

Goods & Services Tax

Annual Reconciliations- Importance and Mechanism

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GST Law



What is supply

- ✓ Taxable event under GST is supply of goods or services or both.
- ✓ CGST and SGST/ UTGST will be levied on intra-State supplies.
- ✓ IGST will be levied on inter-State supplies.

Section 7 of the CGST Act 2017: Supply includes

All forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

Import of service for a consideration whether or not in the course or furtherance of business;

The activities specified in scheduled I, made or agreed to be made without a consideration.

Schedule I

Activities to be treated as supply even if made without consideration

- ❑ Permanent transfer / disposal of any business assets on which input tax credit has been availed,
- ❑ Any supply of goods or services or both made between related persons, or between distinct persons as specified in Section 25 in the course or furtherance of business, and
 - Exception – Gifts not exceeding Rs 50,000 in value in a financial year by an employer to an employee will not be treated as supply of goods or services or both and hence would not be subjected to GST.
- ❑ Any services imported by a taxable person from a related person or from any of his other establishments outside India in the course or furtherance of business.
- ❑ Further, as per Paragraph 3 of Schedule I, if an agent undertakes to –
 - **Supply goods** on behalf of his principal, then supply of such goods by the principal to his agent will be considered as supply, even if made without any consideration, and
 - **Receive goods** on behalf of his principal, then supply of such goods by the agent to his principal will be considered as supply, even if made without any consideration

SCOPE OF PRINCIPAL-AGENT RELATIONSHIP (with Consideration)

The term “agent” has been defined under sub-section (5) of section 2 of the CGST Act as follows:

“**Agent**” means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another.

The following two key elements emerge from the above definition of agent:

- a) the term „agent“ is defined in terms of the various activities being carried out by the person concerned in the principal-agent relationship; and
- b) the supply or receipt of goods or services has to be undertaken by the agent on behalf of the principal.

Further, the two limbs of any supply under GST are “consideration” and “in the course or furtherance of business”

SCOPE OF PRINCIPAL-AGENT RELATIONSHIP (without Consideration)

Supply of Services between the principal and the agent and vice versa is outside the ambit of para 3 of Schedule I

Circular No. 57/31/2018-GST dated 04.09.2018 clarifies the Scope of Principal-agent relationship in the context of Schedule I of the CGST Act . The key ingredient for determining relationship under GST would be whether the invoice for the further supply of goods on behalf of the principal is being issued by the agent or not. ***Where the invoice for further supply is being issued by the agent in his name then, any provision of goods from the principal to the agent would fall within the fold of the said entry.***

Schedule III – Negative List

- Services by an employee to the employer in the course of or in relation to his employment.
- Services by any Court (including District Court, High Court and Supreme Court) or Tribunal established under any law for the time being in force
- The functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities;
- The duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or
- The duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause
- Services of funeral, burial, crematorium or mortuary including transportation of the deceased.
- Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building
- Actionable claims, other than lottery, betting and gambling
- **Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India**
- **(a) Supply of warehoused goods to any person before clearance for home consumption;**
- **(b) Supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption.**

Composite & Mixed Supply

“Composite Supply” means a supply made by a taxable person to a recipient comprising two or more supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

Illustration: Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is the principal supply.

“Mixed supply” means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply;

Illustration: A supply of a package consisting of canned foods, sweets, chocolates, cakes, dry fruits, aerated drink and fruit juices when supplied for a single price is a mixed supply. Each of these items can be supplied separately and is not dependent on any other. It shall not be a mixed supply if these items are supplied separately.

Taxability of Composite Supply & Mixed Supply

- The Tax Liability on a Composite or a Mixed Supply will be determined in the following manner —

✓ a composite supply comprising two or more supplies, one of which is a principal supply, will be treated as a supply of such principal supply.

Example – Mr A made a composite supply to Mr B. The said composite supply comprised of supply of Laptop and the Carry Case, out of which supply of Laptop is the principal supply. Accordingly, the said composite supply will be treated as a supply of Laptop.

✓ a mixed supply comprising two or more supplies will be treated as supply of that particular supply which attracts the highest rate of tax.

Example – Mr C made a mixed supply to Mr C. The said mixed supply comprised of supply of 2 goods – Laptop and Printer which are taxed at 18% and 12% respectively. Accordingly, the said mixed supply will be treated as a supply of Laptop.

