in this report.

### **33. Non Maintenance of Stock Register**

The taxpayer has not maintained any Stock register. As per information and explanation given by the taxpayer, due to the peculiar nature of retail business there are numerous items and maintenance of stock register on day to day basis not possible. The same has been reported in Tax Audit Report under Income Tax Act, 1961.

## **AUDITOR'S RESPONSIBILITY AFTER COMPLETION OF THE AUDIT**

The Auditor must report any tax liability pending for payment by the taxpayer, identified through the reconciliation exercise and observations made on GST audit. Taxpayers can settle taxes as recommended by the auditor in Form **DRC-03**.

The GST auditor should have to make suitable observations, remarks, qualifications, etc. depending on the facts of the audit. The notes for GST Audit are for guidance and indicative only.



## GST AUDIT CHECKLIST

**Name of Client:**

**GSTIN:**

**Financial Year:**

Sl. No.	Particulars	Checked by	Yes	No	NA	Remarks
<b>1</b>	<b>GST Registration Certificate</b>					
	a) Have you checked whether the auditee's registration details from the portal?					
	b) Have you checked details regarding products and services provided, Places of Business etc.					
	c) Whether GSTIN is displayed at the Places of Business?					
	d) Whether the additional place of business within the State is incorporated in the Registration Certificate?					
	e) Whether the Separate Registration is taken for Input Service Distributor?					
	f) Whether any amendment is required to be made to the Registration Certificate?					
	g) Others, if any					
<b>2</b>	<b>Invoicing documentation</b>					
	a) Whether Tax Invoice or Bill of supply is issued as per GST law?					
	b) Whether it contains all the relevant particulars as required under law?					
	c) Whether Tax Invoice for supply of goods is issued on or before the removal / delivery of goods?					
	d) Whether Tax Invoice for supply of services is issued within 30 days from date of supply of service?					
	e) Whether bill of supply is issued for exempt supplies/ non- GST supplies?					



f)	Whether the Revised Invoice is issued in case of New Registration?					
g)	Whether Receipt voucher is issued for receipt of advance?					
h)	Whether refund voucher is issued or refund of advance received?					
i)	Whether Credit Note/ Debit Note has been issued as per the provisions of the GST law as per Section 34?					
j)	Whether Credit note/Debit Note has been issued before 30th September of the Subsequent Financial Year?					
k)	Have you checked correctness of Tax Invoice /Bill of supply with the appropriate Supply Register/ GSTR 1?					
l)	Whether the Tax Invoice/ Bill of supply is cancelled for genuine reasons, if any like Name of party /details where applicable?					
m)	Whether any Invoice- cum-Bill of supply is raised for specific transactions?					
n)	Whether the transport documents are maintained and verified?					
o)	Whether copies of Credit Note and Debit Note has been raised otherwise than as specified in Section 34?					
p)	Whether the Delivery challans/E-waybill Register is maintained?					
q)	Whether series of documents issued as per clause 13 of GSTR 1 matches with the Books of Accounts for the period under audit?					
r)	Others if any specify					



<b>3 Goods sent to Job Work</b>						
a)	Whether the conditions are fulfilled for claiming input tax credit on goods (including capital goods) sent for job work?					
b)	Whether the Principal has sent goods to the job worker under the cover of delivery challans?					
c)	Whether the registered person has furnished FORM ITC 04 for the quarters in which goods were sent out for job work?					
d)	In case the registered person has supplied goods directly from the place of business of job worker, whether he has satisfied the conditions laid down in proviso to Section 143 (1) of the CGST Act, 2017?					
e)	In case the job worker is unregistered, and such job worker has supplied any waste/ scrap generated during the job work from his place of business directly, whether the registered person has paid tax on such supply?					
f)	Have you checked any goods are sent for job work and returned within specified time?					
g)	Others if any specify					
<b>4 Supply</b>						
a)	Whether the kind of outward supplies like Taxable supply, Exempted supply, Zero-rated supply, NIL rated supply, Supplies to SEZ unit / developers / Deemed Export and Merchant Export etc. are appropriately classified as per GST law?					
b)	Whether any transaction which falls within the scope of supply has not been identified by the Registered Person?					



