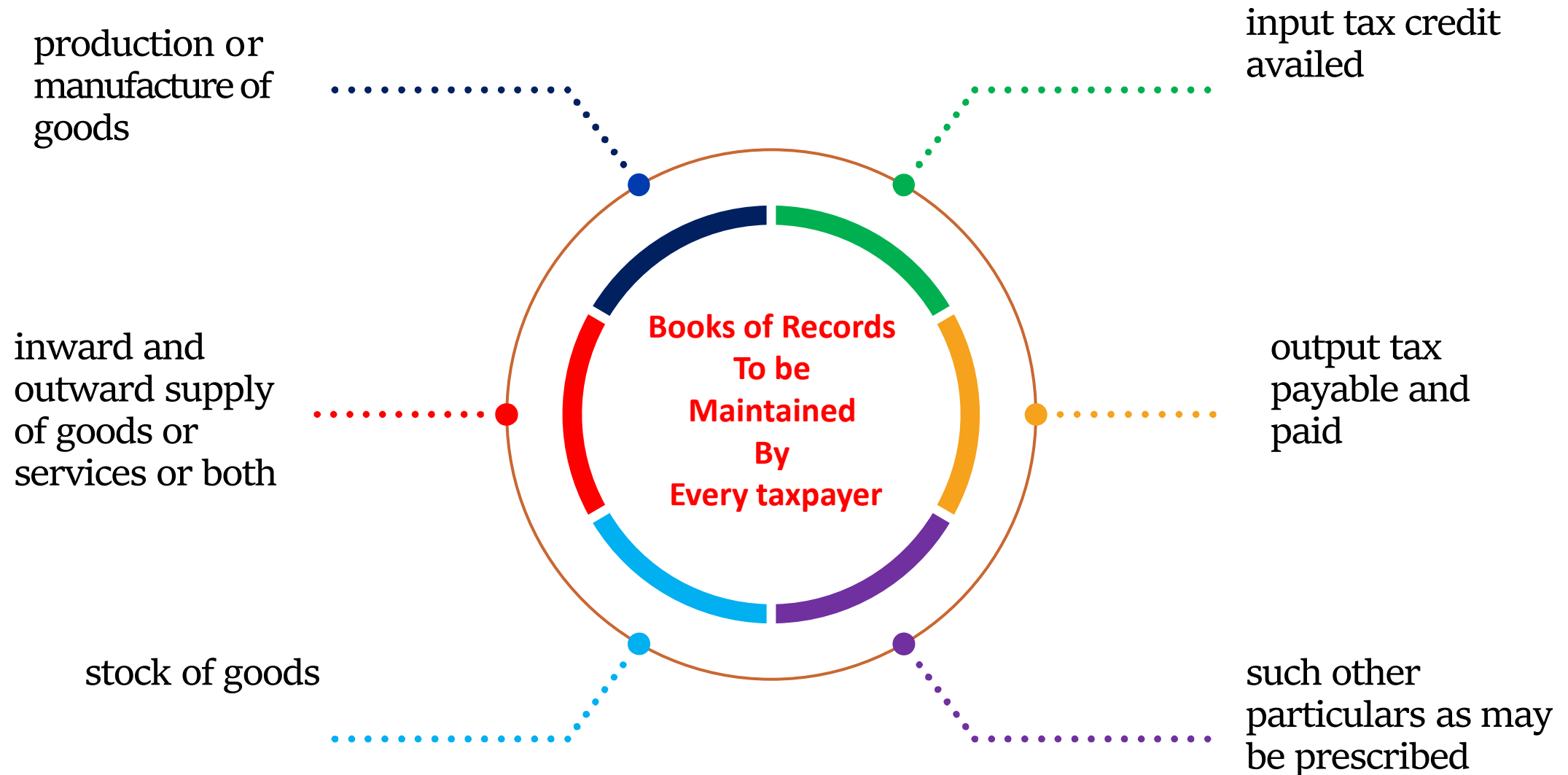


Maintenance of Books of Accounts - GST Annual Return & Audit

Accounts & Records

DOCUMENTATION AND ACCOUNTS & RECORDS



DOCUMENTATION AND ACCOUNTS & RECORDS

Warehouse operator or a godown owner or any place where the goods are stored, the records shall maintain records of the consignor, consignee and details of the goods

In case if the records are not maintained, the proper officer will determine The amount of tax payable and issue notice under Section 73 or Section 74 and recover the amount

RETENTION OF RECORDS

The taxpayer has to retain the books of accounts/records for 72 months from the due date of filing of the annual returns.

The taxpayer has to retain the books of accounts/records till one year from the date of disposal of appeal or revision or proceedings or investigation

DOCUMENTATION AND ACCOUNTS & RECORDS

Import / Export

Account of Goods or Services Imported / Exported
Payment of taxes attracting Reverse Charge
Relevant Documents for the above

Inventory Ledger

Inventory Ledger with opening, purchases, sold, given as free, stolen, destroyed, written off, disposed off or given as gift closing stock for Raw Materials, Finished Goods, Scrap & Wastage

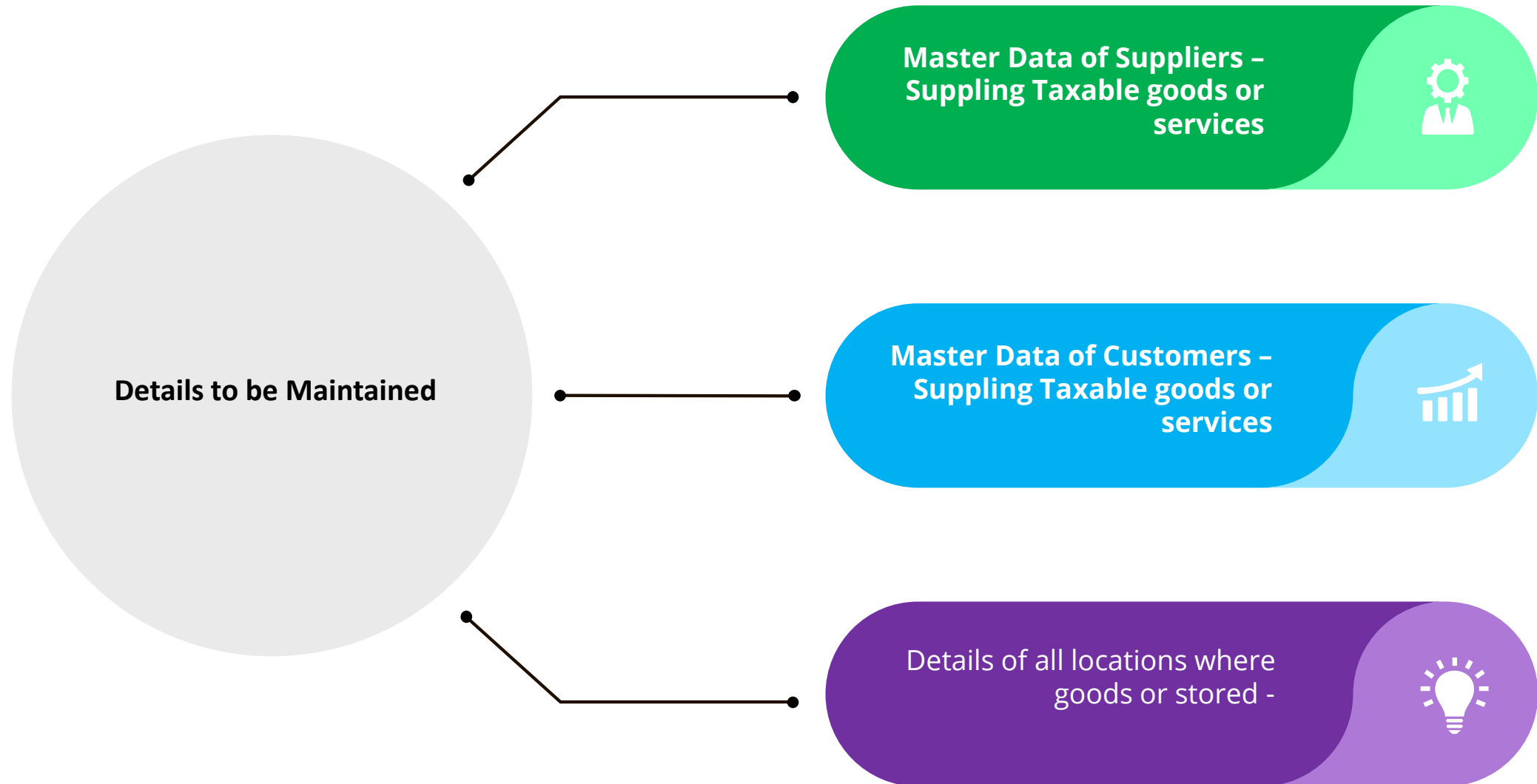
Advances

Details of Advance Received, Paid and adjusted

Tax Registers/Ledgers

Taxes Payables, Paid, ITC Claimed, ITC Utilized, ITC Reversed,

DOCUMENTATION AND ACCOUNTS & RECORDS



DOCUMENTATION AND ACCOUNTS & RECORDS

Books of Accounts to be maintained at the principal place of business as mentioned in the Certificate Of Registration.

Books of Accounts for the Additional Place of business can be maintained there or at principal place of Business in electronic format

The documents. Records or registers or accounts will not be modified or edited.
In case if done also they should be attested after correction
Log files have to be maintained

DOCUMENTATION AND ACCOUNTS & RECORDS

Books of Accounts maintained manually should be serially numbered

The following are to be maintained by the Agent

- Details of authorization of supply of goods or services supplied through him
- Details of goods received from each principal
- Details of value of Quantity, value and description of goods received from each principal
- Tax details of goods or services supplied or received from each principal

If taxpayer is a manufacturer has to maintain details of goods manufactured , inputs used and wastage produced

If taxpayer is a Service provider he has to maintain details inputs Received or used for providing services

DOCUMENTATION AND ACCOUNTS & RECORDS

Records to be Maintained by Works Contractor

1.

the names and addresses of the persons on whose behalf the works contract is executed;

2.

description, value and quantity (wherever applicable) of goods or services received for the execution of works contract;

3.

description, value and quantity (wherever applicable) of goods or services utilized in the execution of works contract;

4.

the details of payment received in respect of each works contract; and

5.

the names and addresses of suppliers from whom he received goods or services.

Records to be Maintained

DOCUMENTATION AND ACCOUNTS & RECORDS



DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Section 31 of CGST Act - Tax Invoice, Debit / Credit Note

- Section 31 of the CGST Act describes about the tax invoice,
- A Tax Invoice should be issued at the time of supply as prescribed under section 12, 13 and 14 of the CGST Act

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Section 31 of CGST Act - Tax Invoice, Debit / Credit Note

Tax invoice shall be issued at the following times

- Removal of goods - where there is movement of goods is involved
- If there is no movement of goods then it is delivery of the goods to the buyer
- In case of services within 30 days of completion of service or before the service or at the time of service

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Section 31 of CGST Act - Tax Invoice, Debit / Credit Note

- A tax invoice is need not be issued if the value of the supply is less than ₹ 200
- In case of continuous supply of goods where successive statement of payments or successive statement of accounts is involved, tax invoice has to be issued earliest of the following dates
 - Date of issue of statement
 - Date of receipt of payment

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Section 31 of CGST Act - Tax Invoice, Debit / Credit Note

- Subject to the provisions of clause (d) of sub-section (3), in case of continuous supply of services,--
 - where the due date of payment is ascertainable from the contract, the invoice shall be issued on or before the due date of payment;
 - where the due date of payment is not ascertainable from the contract, the invoice shall be issued before or at the time when the supplier of service receives the payment;
 - where the payment is linked to the completion of an event, the invoice shall be issued on or before the date of completion of that event.

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Section 31 of CGST Act - Tax Invoice, Debit / Credit Note

- Issue of tax invoice in case of pre closure of contract /supply
 - Tax invoice has to be issued at the time of pre closure of the contract
 - It should be issued to value for the extent of supply completed / executed

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Section 34 of CGST Act - Tax Invoice, Debit / Credit Note

➤ 34. (1) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, **may issue to the recipient a credit note containing such particulars as may be prescribed.**

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Section 34 of CGST Act - Tax Invoice, Debit / Credit Note

34. (3) Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply, the registered person, **who has supplied such goods or services or both, shall issue to the recipient a debit note containing such particulars as may be prescribed.**

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

- Tax invoice has to be issued in 3 copies for domestic transactions for supply of goods
 - ❑ the original copy being marked as ORIGINAL FOR RECIPIENT;
 - ❑ the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
 - ❑ the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.
- *in case of e-invoice is not required to be issued in multiple copies

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

- Tax invoice for export of goods the invoice has to be endorsed clearly under which the exports are under which the supply is taking place “SUPPLY MEANT FOR EXPORT ON PAYMENT OF IGST” or “SUPPLY MEANT FOR EXPORT UNDER BOND WITHOUT PAYMENT OF IGST”. In such cases the information shown in Clause (e) has to be replaced with the following information
 - name and address of the recipient;
 - address of delivery;
 - name of the country of destination; and
- Tax invoice for supply of services
 - o the original copy being marked as ORIGINAL FOR RECEIPT; and
 - o the duplicate copy being marked as DUPLICATE FOR SUPPLIER.
- It has to be issued within 30 days from completion of service

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Subject to rule 54, a tax invoice referred to in section 31 shall be issued by the registered person containing the following particulars, namely,-

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters- hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is fifty thousand rupees or more;

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

- (f) name and address of the recipient and the address of delivery, along with the name of the State and its code, if such recipient is un-registered and where the value of the taxable supply is less than fifty thousand rupees and the recipient requests that such details be recorded in the tax invoice;
- (g) Harmonised System of Nomenclature code for goods or services;
- (h) description of goods or services;
- (i) quantity in case of goods and unit or Unique Quantity Code thereof;
- (j) total value of supply of goods or services or both;
- (k) taxable value of the supply of goods or services or both taking into account discount or abatement, if any;
- (l) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (m) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

- (n) place of supply along with the name of the State, in the case of a supply in the course of inter-State trade or commerce;
- (o) address of delivery where the same is different from the place of supply;
- (p) whether the tax is payable on reverse charge basis; and
- (q) signature or digital signature of the supplier or his authorised representative:
- [(r) Quick Response code, having embedded Invoice Reference Number (IRN) in it, in case invoice has been issued in the manner prescribed under sub-rule (4) of rule 48.

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Tax Invoice in specific cases

In case of supplies to non registered recipient or the recipient does not want a tax invoice for transactions less than Rs 200, the taxpayer can issue a consolidated invoice at end of each day for all such transactions.

In case of banking or insurance company or a financial company or a non banking company, the supplier can issue a tax invoice within 45 days from the date of supply of services.

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Tax Invoice in specific cases

In case if tax invoice /debit note is issued under provisions of Section 74, 129 or 130, the it should be clearly mentioned “INPUT TAX CREDIT NOT ADMISSIBLE”.

In case if the taxable person is is supplying passenger transportation service, a tax invoice shall include ticket in any form, by whatever name called, whether or not serially numbered, and whether or not containing the address of the recipient of service but containing other information as mentioned under rule 46.

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Tax Invoice in specific cases

In case of transporter, registered under GST, shall issue a tax invoice or called by any other name should contain the following information

- containing the gross weight of the consignment,
- name of the consigner and the consignee,
- registration number of goods carriage in which the goods are transported,
- details of goods transported,
- details of place of origin and destination,
- Goods and Services Tax Identification Number of the person liable for paying tax whether as consigner,
- consignee or goods transport agency, and also containing other information as mentioned under rule 46.

DOCUMENTATION AND ACCOUNTS & RECORDS

Tax Invoice

Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.

DOCUMENTATION AND ACCOUNTS & RECORDS

Bill of Supply

- To be issued for Non GST supplies
- Or by a composition taxpayer
- Separate series is required
- To be issued for each and every transaction above Rs 200
- If bill of supply is not issued for all transactions end of the day a consolidated bill of supply has to be issued for the day's sales

DOCUMENTATION AND ACCOUNTS & RECORDS

Bill of Supply

A bill of supply referred to in clause (c) of sub-section (3) of section 31 shall be issued by the supplier containing the following details:-

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or more multiple series, containing alphabets or numerals or special characters -hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) HSN Code of goods or Accounting Code for services;

DOCUMENTATION AND ACCOUNTS & RECORDS

Invoice Cum Bill of Supply

where a registered person is supplying taxable as well as exempted goods or services or both to an unregistered person, a single "invoice-cum-bill of supply" may be issued for all such supplies

DOCUMENTATION AND ACCOUNTS & RECORDS

Receipt Voucher

- A receipt voucher or other document is issued on receipt of advance from the buyer and it should contain the following information
 - (a) name, address and Goods and Services Tax Identification Number of the supplier;
 - (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
 - (c) date of its issue;
 - (d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
 - (e) description of goods or services;

DOCUMENTATION AND ACCOUNTS & RECORDS

Receipt Voucher

- A receipt voucher or other document is issued on receipt of advance from the buyer and it should contain the following information
 - (f) amount of advance taken;
 - (g) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
 - (h) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
 - (i) place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce;
 - (j) whether the tax is payable on reverse charge basis; and
 - (k) signature or digital signature of the supplier or his authorised representative:

DOCUMENTATION AND ACCOUNTS & RECORDS

Receipt Voucher

- If details are not available at the time of receipt of advance the following should followed for determining the tax rate and place of supply
 - (i) the rate of tax is not determinable, the tax shall be paid at the rate of eighteen per cent.;
 - (ii) the nature of supply is not determinable, the same shall be treated as inter-State supply

DOCUMENTATION AND ACCOUNTS & RECORDS

Refund Voucher

The document to be issued if advance is returned to the customer

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters-hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (e) description of goods or services;
- (f) amount of advance taken;
- (g) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);

DOCUMENTATION AND ACCOUNTS & RECORDS

Refund Voucher

The document to be issued if advance is returned to the customer

(h) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);

(i) place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce;

(j) whether the tax is payable on reverse charge basis; and

(k) signature or digital signature of the supplier or his authorised representative:

DOCUMENTATION AND ACCOUNTS & RECORDS

Refund Voucher

If details are not available at the time of returning the advance the following should followed for determining the tax rate and place of supply

- (i) the rate of tax is not determinable, the tax shall be paid at the rate of eighteen per cent.;
- (ii) (ii) the nature of supply is not determinable, the same shall be treated as inter-State supply

DOCUMENTATION AND ACCOUNTS & RECORDS

Payment Voucher

Recipient of services or goods or both have to issue a payment voucher at the time of making payment to the supplier of goods or services or both for supplies made under reverse charge. The following are the details be shown on the payment voucher

- (a) name, address and Goods and Services Tax Identification Number of the supplier if registered;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special character-shyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and Goods and Services Tax Identification Number of the recipient;

DOCUMENTATION AND ACCOUNTS & RECORDS

Payment Voucher

Recipient of services or goods or both have to issue a payment voucher at the time of making payment to the supplier of goods or services or both for supplies made under reverse charge. The following are the details be shown on the payment voucher

- (e) description of goods or services;
- (f) amount paid;
- (g) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (h) amount of tax payable in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- (i) place of supply along with the name of State and its code, in case of a supply in the course of inter-State trade or commerce; and
- (j) signature or digital signature of the supplier or his authorised representative.

DOCUMENTATION AND ACCOUNTS & RECORDS

Delivery Challan

A delivery challan can be issued by the taxpayer in the following cases

- (a) supply of liquid gas where the quantity at the time of removal from the place of business of the supplier is not known,
- (b) transportation of goods for job work,
- (c) transportation of goods for reasons other than by way of supply, or
- (d) such other supplies as may be notified by the Board,

DOCUMENTATION AND ACCOUNTS & RECORDS

Delivery Challan

A delivery challan should contain the following details for transportation, containing the following details, namely:-

- (i) date and number of the delivery challan;
- (ii) name, address and Goods and Services Tax Identification Number of the consigner, if registered;
- (iii) name, address and Goods and Services Tax Identification Number or Unique Identity Number of the consignee, if registered;
- (iv) Harmonised System of Nomenclature code and description of goods;
- (v) quantity (provisional, where the exact quantity being supplied is not known);
- (vi) taxable value;
- (vii) tax rate and tax amount – central tax, State tax, integrated tax, Union territory tax or cess, where the transportation is for supply to the consignee;
- (viii) place of supply, in case of inter-State movement; and
- (ix) signature

DOCUMENTATION AND ACCOUNTS & RECORDS

Delivery Challan

A delivery challan has to be issued in 3 copies

- (a) the original copy being marked as ORIGINAL FOR CONSIGNEE;
- (b) the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
- (c) the triplicate copy being marked as TRIPLICATE FOR CONSIGNER.

Where the goods being transported are for the purpose of supply to the recipient but the tax invoice could not be issued at the time of removal of goods for the purpose of supply, the supplier shall issue a tax invoice after delivery of goods.

DOCUMENTATION AND ACCOUNTS & RECORDS

Delivery Challan

In case of movement of goods in semi knocked down condition or in lots, the following procedure is to be followed

- (a) the supplier shall issue the complete invoice before dispatch of the first consignment;
- (b) the supplier shall issue a delivery challan for each of the subsequent consignments, giving reference of the invoice;
- (c) each consignment shall be accompanied by copies of the corresponding delivery challan along with a duly certified copy of the invoice; and
- (d) the original copy of the invoice shall be sent along with the last consignment.