Classification of Intra-State and Inter-State Supply

Supply		Classification
Supply of goods imported into the territory of India, till they cross the customs frontiers of India		Inter-State Supply
Supply of services imported into the territory of India		Inter-State Supply
Supply of goods or services or both, when the supplier is located in India and the place of supply is outside India		Inter-State Supply
Supply of goods or services or both to or by a SEZ developer or a SEZ unit		Inter-State Supply
Supply of goods or services, other than supplies covered above, where location of supplier and place of supply are in –	Same State / Union Territory	Intra-State Supply
	Two Different States / Union territories	Inter-State Supply
	A State and A Union territory	
Supply of goods or services or both in the taxable territory, not being an intra-State supply and not covered elsewhere [section 7(5)(c)]		Inter-State Supply

Provisions where Location of Supplier or Place of Supply is in Territorial Waters

As per Section 9 of the IGST Act 2017, notwithstanding anything contained in this Act,--

- ❑ if the location of the supplier is in the territorial waters, the location of such supplier; or
- ❑ if the place of supply is in the territorial waters, than, the place of supply, shall, for the purposes of this Act,

be deemed to be in the coastal State or,

Union territory where the nearest point of the appropriate baseline is located.

INPUT TAX CREDIT

- ❑ “Input Tax” in relation to a taxable person, means CGST, SGST, IGST or UTGST charged on any supply of goods or services or both made to him and includes IGST charged on import of goods, the GST payable under reverse charge, but excludes GST paid under Composition Scheme.
- ❑ “Capital Goods” – Means goods, the value of which is capitalised in the books of account of the person claiming the input tax credit and which are used or intended to be used in the course or furtherance of business.
- ❑ “Input” means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business.
- ❑ “Input Service” means any service used or intended to be used by a supplier in the course or furtherance of business.

INPUT TAX CREDIT- Conditions for Availing credit

Sub-section (1) of Section 16 of the CGST Act specifies following conditions:

1. POSSESSION OF TAX-PAYING DOCUMENT
2. RECEIPT OF GOODS OR SERVICES OR BOTH
3. PAYMENT OF TAX BY SUPPLIER / RECIPIENT (REVERSE CHARGE)
4. FURNISHING OF RETURN BY RECIPIENT

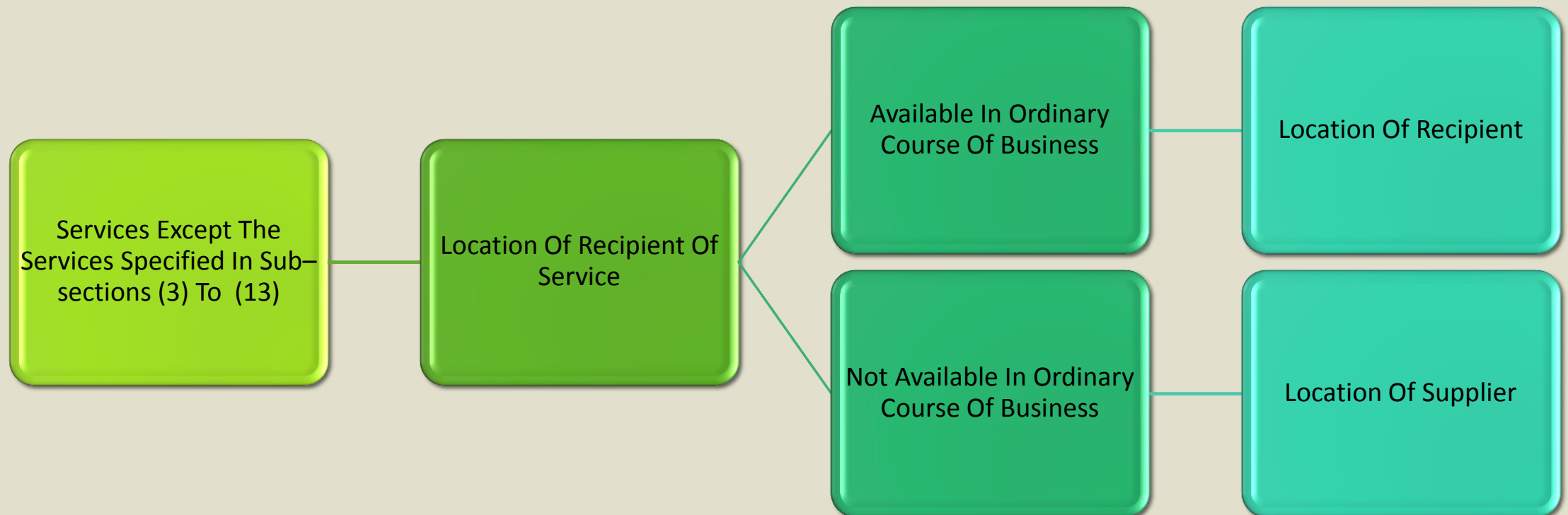
Input Tax credit will be eligible subject to sub-section (5) of Section 17 of the CGST Act which specifies list of block credits

Place of Supply of Goods Imported into, or Exported from India

Supply of Goods	Place of Supply	Notes
Goods Imported into India	Location of Importer	As per sub-section (10) of Section 2 of the IGST Act, “import of goods” with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India
Goods Exported from India	Location outside India	As per sub-section (5) of Section 2 of the IGST Act, “export of goods” with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India

