

BACKGROUND – LEGAL PROVISIONS

Annual Return under GST (Sec.44)

Person liable for filing Annual Return: Every registered person, (other than an ISD, person liable to pay tax u/s 51 and 52, a casual taxable person and a non-resident taxable person)

DUE Date of filing: Before the 31st day of December following the end of such FY

Form of Filing: Electronically in **FORM GSTR-9** through the common portal

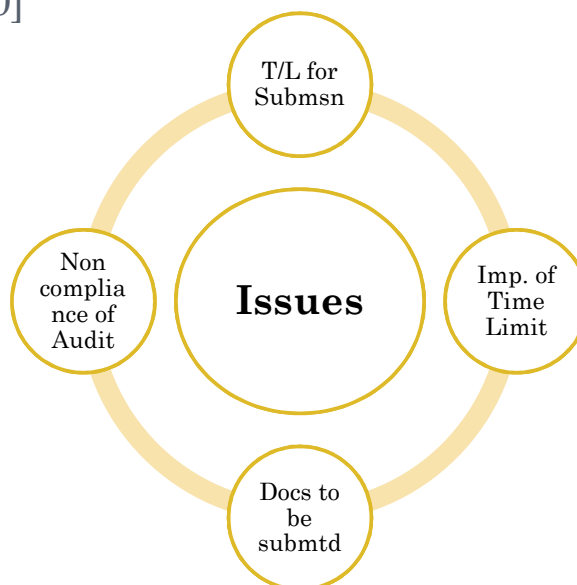
AUDIT BY CA / CMA [SEC. 35(5) AND R.80]

- Every registered person whose turnover during a financial year exceeds the prescribed limit (**presently Rs. 5 Crore**) shall get his accounts audited by a CA or CMA
- He shall submit –
 - (a) Annual Return u/s 44
 - (b) Audited Annual Accounts along with
 - (c) A reconciliation statement **duly certified** reconciling the value of supplies declared in return with Audited FS and
 - (c) Such other documents / particulars as may be prescribed.
- The Audit Report with the Audited Annual Accounts to be submitted along with Annual Return on or before 31st Dec following the end of financial year in **Form GSTR 9C**.
- The contents of the **audit report and other particulars** are as **prescribed**

AUDIT BY CA / CMA [SEC. 35(5) AND R.80]



AUDIT BY CA / CMA [SEC. 35(5) AND R.80]



RELEVANCE OF ANNUAL RETURNS				
Sl. No	Category	Section Ref	Particulars	Relevant Date
1	AR	44(1)	Every RP	31 st December
2	AR	44(2)	Every RP + Audit u/s 35(5)	31 st December
3	ITC	16(4)	Time limit for availing ITC	DD u/s 39 for Sep or AR Date (Earlier)
4	CN	34(2)	Time Limit for issuing Credit Note	DOR u/s 39 for Sep or AR Date (Earlier)
5	BoA	36	Period of retention of records	72 months from DD for AR
6	GSTR	Prov. to 37(3)	Rectification of Errors and Omissions in Outward supplies (GSTR-1)	DOR u/s 39 for Sept or AR Date (Earlier)

RELEVANCE OF ANNUAL RETURNS				
Sl. No	Category	Section Ref	Particulars	Relevant Date
7	GSTR	Prov. to 38(5)	Rectification of Errors and Omissions in Inward supplies (GSTRR-2)	DOR u/s 39 for Sept or AR Date (Earlier)
8	GSTR	Prov. to 39(9)	Rectification of Errors and Omissions in Returns (GSTR-3)	DD u/s 39 for Sept or AR Date WIE
9	Assmt	62(1)	Assessment of non-filers of returns – Best Judgement Assessment (BJA)	5 years from DD u/s 44
10	Assmt	63	Assessment of URP – BJA	5 years from DD u/s 44
11	Assmt	73(10)	Determination of tax not paid or short paid- No fraud cases	3 years from DD u/s 44
12	Assmt	74(10)	Determination of tax not paid or short paid- Fraud cases	5 years from DD u/s 44

AUDIT BY CA / CMA - NATURE

- Income Tax Audit & GST Audit are independent
- Who can be appointed as GST Auditor
- “True and Fair View” or “True and Correct” View
- GST Audit is in the nature of Quasi-Assessment
- Dept’s power to do Audit after GST Audit?