	c)	Have you checked Interstate supply as per Section 7(5) of the IGST Act, 2017?					
	d)	Have you checked Intra State supply as per Section 8 of the IGST Act, 2017?					
	e)	Whether the Zero-rated supply is verified as per the provisions of the law?					
	f)	Whether the supplies made by a registered person falls within the meaning of Composite / non-composite/ Mixed supply? If yes, whether the same has been offered to tax as per Section 8 of the CGST Act, 2017?					
	g)	Have you checked for sale of capital goods and the GST charged and as to whether they are included in the returns filed?					
	h)	Whether Interstate supply is regarded as Intra state supply and vice versa?					
	i)	Whether abatement provisions, if any, are applicable (like one third for land) is complied with?					
	j)	Whether the transactions are correctly classified as supply of goods or supply of services?					
	k)	Have you checked the deemed supply as per schedule I?					
	l)	Are there any transactions wherein the goods sent for job work not received back are treated as supply?					
	m)	Others if any specify					
<b>5</b>	<b>Time of supply</b>						
	a)	Whether Time of supply provisions have been complied as per Section 12 and 13 of the CGST Act?					



	b)	In case of change in rate of tax in respect of goods or services, whether the time of supply has been determined as per Section 14 of the CGST Act?					
	c)	Whether time of supply is compiled for continuous supply of goods/Continuous supply of services should be verified?					
	d)	Whether time of supply is compiled for Reverse charge?					
	e)	Whether time of supply is compiled for goods sent on approval?					
	f)	Others if any specify					
<b>6</b>	<b>Input Tax Credit</b>						
	a)	Have you checked the input tax credit availed with invoices from vendors like Bill of Entry, Tax Invoice, Debit Note, Self-Invoice, ISD Invoice?					
	b)	Have you checked entries in Inward supplies records for input tax and reconciled with Invoices from the vendors?					
	c)	Have you checked the inward supplies records with Monthly return and ascertained reasons for variations, if any?					
	d)	Have you made a list of restricted input tax credit items as per the GST law?					
	e)	Have you tallied monthly return with Input tax credit receivable, if any?					
	f)	Have you reconciled tax collections with payments and transfer of the balance to appropriate accounts?					
	g)	Have you checked adjustment of tax set-off by relevant journal entries?					
	h)	Have you checked that input tax credit on capital goods is correctly availed?					



i)	Whether Input Tax credit is reversed for the sale of capital goods as specified in GST law?					
j)	Any reversal of input tax credit for the goods sent for job work?					
k)	Whether the recipient of supply has effected payment for such inward supply within 180 days from the date of Invoice?					
l)	Whether input tax credit availed is debited to recoverable account for availing re-credit?					
m)	Whether the supplier has availed both benefits of depreciation and input tax credit?					
n)	Whether the documents (tax invoice/ debit note) on the basis on which input tax credit is claimed contains the mandatory details of the recipient such as Name, GSTIN, Address and all other particulars as prescribed?					
o)	Whether Input tax credit is reversed against the receipt of Credit Note?					
p)	Whether input tax credit is bifurcated in to eligible, ineligible, blocked and common credits?					
q)	Whether the common credits are reversed as per Rule 42 of the CGST Rules?					
r)	Whether input tax credit is availed on capital goods? If yes, whether credit is reversed as per Rule 43 of the CGST Rules?					
s)	Whether reconciliation of input tax credit between GSTR 3B and GSTR 2A is done?					
t)	Whether transitional Credit is availed as per the provisions of the law?					



	u)	Whether any ineligible transitional credit is reversed as per the law?					
	v)	Have you tallied monthly return with Input tax credit receivable?					
	w)	Any reversal of Input Tax Credit for change in scheme from Composition to Regular?					
	x)	Others if any specify					
<b>7</b>	<b>Input Service Distributor</b>						
	a)	Whether separate registration is taken as per the Provisions of law?					
	b)	Whether any tax is payable under reverse charge and obtained separate Registration?					
	c)	Whether eligible and ineligible input tax credit is apportioned as per the GST law?					
	d)	Is there any reversal of Input tax credit and credit note has been issued?					
	e)	Whether the calculation of Turnover for allocating the input tax credit has been made as per the law?					
	f)	Whether the ISD invoice containing the relevant particulars is issued correctly as per the provisions of the law?					
	g)	Others if any, specify					
<b>8</b>	<b>Classifications</b>						
	a)	Whether the classification of goods/ services is in conformity with Schedules / Notifications?					
	b)	Whether the HSN classification is verified to confirm the rate of tax on goods and services?					
	c)	Whether the HSN details for inward and outward supply are verified?					
	d)	Whether the SAC code/HSN code is as per the law?					