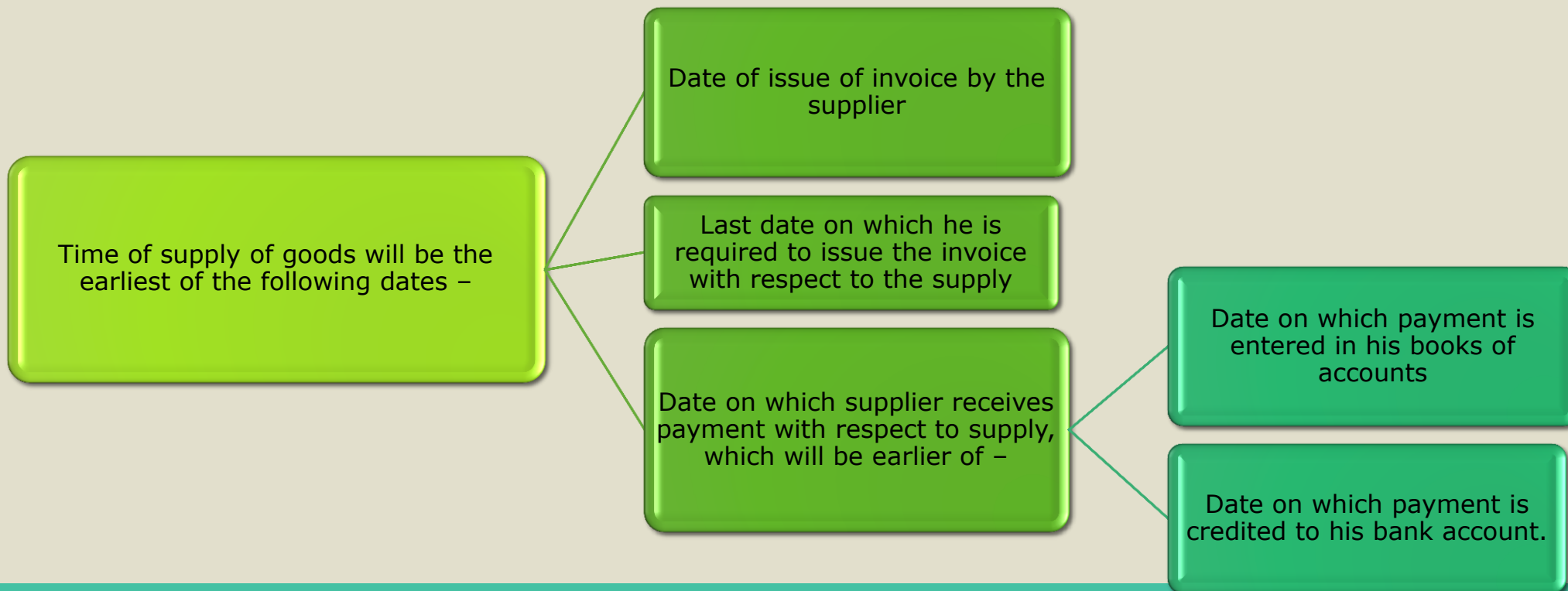
Place of Supply of Services where the Location of the Supplier or the Location of the Recipient is outside India