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

Every registered person will an e-waybill if the value of the goods are more than ₹ 50,000 in the following cases

- (i) in relation to a supply; or
- (ii) for reasons other than supply; or
- (iii) due to inward supply from an unregistered person,

➤ In Which cases e-waybill is mandatory even if consignment value is less than Rs 50,000

- Inter state movement of goods from principal to job worker – registered or unregistered
- Inter state transportation of handicraft goods by tax payers exempted from registration

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

➤ Who can issue e-waybills?

- Each taxpayer can issue respective e-waybills
- If not the transporter, courier agency or e-commerce operator can issue consolidated e-waybill on behalf of the goods owner
- In case of job work - the principal or job worker can issue e-waybill or the job worker can also issue if registered.
- In case if goods are transported by railways - it can be issued by the supplier or the recipient after the commencement of the journey
- If transported by unregistered taxpayer in his own conveyance or by transporter the unregistered person or taxpayer can generate the e-waybill optionally.

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

Sr.No	Distance	Validity Period
1	Up to 200 kms	One day in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship
2	For every 200 kms and part there of	One additional day in cases other than Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship
3	Up to 20 kms	One day in case of Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship
4	For every 20 kms and part there of	One additional day in case of Over Dimensional Cargo or multimodal shipment in which at least one leg involves transport by ship]

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

- E-waybill is not required to be issued in the following cases
- (a) where the goods being transported are specified in Annexure;
 - (b) where the goods are being transported by a non-motorised conveyance;
 - (c) where the goods are being transported from the customs port, airport, air cargo complex and land customs station to an inland container depot or a container freight station for clearance by Customs;
 - (d) in respect of movement of goods within such areas as are notified under clause (d) of sub-rule (14) of rule 138 of the State or Union territory Goods and Services Tax Rules in that particular State or Union territory;
 - (e) where the goods, other than de-oiled cake, being transported, are specified in the Schedule appended to notification No. 2/2017- Central tax (Rate) dated the 28th June, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i), vide number G.S.R 674 (E) dated the 28th June, 2017 as amended from time to time;

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

➤ E-waybill is not required to be issued in the following cases

- (f) where the goods being transported are alcoholic liquor for human consumption, petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas or aviation turbine fuel;
- (g) will of the Act; here the supply of goods being transported is treated as no supply under Schedule
- (h) where the goods are being transported—
 - (i) under customs bond from an inland container depot or a container freight station to a customs port, airport, air cargo complex and land customs station, or from one customs station or customs port to another customs station or customs port, or
 - (ii) under customs supervision or under customs seal;
- (i) where the goods being transported are transit cargo from or to Nepal or Bhutan;

DOCUMENTATION & ACCOUNTING

e-waybill

- **E-waybill is not required to be issued in the following cases**
- (j) where the goods being transported are exempt from tax under notification No. 7/2017-Central Tax (Rate), dated 28th June 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 679(E) dated the 28th June, 2017 as amended from time to time and notification No. 26/2017- Central Tax (Rate), dated the 21st September, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1181(E) dated the 21st September, 2017 as amended from time to time;
 - (k) any movement of goods caused by defence formation under Ministry of defence as a consignor or consignee;
 - (l) where the consignor of goods is the Central Government, Government of any State or a local authority for transport of goods by rail;

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

- **E-waybill is not required to be issued in the following cases**
(m) where empty cargo containers are being transported; and (n) where the goods are being transported upto a distance of twenty kilometers from the place of the business of the consignor to a weighbridge for weighment or from the weighbridge back to the place of the business of the said consignor subject to the condition that the movement of goods is accompanied by a delivery challan issued in accordance with rule 55

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill – List of goods mentioned in Annexure

Sl.No	Description of Goods
1	Liquefied petroleum gas for supply to household and non domestic exempted category (NDEC) customers
2	Kerosene oil sold under PDS
3	Postal baggage transported by Department of Posts
4	Natural or cultured pearls and precious or semi-precious stones; precious metals and metals clad with precious metal (Chapter 71)
5	Jewellery, goldsmiths' and silversmiths' wares and other articles (Chapter 71)
6	Currency
7	Used personal and household effects
8	Coral, unworked (0508) and worked coral (9601)

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

Is it mandatory to issue e-waybill below ₹ 50,000 ?

- Above ₹ 50,000 mandatory
- Below ₹ 50,000 options

How to determine Value for issue of e-waybill?

- Value as per Section 15 of the CGST Act + taxes under GST
- Exempted goods value to be excluded if the consignment consists of both taxable and exempted supplies.

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

➤ What should I do in case of vehicle breakdown?

- New e-waybill has to be generated

➤ If a transporter is transporting multiple consignments, then how it should be handled ?

- Each taxpayer can issue respective e-waybills
- If not the transporter can issue consolidated e-waybill

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

- Once e-waybill is issued can it be cancelled?
 - Yes if it's not verified in transit
- What are all the documents to be carried by the person transporting goods?
 - Tax invoice / delivery challan / bill of supply
 - Copy of E-waybill physically or e-waybill number
 - FORM GST INV-1 in lieu of Tax Invoice

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

- Who can verify the conveyance?
 - Commissioner or Officer empowered by commissioner
 - Authorized by above personnel only
 - Can verify the physical e-waybills or RFID

In case if the vehicle is intercepted & detained for more than 30 minutes, the transporter can upload the same in FORM GST EWB - 04

DOCUMENTATION AND ACCOUNTS & RECORDS

e-waybill

➤ Various forms in e-waybill

Sl. No	Form	Used for	Related Rule
1	FORM GST EWB 01	E -Way Bill	138 (1)
2	FORM GST EWB 02	Consolidated E-Way Bill	138 (6) & (7)
3	FORM GST EWB 03	Verification Report	138 C
4	FORM GST EWB 04	Report of Detention	138 D

DOCUMENTATION AND ACCOUNTS & RECORDS

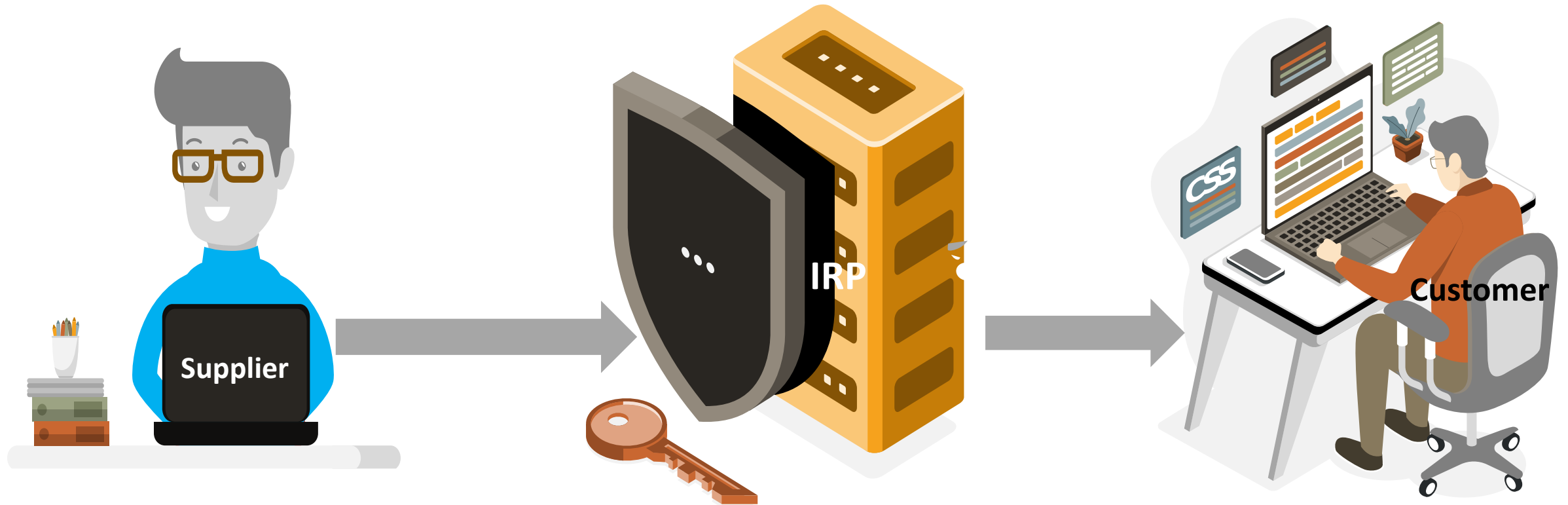
e-waybill

➤ Inspection and verification of goods

- The officer has to file summary report within 24 hours of inspection
- File it online
- In Part A of FORM GST W EWB-03
- Final inspection report has to be upload within 3 days in Part B of FORM GST W EWB- 03
- If any vehicle is inspected once during the course of journey it cannot be inspected further unless there is specific inputs for tax evasion is taking place

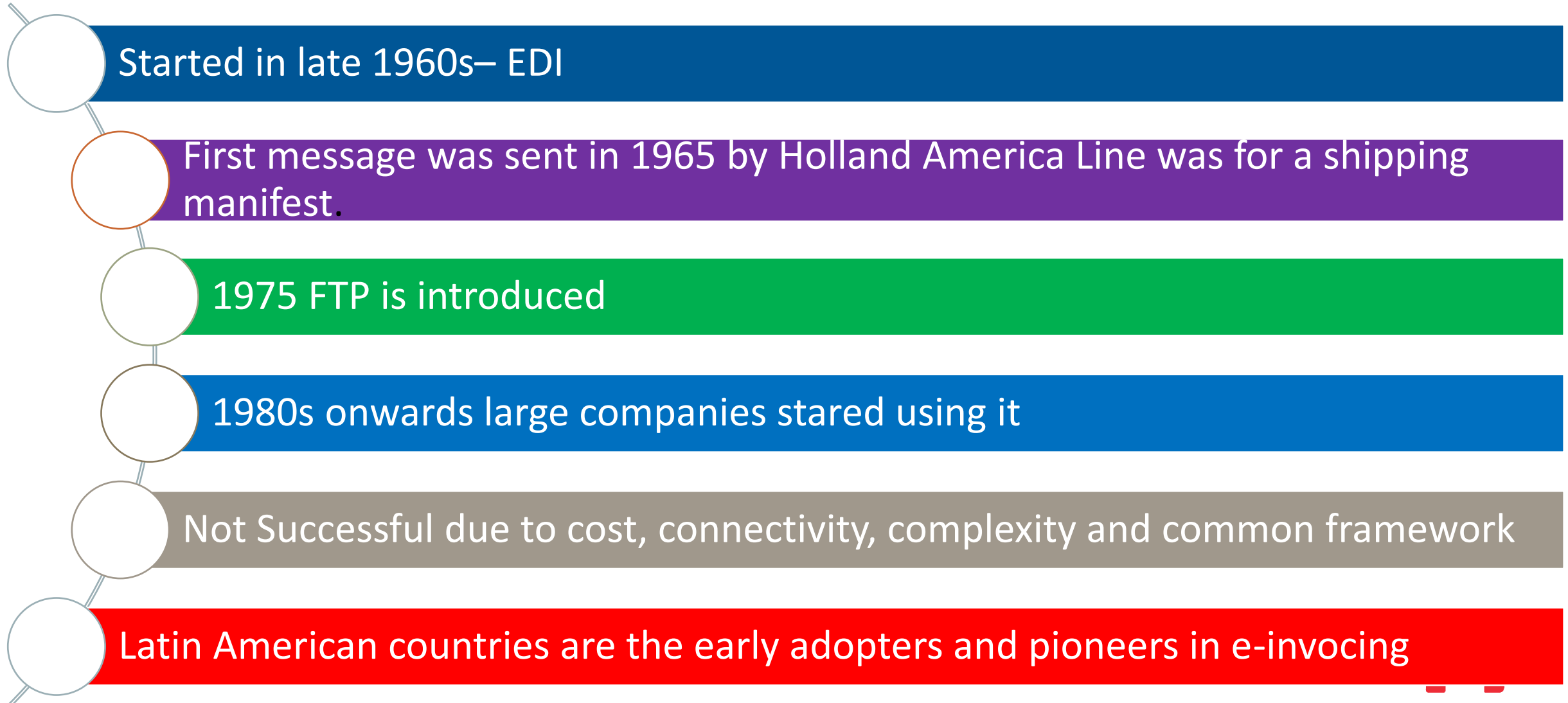
DOCUMENTATION AND ACCOUNTS & RECORDS

What is e-invoice?



DOCUMENTATION AND ACCOUNTS & RECORDS

Introduction



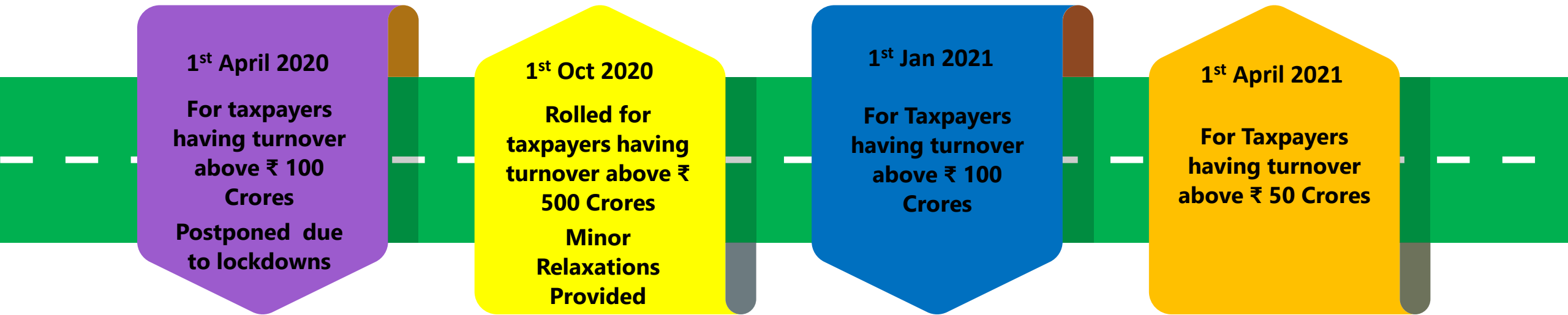
DOCUMENTATION AND ACCOUNTS & RECORDS

Introduction

Sl.No	Country	Implementation Started in
1	Chile	2003
2	Mexico	2004
3	Brazil	2005
4	Guatemala	2012
5	Ecuador	2014
6	Columbia	2015
7	Argentina	2016
8	Cost Rica	2018
9	Bolivia	2019

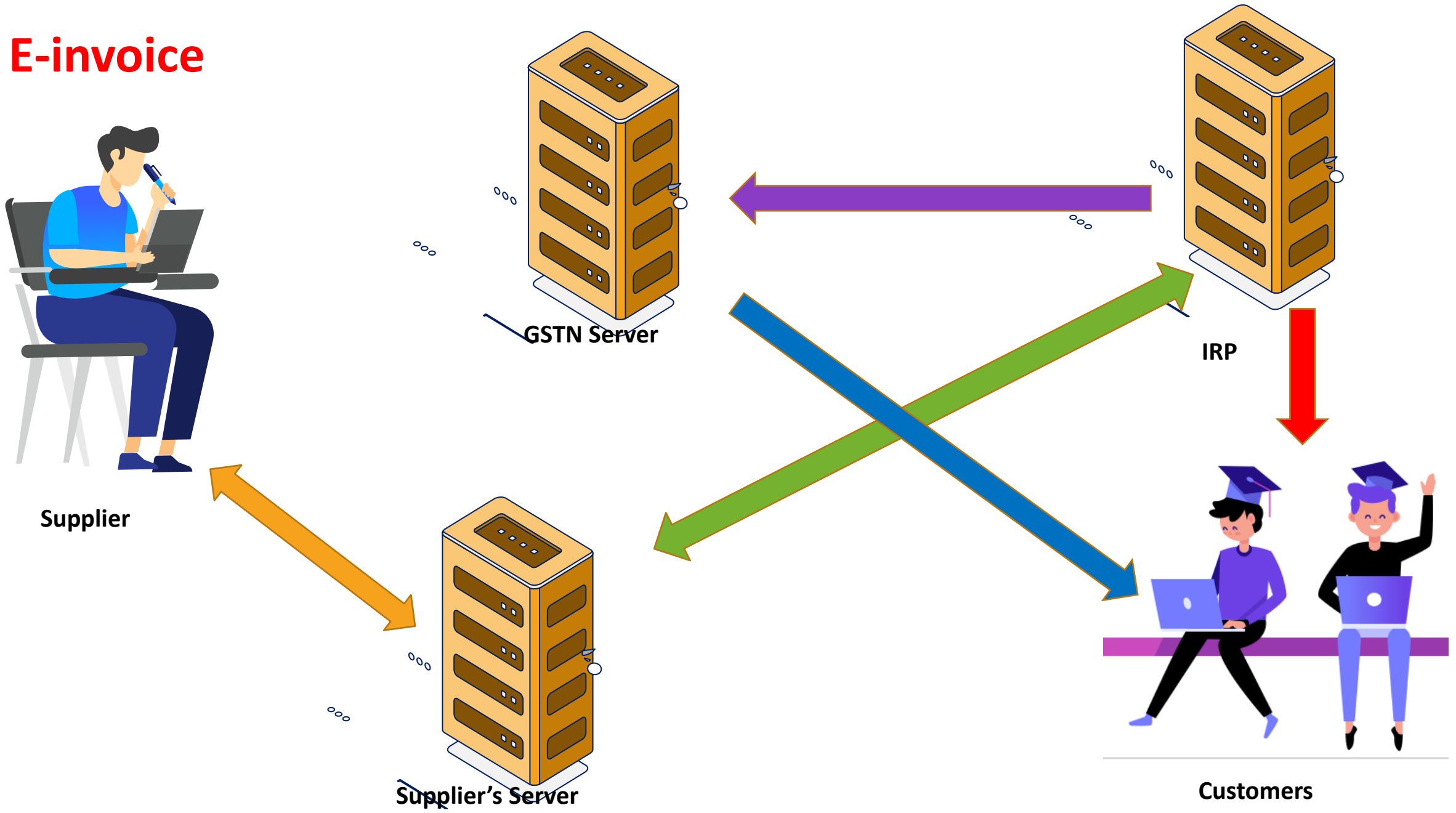
Indirect Taxation Essentials to Management Accountant