	e)	Has the taxpayer gone for any Advance Ruling? If yes, whether the taxpayer followed the Ruling?					
	f)	Whether there has been any change in rate of tax during the period by way of amendment in the rate of tax notification or exemption notification?					
	g)	Others if any specify					
<b>9</b>	<b>Returns</b>						
	a)	Whether the copies of the GST returns filed by the registered person have been reviewed?					
	b)	Whether reconciliation of GSTR 9 with GSTR1 and GSTR 3B been done?					
	c)	Whether interest which was due, has been paid while filing the Return?					
	d)	Whether any late fee which is due has been paid while filing the return?					
	e)	Whether the amendment details are filed correctly in the Returns?					
	f)	Others if any specify					
<b>10</b>	<b>GST collections and payment verification</b>						
	a)	Have you checked whether tax payable has been paid within the prescribed time as per the GST law?					
	b)	Have you checked whether tax is being collected beyond tax payable? If yes, whether Sec. 76 of the CGST Act, 2017 has been complied.					
	c)	Whether the tax payer charged wrongly IGST in place of CGST/SGST or <i>vice versa</i> ?					
	d)	Have you followed the provisions of Rule 35 of the CGST Rules in respect of collection of taxes?					



	e)	Is there any excess collection of taxes?					
	f)	Others if any specify					
<b>11</b>	<b>Reverse Charge</b>						
	a)	Whether Reverse charge tax on notified supplies under Section 9(3) and 9(5) of the CGST Act, 2017 is duly paid?					
	b)	Whether Reverse charge tax has been paid wrongly in lieu of CGST/SGST as IGST or <i>vice versa</i> ?					
	c)	Whether corresponding input tax credit is availed on Reverse charge?					
	d)	Whether conditions of paying tax for RCM are fulfilled?					
	e)	Others if any specify					
<b>12</b>	<b>Value of Supply</b>						
	a)	Whether all the inclusions to the value of supply as per Section 15 of the Act have been verified?					
	b)	Whether discount offered to customers (pre/ post supply) is not included in the value of supply after fulfilment of conditions under Section 15(3) of the Act?					
	c)	Whether valuation rules have been applied as per the GST law?					
	d)	Whether the registered person has claimed any pure agent deduction as per Rule 33?					
	e)	In case the value of supply is inclusive of the GST, whether the taxable value and tax amount is determined as per Rule 35 of the CGST Rules, 2017?					
	f)	In case of exports, whether the rate of exchange of currency is determined as per Rule 34 of the CGST Rules, 2017?					



	g)	Whether the rate of tax charged for the supplies is as per the GST rate notifications issued/ amended from time to time?					
	h)	Whether CGST/SGST/IGST is charged in accordance with place of supply provisions?					
	i)	Whether the tax collected from the customers has been entirely remitted to Government?					
	j)	Others if any specify					
<b>13</b>	<b>Place of supply</b>						
	a)	Whether the supply is inter-State/Intra State has been identified correctly by the entity?					
	b)	Whether the conditions for inter-State supply are fulfilled as per IGST Act, 2017?					
	c)	Whether the conditions for intra-State supply are fulfilled as per IGST Act, 2017?					
	d)	Whether the conditions for export of goods are fulfilled?					
	e)	Whether the conditions are fulfilled for export of services?					
	f)	Whether there are any imports of goods/import of services?					
	g)	Whether the Zero-rated supply is with or without payment of taxes?					
	h)	Whether the conditions for location of supplier are fulfilled?					
	i)	Whether the supplier is intermediary under the GST Act and the conditions are fulfilled?					
	j)	Whether the supplier has declared sale in course of Imports, Non-territory supply, High Sea supply in the Return correctly?					