GENERAL PROVISION



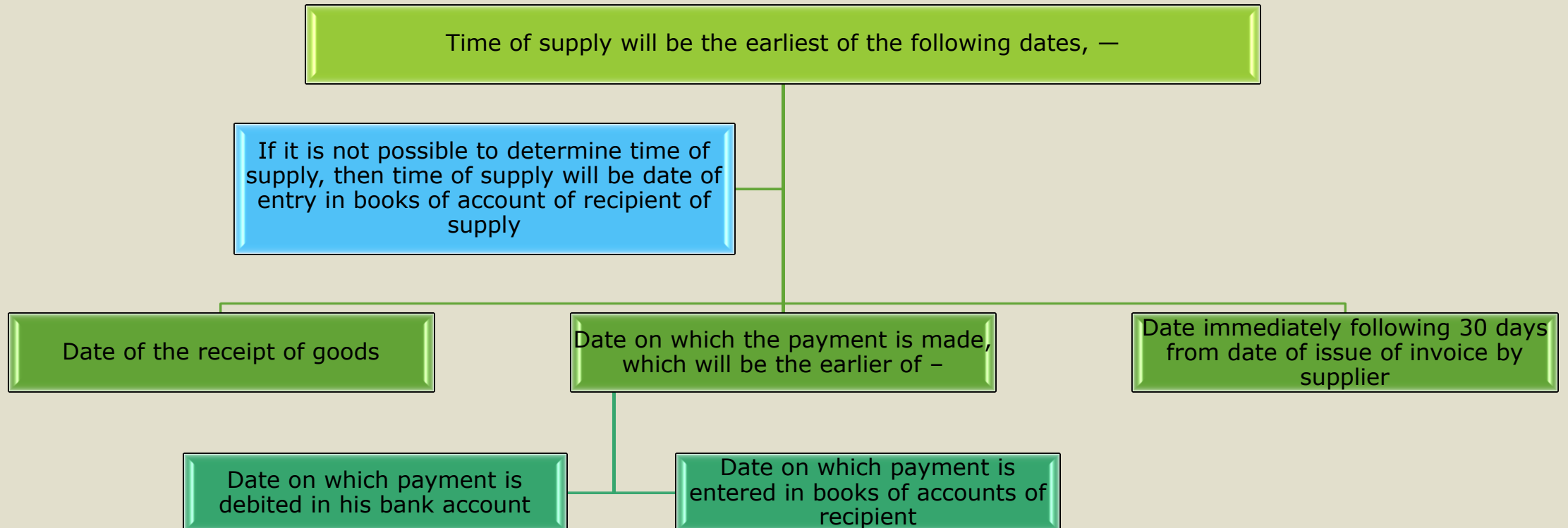
TIME OF SUPPLY – Point of Taxation

Time of supply of goods (section 12(2) of CGST Act)



TIME OF SUPPLY – Point of Taxation

Time of Supply of goods- RCM (Section 12(3) of the CGST Act 2017)



TIME OF SUPPLY – Point of Taxation Residuary Provisions

Section 12(4): In case of supply of vouchers, by whatever name called, by a supplier, the time of supply will be-

- a. if the supply is identifiable at the time of issue of voucher - the date of issue of voucher, or
- b. in all other cases - the date of redemption of voucher.

Section 12(5): where it is not possible to determine the TOS under provision of Sub –section (2) or (3) or (4), the TOS shall-

- a) In case where periodical return has to be filed be the date on which such return is to be filed
- b) In any other cases, be the date on which tax is paid.

Section 12(6):time of supply of goods to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration will be the date on which the supplier receives such addition in value

Section 13 (2) - TIME OF SUPPLY OF SERVICES – GENERAL PROVISIONS

As per sub-section (2) of Section 13, the time of supply of services will be:–

if the invoice is issued within 30 days from the date of supply of service, the earliest of the following dates:–

- the date of issue of invoice by the supplier, or
- the date of receipt of payment, whichever is earlier.

if the invoice is not issued within 30 days from the date of supply of service, the earliest of the following dates:–

- the date of provision of service, or
- the date of receipt of payment, whichever is earlier.

if the provisions of clause (a) or clause (b) do not apply, i.e., where the supplier is not required to issue invoice, the date on which the recipient shows the receipt of services in his books of account

Section 13 (3) - TIME OF SUPPLY OF SERVICES – REVERSE CHARGE

- ✓ As per sub-section (3) of Section 13, in case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply will be the earlier of the following dates, namely-
 - a. the date on which the payment is made, which will be earlier of the following dates –
 - i. the date on which the payment is entered in the books of accounts of the recipient, or
 - ii. the date on which the payment is debited in his bank account, or
 - b. the date immediately following 60 days from the date of issue of invoice by the supplier.
- ✓ As per the First Proviso to sub-section (3) of Section 13, if it is not possible to determine the time of supply under clause (a) or (b), then the time of supply will be the date of entry in the books of account of the recipient of supply.
- ✓ As per the Second Proviso to sub-section (3) of Section 13, in case of 'associated enterprises', if the supplier of service is located outside India, then the time of supply will be the earlier of the following dates:-
 - a. the date of entry in the books of account of the recipient of supply, or
 - b. the date of payment.

Section 13 (3) - TIME OF SUPPLY OF SERVICES – Residuary provision

Section 13(4): In case of supply of vouchers, by whatever name called, by a supplier, the time of supply will be-

- a. if the supply is identifiable at the time of issue of voucher - the date of issue of voucher, or
- b. in all other cases - the date of redemption of voucher.

Section 12(5): where it is not possible to determine the TOS under provision of Sub –section (2) or (3) or (4), the TOS shall-

- a) In case where periodical return has to be filed be the date on which such return is to be filed
- b) In any other cases, be the date on which tax is paid.

Section 12(6):time of supply of services to the extent it relates to an addition in the value of supply by way of interest, late fee or penalty for delayed payment of any consideration will be the date on which the supplier receives such addition in value

Section 14 - TIME OF SUPPLY IN CASE OF CHANGE IN RATE OF TAX

Goods Or Services Have Been Supplied	Invoice Issued	Payment Received	Time Of Supply	Tax Rate
Before	Before	Before	As per Section 12 or Section 13	Old
		After	Date Of Invoice	Old
	After	Before	Date Of Payment	Old
		After	Earlier of – (a) Date Of Payment Or, (b) Date Of Invoice	New
After	Before	Before	Earlier of – (a) Date Of Payment Or, (b) Date Of Invoice	Old
		After	Date Of Invoice	New
	After	Before	Date Of Payment	New
		After	As per Section 12 or Section 13	New

Valuation under GST

As per sec 15(1) of the CGST Act 2017

The value of supply of goods or services or both shall be the **transaction value**, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipients of the supply are not related and the price is the sole consideration for the supply.