Rollout



GST – Interconnected stake holders

E-invoice



DOCUMENTATION AND ACCOUNTS & RECORDS

**Exempted from
issue
of e-invoice**

01



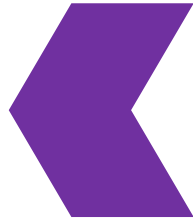
Goods Transport Agency

02



Banking & Financial Services

03



Special Economic Zones

04



Service providers of Passenger Transport services

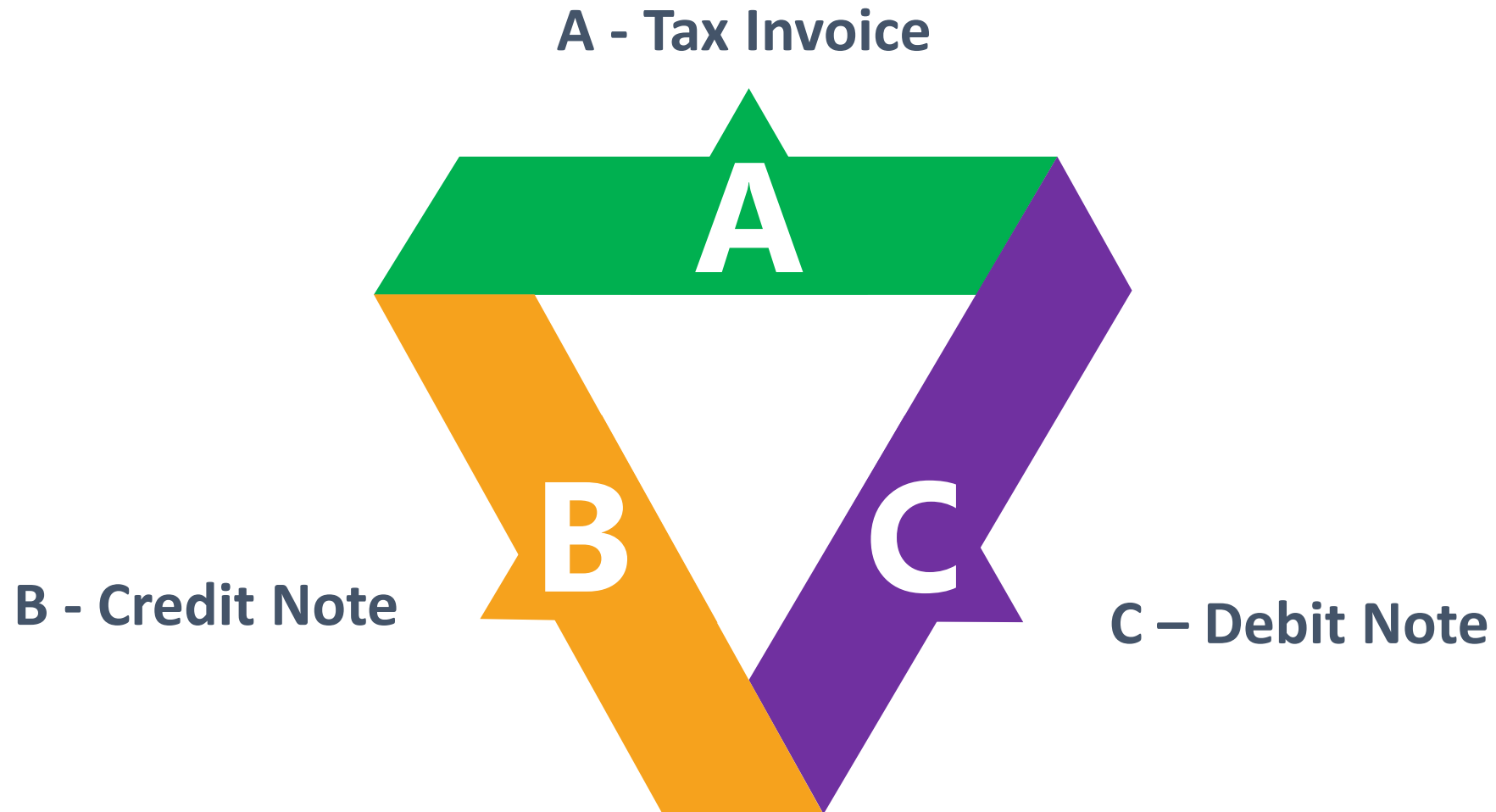
05



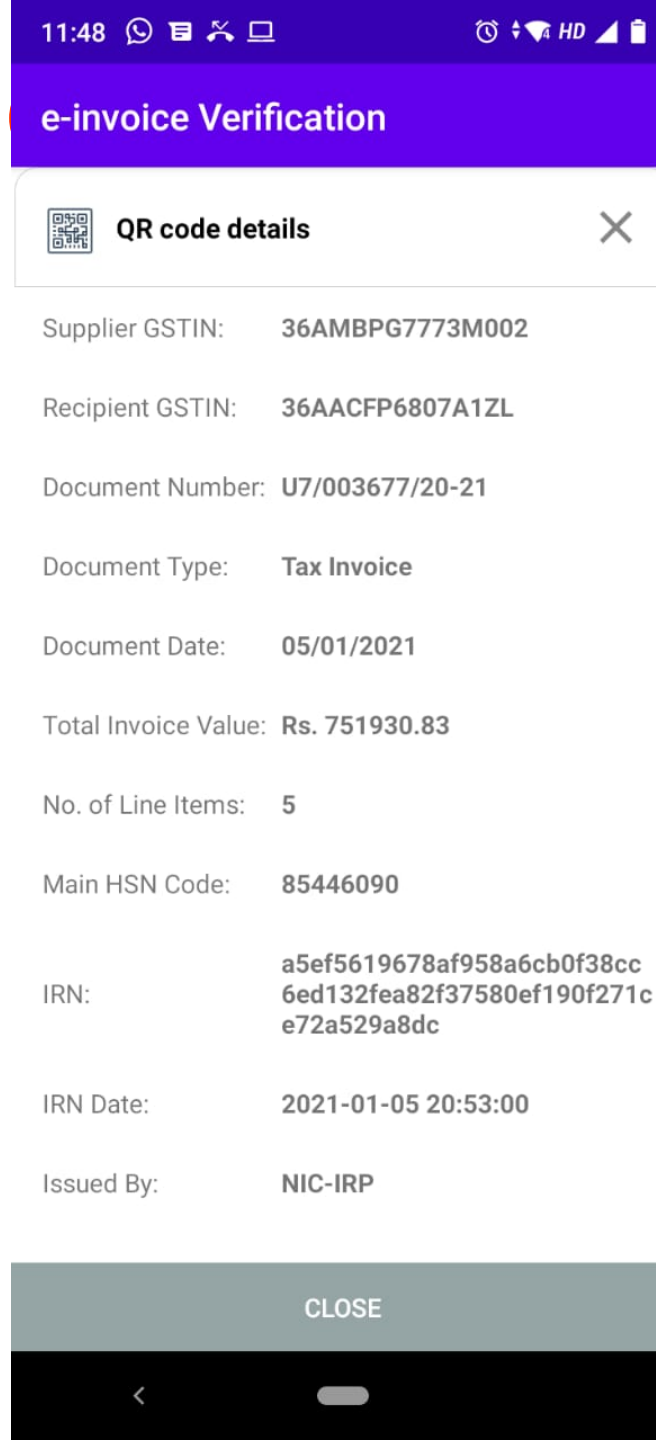
Multiplexes & Cinema halls

DOCUMENTATION AND ACCOUNTS & RECORDS

Which documents IRN has to be issued



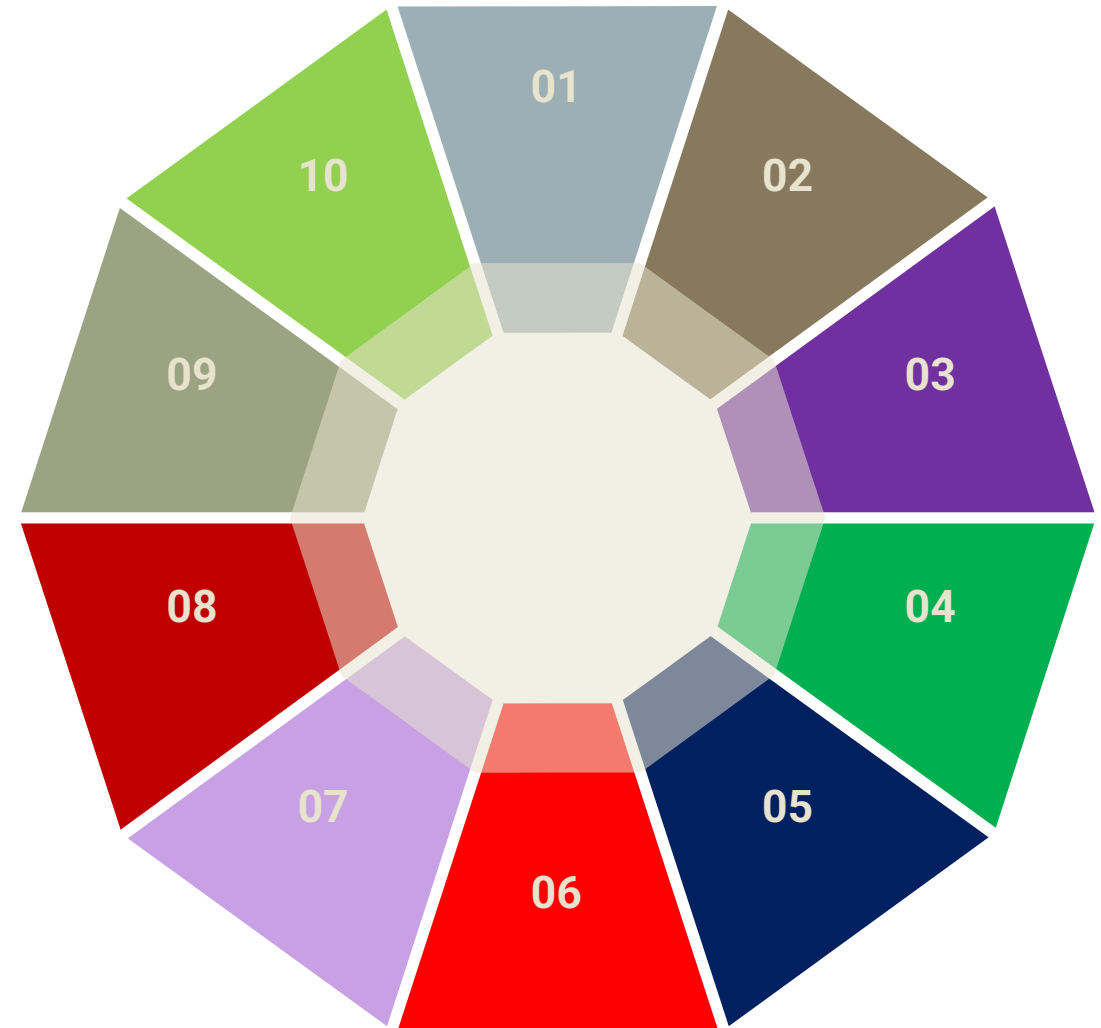
QR Code



DOCUMENTATION AND ACCOUNTS & RECORDS

QR Codes – Data Elements

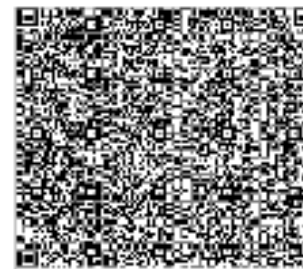
- 01 – Supplier GSTIN
- 02 – Recipient GSTIN
- 03 – Document Number
- 04 – Document Type
- 05 – Document Date
- 06 – Total Invoice Value
- 07 – No of Lines
- 08 – Main HSN Code
- 09 – IRN Number
- 10 – IRN Date



e-Invoice



SRI LAXMI TRADERS
29BZNPM9430M1KL
 Bangalore



1. e-Invoice Details

IRN: 4aecf52337a79f725ab42b34c86e873a4a8de4108aas2e7bb5ef8b61a5fbc653 ACK No. 112010033975596 ACK Date: 07-12-2020

2. Document Details

Category B2B Document No. 5465 IGST on INTRA: No
 Document Type: Tax Invoice Document Date 07/12/2020

3. Bill From - Bill To

Seller
 GSTIN: 29BZNPM9430M1KL
 SRI LAXMI TRADERS
 No 10,
 K G Road, 3rd Block
 Bangalore
 560009 KARNATAKA
 Ph: 8553544565
 laxmi.traders@gmail.com

Recipient
 GSTIN: 29ABCD1234F1LI
 Vijaya Traders
 1st Cross, 3rd Main, Gandhi Nagar
 Kolidasa Mang Road
 Bangalore Place of Supply: KARNATAKA
 560009 KARNATAKA
 8554566567
hoamani.vijaya@gmail.com

4. Items Details

SINo	Product Description	HSN Code	Quantity	UQC	UNIT Price	Discount	Taxable Amount	Tax Rate (GST+CESS State Cess+CESS Non-Advol)	Other Charges	Total
1	Steel Pipes	7216	85	NOS	1000	0	85000	18 + 0 0 + 0	0	100300
2	Steel Sheets	7216	90	KGS	2000	0	100000	18 + 0 0 + 0	0	118000
Taxable Amount		CGST Amount	SGST Amount	IGST Amount	CESS Amount	State CESS Amount	Discount	Other Charges	Round Off Amount	Total Invoice Amount
185000		16650	16650	0	0	0	0	0	0	218300

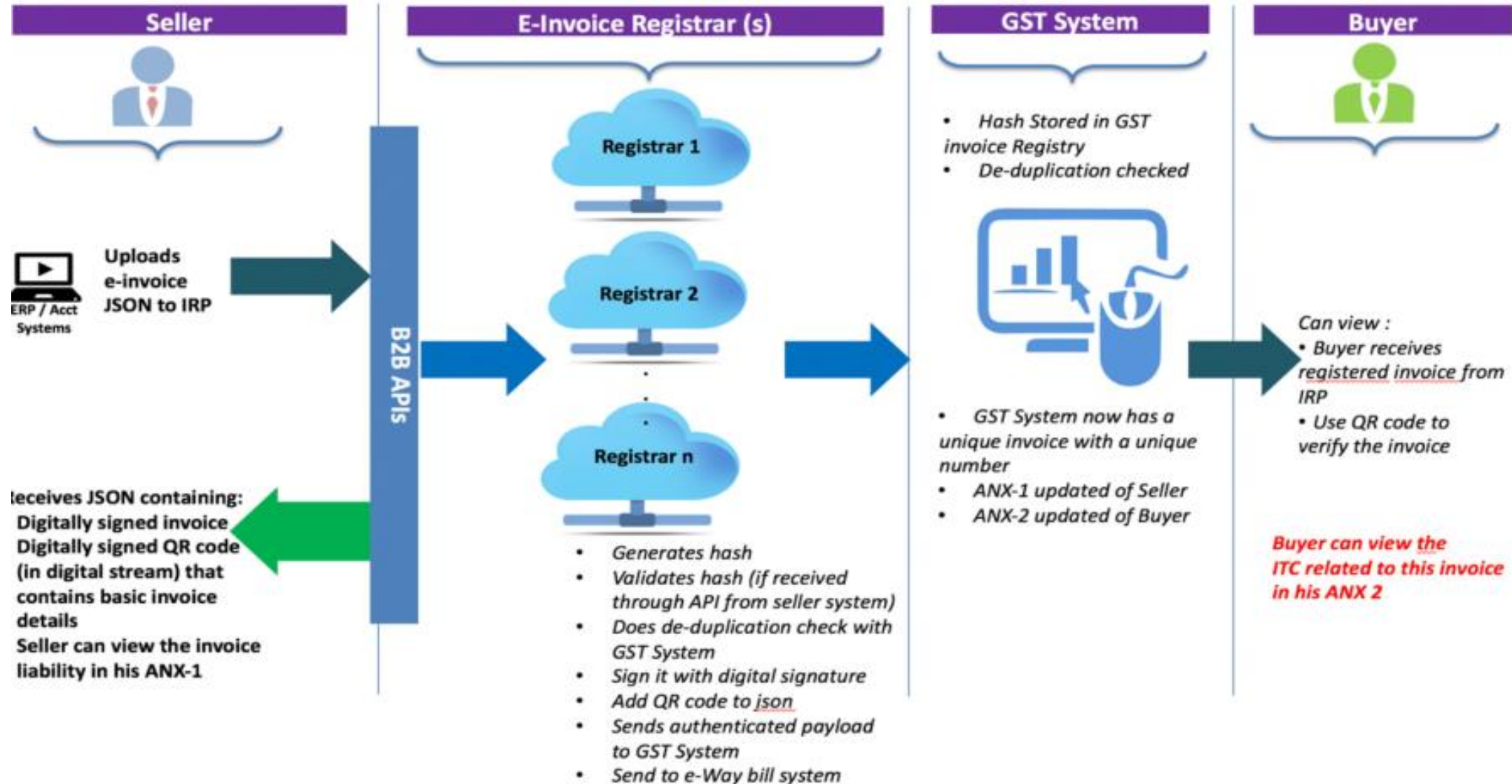
Generated By: 29BZNPM9430M1KL
 Print Date: 07-12-2020 00:00

e-Sign

Digitally Signed by NIC-IRP
 07-12-2020 10:44

DOCUMENTATION AND ACCOUNTS & RECORDS

Technical Aspects



DOCUMENTATION AND ACCOUNTS & RECORDS

Technical Aspects - APIs

1. Authentication
2. Generate IRN
3. Cancel IRN
4. Get IRN Details
5. Generate e-waybill by IRN
6. Get GSTIN Details
7. Cancel e-waybill
8. Sync GSTN details from CP
9. Get e-waybill details by IRN
10. Get IRN Details by Doc Details
11. Health API



DOCUMENTATION AND ACCOUNTS & RECORDS

API Method

REST APIs to be used for generation of e-invoice. Db of the Accounting/ERP is connected directly with e-invoice portal



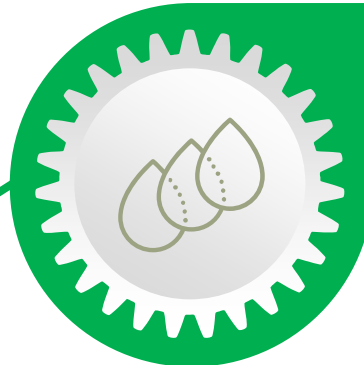
Bulk JSON

Json for each invoice is created and the uploaded to the IRP portal in a batch mode.



Single JSON

Json file is created for each invoice and uploaded to IRP individually



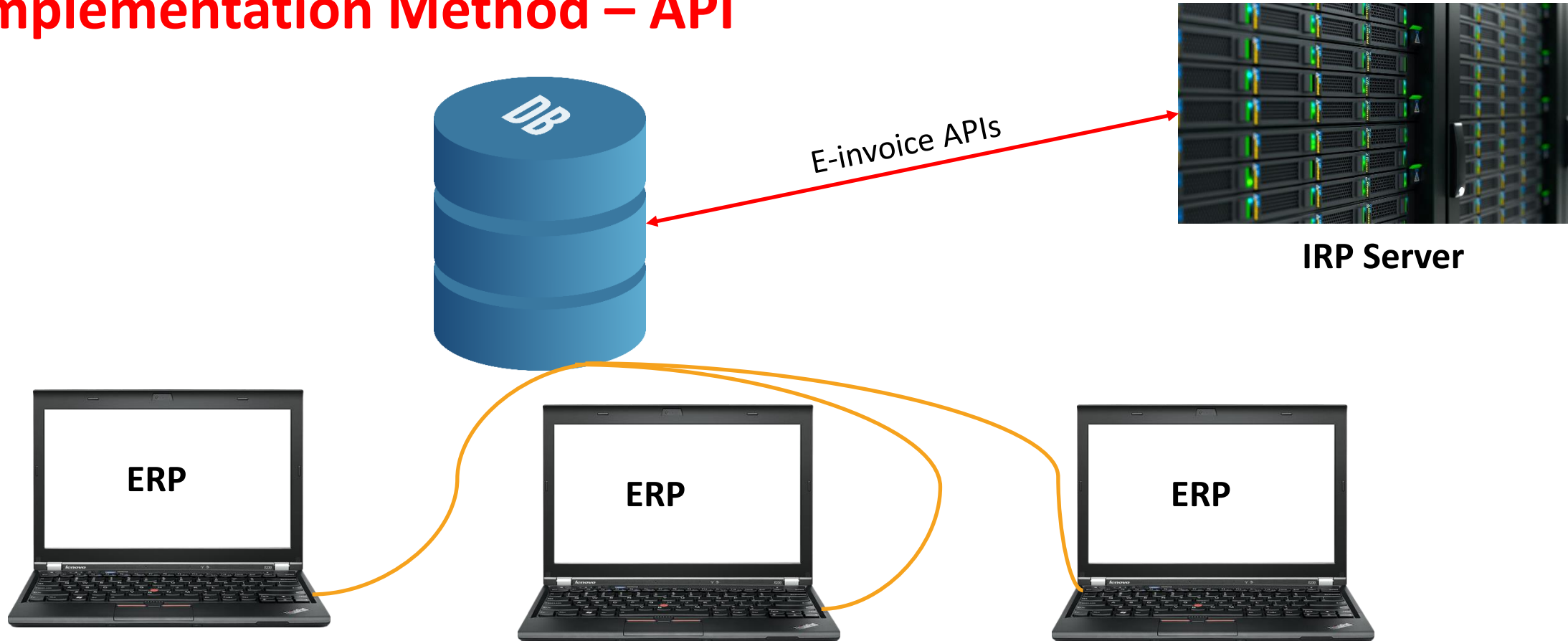
File Transfer – SFTP

Data is stored in a standalone folder and APIs are used. Once IRN is generated, same is retrieved into a separate inbound folder from there it is imported back to Accounting/ERP



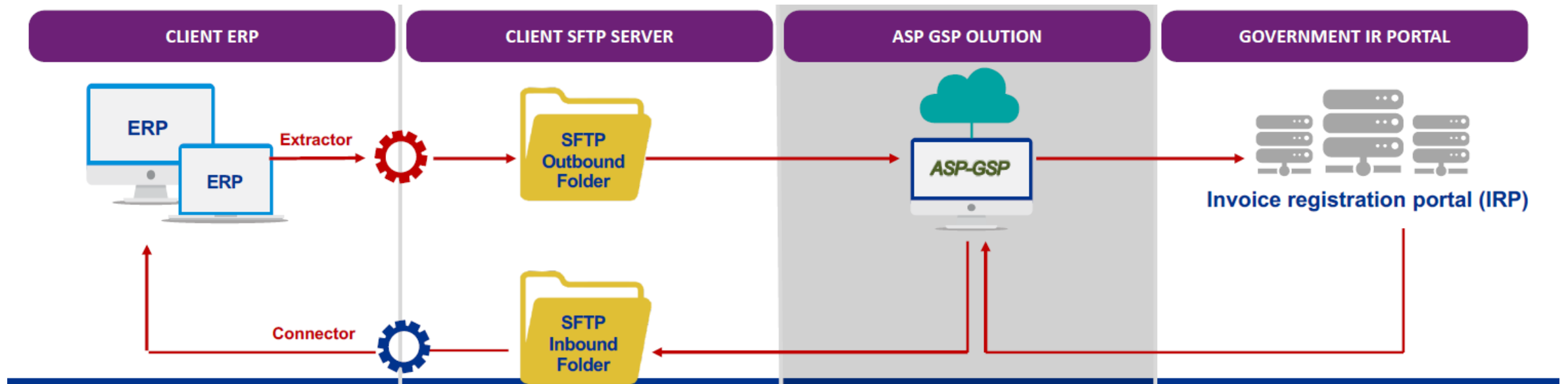
DOCUMENTATION AND ACCOUNTS & RECORDS

Implementation Method – API



DOCUMENTATION AND ACCOUNTS & RECORDS

Implementation Method - SFTP



Ledgers & Accounting

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ Ledgers play a key role in

- ❑ Accounting
- ❑ GST Compliance

Recommended to change the accounting process and new ledgers to meet GST compliances seamlessly and also ensure proper internal control

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - Output/Outward Supplies liability

- Output Tax Liability – CGST A/c
- Output Tax Liability – SGST A/c
- Output Tax Liability – IGST A/c
- Output Tax Liability – UTGST A/c
- Output Tax Liability – GST Cess A/c
- Output Tax Liability – IGST – Stock Transfer A/c

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - Reverse Charge Liability

- Reverse Charge Liability – CGST A/c
- Reverse Charge Liability – SGST A/c
- Reverse Charge Liability – IGSTA/c
- Reverse Charge Liability – UTGSTA/c
- Reverse Charge Liability – GST Cess A/c

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - Interim Recovery Accounts

- ITC Interim Recovery Account – CGST A/c
- ITC Interim Recovery Account) – SGST A/c
- ITC Interim Recovery Account – IGSTA/c
- ITC Interim Recovery Account – UTGSTA/c
- ITC Interim Recovery Account – GST Cess A/c