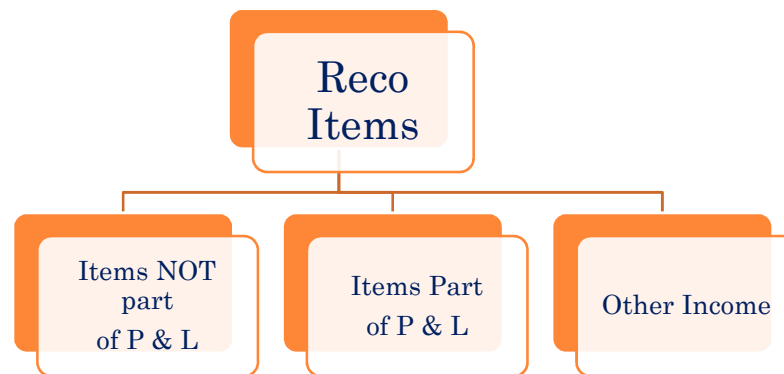
15

AUDIT BY CA / CMA – AUDIT CHALLENGES

- GSTIN wise Income and Expenditure to be derived
- Reconciliation to be done for every GSTIN separately
- For Income it’s a 3 Way reconciliation between GSTR 1, GSTR 3B and Accounts
- For Expense / ITC it’s a 3 Way reconciliation between GSTR 2A, GSTR 3B and Accounts
- Internal Review / Audit may be done to ensure a Few major items to be considered where non compliance is high are factored...

16

RECONCILIATION ITEMS



ITEMS NOT IN P & L A/C

1. **Inter Branch Supply of Goods / Services**
2. **Treatment of Advances Recd for Services**
3. **Treatment of Free Samples / Gift under GST**
4. **Treatment of Discounts**
5. **Principal to Agent Transactions**

ITEMS PRESENT IN P & L A/C

1. **Taxable Supply - Rate – 1/2017 & 11/2017 CTR**
2. **Exempt Supply – Reversal of ITC [Rule 42/43]**
Notfn 2/2017 and 12/2017 - CAVEAT
3. **Invoice – Valuation – Additions / Deletions**
4. **Place of Supply – Intra State vs Inter State**
CAVEAT
5. **Other Income**
6. **Reconciliation with GSTR 1 / 3B / Annual Return**

Reconciliation Statement - Proforma

SN	Particulars	Amt
	Total Credits in statement of Profit and loss	xxx
(-)		
1	Profit on Sale of Capital Goods	xxx
2	Pre GST Supplies – (Apr to Jun)	xxx
3	Opg. Unadjusted Advances	xxx
4	Clg. Unbilled revenue recognized	xxx
(+)	Deemed Supplies (Sch. I) – Eg. Branch Transfer	xxx
6	Taxable Value of Supply of Capital Goods	xxx
7	Unadjusted Advance received during the Current Period (Opg)	xxx
8	Opg. unbilled revenue (but Billed during the period)	xxx
+/-	On account of Differences in Valuation u/s 15	xxx
+/-	Others (To specify)	xxx
	Total Value in Annual Returns (GSTR 9)	xxx

P & L – EXPENSE ITEMS

EXPENSE ITEMS - P & L A/C

- Eligibility of CENVAT Credit on Various Items
- Inputs / **Capital Goods** – 100% Credit
- Time Limit Cut off For Taking Credit – Oct 20th 2018
- Inputs / Input Services for Completely Exempt Goods / Service Not to be availed
- Reverse Charge on Various Services
- **Reconciliation with GSTR 2A / 3B**