Conditions for the applicability of sec 15(1)

It is “**applicable**” to both Goods & Service

Transaction value means price of Goods & Service

Price is the only form of “Consideration”

Transaction should be between “Unrelated Parties”

Section 15(2): Inclusion in the Transaction Value

Inclusion	Examples:
a. Taxes , duties, cesses, fees &charges levied under any law other than this Act(i.e under IGST/CGST/SGST/UTGST Act), if charged separately by the supplier.	- if the product is cover under GST and Excise, then transaction value is calculate including Excise duty.
b. Amount incurred by the recipient on behalf of the supplier & the same is not included in the price actually paid or payable.	-if as per the purchase order supplier has to incurred transportation cost, but instead of supplier recipient of the goods paid the transportation cost then the same should be included in transaction value.
c. Pre-Supply incidental expenses <ul style="list-style-type: none">• commission and packaging• Any amount charged or anything done by the supplier in respect of supply of goods/services	-Weighment, Loading in factory, Inspection, Testing before supply will be includible

Section 15(2): Inclusion in the Transaction Value

d. Interest, late fees, penalty for delayed payment	- if as per the payment term of purchase order payment should be made within 45 days and above that 18% interest is payable. If the recipient made delay payment and had paid any interest then the same is part of transaction value
e. Subsidies directly linked to the price (Except received by Central Government & State Governments).	

Section 15(3): Exclusion in the Transaction Value

Exclusion	Example:
<p>a. Pre-supply discount: Before or at the time of the supply if such discount has been duly recorded in the invoice issued in respect of such supply;</p>	<p>-Mainly trade discount or Quantity discount</p>
<p>b. Post Supply Discount if: a) Agreement is established before or at the time of supply and linked with relevant invoices. b) ITC attributable to the discount has been reversed by the recipient.</p>	<p>- Scheme Discount Only monetary discount is allowed – Adjustment for additional goods is not possible</p>

Determination of Value of Supply

As per sec 15(4) where the value of supply of goods or services or both cannot be determined under sub-section (1), the same shall be determined as per the rules 27 to 31 of the CGST Rules,2017.

When to move into Rules:

1. When price is not the sole consideration for sale (Rule 27 of CGST Rules, 2017)
2. When buyer and seller are related parties (Rule 28 of CGST Rules, 2017)
3. When supply made or received through agent (Rule 29 of CGST Rules, 2017)
4. Based on cost (Rule 30 of CGST Rules, 2017)
5. Residual Method (Rule 31 of CGST Rules, 2017)
6. Other Notified Transaction [Section 15(5)]

Rule 27: When Consideration is not wholly in money

Where the Supply of Goods or Services is for a consideration not wholly in money, the value of the supply shall-

- Open Market Value of such supply
- Consideration in money + Equivalent amount of consideration not in money
- Value of goods or services or both of like kind & quality
- Consideration in money + Equivalent amount of consideration not in money as determined by the application of rule 30 or rule 31 in that order.

Value to be ascertained in the sequential order stated Above.

Rule 28: Transaction Between Distinct & Related persons, other than through agent

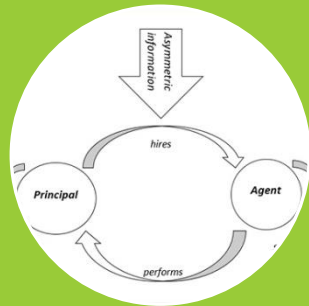
The value of supply of goods or services or both between distinct persons as specified in sub-section (4) and (5) of section 25 or where the parties are related, other than where the supply is made through an agent, shall:

- Open market value of such supply
- Value of goods or services or both of like kind & quality
- By the application of rule 30 or rule 31

Value to be ascertained in sequential order as stated above.

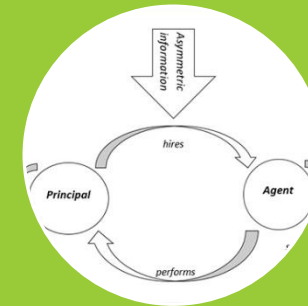
- If goods are intended for further supply as such by the recipient, value shall, at the option of supplier be equivalent to 90% of price charged for LIKE KIND AND QUALITY by the recipient to his customer (they should not be related){ case of distinct persons.
- Where recipient is eligible for ITC, value declared in invoice shall be deemed to be open market value.

Rule 29: Value of supply of Goods made or received through an agent



The value of supply of goods between the principal and his agent shall:

- Open market value of the goods being supplied
- Or at the option of the supplier, be ninety percent of the price charged for the supply of goods of like kind & Quality by the recipient to his customer not being a related person, where the goods are intended for further supply by the said recipient.
- Where the value of a supply is not determinable as per above, the same shall be determined by the application of rule 30 & rule 31 in that order.