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - Recovery Accounts

- ITC Recovery Account – CGST A/c
- ITC Recovery Account) – SGST A/c
- ITC Recovery Account – IGSTA/c
- ITC Recovery Account – UTGSTA/c
- ITC Recovery Account – GST Cess A/c

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - ITC Reverse Charge Accounts

- ITC Reverse Charge – CGST A/c
- ITC Reverse Charge – SGST A/c
- ITC Reverse Charge – IGSTA/c
- ITC Reverse Charge – UTGSTA/c
- ITC Reverse Charge – GST Cess A/c

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - ITC Reverse Charge Recovery Accounts

- ITC Reverse Charge Recovery – CGST A/c
- ITC Reverse Charge Recovery – SGST A/c
- ITC Reverse Charge Recovery – IGSTA/c
- ITC Reverse Charge Recovery – UTGSTA/c
- ITC Reverse Charge Recovery – GST Cess A/c

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - GST Liability on advances

- GST on Advances – CGST A/c
- GST on Advances– SGST A/c
- GST on Advances – IGSTA/c
- GST on Advances – UTGSTA/c
- GST on Advances – GST Cess A/c

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

- **New Ledgers - Outward Supplies within the state**
 - Outward Supplies – B2B
 - Outward Supplies – B2C
 - Outward Supplies – Reverse Charge

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - Outward Supplies inter state

- Outward Supplies – B2B (outside the state)
- Outward Supplies – B2C (outside the state)
- Outward Supplies – Reverse Charge
- Outward Supplies – Stock Transfer (outside the state)
- Outward Supplies – Purchase Returns (within the state)
- Outward Supplies – Purchase Returns (outside the state)

DOCUMENTATION AND ACCOUNTS & RECORDS

Ledgers

➤ New Ledgers - Inward Supplies

- Inward Supplies – Registered (within the state)
- Inward Supplies – Registered (Outside the state)
- Inward Supplies – Unregistered
- Inward Supplies – Composition Taxpayers A/c
- Inward Supplies – Exempted A/c
- Inward Supplies – Non-GST A/c
- Inward Supplies – Nil Rated A/c

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Outward supplies (sales within the state – B2B)	Debtors A/c	Dr	
	Outward Supplies – B2B (within the state)		Cr
	Output Tax Liability – CGST A/c		Cr
	Output Tax Liability – SGST A/c		Cr
	If GST Cess is there, that will also be accounted separately		
Outward supplies (sales outside the state – B2B)	Debtors A/c	Dr	
	Outward Supplies – B2B (within the state)		Cr
	Output Tax Liability – IGSTA/c		Cr
	If GST Cess is there, that will also be accounted separately		

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Outward supplies (sales within the state – B2C)	Debtors A/c	Dr	
	Outward Supplies – B2C (within the state)		Cr
	Output Tax Liability – CGST A/c		Cr
	Output Tax Liability – SGST A/c		Cr
	If GST Cess is there, that will also be accounted separately		
Outward supplies (sales outside the state – B2C)	Debtors A/c	Dr	
	Outward Supplies – B2C (within the state)		Cr
	Output Tax Liability – IGST A/c		Cr
	If GST Cess is there, that will also be accounted separately		

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Debit Note (within the state – B2B)	<table><tr><td data-bbox="721 325 1842 375">Debtors A/c</td><td data-bbox="1842 325 2135 375">Dr</td></tr><tr><td data-bbox="721 389 1969 446">Outward Supplies – B2B (within the state)</td><td data-bbox="1969 389 2135 446">Cr</td></tr><tr><td data-bbox="721 461 1969 518">Output Tax Liability – CGST A/c</td><td data-bbox="1969 461 2135 518">Cr</td></tr><tr><td data-bbox="721 532 1969 589">Output Tax Liability – SGST A/c</td><td data-bbox="1969 532 2135 589">Cr</td></tr><tr><td colspan="2" data-bbox="721 661 2135 725">If GST Cess is there, that will also be accounted separately</td></tr></table>	Debtors A/c	Dr	Outward Supplies – B2B (within the state)	Cr	Output Tax Liability – CGST A/c	Cr	Output Tax Liability – SGST A/c	Cr	If GST Cess is there, that will also be accounted separately	
Debtors A/c	Dr										
Outward Supplies – B2B (within the state)	Cr										
Output Tax Liability – CGST A/c	Cr										
Output Tax Liability – SGST A/c	Cr										
If GST Cess is there, that will also be accounted separately											
Debit Note (outside the state – B2B)	<table><tr><td data-bbox="721 746 1842 796">Debtors A/c</td><td data-bbox="1842 746 2135 796">Dr</td></tr><tr><td data-bbox="721 811 1969 868">Outward Supplies – B2B (within the state)</td><td data-bbox="1969 811 2135 868">Cr</td></tr><tr><td data-bbox="721 882 1969 939">Output Tax Liability – IGSTA/c</td><td data-bbox="1969 882 2135 939">Cr</td></tr><tr><td colspan="2" data-bbox="721 1011 2135 1075">If GST Cess is there, that will also be accounted separately</td></tr></table>	Debtors A/c	Dr	Outward Supplies – B2B (within the state)	Cr	Output Tax Liability – IGSTA/c	Cr	If GST Cess is there, that will also be accounted separately			
Debtors A/c	Dr										
Outward Supplies – B2B (within the state)	Cr										
Output Tax Liability – IGSTA/c	Cr										
If GST Cess is there, that will also be accounted separately											

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Debit Note (within the state – B2C)	Debtors A/c	Dr	
	Outward Supplies – B2C (within the state)		Cr
	Output Tax Liability – CGST A/c		Cr
	Output Tax Liability – SGST A/c		Cr
	If GST Cess is there, that will also be accounted separately		
Debit Note (outside the state – B2C)	Debtors A/c	Dr	
	Outward Supplies – B2C (within the state)		Cr
	Output Tax Liability – IGSTA/c		Cr
	If GST Cess is there, that will also be accounted separately		

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Stock Transfer Within the State	<table><tr><td data-bbox="726 301 1630 354">Inter Branch Transfers A/c</td><td data-bbox="1837 301 1895 354">Dr</td></tr><tr><td data-bbox="726 368 1630 496">Outward Supplies – Stock Transfer A/c (within the state)</td><td data-bbox="1982 444 2040 496">Cr</td></tr></table>	Inter Branch Transfers A/c	Dr	Outward Supplies – Stock Transfer A/c (within the state)	Cr		
Inter Branch Transfers A/c	Dr						
Outward Supplies – Stock Transfer A/c (within the state)	Cr						
Stock Transfer Outside State	<table><tr><td data-bbox="726 586 1630 639">Inter Branch Transfers A/c</td><td data-bbox="1811 586 1870 639">Dr</td></tr><tr><td data-bbox="726 654 1630 782">Outward Supplies – Stock Transfer A/c (within the state)</td><td data-bbox="1982 729 2040 782">Cr</td></tr><tr><td data-bbox="726 796 1488 925">Output Tax Liability – IGST Stock Transfer A/c</td><td data-bbox="1982 872 2040 925">Cr</td></tr></table>	Inter Branch Transfers A/c	Dr	Outward Supplies – Stock Transfer A/c (within the state)	Cr	Output Tax Liability – IGST Stock Transfer A/c	Cr
Inter Branch Transfers A/c	Dr						
Outward Supplies – Stock Transfer A/c (within the state)	Cr						
Output Tax Liability – IGST Stock Transfer A/c	Cr						

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Advance Received from Customer within the state	Cash or Bank A/c	Dr	
	Advance – CGST A/c	Dr	
	Advance – SGST A/c	Dr	
	Customers A/c		Cr
	Output Tax Liability – CGST A/c		Cr
	Output Tax Liability – SGST A/c		Cr
If GST Cess is there, that will also be accounted separately			
Advance Received from Customer outside the state	Cash or Bank A/c	Dr	
	Advance – IGSTA/c	Dr	
	Customers A/c		Cr
	Output Tax Liability – IGSTA/c		Cr
If GST Cess is there, that will also be accounted separately			

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Customer Advance Adjusted subsequently – within the state	Output Tax Liability – CGST A/c	Dr	
	Output Tax Liability – SGST A/c	Dr	
	Advance – CGST A/c		Cr
	Advance – SGST A/c		Cr
Customer Advance Adjusted subsequently – outside the state	Output Tax Liability – IGSTA/c	Dr	
	Advance – IGSTA/c		Cr

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Inward supplies (Purchases within the state – Registered)	Inward Supplies – Registered (within the state) A/c	Dr	
	ITC Interim Recovery – CGST A/c	Dr	
	ITC Interim Recovery – SGST A/c	Dr	
	Creditors A/c		Cr
Inward supplies (Purchases Outside the state – Registered)	Inward Supplies – Registered (outside the state) A/c	Dr	
	ITC Interim Recovery – IGST A/c	Dr	
	Creditors A/c		Cr

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

When input tax credit is taken – (Purchases within the state – Registered)	<div>ITC Recovery – CGST A/c</div> <div>ITC Recovery – SGST A/c</div> <div>ITC Interim Recovery – CGST A/c</div> <div>ITC Interim Recovery – SGST A/c</div> <div>Dr</div> <div>Dr</div> <div></div> <div>Cr</div> <div>Cr</div>
When input tax credit is taken – (Purchases Outside the state – Registered)	<div>Input Tax Credit RA – IGSTA/c</div> <div>Input Tax Credit (IRA) – IGSTA/c</div> <div>Dr</div> <div></div> <div>Cr</div>

DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

Inward Supplies – Composition Tax Payer	Inward Supplies – Composition Taxpayers A/c Creditors A/c	Dr Cr
Inward Supplies – Non-GST Supplies	Inward Supplies – Non-GST A/c Creditors A/c	Dr Cr
Inward Supplies – Exempted	Inward Supplies – Exempted A/c Creditors A/c	Dr Cr
Inward Supplies – Nil Rated	Inward Supplies – Nil Rated A/c Creditors A/c	Dr Cr

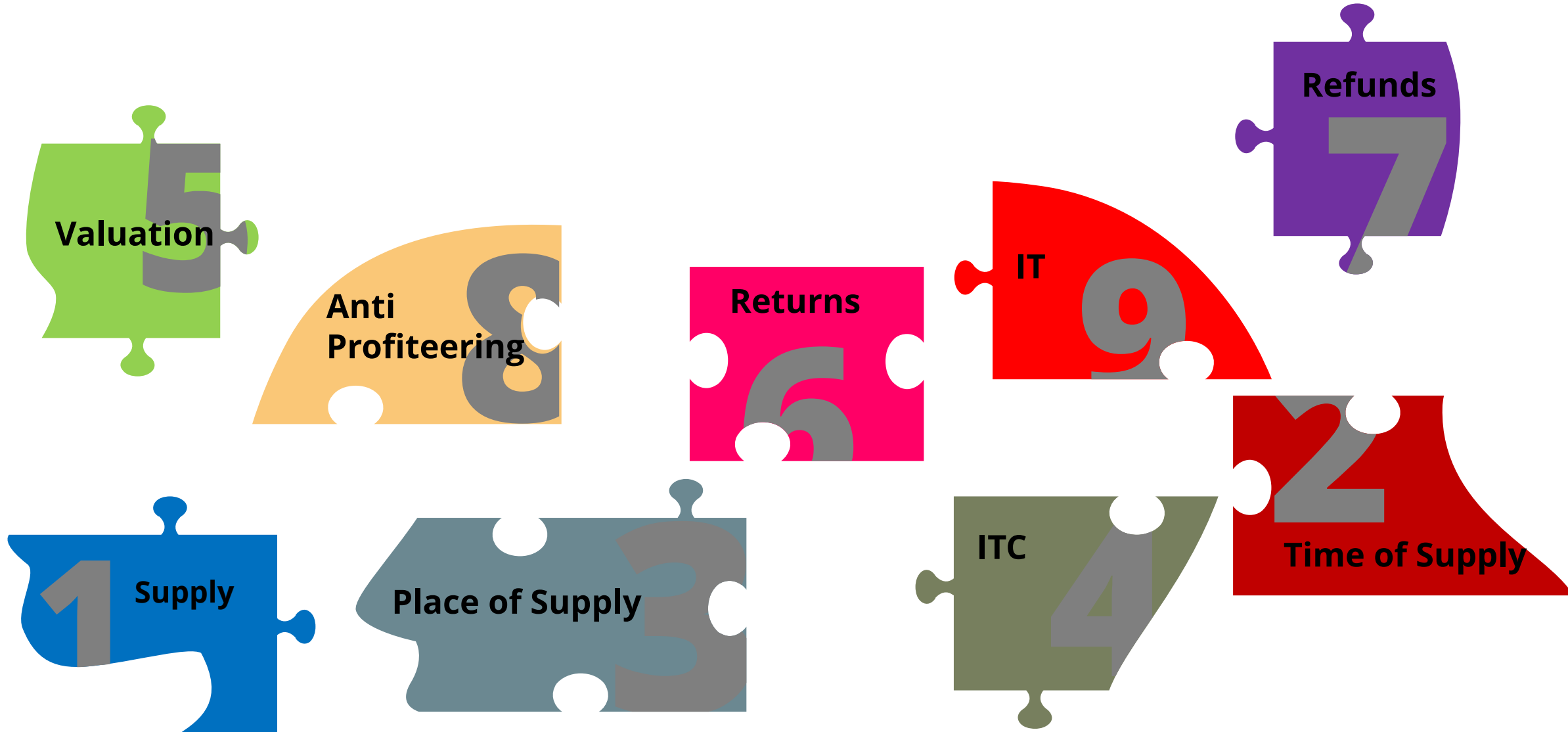
DOCUMENTATION AND ACCOUNTS & RECORDS

Accounting Entries

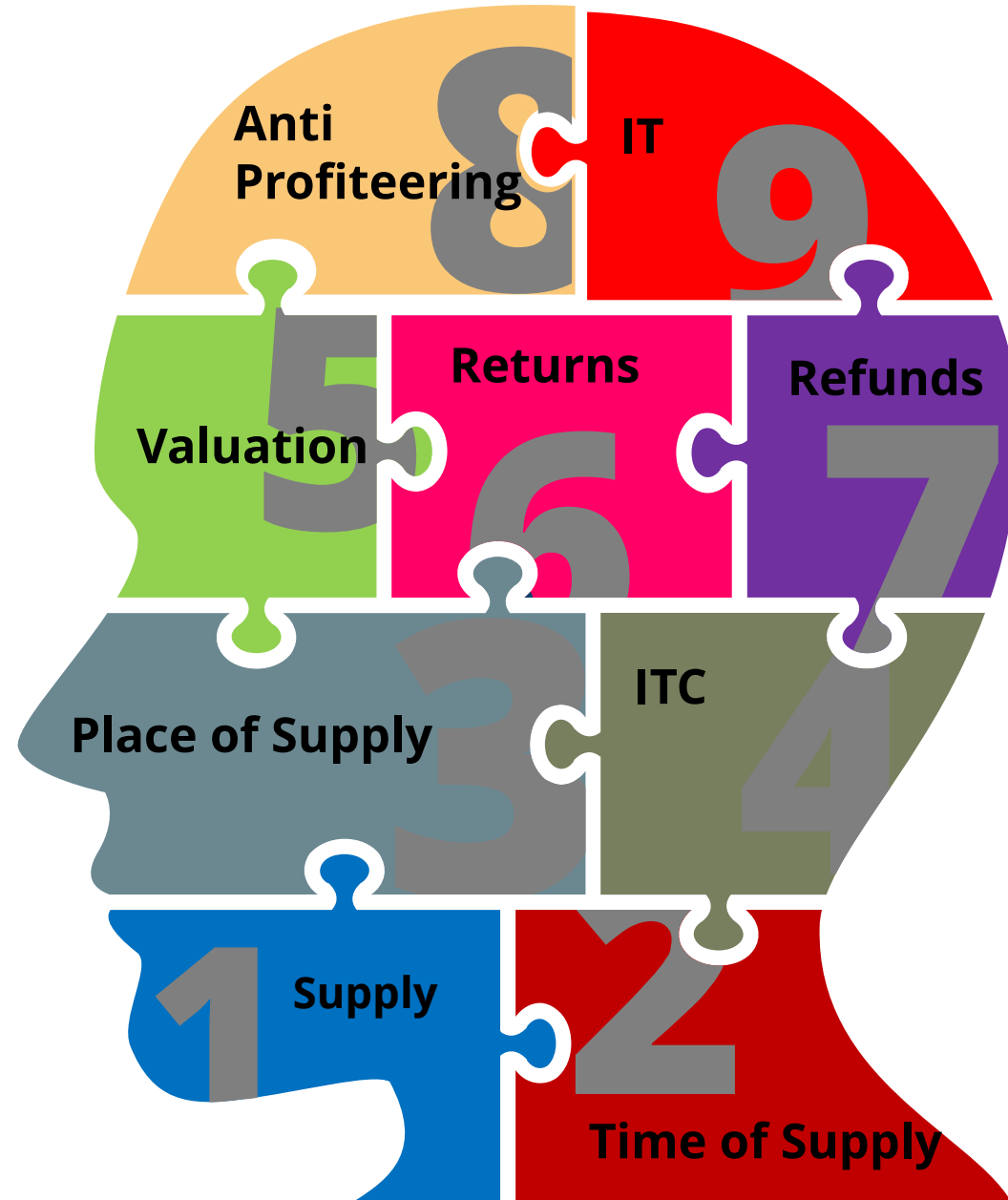
Inward Supplies – Unregistered Tax Payers (Reverse Charge)	Inward Supplies – Unregistered A/c	Dr	
	ITC Reverse Charge Recovery – CGST A/c	Dr	
	ITC Reverse Charge Recovery – SGST A/c	Dr	
	Creditors A/c		Cr
	Reverse Charge Liability – CGST A/c		Cr
When input tax credit is availed on the reverse charge inward supplies	Reverse Charge Liability – SGST A/c		Cr
	ITC Recovery – CGST A/c	Dr	
	ITC Recovery – SGST A/c	Dr	
	ITC Reverse Charge Recovery – CGST A/c		Cr
	ITC Reverse Charge Recovery – SGST A/c		Cr

GSTR – 9 & 9C

ELEMENTS OF GST



ELEMENTS OF GST



Returns



Returns

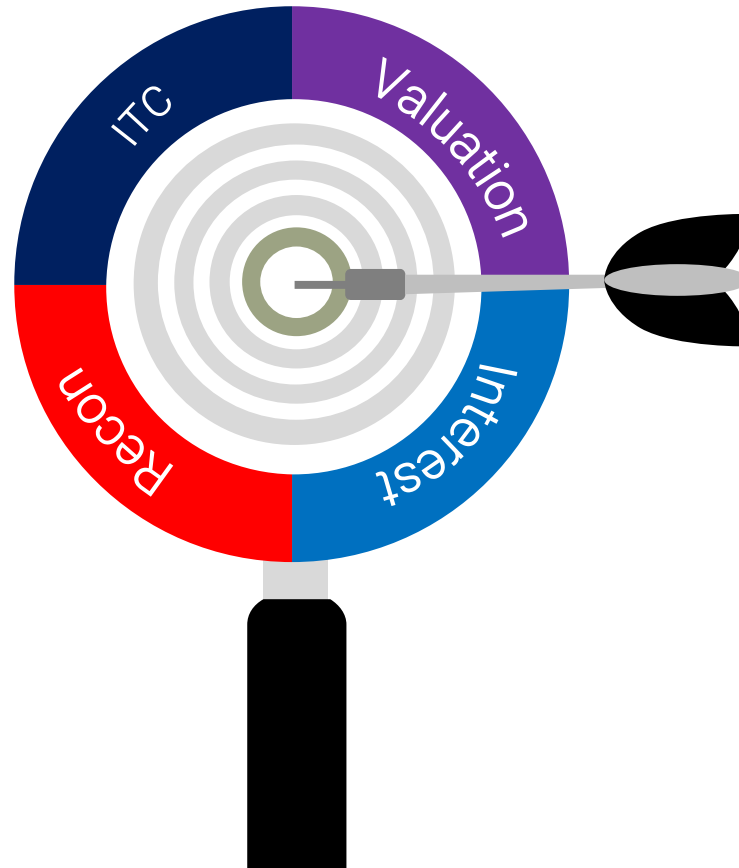
Returns – Monthly / GSTR – 9 & GSTR – 9C