	k)	Whether the conditions for location of the recipient are fulfilled?					
	l)	Whether the wrong payment of tax i.e. IGST in lieu of SGST/CGST is claimed as refund?					
	m)	Whether the wrong payment of tax i.e. SGST/CGST in lieu of IGST is claimed as refund?					
	n)	Whether the Supply by SEZ to DTA is treated as inter-state subject to fulfilment of conditions?					
	o)	Others if any specify					
<b>14</b>	<b>Refund</b>						
	a)	Whether the Supplier is eligible for Refund as per Section 54?					
	b)	Whether the supplier has applied for Refund and whether it is sanctioned?					
	c)	Whether any Refund is rejected or pending before the Authority?					
	d)	Whether the Refund is re-credited to Electronic Credit Ledger?					
	e)	Whether the Manual / Electronic documents for Refund are verified?					
	f)	Whether the Accounting impacts are given for Refund applied, pending rejected or appealed?					
	g)	Whether any Refund is wrongly applied like input services/Capital goods credit for inverted duty structure?					
	h)	Whether Refund and Input Tax credit is claimed for the same transactions?					
	i)	Whether interest on delayed refund is receivable?					
	j)	Others if any specify					



<b>15 Inward supply</b>						
a)	Have you checked the purchase invoice/ delivery challans with purchase register?					
b)	Have you checked the HSN Classification for inward supplies?					
c)	Have you checked Inward supply with the Monthly returns?					
d)	Have you checked whether any input tax is added to the cost of purchase where input tax credit is not allowable?					
e)	Have you made a list of inward supply invoices for which there are no corresponding entries in inward supply records and GST return?					
f)	Have you checked that inward supplies are classified between intra-state, inter-state, imports etc.?					
g)	Have you checked that purchases of capital goods are booked as fixed assets and the GST is paid thereon?					
h)	Have you checked Assets which have depreciated 100%?					
i)	Have you checked sale / deletion of fixed assets?					
j)	Others if any specify					
<b>16 Maintenance of Books of Accounts</b>						
a)	Whether books of accounts are maintained as specified in Section 35 r/w Rules 56, 57 and 58 of the GST Law?					
b)	Whether Books of accounts are maintained electronically / Manually?					
c)	Whether books of accounts are maintained at each place of business?					