Example: Where a principal supplies groundnut to his agent and the agent is supplying groundnuts of like kind and quality in subsequent supplies at a price of Rs.5000 per quintal on the day of supply. Another independent supplier is supplying groundnuts of like kind and quality to the said agent at the price of Rs.4550 per quintal. The value of the supply made by the principal shall be Rs.4550 per quintal or where he exercises the option the value shall be 90% of the Rs.5000 i.e. is Rs.4500 per quintal

Rule 30& 31

Rule 30: Value of goods or services or both based on cost (COST METHOD)

- Where the value of a supply of goods or services or both is not determinable by any of the preceding rules, the value shall be one hundred and ten percent of the cost of production or manufacturing or cost of acquisition of such goods or cost of provision of such services
- **“Value = 110% of COP/COA/COP/Manufacturing Cost”**

Rule 31: Residual Method

- Application of Rule :
 - Where the value of a supply of goods or services or both cannot be determined under rules 27 to 30.
- Determination of Transaction Value:
 - The value shall be determined using reasonable means consistent with the principles and the general provisions of section 15 and the provisions of this Chapter.
 - In case of Services instead of Rule 30, Rule 31 can be directly applied.

Constitutional Power- Deeming Import as Interstate supply

- The constitution provides that all imports shall be deemed inter-state supply. In this regard, the explanation clause to Article 269A of the 101st Constitution Amendment Act provides:

“For the purposes of this clause, supply of goods, or of services, or both in the course of import into the territory of India shall be deemed to be supply of goods, or of services, or both in the course of inter-State trade or commerce”

*Thus, All imports-Deemed Inter-state Supplies and **so leviable to Integrated Tax***

Import of Goods

Definition

“**Import of goods**” with its grammatical variations and cognate expressions, means **bringing goods into India from a place outside India**

“**India**” means the territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976), and the air space above its territory and territorial waters;

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Proviso to Section 5(1) on Levy of IGST Act provides that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act

at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962.

Enabling provisions introduced in Customs Act, 1962 to levy IGST and GST compensation cess on import of goods into India

'Customs area' amended to include a warehouse; importer not required to pay IGST at the time of removal of goods from customs station to a custom bonded warehouse

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Circular No 3/1/2018-IGST dated 25.05.2018 clarified that w.e.f 1st of April, 2018 the supply of warehoused goods before their clearance from the warehouse would not be subject to the levy of integrated tax.

Circular No. & Dated 91/10/2019-GST Dated 18th February, 2019 seeks to clarify regarding tax payment made for supply of warehoused goods while being deposited in a customs bonded warehouse for the period July, 2017 to March, 2018 it has been decided that, as a one-time exception, suppliers who have paid central tax and state tax on such supplies, during the said period, would be deemed to have complied with the provisions of law as far as payment of tax on such supplies is concerned as long as the amount of tax paid as central tax and state tax is equal to the due amount of integrated tax on such supplies.

Place of supply of imports

Supply is	Place of supply	GST
Goods imported into India	Location of the importer	IGST
Services imported to India	Location of receiver of services (if not available, location of supplier of services)	IGST

Calculation of duties on Imports

Particulars	Duty (BCD-10%; CESS-3%; IGST @ 28%; Compensation cess-15%) Amt (in Rs.)
(A) Assessable Value	100
(B) BCD @ 10%	10
(C) Ed & H Ed CESS(3% OF BCD)	0.30
(D) A/Value for IGST	$100+10+0.30= 110.30$
(E) IGST @28%	30.884
(F) Value for Compensation Cess	110.30
(G) Compensation Cess @ 15%	16.545
(H) Total Duty	57.729