Key Points GSTR – 9 & 9C

Input Tax Credit Availing
Process

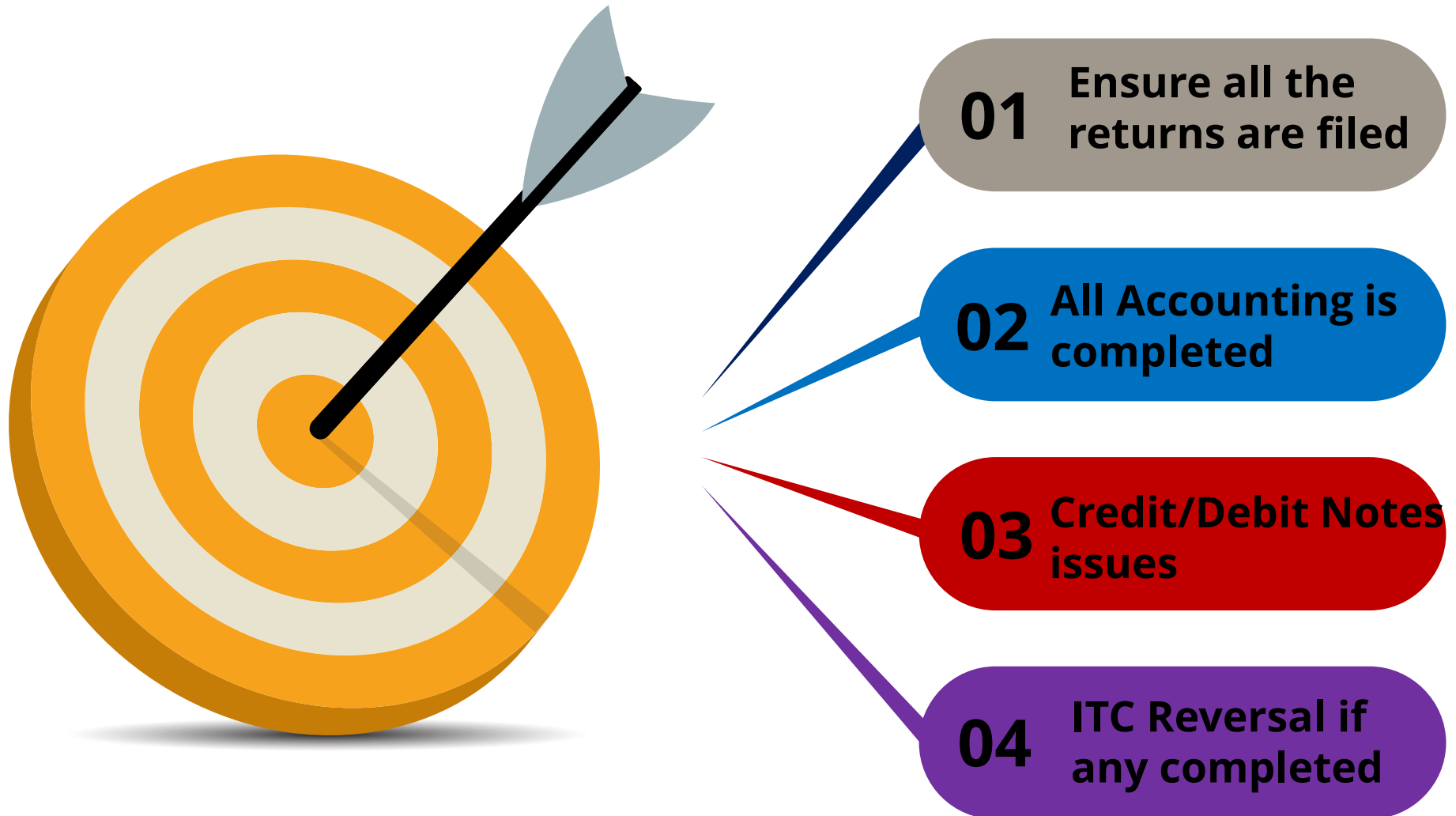
Valuation – Classification &
Rate



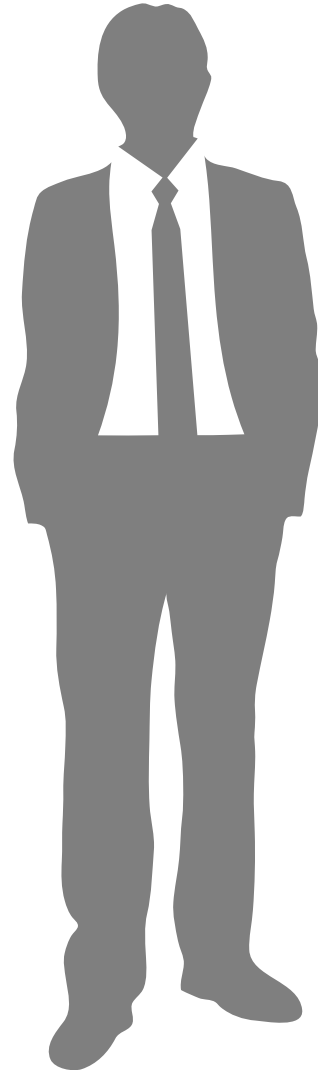
Reconciliation

Interest Computation &
Payment

Returns – Monthly / GSTR – 9 & GSTR – 9C



GSTR – 9



1

Basic Information

2

Part 4 & 5
Outward Supplies
& Tax Payable

3

Part 6,7 & 8 Input
Tax Credit

4

Part 9
Tax Paid

5

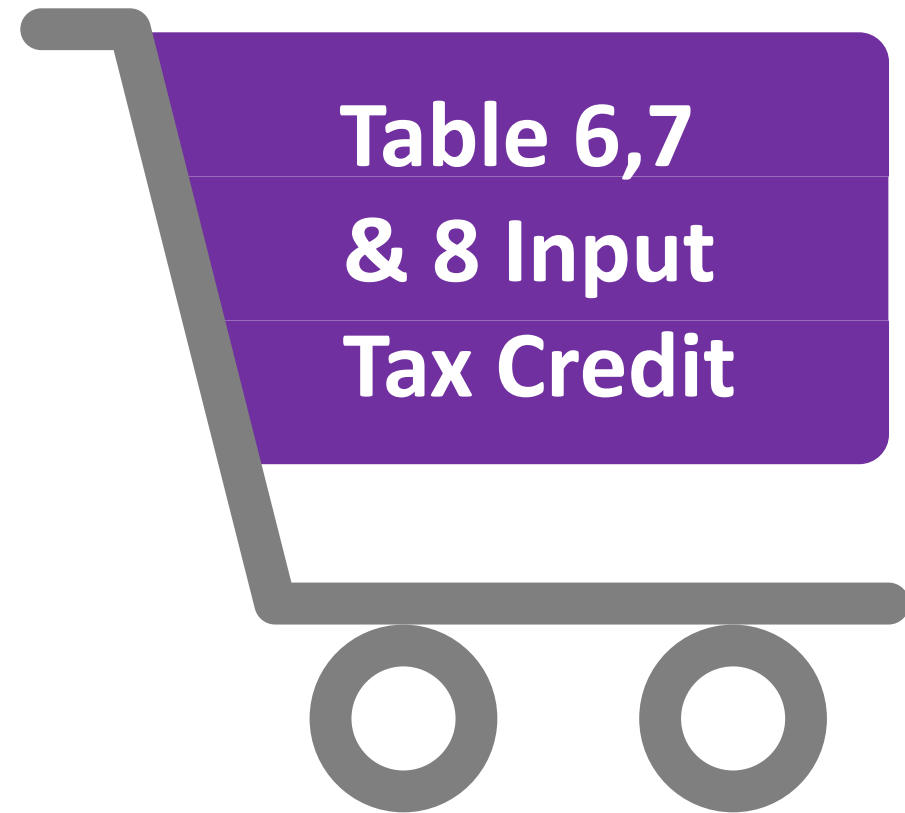
Part 10, 11, 12 & 13
Reported in FY 2019-
20

6

Part 15 to 19
Other Information

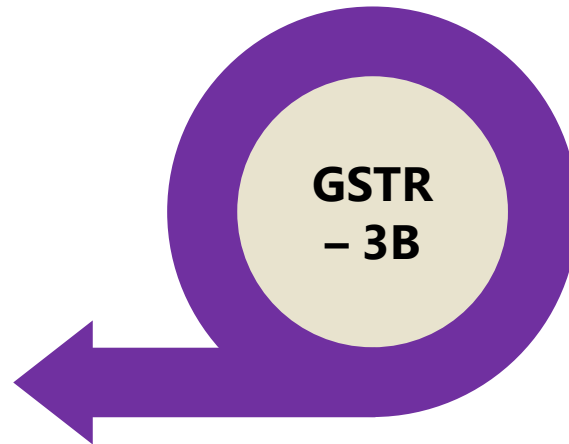
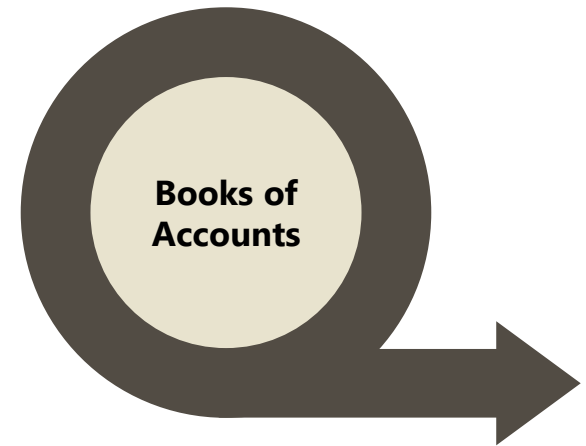
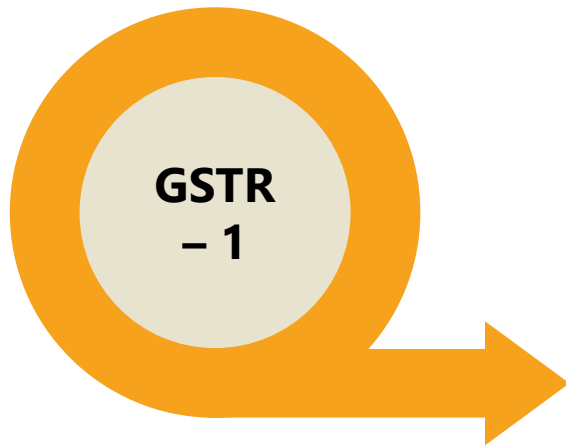
GSTR – 9

Important Sections



GSTR – 9

Source of Data



Output Tax Liability

GSTR – 9



Table 4 & 5

Part 2



Table 10 & 11

Part 5

Table	Particulars
4	<ul style="list-style-type: none">• Outward Supplies• Advances• Tax payable on reverse charge for inward supplies
5	<ul style="list-style-type: none">• Zero Rated Supplies without payment of taxes• Exempted• Non-GST• Nil
10 & 11	Transactions related to FY 2018-19 reported in FY 2019-20
9	Taxes Payable/Paid

GSTR – 9

Issue # 1

Values entered in the books of accounts matching with GSTR Returns data

Particulars	Tax Amount	Taxable Value
Taxable Supplies	180	1000
Exempt Supplies		500
Sale of Assets	94	600
Advances from Customers	18	100
Interest Income		300

Update in Part II

Table	Taxable Value / Exempted	Tax Amount
4	1700	292
5	600	

Update in Part V

Table	Taxable Value	Tax Amount
10		
11		

GSTR – 9

Issue # 2

Values entered in books of accounts matching and Advance from customer reported in FY 2019-20

Particulars	Tax Amount	Taxable Value
Taxable Supplies	180	1000
Advances From Customers	27	150

Update in Part II

Table	Taxable Value / Exempted	Tax Amount
4	1000	180

Update in Part V

Table	Taxable Value	Tax Amount
10	150	27

Update in Part IV

Table	Tax Payable	Tax Paid
10	180	180

GSTR – 9

Issue # 3

Values entered in books of accounts matching and Reverse charge payable on inward supplies

Particulars	Tax Amount	Taxable Value
Taxable Supplies	180	1000
Revers Charge	18	100

Update in Part II

Table	Taxable Value / Exempted	Tax Amount
4	1100	198

Update in Part V

Table	Taxable Value	Tax Amount
0	0	0

Update in Part IV

Table	Tax Payable	Tax Paid
0	0	0

GSTR – 9

Issue # 4

Values entered in books of accounts not matching
Some invoices reported in 2019-20 but tax paid
in 2018-19

Particulars	Tax Amount	Taxable Value
Taxable Supplies Reported in 2018-19	180	1000
Taxable Supplies Reported in 2019-20	54	300

Update in Part II

Table	Taxable Value / Exempted	Tax Amount
4	1000	180

Update in Part V

Table	Taxable Value	Tax Amount
0	300	54

Update in Part IV

Table	Tax Payable	Tax Paid
0	180	234

GSTR – 9

Issue # 5

Values entered in books of accounts are matching with return data but there is an amount of tax paid for FY2017-18 in FY 2018-19

Particulars	Tax Amount	Taxable Value
Taxable Supplies Payable and Paid in FY 2018-19	180	1000
Taxable Amount for 2017-18 paid in FY 2018-19 in GSTR – 3B	36	200

Update in Part II

Table	Taxable Value / Exempted	Tax Amount
4	1000	180

Update in Part V

Table	Taxable Value	Tax Amount
0	0	0

Update in Part IV

Table	Tax Payable	Tax Paid
0	180	216

GSTR – 9

Issue # 6

Amounts not matching with books of accounts and excess turnover reported and paid in FY 2018-19

Particulars	Tax Amount	Taxable Value
Taxable Supplies Payable and Paid in FY 2018-19 (GSTR-3B)	234	1300
Actual Turnover to be reported and paid	180	1000

Apply for Refund using RFD – 01 or Adjust in Next FY

Update in Part II

Table	Taxable Value / Exempted	Tax Amount
4	1000	180

Update in Part V

Table	Taxable Value	Tax Amount
0	0	0

Update in Part IV

Table	Tax Payable	Tax Paid
0	180	234

GSTR – 9

Issue # 7

Turnover reported wrongly but paid correctly
in the FY 2018-19

Reporting	Taxable Value	CGST	SGST	IGST
GSTR – 1	1500	135	135	0
GSTR – 3B	1500	90	90	90

Update in Part II

Table	Taxable Value / Exempted	Tax Amount
4	1500	270

Update in Part V

Table	Taxable Value	Tax Amount
0	0	0

Update in Part IV

Table	Tax Payable	Tax Paid
0	270	270

Input Tax Credit

GSTR – 9



Table 6,7 & 8

Part 3



Table 12 & 13

Part 5

Table	Particulars
6	Input Tax Credit Claimed During the FY
7	ITC Reversed and Ineligible ITC
8	Other ITC Related Information
12	ITC reversed during the CY related to Previous FY
13	ITC Availed for the Previous Financial Year in the Current Year

GSTR – 9

Issue # 1

Values entered in the books of accounts matching with GSTR Returns data

Particulars	ITC Claimed
Input Tax Credit as per GSTR – 3B	1000

Un reconciled amount will be “0” in Table 8D

Update in Part III

Table	ITC Claimed
6	1000
7	0
8A	1000

Update in Part V

Table	ITC Claimed
12	0
13	0

GSTR – 9

Issue # 2

Values entered in the books of accounts matching with GSTR Returns data

Particulars	ITC Claimed
Input Tax Credit as per GSTR – 3B	900
GSTR – 2A	1000
ITC of 2018-19 claimed in 2019-20	100

Un reconciled amount will be “0” in Table 8D

Update in Part III

Table	ITC Claimed
6	900
7	0
8A	1000

Update in Part V

Table	ITC Claimed
12	0
13	100

GSTR – 9

Issue # 3

Excess claimed in FY 2018 -19 reversed in FY 2019 -20

Particulars	ITC Claimed
Input Tax Credit as per GSTR – 3B	1250
GSTR – 2A	1000
ITC of 2018-19 claimed in 2019-20	-250

Un reconciled amount will be “0” in Table 8D

Update in Part III

Table	ITC Claimed
6	1000
6M	250
7	0
8A	1000

Update in Part V

Table	ITC Claimed
12	250
13	0

GSTR – 9

Issue # 4

Claim of FY 2017-18 claimed in 2018-19 and book are matching for 2018-19

Particulars	ITC Claimed
Input Tax Credit as per GSTR – 3B	1500
GSTR – 2A	1000
ITC of 2017-18 claimed in 2018-19	500

Un reconciled amount will be “0” in Table 8D

Update in Part III

Table	ITC Claimed
6	1000
6M	500
7	0
8A	1000

Update in Part V

Table	ITC Claimed
12	500
13	0

GSTR – 9

Issue # 5

ITC Claimed in 2017-18 reversed in 2018-19 and books are matching for 2018-19

Particulars	ITC Claimed
Input Tax Credit as per GSTR – 3B	1300
GSTR – 2A	1000
ITC of 2017-18 reversed in 2018-19	-300

Unreconciled amount will be “0” in Table 8D

Update in Part III

Table	ITC Claimed
6	1000
7H	300
8A	1000

Update in Part V

Table	ITC Claimed
12	0
13	0

GSTR – 9

Issue # 6

ITC claimed wrongly in GSTR – 3B but reflected in GSTR – 2A reversed in FY 2019-20

Show the correct amounts in Table 6 accordingly

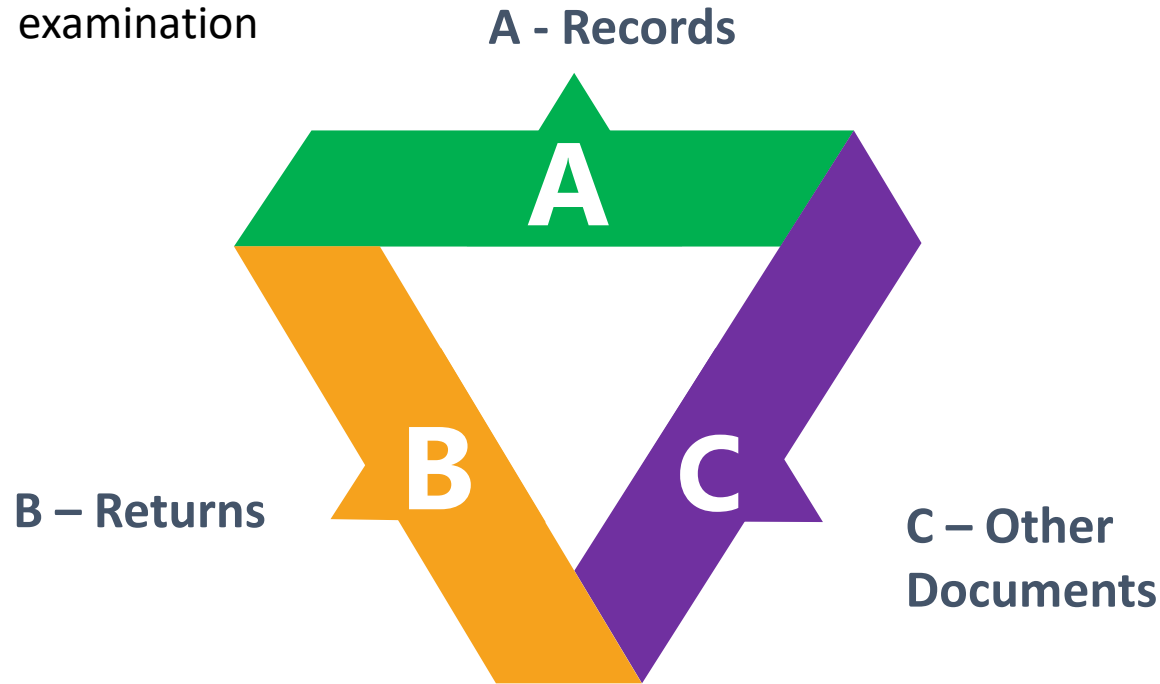
Show the amount wrongly claimed in 6M

Reverse in Table 12

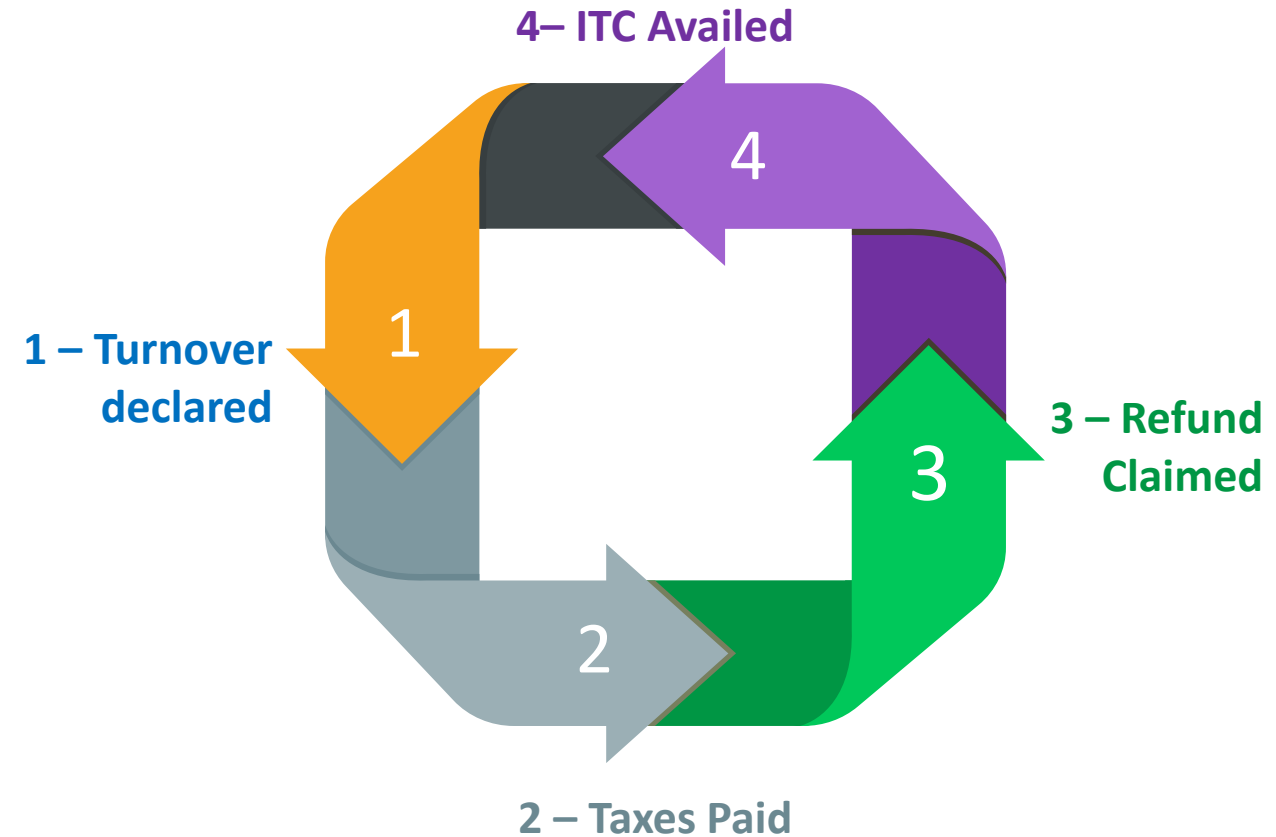
GSTR – 9C

AUDIT – SECTION 2(13)