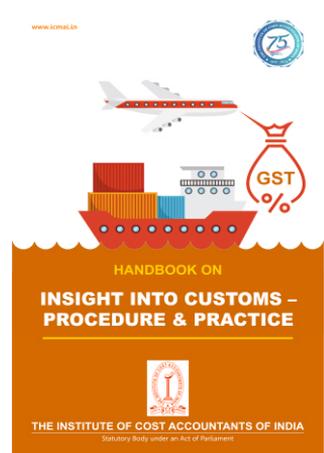
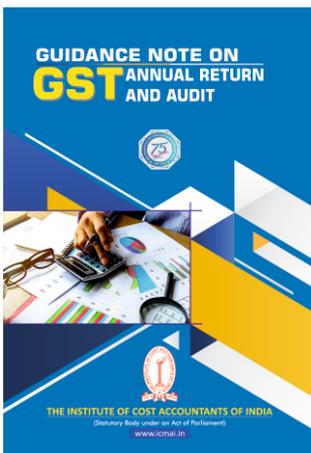
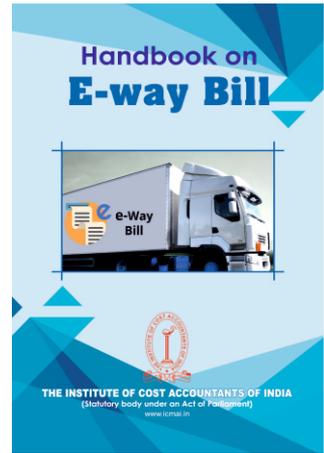
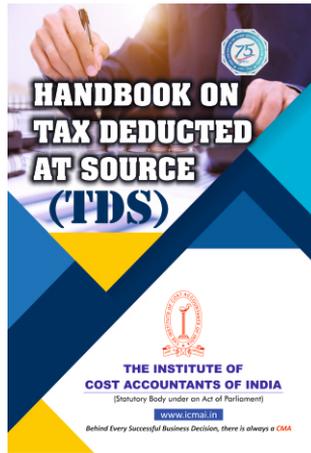
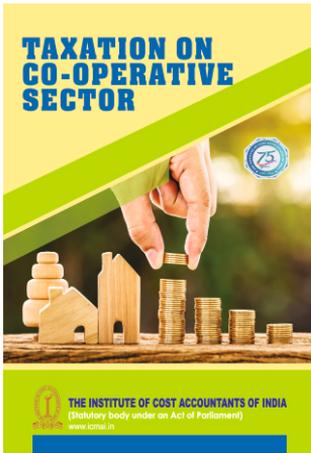
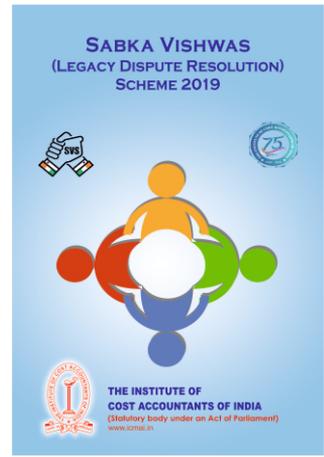
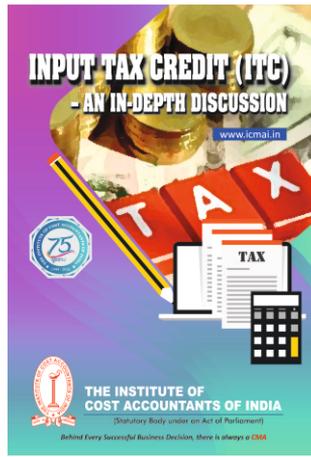
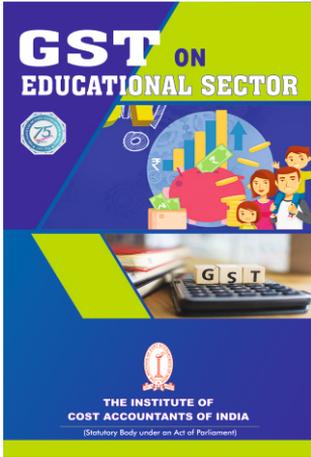


	d)	Whether books of accounts are maintained Manually or Electronically? If the same are maintained Electronically, whether the software used complies with the requirements of the law?					
	e)	Whether the copies of Agreements/Agent agreement and other supporting documents are obtained?					
	f)	Whether copies of the Audited Financial Statements for each registration have been obtained?					
	g)	Whether Transporter/Warehouse keeper has maintained the books of Account as per the law?					
	h)	Whether the Register E-way Bill/Delivery challan is maintained as per the law?					
	i)	Whether E- Way bills are used for Valid purpose?					
	j)	Whether the register of ITC-01, ITC-02, ITC-03 and ITC-04 is maintained as per the GST law?					
	k)	Whether the supplier maintains the Cash/Bank Register for recording the transactions entity wise?					
	l)	Whether the books of Accounts maintained are centralized or decentralized?					
	m)	Others if any- specify					
<b>17</b>	<b>General</b>						
	a)	Whether the registered person has complied with Anti-Profitteering clause?					
	b)	Whether reliance is placed on any notifications / clarifications / advance ruling / judgement in respect of rate of tax charged and collected.					



c)	Whether any conflicting Advance Ruling order is applicable?					
d)	Are there any departmental inspection proceedings for Transitional Credits or any other demands created?					
e)	Have you checked for any adverse points in reports issued by Internal/ Statutory auditors or any other such reports?					
f)	Have you checked for any adverse points in reports in the previous year?					
g)	Have you checked that assessment orders / appeal orders/notices issued by the department, if any?					
h)	Is there any judicial pronouncement that could be applicable to the dealer?					
i)	Have you discussed any adverse issues arising out of the audit with the client?					
j)	Have you obtained the letter of appointment / issued the letter of acceptance of audit?					
k)	Have you come across any unusual transactions?					
l)	Have you checked miscellaneous receipts / other income?					
m)	Have you come across any huge or unusual inward or outward supply transactions / tax credits / tax payments etc.?					
n)	Have you noticed any comments on internal controls, periodicity of updating of accounts / records etc.?					
o)	Whether the registered person has availed the facility of digital signature?					

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