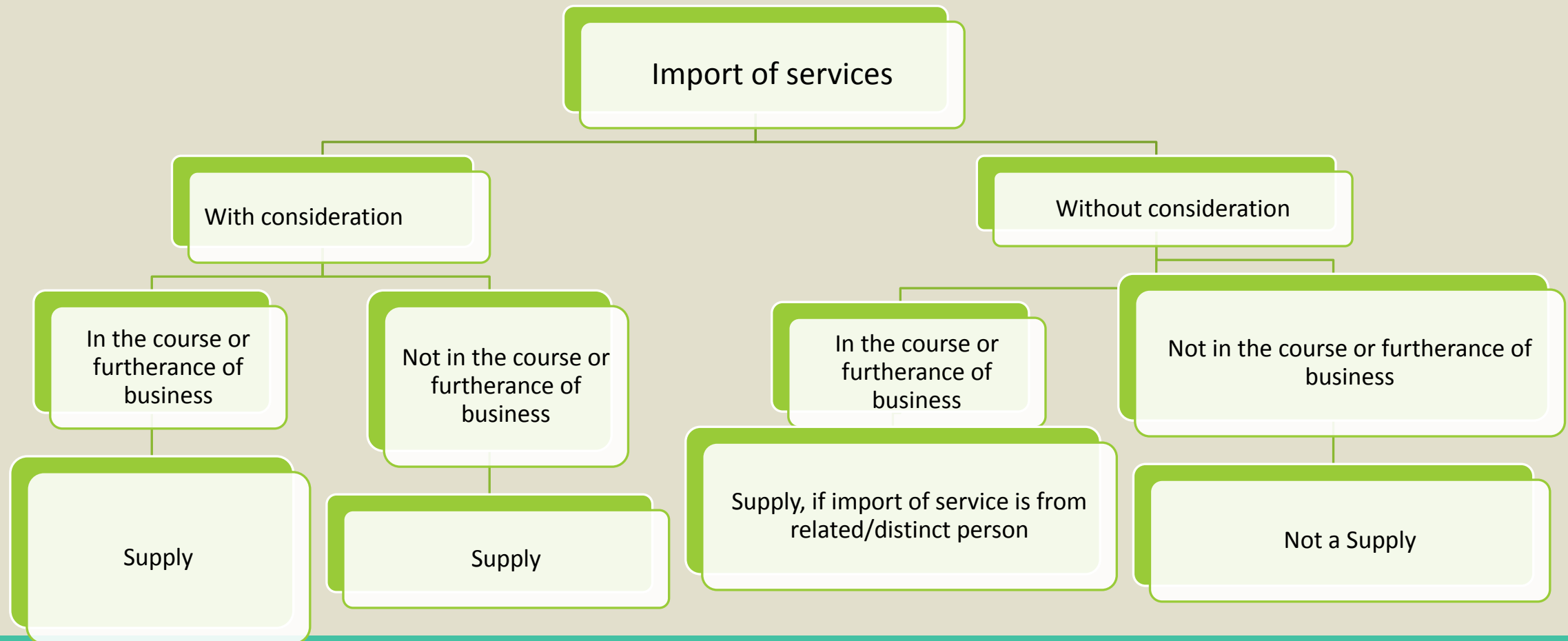
Import of services

Definition:

“import of services” means the supply of any service, where—

- (i) the supplier of service is located outside India;
- (ii) the recipient of service is located in India; and
- (iii) the place of supply of service is in India;

Import of services



High Sea Sales

Meaning: A buyer wants to sell his consignment to a third party before arrival of goods but after sailing vessel from load port, such sale is known as high sea sale. In simple words, the ownership of goods is transferred, when goods are on transit.

Sec, 7 (2) IGST Act: Supply of goods imported into the territory of India, **till they cross the customs frontiers of India**, shall be treated to be a supply of goods in the course of inter-State trade or commerce.

Sec. 5(1) proviso of IGST Act is as follows::

Provided that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act **at the point when duties of customs are levied on the said goods** under section 12 of the Customs Act, 1962.

It seems that sec. 5(1) Proviso suggests that on import transactions, IGST shall be levied only once because of the words, "**at the point when duties of customs are levied on the said goods**" since customs is levied only once.

Taxability of HSS under GST

The Central Board of Indirect Taxes and Customs (CBIC) has also issued a [Circular no. 33/2017 – Cus dated 1st August, 2017](#), clarifying that the GST Council had considered the issue of High Seas sales and concluded that such transactions shall be dutiable only at the last stage of customs clearance. This view has been further strengthened vide [Circular no. 3/1/2018-IGST dated 25th May, 2018](#), wherein the CBIC has clarified that the IGST shall not be levied on goods which are sold or transferred while being deposited in a bonded warehouse.

Same issue is also clarified by ruling of AAR of Maharashtra in case M/s BASF India Ltd.

EXPORTS UNDER GST

ZERO RATED SUPPLY (As per section 16 of IGST Act, 2017)

It means any of the following supply of goods and services namely

- (i) export of goods/services; or
- (ii) supply of goods/services to a SEZ developer or a SEZ unit.

Note: Credit of Input tax can be availed for making zero-rated supplies, irrespective of the fact that such supply may be notified as exempt supply.

EXPORT OF GOODS

Definition : Export of goods as per Section 2(5) of IGST Act,2017 means taking goods out of India to a place outside India.

As per Authority for Advance ruling, New Delhi in case of M/s ROD RETAIL PVT LTD (2018-TIOL-08-AAR-GST) it was held Goods cannot be called to be exported, merely on crossing the Customs Frontiers of India .

EXPORT OF SERVICES

Definition : Export of services as per Section 2(6) of IGST Act,2017: It means

- (i) The supplier of service is located in India
- (ii) The recipient of service is located outside India
- (iii) The place of supply of service is outside India
- (iv) The payment for such service has been received by the **supplier of service in convertible foreign exchange**
- (v) The supplier of service and recipient of service are not merely establishments of a **distinct person** in accordance with Explanation 1 in Sec 8.