Audit Means
examination

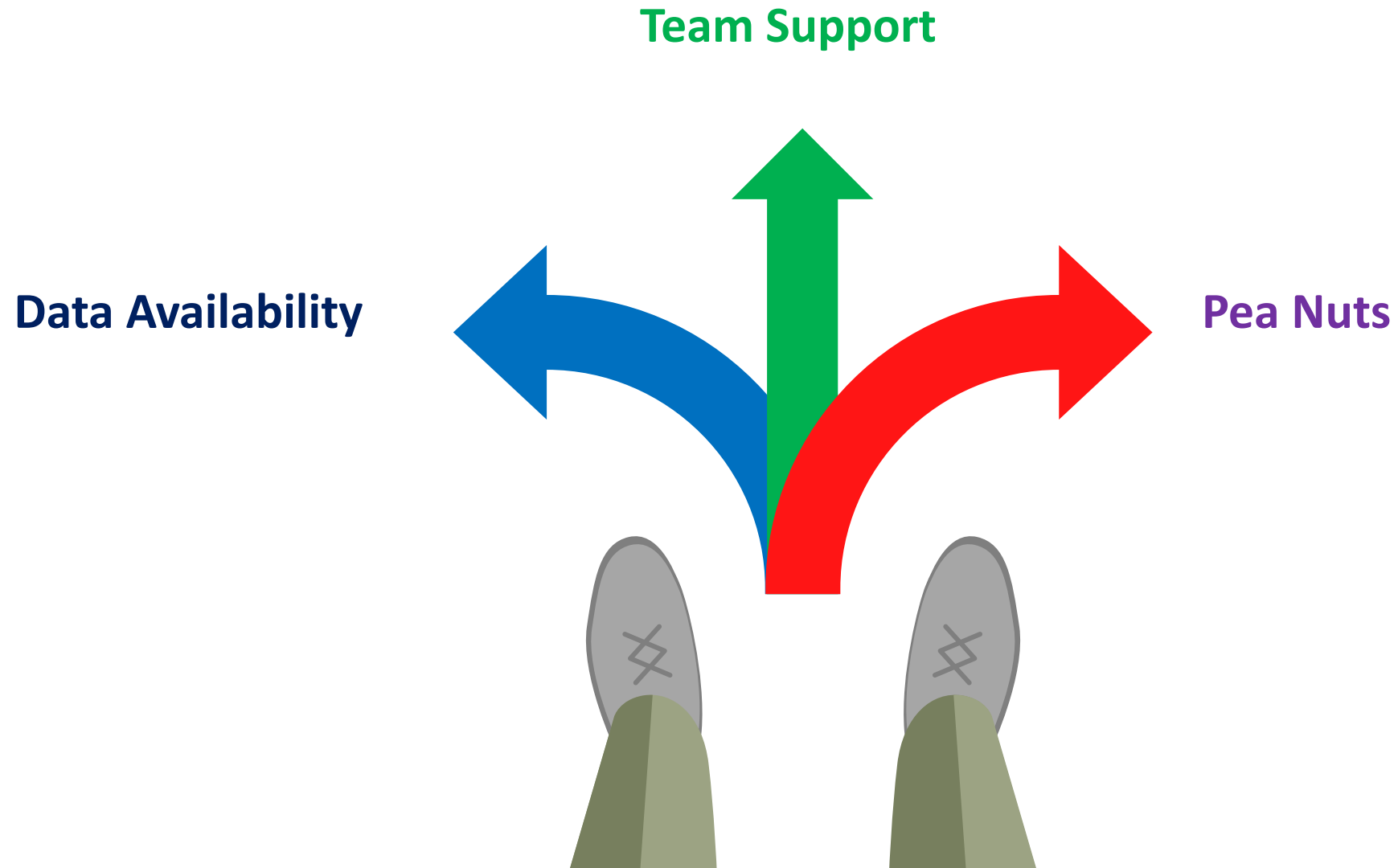


by the registered person **under this Act** or **the rules made thereunder** or under any other law for the time being in force to verify the correctness of



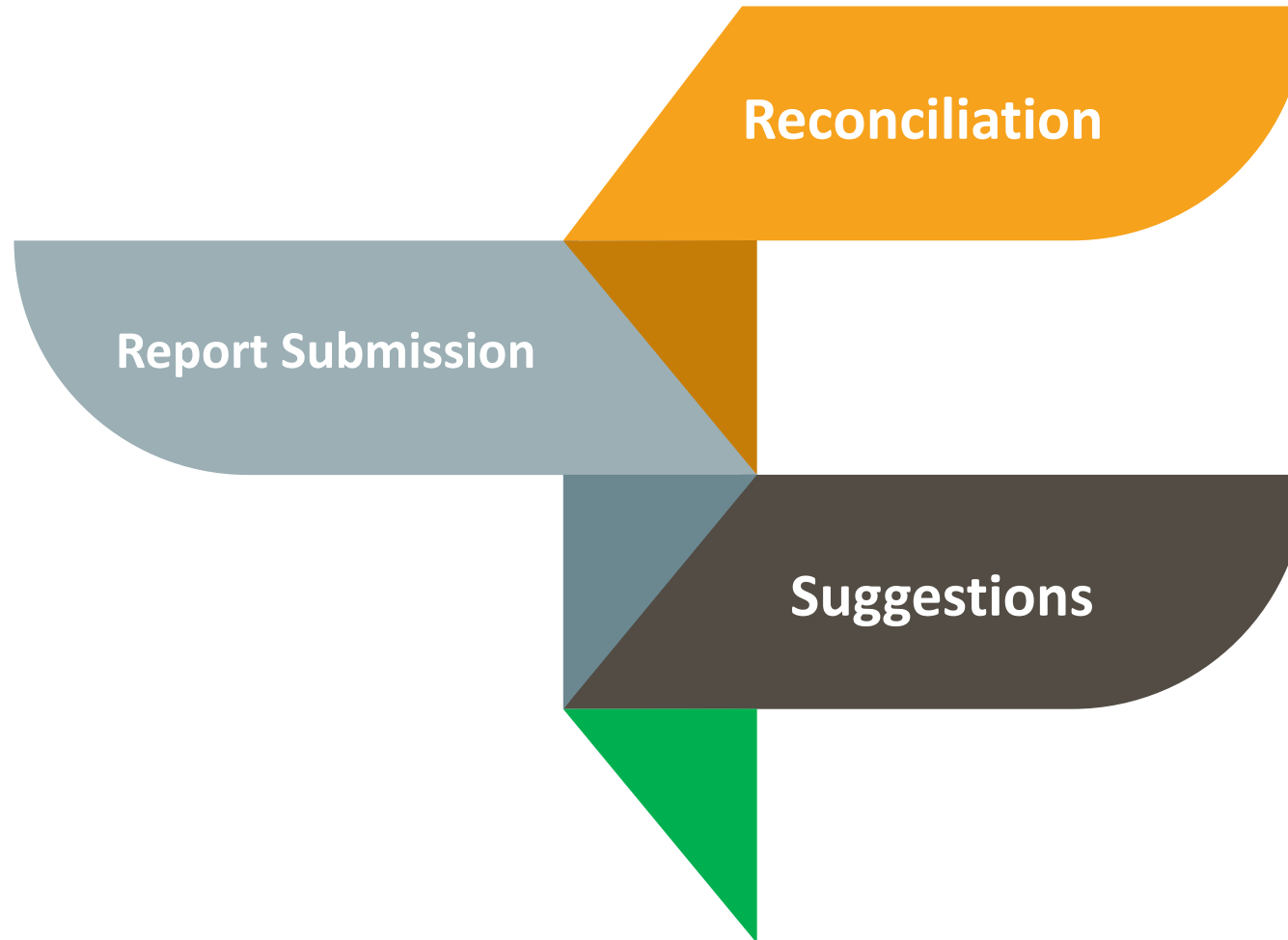
To **assess his compliance** with the **provisions of this Act** or the rules made thereunder

GSTR – 9C : CHALLENGES



GSTR – 9C

Basics



GSTR – 9C

Validation of Liability

Revenue Recognition – difference between GST and Accounting Standards

Identify Related Party Transactions – Valuations

Reverse Charge Liability discharged or not

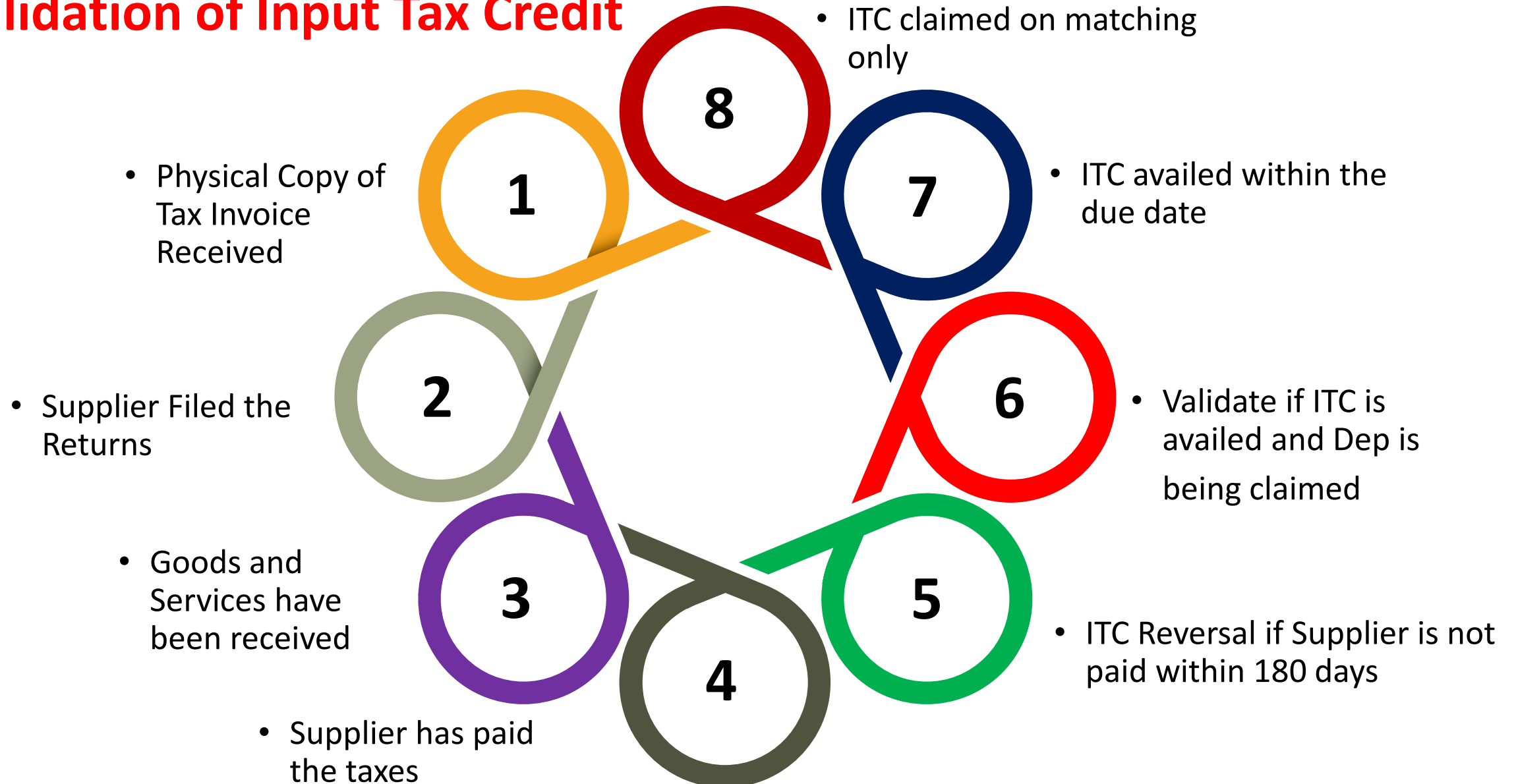
Treatment of Discounts / Free Goods / Samples

Place of Supply

Correct Classification of Goods/Services and Tax Rates

GSTR – 9C

Validation of Input Tax Credit



GSTR – 9C

Validation of Input Tax Credit



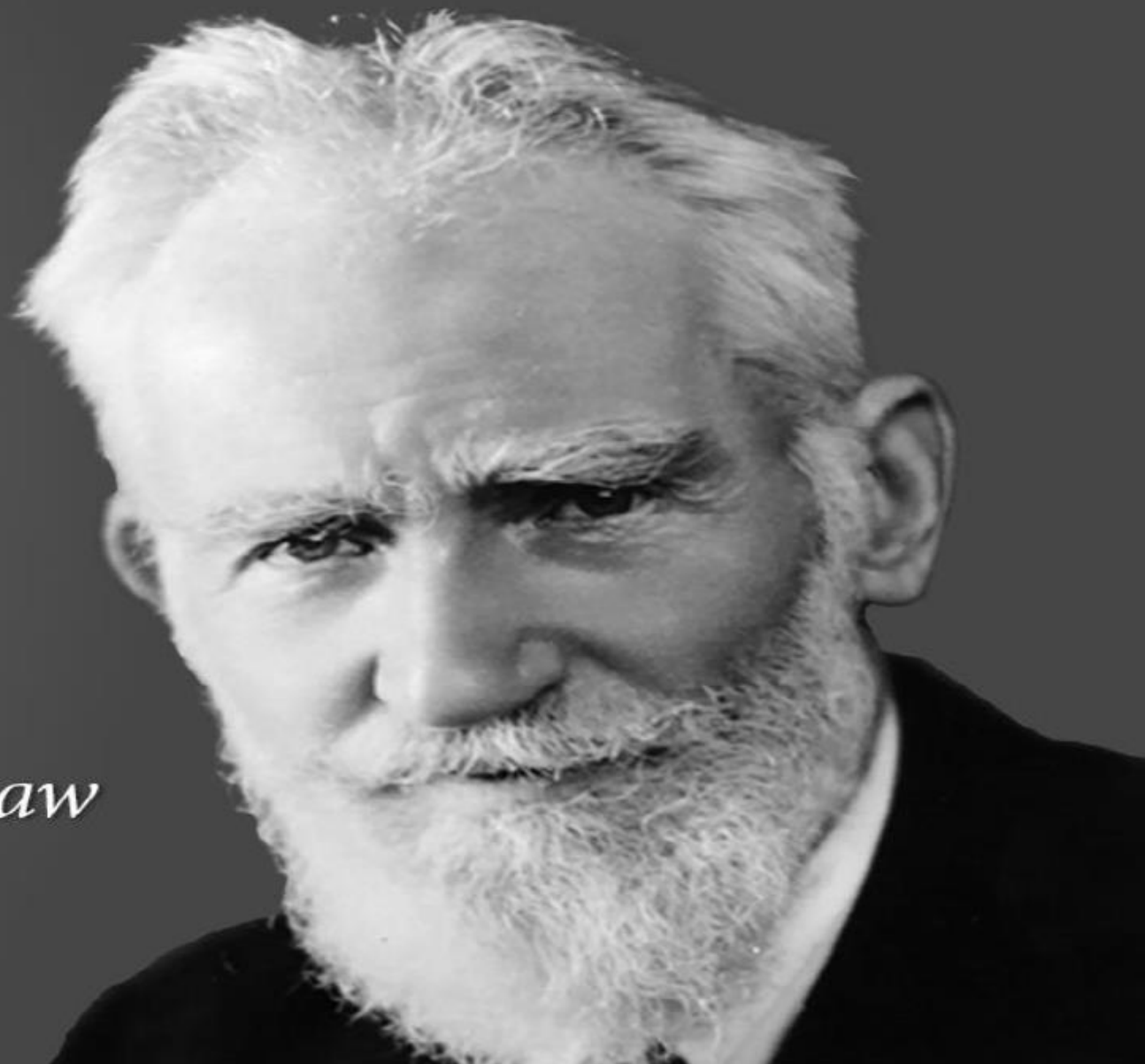
GSTR – 9C

Auditor Recommendations

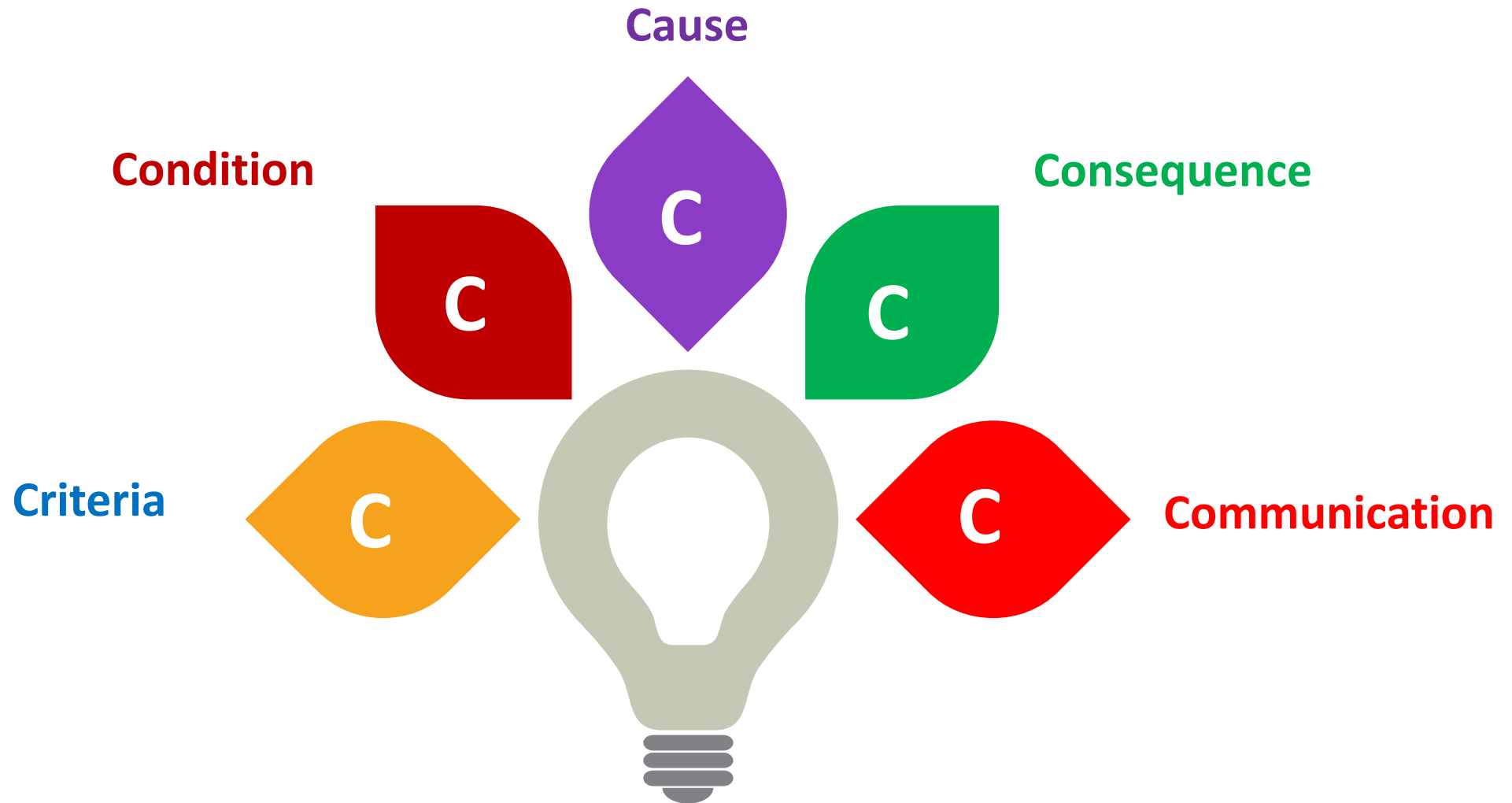


“The single biggest
problem in
communication is
the illusion that
it has taken place.”

~ George Bernard Shaw



5 C'S OF RECON REPORT









SUBMISSION OF RECON REPORT

Recon Report – Essentials

Accurate	Objective	Clear	Concise	Constructive	Complete	Timely
Free from errors and distortions and faithful to the underlying facts	Fair, impartial, and unbiased and is a result of a fair-minded and balanced assessment of all relevant facts and circumstances	Easily understood and logical, avoiding unnecessary technical language and providing all significant and relevant information	To the point, avoid unnecessary elaboration, superfluous detail, redundancy, repetitiveness and wordiness	Helpful to the auditee /client and the organization and leads to improvements where needed	Lacking nothing that is essential to the target audience and includes all significant and relevant information and observations to support recommendations and conclusions	Opportune and expedient, depending on the significance of the issue, allowing management to take appropriate corrective action

SUBMISSION OF RECON REPORT

Recon Report – Executive Summary Sample

Sr. No.	Audit Observation	Action Plan	Risk Rating
1			
2			
3			
4			
5			
6			

“If you talk to a man in
a language he understands,
that goes to his head.
If you talk to him in his
language, that goes to
his heart.”

Nelson Mandela



Check List

CHECK LIST – REGISTRATION

Verification	Conequences
<p>1.All the business places are incorporated in the GST registration certificate of the respective states</p> <p>2.Whether the additional place of business within the State is incorporated in Registration Certificate</p> <p>3.New registration under GST not obtained for the state from where the supplies are made for the first time.</p> <p>4.Change in the Core fields:</p> <ul style="list-style-type: none">-Name of business without change in PAN-Change in principal of additional placeo business- Change in stakeholders <p>5.Non Core Fields:</p> <ul style="list-style-type: none">-authorised signatory- Directors- E-mail Ids- Phone Numbers <p>not done in the GST profile on the GST Portal</p> <p>5.Job workers is/ is not added in the GST registration of the respective states.</p> <p>6.Check turnover threshold and other conditions where registration is compulsorily required is applicable..</p>	<p>1.Failure to obtain registration of business premises or additional place of business business will lead to tax liability and interest cost on all supplies made as an unregistered person from the day the person became liable to registration.</p> <p>2. Whereby the Job worker is not added as an additional place of business the provision of section 19 and 143 shall apply leading to tax liability and interest.</p> <p>3. The RC should be updated with most latest details of the person in the core and non core fields.</p> <p>5. General penalty will be attracted for delay in updating of non-core fields</p>

CHECK LIST – REGISTRATION

Verification	Conequences
<ul style="list-style-type: none">1) Whether tax has been charged on supplies made after the date of cancellation of registration.2) Whether tax invoices and other GST documents have been issued after cancellation of registration.3) Whether cancellation was done within reasonable grounds as prescribed in the act and oppurtunity of being heard was provided to the registered person.4) Whether any submissions or appeals have been made by the tax payer against the order of officer and whether it has been made within the allowed time.	<p>Levy of tax or issue of GST invoice in absence of valid registraion is an offence under GST punishable with fine and may involve imprisonment in some cases.</p>

CHECK LIST – SUPPLY

Verification	Conequences
<ul style="list-style-type: none">1.Whether the activity constitutes sales, exchange , transfer , barter etc or any other form of supply within the meaning of GST.2. Whether there is a valid consideration involved in the transaction.3. Where consideration is not involved, whether the transaction is covered under Schedule-I.4. Import of services are to be considered within the meaning of supply.5. Whether the activity is covered under Schedule-III of the act since these are not supply under GST.6. Whereby the supply is made, whether it is a supply of service withing the definition provided in section 2(102) of CGST Act,2017.7.Review of Trial balance to identfy supply of goods.8.Verify whether supplies made to employees.9.Check the place of supply to identify implication of GST.	<ul style="list-style-type: none">1.Whenever a transaction gets covered within the meaning of supply in GST the taxablility on the same arises and all other provisions of the act comes into consideration.

CHECK LIST – SUPPLY

Verification – Goods Treated as Service	Conequences
<p>1.Schedule-II of the provides classification of supply into goods and services and whether classification has been done accordingly.</p> <p>2. Classification of supply should be specially checked in case of following transactions :</p> <ul style="list-style-type: none">a) Transfer of title of goods Vs Transfer of rights in goodsb) Transfer of undivided share in goods.c) Treatment or processing applies on another person's goods.d) Construction and work contract servicese) Transfer of software packages and licenses. <p>3.Check supplies which are composit or mixed and verify the nature of principle supply.</p>	<p>1.Incorrect classification between goods or services will lead to levy of incorrect tax rate.</p> <p>2. The reporting of the same in returns will be incorrect</p> <p>3. Due to incorrect tax rate and HSN classification there may be interest burden to the tax payer.</p>

CHECK LIST – SUPPLY

Verification – Immovable Property	Conequences
<ol style="list-style-type: none">1. Check whether sale of immovable property covered withing schedule-III of the act.2.Whether on purchase of immovable property other than plant and machinery whether ITC has been availed.3. Whether taxable value as per section 18(6) has been considered while supplying immovable property.4. Whether supply of business assets are covered under schedule-I of the Act.	Identification of supply as immovable property is essential to ensure correct availment of ITC and correct levy of tax.

CHECK LIST – SUPPLY

Verification – Immovable Property	Conequences
<ol style="list-style-type: none">1. Check whether supply of intellectual property amounts to supply of goods or services.2. Whether consideration has been made as lumpsum or whether there is deferred payment mechanism is place as this would3. Whether transfer of IP is covered under any exemption notification.	<p>There is a thin line of distinction between goods or services when it comes to supply of IP. Incorrect classification may lead to tax liability and interest cost..</p>

CHECK LIST – SUPPLY

Verification – Agricultural	Conequences
1. Check whether supply of agricultural items are covered under exemption notification 02/2017-CT(Rate) dated 27-07-2017	There is a thin line of distinction between goods or services when it comes to supply of IP. Incorrect classification may lead to tax liability and interest cost.

CHECK LIST – SUPPLY

Verification – Cess Attracting Articles	Conequences
<ul style="list-style-type: none">1.Whether the supplied goods are covered under notifications issued under compensation cess for levy of cess.2.Whether correct cess rate has been charged on supply of goods.3. Whereby Cess has been levied on inward supply whether credit of the same has been wrongly availed.	<ul style="list-style-type: none">1.Non levy/short levy of tax will lead to interest and penalty liabilities.2.ITC of Compensation cess is prohibited and it cannot be set off against outward GST liability. Doing so will lead to reversals and payments of of tax and interest.

CHECK LIST – SUPPLY

Verification – Non Monetary items	Conequences
<ul style="list-style-type: none">1.Whether supply has been made without consideration and does not constitute supply.2. Where consideration has not been paid whether such supplies are covered under Schedule-I of the Act.3. Whether gifts have been given to employees where the value of such gifts exceed Rs.50,000.4.Whether valuation of supply has been done as per the valuation rules.	<ul style="list-style-type: none">1. GST may not get levied where there is no consideration but transactions are still supply. This will lead to future tax liability and interest cost.2.In case of supplies covered under schedule-I incorrect taxable value maybe ascertained in absense of consideration leading to short/non levy of tax.

CHECK LIST – SUPPLY

Verification – Barter-Exchange	Conequences
<ol style="list-style-type: none">1. Whether supply is taking effect in form of Barter or exchange.2. Whether value of both supplies involved is as per the valuation rules since consideration on both sides are in kind.	Since the consideration on both sides are in kind, the valuation will be done as per valuation rule. Incorrect application of rules and incorrect taxable value will lead to short/excess levy of tax and interest burden on tax payer

CHECK LIST – SUPPLY

Verification – No Consideration	Conequences
<ul style="list-style-type: none">1.Whether supply without consideration has been treated as a supply and tax discharged2.Whereby consideration is absent whether such transactions are covered under Schedule-I of the Act.3.Whether correct taxable value has been ascertained for such supply without a consideration.	<p>The valuation will be done as per valuation rule. Incorrect application of rules and incorrect taxable value will lead to short/excess levy of tax and interest burden on tax payer.</p>

CHECK LIST – SUPPLY

Verification – No Supply	Conequences
<ul style="list-style-type: none">1. Whether the transaction is covered as supply within the meaning of GST U/s 7 of the Act.2. Whether supply is in form of sale or purchase of HSD, petrol, ATF, Alcohol for human consumption or tobacco and whether purchase of these have been disclosed in GSTR-3B.3. Whether supply is covered under Schedule-III of the Act	<ul style="list-style-type: none">1. There will be no levy of tax on transactions which do not qualify as supply withing the meaning of GST.2. Non disclosure of non GST purchases will amount to non compliance in return.3. ITC attributable to non GST supply has to be reversed as per rule 42 of CGST Rules, 2017.

CHECK LIST – SUPPLY

Verification – Digital currency Transactions	Conequences
<ul style="list-style-type: none">1.Whether supply has been made in form for digital currencies.2. Whether GST has been charged on supply of the same	<ul style="list-style-type: none">1.Presently, the digital currencies are not covered withing the meaning of money under FEMA or within the definition of Security in the SCRA and consequently sale of digital currencies will attract levy of GST as supply of service.1. There will be no levy of tax on transactions which do not qualify as supply withing the meaning of GST.2. Non disclosure of non GST purchases will amount to non compliance in return.3.ITC attributable to non GST supply has to be reversed as per rule 42 of CGST Rules,2017.

CHECK LIST – SUPPLY

Verification – Classification of Goods and Services	Conequences
<ul style="list-style-type: none">1.Whether correct HSN code has been selected for supply in the tax invoice (Upto 6 digits)2.Whether correct HSN code has been reported in GSTR-1 (Upto 6 digits)3.Whether correct rate has been levied on supply of goods.4.Whether classification has been done to identify goods as taxable,Nil rated, exempted or non GST supply.5.In case of composite supply whether classification has been done as principle supply.6.Whether in case of mixed supply whether classification has been done as the supply attracting highest tax rate.	<ul style="list-style-type: none">1.Incorrect classification between goods or services will lead to levy of incorrect tax rate.2. The reporting of the same in returns will be incorrect3. Due to incorrect tax rate and HSN classification there may be interest burden to the tax payer.

CHECK LIST – SUPPLY

Verification – Exemption(Goods)	Conequences
<ul style="list-style-type: none">1.Whether supply of goods are covered in the exemption notification 02/2017-CT(Rate) dated 27-07-2017 and in the corresponding IGST,SGST and UTGST notifications.2.Whether bill of supply has been issued in case of supply of exempted goods.3.Whether supply of exempted goods are reported seperately in form GSTR-1 and GSTR-3B4.Whether any tax has been levided on sale of exempted goods.5.Whether ITC has been reversed which are directly or in common attributable to exempt supplies.	<ul style="list-style-type: none">1.Reversal of ITC which is directly attributable to exempt supplies.2.Reversal of common ITC in proportion of turnover in pursuance with Rule 42 of CGST Rules, 2017.3.Incorrect disclosure in GST returns.

CHECK LIST – SUPPLY

Verification – Exemption(Services)	Conequences
<ul style="list-style-type: none">1.Whether supply of goods are covered in the exemption notification 12/2017-CT(Rate) dated 28-06-2017 and in the corresponding IGST,SGST and UTGST notifications.2.Whether bill of supply has been issued in case of supply of exempted goods.3.Whether supply of exempted goods are reported seperately in form GSTR-1 and GSTR-3B4.Whether any tax has been levided on sale of exempted goods.5.Whether ITC has been reversed which are directly or in common attributable to exempt supplies.	<ul style="list-style-type: none">1.Reversal of ITC which is directly attributable to exempt supplies.2.Reversal of common ITC in proportion of turnover in pursuance with Rule 42 of CGST Rules, 2017.3.Incorrect disclosure in GST returns.

CHECK LIST – SUPPLY

Verification – Reverse Charge (Goods)	Conequences
<ul style="list-style-type: none">1.Whether supply of goods are covered under Notfication 04/2017-CT(Rate) dated 28-06-2017.2. Whether tax has been discharged on inward supplies under RCM.3.Time of supply has been determined using date of payment of 61st day from date of invoice, whichever is earlier.4.Whether ITC has been availed on payment of RCM amount.5.Whether payment voucher has been issued6.Whether self invoicing has been done where inward supplies made from URD parties.	<ul style="list-style-type: none">1.Non payment of GST under RCM will attract Interest liability computed at 18% p.a2. ITC availed without payment of tax will be liable to reversal and interest cost may be incurred.3.Late reporting and payment of RCM will attract interest as per time of supply provisions.

CHECK LIST – SUPPLY

Verification – Reverse Charge (Services)	Conequences
<ul style="list-style-type: none">1.Whether supply of goods are covered under Notfication 13/2017-CT(Rate) dated 28-06-2017.2. Whether tax has been discharged on inward supplies under RCM.3.Time of supply has been determined using date of payment of 61st day from date of invoice, whichever is earlier.4.Whether ITC has been availed on payment of RCM amount.5. In case of RCM on cab services, the RCM is payable but ITC is ineligible.6.Whether payment voucher has been issued7.Whether self invoiving has been done where inward supplies made from URD parties.8.Check whether IGST under RCM is paid on import of services.	<ul style="list-style-type: none">1.Non payment of GST under RCM will attract Interest liability computed at 18% p.a2. ITC availed without payment of tax will be liable to reversal and interest cost may be incurred.3.Late reporting and payment of RCM will attract interest as per time of supply provisions.

CHECK LIST – SUPPLY

Verification – Input Tax Credit (Taken)	Conequences
<ul style="list-style-type: none">1. Identify whether any goods/ services are used for personal consumption?2. Using invoice dates, check for any time barred credit owing to Sec 16(4)3. Obtain creditors ageing from client in order to ensure ITC has been reversed in case of non payment to supplier within 180 days from date of invoice4. Whether ITC availed on tax component of cost of capital goods on which depreciation is claimed.5. Whether ITC availed on Invoices which are not appearing in GSTR-2A6. Check whether auditee is engaged in supplying exempt goods or services and ITC reversed as per Rule 42 and 437. Whether the documents (tax invoice/ debit note) on the basis on which input tax credit is claimed contains the mandatory details of recipient such as Name, GSTIN, Address and all other particulars as prescribed?8. Whether the supplier has filed his returns and discharged the tax liability	<p>ITC can only be availed if all the conditions mentioned in check points are complied with. In case of non compliance of any of the points the ITC so taken in books is to reversed.</p>

CHECK LIST – SUPPLY

Verification – Input Tax Credit (Utilised)	Conequences
<p>1.Whether utilisation of ITC has been done as per the order specified in section 49A.</p> <p>2. Whereby rule 86B applies, whether utilisation by ITC is restricted to maximum of 99% of outward supplies.</p> <p>3.Whether opening balances of ITC has been considered.</p>	<p>Incorrect utilisation albeit blocked in the GST system may still lead to incorrect utilisation and future reversals accompanied with interest liability.</p>

CHECK LIST – SUPPLY

Verification –Input Tax Credit (Reversed)	Conequences
1.Whether Ineligible ITC which is availed has been reversed and expensed off in books 2. Whether reversal of ITC as per rule 42 and 43 been done against exempt outward supplies	Non reversal of incorrect/ineligible ITC will lead to short payment of tax which will lead to future non compliance and interest cost.

CHECK LIST – SUPPLY

Verification –Input Tax Credit (Blocked)	Conequences
<ol style="list-style-type: none">1. Identify tax paid in relation to purchase or repairing of motor vehicle having seating capacity of less than 13 or renting of same2. Identify if any gifts in any form are given to employees3. Identify tax paid in relation to following: food and beverages outdoor catering beauty treatment, health services, cosmetic and plastic surgery4. Identify tax paid in relation to health insurance/ mediclaim insurance5. Identify tax paid in relation to memberships of clubs6. Identify tax paid in relation to works contract, construction services in relation to immovable property (though not in relation to plant & machinery)7. Identify tax paid on purchase from composition dealers8. Identify whether any goods are lost stolen distroyed written off gifted	<p>Availment of blocked credit will have an impact in form of reversals of ITC and discharge of tax laibility along with interest wherever applicable.</p>

CHECK LIST – SUPPLY

Verification –Input Service Distributor	Conequences
<ul style="list-style-type: none">1.Whether ISD registration has been obtained2. Whether ITC is booked only for input services which are common for the company.3.Whether Invoices of inward supplies are addressed in GSTIN of ISD only.4.Whether ITC is distributed as per the provisions of Section 205.Whether ineligible ITC is also getting passed or not along with other eligible ITC.6.Whether monthly GSTR-6 is getting filed before 13th of succeeding month.7.Whether proper document is issued for distribution of credit.8.The amount of credit distributed should not exceed the ITC received.9.Whether ITC is matched with GSTR-6A report.	<ul style="list-style-type: none">1.ITC pertaining to regular registration if availed in ISD is to reversed.2.Any incorrect distribution of ITC is to reversed in same proportion as was originally distributed by issue of credit notes.3.Non filing of timely GSTR-6 amounts to non compliance.4.GSTR-6A reconciliation is mandatory for correct availment of ITC.

CHECK LIST – SUPPLY

Verification –Valuation (Monetary)	Conequences
<ul style="list-style-type: none">1.Whether valuation of supply has been done at transaction value.2. Whether correct impact of discount as per section 15(3) has been taken into account.3. Addition to value of taxable supply in pursusance of 15(2) such as incidental expense, other taxes etc has been made.4.Whether provisions of section 18(6) has been followed in case of sale of capital goods.	<p>Incorrect valuation of tax may lead to excess/short levy and payment of tax. This will only lead to interest cost in future.</p>

CHECK LIST – SUPPLY

Verification – Valuation (Non Monetary)	Conequences
1.Whether consideration has been received in kind. 2.Whether valuation has been done as per Rule 27 of CGST Rules, 2017	Incorrect valuation of tax may lead to excess/short levy and payment of tax. This will only lead to interest cost in future.

CHECK LIST – SUPPLY

Verification – Valuation (Related Party)	Conequences
<p>1.Whether supply has been made to related person as defined in act or made to any deemed disticnt person.</p> <p>2.Whether supply made without consideration</p> <p>3.Whether valuation has been done as per Rule 27 of CGST Rules, 2017</p> <p>4.1) Whether there are any transaction with relate parties / associated enterprises?</p> <p>Documents/ reports such TP Report u/s 92E of Income Tax Act, 1961</p>	<p>Incorrect valuation of tax may lead to excess/short levy and payment of tax.</p> <p>This will only lead to interest cost in future.</p>

CHECK LIST – SUPPLY

Verification – Time of Supply	Conequences
<p>1.Whether time of supply of goods have been determined in pursuance of section 12 of CGST Act,2017.</p> <p>2.Whether time of supply of services have been determined in pursuance of section 13 of CGST Act,2017.</p> <p>3.There are separate provisions of determination of Time of supply for normal charge and reverse charge supplies and whether the same has been complied with</p> <p>4.Whether time of supply provision has been applied in case of continious supply of goods or services.</p>	<p>The time of supply provision enable determination of tax period in which Tax is to be levied. Incorrect determination of Time of supply will lead to delay in discharge and reporting of tax and will lead to interest cost.</p>

CHECK LIST – SUPPLY

Verification – Place of Supply (Domestic Goods)	Conequences
<ul style="list-style-type: none">1) Whether Interstate supply is regarded as Intra state supply and vice versa?2) Whether the conditions for intra-State supply are fulfilled as per IGST Act, 2017?3) Whether the conditions for inter-State supply are fulfilled as per IGST Act, 2017?4) Whether the Supply by SEZ to DTA is treated as inter-State subject to fulfilment of conditions?5. Whether provisions of section 10 of IGST Act, 2017 has been applied corretly in determination of POS.	Can lead to payment of taxes twice

CHECK LIST – SUPPLY

Verification – Place of Supply (Domestic Services)	Conequences
<p>1) Whether Interstate supply is regarded as Intra state supply and vice versa?</p> <p>2) Whether the conditions for intra-State supply are fulfilled as per IGST Act, 2017?</p> <p>3) Whether the conditions for inter-State supply are fulfilled as per IGST Act, 2017?</p> <p>4) Whether the Supply by SEZ to DTA is treated as inter-State subject to fulfilment of conditions?</p> <p>5. Whether provisions of section 10 of IGST Act, 2017 has been applied corretly in determination of POS.</p>	<p>Can lead to payment of taxes twice</p>

CHECK LIST – SUPPLY

Verification – Place of Supply (goods exports-imports)	Conequences
1.Check Bill to overseas party and ship to location within India	It will not be treated as Export and GST is payable on it

CHECK LIST – SUPPLY

Place of Supply (Services exports-imports)	Conequences
1.Whether place of supply is correctly determined as per Section 13 of IGST Act and check whether place of supply falls under taxable territory or outside India to determine its taxability	1.Applicable GST will be payable if the place of supply falls in India i.e. It is not zero rated supplies

CHECK LIST – SUPPLY

Place of Supply (SEZ)	Conequences
1.Check whether supply is for Authorised operations or not 2.Check whether supplier has obtained LUT or supplied with payment of IGST	IGST will be payable

CHECK LIST – SUPPLY

Verification – High-Sea Sales	Conequences
1. Various documents like Commercial Invoice, High Sale agreement, Bill of Lading, certificate of Origin, Import Invoice, Insurance certificate to check 2. Check its reporting in GSTR-3B in Point e of Table 3 and Table 8 of GSTR-1	General penalty may impose for not reporting of transactions

CHECK LIST – SUPPLY

Verification – Merchant Trade	Conequences
<ul style="list-style-type: none">1. Goods should be exported within 90 days from the date of Tax Invoice.2. Merchant Exporter should mention Company GSTIN on Shipping Bill & shall be registered with an Export Promotion Council or a Commodity Board3. Proof of Export to be submitted to Suppliers Jurisdictional Authority	Supplier is required to pay differential GST along with Interest in case of non fulfillment of conditions

CHECK LIST – SUPPLY

Verification – Import of Goods	Conequences
<ul style="list-style-type: none">1.Check whether Bill of Entry has been filed with correct classification of goods and correct tax rate.2. Check whether ITC availed in GSTR-3B is matching with GSTR-2B	<ul style="list-style-type: none">1.Differential duties/taxes to be paid with interest2. Unmatch ITC will required to be reversed

CHECK LIST – SUPPLY

Verification – Import of Services	Conequences
<ul style="list-style-type: none">1.Check whether the transaction is fulfilling all the conditions to qualify as Import of Service and place of supply falls in India2.If yes, Whether IGST has been paid under RCM and its subsequent ITC availed3.Check Foreign currency Expenditure report and TDS return which covers the transactions of Section 195	<ul style="list-style-type: none">1.GST under RCM will be paid in Cash along with Interest.2.Loss of Input tax credit if the same has been paid after specified timelines

CHECK LIST – SUPPLY

Verification – Export of Goods	Conequences
<ul style="list-style-type: none">1.Whether Realisation has been received as per the FEMA guidelines.2.Check whether Export of goods is made within 3 months from the Invoice date	<ul style="list-style-type: none">1. As per Rule 96(B) if the realisation will not be received within the timelines then it will have a impact on Refund.2.Tax will be payable on Export of goods after 3 months from the Invoice date

CHECK LIST – SUPPLY

Verification – Export of Services	Conequences
<ul style="list-style-type: none">1.Whether Realisation has been received as per the FEMA guidelines.2.Check whether the transaction is fulfilling all the conditions to qualify as Export of Service and place of supply falls outside India	<ul style="list-style-type: none">1.Without realisation against Export of services, Refund will not be applied in case of both scenarios Export with payment of tax and without payment of tax.2. If the transactions does not fulfill the condition of Export of Service then it will be taxable as b2c transaction

CHECK LIST – SUPPLY

Verification – Returns(GSTR-1)	Conequences
<ul style="list-style-type: none">1. Reporting of HSN to be verified and should be tallied with total Outward supply2.Document summary to verify to check for Cancelled documents3.Reporting of Deemed Exports, SEZ supply with payment/without payment of tax to check4. to check for Credit Note issued with tax after the specified deadline	General penalty may impose for incorrect reporting

CHECK LIST – SUPPLY

Verification – Returns(GSTR-3B)	Conequences
<ul style="list-style-type: none">1. Check whether Exports and SEZ supply with payment/without payment has been correctly reported under zero rated supplies.2. Check whether Input Tax credit has been correctly reported under various categories i.e.RCM,Import,ISD, All other ITC, reversal etc3.Check whether GST liability has been correctly paid and matching with GSTR-14.Check effect of Debit note/credit note reported in GSTR-1 is being given effect in GSTR-3B also	<ul style="list-style-type: none">1. Correct Reporting of Exports with payment of tax under zero rated supplies has a impact on Refund also

CHECK LIST – SUPPLY

Verification – Returns(GSTR-9)	Conequences
<ul style="list-style-type: none">1.Check whether all Outward supplies as per books of account has been reported in GSTR-92. Whether ITC reported in GSTR-9 is more the ITC availed in GSTR-3B3. Check ITC has been properly classified and bifurcated under various categories in GSTR-94.Whether tax has been paid through DRC-03 for difference between Tax payable and Tax paid	<p>Incorrect reporting in GSTR-1 will lead to reconciliation point in GSTR-9C which will lead to payment of GST liability</p>

CHECK LIST – SUPPLY

Verification – Stock records	Conequences
1.Check is there any destruction/loss of goods/write off/goods stolen and Whether there is ITC reversal as per Section 17(5)(h).	ITC reversal along with applicable Interest

CHECK LIST – SUPPLY

Verification – TDS	Conequences
1.Check whether TDS has been correctly deducted and reflected in GSTR-7A of supplier of goods and services. 2. Whether TDS and TCS credit received form has been filed by Deductee	Non filing of TDS & TCS received form will lead to loss of Cash

CHECK LIST – SUPPLY

Verification – TCS	Conequences
1.Check whether TCS has been correctly collected by E-commerce Operator and reflected in GSTR-2A of supplier of goods and services. 2. Whether TDS and TCS credit received form has been filed by Supplier of goods and services	Non filing of TDS & TCS received form will lead to loss of Cash

CHECK LIST – SUPPLY

Verification – Job-Work	Conequences
<ul style="list-style-type: none">1.Check if the input and capital goods sent for Job work has been received back in the premises within the specified time lines2. Whether Job work is registered/unregistered3.Check whether goods has been sent under the cover of Delivery challan mentioning specified details and E-way bill has been generated4.ITC-04 has been filed well within due date capturing all the challan details5.Check whether Goods has been supplied from Job work premises	<ul style="list-style-type: none">1.If goods and capital goods has not been received within thespecified timelines then it will be treated as supply and applicable GST will be payable2.General Penalty may be levied in case of Non filing of ITC-04

CHECK LIST – SUPPLY

Verification – Deemed Exports	Conequences
<ul style="list-style-type: none">1.Whether correctly reported in GST returns and Tax has been discharged there on2.Application for refund has been filed by Supplier or Recipient as per Rule 89 and Violation of Rule 96(10) to check3.Check whether prior intimation has been given in prescribed format by recipient to Supplier and Jurisdictional GST officer	<ul style="list-style-type: none">1.If the tax has not been discharged then same will be payable along with applicable Interest.2.Application for Refund to be filed within time line to avoid loss of Refund

CHECK LIST – SUPPLY

Verification – SEZ Unit (supplies in DTA)	Conequences
<p>1.Check whether applicable GST has been discharged and reported in GST returns in case of supply of Services</p> <p>2.Check whether Bill of Entry for home consumption has been filed by DTA unit/by SEZ unit on behalf of DTA unit in case of Supply of goods and IGST & custom Duties will be payable</p>	<p>1.IGST will be payable for supply of services to DTA unit</p>

CHECK LIST – SUPPLY

Verification – UIN-holders	Conequences
1.Check whether all Inward supplies details are reflected in GSTR-11 and filed by due date in order to claim refund on inward taxable supply of goods and services 2.Check whether taxable supplier while supplying to UIN organization has mention the UIN on Invoices	Refund will be lost if not submitted within timeline

CHECK LIST – SUPPLY

Verification – Single-GSTIN-holders	Conequences
1.Check whether any other place of business in a state has been reported as additional place of business 2.Check is there any other place of business in other state	General Penalty

CHECK LIST – SUPPLY

Verification – Multi-GSTIN-holders	Conequences
<ul style="list-style-type: none">1.Number of GST registrations to check along with its Registration certificate2.Whether GST returns for each registration has been filed within the due date3.Whether there is supply of goods and services between 2 GST registrations & eligibility of ITC to check4.Check whether Input tax credit has been booked in one state and availed in other state	<ul style="list-style-type: none">1. Reversal of ITC for other state and loss of ITC for eligible state

CHECK LIST – SUPPLY

Verification – Interest (on output tax)/Interest (on input tax credit)	Conequences
<p>1.Whether Interest has been paid at applicable rate for Net cash liability i.e. sufficient cash balance was not available for that particular month to pay that liability</p> <p>2.Check Interest has been computed from Due date of filing of return till date of payment and is there any waiver in Interest rate for the particular period</p> <p>3.Reporting of Interest amount in GSTR-3B</p>	<p>Delay in Interest payment will lead to imposition of Penalty</p>

CHECK LIST – SUPPLY

Verification – Interest (on output tax)/Interest (on input tax credit)	Conequences
<p>1.Whether Interest has been paid at applicable rate for Net cash liability i.e. sufficient cash balance was not available for that particular month to pay that liability</p> <p>2.Check Interest has been computed from Due date of filing of return till date of payment and is there any waiver in Interest rate for the particular period</p> <p>3.Reporting of Interest amount in GSTR-3B</p>	<p>Delay in Interest payment will lead to imposition of Penalty</p>

CHECK LIST – SUPPLY

Verification – Refund (deemed export)	Conequences
<ul style="list-style-type: none">1. Check whether who has file the Refund application as per Rule 89 and Violation of Rule 96(10) to check2.In case where supplier is claiming refund, whether recipient has furnished an undertaking that he will not avail ITC and supplier may claim refund3.Check whether Refund application has been filed within the allowed timelines4.In case where recipient(EOU) is claiming refund, whether recipient has furnished an undertaking that refund has been claimed for only those invoices mentioned in Statement 5B and he has not availed ITC on such invoices	<ul style="list-style-type: none">1.Application for Refund to be filed within time line to avoid loss of Refund

CHECK LIST – SUPPLY

Verification – Refund (goods export)	Conequences
<ul style="list-style-type: none">1.Whether Realisation has been received as per the FEMA guidelines.2.Check Shipping bill details and other Invoice correctly uploaded in GSTR-1 with respect to Export of goods with payment of tax so as to smooth transfer of Invoices to Icegate portal for IGST refund3.Violation of Rule 96(10) to check4. Turnover of Zero rated supply of goods to check as per the circular and latest amendments5.Check whether goods have exported within 3 months from the date of issue of Invoice	<ul style="list-style-type: none">1. As per Rule 96(B) if the realisation will not be received within the timelines then it will have a impact on Refund.2.If the details uploaded in GSTR-1 will not be matched with Shipping Bill details then IGST refund will not be processed

CHECK LIST – SUPPLY

Verification – Refund (services export)	Conequences
1.Whether Realisation has been received as per the FEMA guidelines. 2.Check whether Turnover of zero rated supply of services and Adjusted total Turnover has been computed as prescribed in Rule	1.Without realisation against Export of services, Refund will not be applied in case of both scenarios Export with payment of tax and without payment of tax.

CHECK LIST – SUPPLY

Verification – Refund (excess tax paid)	Conequences
1. to check is there is excess payment of taxes but not claimed	Loss of Refund/ impact on cash flow

CHECK LIST – SUPPLY

Verification – Output tax interchange	Conequences
<ol style="list-style-type: none">1. Whether tax has been discharged in right tax head?2. In case of wrong discharge, what remedial actions has been taken.	<p>Wrong tax head payment would entail following:</p> <ol style="list-style-type: none">1. Payment of tax in correct tax head2. Application for refund of taxes paid in wrong tax heads

CHECK LIST – SUPPLY

Verification – Cessation or succession of business	Conequences
1. Form ITC02 relating to transfer of ITC in case of succession of business and its backup working	Non transfer of ITC balance would be loss of available credit.

CHECK LIST – SUPPLY

Verification – outward supply'	Conequences
<ol style="list-style-type: none">1. How many series of outward tax invoices are generated? Whether commercial invoices being maintained separately and with a separate number series?2. What is the marketing pattern-direct to consumer or through different distribution channels such as stockist, C&F agents, consignment agents, etc.?3. What are the ledgers to which sales revenue (supplies made) are accounted to? Are there separate ledgers for each nature of transactions such as FG sales, scrap sale, export sale, etc.?4. Are there any instances of composite/ mixed supply?5. Whether any material supplied to recepients at free of cost?6. Any amount for marketing expenses, Advertisement, Royalty, Handling Charges, Packing Charges, Warranty, after sales service and Insurance received from recipient in any manner?7. Who are authorized personnel to execute functions related to above task?8. Revenue reconciliations of GST returns & books of accounts9. Reconcilaition with EWB records10. Reconcilaition of tax paid as per GSTR3B and that payable as per GST ledgers	<p>Verification of this points shall enable the auditor to get a good understanding of internal controls in place for outward supplies.</p> <p>Non payment of output tax would entail payment of such liability along with interest @ 18% p.a. and possible penalty u/s 73/74 of CGST Act, 2017</p>

CHECK LIST – SUPPLY

Verification – ‘inward supply’	Conequences
<p>1. What is purchase policy? Whether based on PO or non PO purchases can also be made?</p> <p>2. What is the system of authorizing a vendor? Does the vendor list is updated only after approval? Whether any substantial purchases have been made through unauthorized vendors?</p> <p>3. What is the system for accounting short receipts or rejected inward supplies? & What stage ITC is availed/ reversed?</p> <p>4. Whether any item is supplied free of cost by customer?</p> <p>5. Nature of expenditures made in foreign currency. Form A1 & A2 as required to be submitted as per FEMA regulations can be good source for understanding of such remittances</p>	<p>Verification of this points shall enable the auditor to get a good understanding of internal controls in place for inward supplies.</p> <p>In case of rejected quantities, if ITC is availed, then reversal of such ITC would be required along with payment of interest @18% p.a. and possible penalty u/s 73/74 of CGST Act, 2017 for excess availment of ITC.</p>

CHECK LIST – SUPPLY

Verification – non-monetary transactions'	Conequences
<ol style="list-style-type: none">1. Whether any list of such transactions are maintained.2. Whether valuation methodology adopted in as per Rule 27/28 of CGST Rules, 2017	Short payment of tax would attract interest @ 18% p.a. in addition to payment of tax.

CHECK LIST – SUPPLY

Verification – ‘deemed supply’	Conequences
<ol style="list-style-type: none">1. Whether cumulative control Sheet maintained for gifts/awards (not forming part of Salary) for every employee as to evidence it is not exceeding Rs.50,000.2. Whether any tranasctions has been entered into with related parties, both within India & outside? If so, whether in case of foreign remittances for expenditures, GST has been paid under RCM?	GST if not already paid, then same shall be payable along with interest @ 18% p.a.

CHECK LIST – SUPPLY

Verification – ‘other income’	Conequences
1. Nature of other income (either parked in income ledgers or as credit in expense ledgers) & whether GST is paid on same.	If GST is payable but not paid, then it shall be payable along with interest (only on that part which is paid through cash)

CHECK LIST – SUPPLY

Verification – ‘no supply’	Conequences
1. Verification of cases of 'no supplies' (i.e. transactions which are not supplies usually due to no consideration). Such cases include FOC clearances, promo material sent out to customers, gift items, etc.	If ITC is not already reversed in respect of inputs utilized for such clearances, then the same is to be reversed along with interest @ 18% p.a.

CHECK LIST – SUPPLY

Verification – ‘input tax credit’	Conequences
<ol style="list-style-type: none">1. Identify whether any goods/ services are used for personal consumption?2. Using invoice dates, check for any time barred credit owing to Sec 16(4)3. Obtain creditors ageing from client in order to ensure ITC has been reversed in case of non payment to supplier within 180 days from date of invoice4. Whether ITC availed on tax component of cost of capital goods on which depreciation is claimed.5.1 Check whether auditee is engaged in supplying exempt goods or services5.2 If yes, whether common credit has been reversed as per Rule 42 & 43? -Provisionally, on basis of latest tax period for which details of supplies is available -Finally, on the basis of actual figures6. Reconciliation of ITC as per books and that as per GSTR3B7. Whether the documents (tax invoice/ debit note) on the basis on which input tax credit is claimed contains the mandatory details of recipient such as Name, GSTIN, Address and all other particulars as prescribed?8. Check whether unit has multiple business locations under one registration? if so whether all these locations are added as APoB? If not whether ITC is availed in respect of services received at such location?9. Has the Company paid GST under reverse charge on specified services?10. Reconcilaition with EWB records	<ol style="list-style-type: none">1. Negative responses to these questions would result into reversal of ITC, along with payment of interest @18% p.a.2. Penalty may also be imposed in terms of Sec 73/74 for excess availment of ITC and/ or non reversal of ITC.3. ITC of tax paid under RCM after Sep month of succeeding FY can very well be disputed

CHECK LIST – SUPPLY

Verification – ‘apportioned credits’	Conequences
<p>1. Whether input tax credit is bifurcated in to eligible, ineligible, blocked and common credits? If not, please obtain bifurcation in manner given in Rule 42. See Identification of Common Credit</p> <p>2. Whether entity has made exempt supplies, especially such as sale of securities, slump sale, scrip sale, etc?</p> <p>3. Whether entity has made final reversal of ITC (as required u/r 42/43) at the end of financial year?</p>	<p>Non reversal of ITC as required would further entail payment of interest @ 18% p.a. from due date to date of actual reversal</p>

CHECK LIST – SUPPLY

Verification – ‘blocked credits’	Conequences
<ol style="list-style-type: none">1. Identify tax paid in relation to following (list for example): food and beverages, outdoor catering, beauty treatment, health services, cosmetic or plastic surgery2. Identify tax paid in relation to health insurance/ mediclaim insurance3. Identify tax paid in relation to works contract, construction services in relation to immovable property (though not in relation to plant & machinery) and so4. Identify tax paid on purchase from composition dealers5. Identify whether any goods are lost, stolen, destroyed, written off or gifted	<p>Excess availment would entail interest payment @ 18% p.a. in addition to reversal of tax and may attract penalty as well u/s 73/74 of CGST Act, 2017</p>

CHECK LIST – SUPPLY

Verification – records matching'	Conequences
<p>1. Reconciliation of GST records (inlcuding returns) with other statutory records such as those required to be furnished/ maintained under Companies Act, 2013 (Audited Financial Statements, Cost Records), Income Tax Act, 1961 (Form 3CD) and such.</p> <p>2. Differences if any in these reconciliations must be analysed and remedial actions thereof are to be verified</p>	<p>Excess availment/ short payment of tax would entail interest payment @ 18% p.a. in addition to reversal of tax and may attract penalty as well u/s 73/74 of CGST Act, 2017</p>

CHECK LIST – SUPPLY

Verification of 'returns'	Conequences
<ol style="list-style-type: none">1. Reconciliation of GST returns with books of accounts.2. Compliance calendar to check whether all returns are filed within due date3. Who are the personnels authorized to file returns? Who are personnel responsible for preparation of returns?	Excess availment/ short payment of tax would entail interest payment @ 18% p.a. in addition to reversal of tax and may attract penalty as well u/s 73/74 of CGST Act, 2017

CHECK LIST – SUPPLY

Verification of 'place of supply'	Conequences
<ul style="list-style-type: none">1. Whether place of supply is correctly determined in case of supplies so as to identify supplies as whether inter/ intra state of supplies?2.Place of supply is to be specifically checked in case of following:<ul style="list-style-type: none">2.1 services provided to foreign customer? Whether consideration for same is received in convertible foreign exchange?2.2 services in relation to immovable property2.3 Services in relation to marketing services from foreign agents or from Indian agents to customers residing abroad2.4 Performance based services such as training, beauty services, etc.2.5 Organization of event or alike services including admission to events2.6 Accomodation services	<p>ITC in case of place of supply other than the place of business in that state would not be available. If availed, such ITC would have to be reversed along with payment of interest @ 18% p.a. from date of availment to date of reversal. This instance may also attract penalty u/s 73/74 of CGST Acr, 2017</p>

CHECK LIST – SUPPLY

Verification of 'exports'	Conequences
<ol style="list-style-type: none">1. Obtain details of products exported by auditee along with HSN code/ GST rate, major customers, etc>2. Obtain payment realization statement to check whether exports proceeds have been timely realized or not	Non realization of export proceeds would lead to recovery of refund amount

CHECK LIST – SUPPLY

Verification of 'imports'	Conequences
1. Whether bill of entry is under possession at time of availment of ITC?	Since BoE is prescribed document as per Rule 36 for availment of ITC in case of import transactions, ITC shall not be available in case of such BoE is not in possession

CHECK LIST – SUPPLY

Transition credit	Conequences
1 . Reconciliation with returns in erstwhile regime (ST-3, ER-1/2, VAT)	Excess availment would entail reversal of such amount along with payment of interest @ 18 p.a.

CHECK LIST – SUPPLY

Refund due to export (goods) with payment of tax	Consequences
1. Consolidated refund status for all units.	Inaccuracy in reporting of data can delay realization of refund amount and thus loss of working capital

CHECK LIST – SUPPLY

Refund due to export (services) with payment of tax	Consequences
<ul style="list-style-type: none">1. Consolidated refund status for all units.2. Export realization statement to identify pending proceeds and thus amount of refund pending for application	Inaccuracy in reporting of data can delay realization of refund amount and thus loss of working capital

CHECK LIST – SUPPLY

Refund due to supply to SEZ (goods) with payment of tax	Consequences
1. Consolidated refund status for all units	Inaccuracy in reporting of data can delay realization of refund amount and thus loss of working capital

CHECK LIST – SUPPLY

Refund due to supply to SEZ (services) with payment of tax	Conequences
<ol style="list-style-type: none">1. Consolidated refund status for all units.2. Export realization statement to identify pending proceeds and thus amount of refund pending for application	Inaccuracy in reporting of data can delay realization of refund amount and thus loss of working capital

CHECK LIST – SUPPLY

Refund of unutilized credit (export of goods) without payment of tax	Conequences
<ul style="list-style-type: none">1. Details of Advance Authorization lincenses obtained if any2. Control sheet of refund application, receipt and pending amount3. Refund workings to check correctness especially whether inadmissible credit (such as that relating to capital goods, or invoices of which are not appearing in GSTR2A) has been applied for refund.	<ul style="list-style-type: none">1. Delay in filing of refund application and/ or Inaccuracy in reporting of data in refund application can delay realization of refund amount and thus loss of working capital2. Inadvertent refund claimed (in relation to capital goods) can be recovered along with payment of interest @ 18% p.a.

CHECK LIST – SUPPLY

Refund of unutilized credit (export of services) without payment of tax	Conequences
<ul style="list-style-type: none">1. Details of Advance Authorization lincenses obtained if any2. Control sheet of refund application, receipt and pending amount3. Refund workings to check correctness especially whether inadmissible credit (such as that relating to capital goods, or invoices of which are not appearing in GSTR2A) has been applied for refund.	<ul style="list-style-type: none">1. Delay in filing of refund application and/ or Inaccuracy in reporting of data in refund application can delay realization of refund amount and thus loss of working capital2. Inadvertent refund claimed (in relation to capital goods) can be recovered along with payment of interest @ 18% p.a.

CHECK LIST – SUPPLY

Refund of inverted tax	Conequences
<ol style="list-style-type: none">1. Control sheet of refund application, receipt and pending amount along with ageing and amount that can be denied on account of delayed filing of refund application.2. Refund workings to check correctness especially whether inadmissible credit (such as that relating to capital goods & input services, or invoices of which are not appearing in GSTR2A) has been applied for refund.	<ol style="list-style-type: none">1. Delay in filing of refund application and/ or Inaccuracy in reporting of data in refund application can delay realization of refund amount and thus loss of working capital2. Inadvertent refund claimed (in relation to capital goods & services) can be recovered along with payment of interest @ 18% p.a.