Distinct person as per explanation 1 of Sec (8) of IGST Act, 2017

- For the purposes of this Act, where a person has,—
- an establishment in India and any other establishment outside India;
- an establishment in a State or Union territory and any other establishment outside that State or Union territory; or
- an establishment in a State or Union territory and any other establishment being a business vertical registered within that State or Union territory, then such establishments shall be treated as establishments of distinct persons

Export procedure and Refund

Under zero-rated supply, two options would be available for refund:

Option 1: Pay integrated tax on export supplies and claim refund on output IGST paid on export of goods/services

Option 2: Export goods and services without payment of integrated tax, under bond /LUT and claim refund on the input tax credit proportionate to the goods and services consumed in exported goods and services.

Deadline of Export under LUT

As per Rule 96A of CGST Rules, 2017 any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking in FORM GST RFD-11 to the jurisdictional Commissioner, binding himself to pay the tax due along with the interest specified under sub-section (1) of section 50 within a period of —

(a) **15** days after the expiry of **3** months [54, or such further period as maybe allowed by the Commissioner,] from the date of issue of the invoice for export, if the **goods** are not exported out of India; or

(b) **15** days after the expiry of **1 year**, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such **services** is not received by the exporter in convertible foreign exchange.

Calculation of Refund Amount

Refund Amount

$$= \frac{(\text{Turnover of zero – rated supply of goods} + \text{Turnover of zero – rated supply of services}) \times \text{Net ITC}}{\text{Adjusted Total Turnover}}$$

Where,–

- (A) "Refund amount" means the maximum refund that is admissible;
- (B) "Net ITC" means input tax credit availed on inputs and input services during the relevant period;
- (C) "Turnover of zero–rated supply of goods" means the value of zero–rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking;

.....Contd

(D) "Turnover of zero-rated supply of services" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:—

Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;

(E) "Adjusted Total turnover" means the turnover in a State or a Union territory, as defined under sub-section (112) of section 2, excluding the value of exempt supplies other than zero-rated supplies, during the relevant period;

(F) "Relevant period" means the period for which the claim has been filed.

Application procedure for Refund

- Any Person claiming refund of tax, interest, penalty, fees, or any other amount may file an application electronically in **Form GST RFD 01** through common portal, either directly or through a facilitation centre notified by government *EXCEPT in case of IGST paid on goods exported out of India*
- In case of IGST paid on Zero rated supply of goods: Shipping billed filed by exporter is deemed as application for refund provided Person in charge duly files EGM or export report and applicant has duly file GSTR 3 or 3B

Return under GST

Form No.	Form Name	Due Date
Form GSTR-1	Details Of Outward Supplies	11 th day of the next month
Form GSTR-2	Details Of Inward Supplies Received	15 th day of the next month
Form GSTR-3	Monthly Return	20 th day of the next month
Form GSTR-4	Quarterly Return For Composition Taxable Person	18 th day of the next quarter
Form GSTR-5	Return For Non Resident Taxable Persons (Foreigners)	20 th day of the next month or 7 th day after the last day of the period of registration, whichever is earlier
Form GSTR-6	Return For Input Service Distributor	13 th day of the next month
Form GSTR-7	TDS Return	10 th day of the next month
Form GSTR-8	TCS Return	10 th day of the next month
Form GSTR-9	Annual Return	31 st December of the next Financial Year
Form GSTR-9A	Simplified Annual Return For Compounding Taxable Persons	31 st December of the next Financial Year
Form GSTR-9C	Reconciliation Statement	31 st December of the next Financial Year
Form GSTR-10	Final Return	3 months of the date of cancellation or date of order of cancellation, whichever is later
Form GSTR-11	Inward Supplies Statement For UIN	6 th month from the last day of the quarter in which such supply was received

Interest on Delayed payments

- ✓ On failure to pay tax or any part thereof to the government, the taxable person will pay interest at a rate which will not exceed 18% as may be notified by the Government on recommendation of the Council

- ✓ In case, a taxable person makes an undue or excess claim of input tax credit as per Sec 42(10) or an undue or excess reduction in output tax liability under Sec 43(10), then he will pay interest on such amount at a rate which will not exceed **24%** as may be notified by the Government on recommendation of the Council.

Finalisation of Accounts & Reconciliation

Finalization of Accounts

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graph TD; A[Finalization of Accounts] --> B[Reconciliation between books, GSTR-3B, GSTR-1 & GSTR-2A]; B --> C[Action taken on errors/Discrepancies in books]; C --> D[File Annual Return]; D --> E[Undertake GST Audit];
```

Reconciliation between books, GSTR-3B, GSTR-1 & GSTR-2A

Action taken on errors/Discrepancies in books

File Annual Return

Undertake GST Audit

Annual Return (GSTR 9)

Every registered person shall furnish an annual return for every financial year (including the financial year 2017–18) in **FORM GSTR–9**, on or before the 31st December following the end of such financial year. **However for the FY 2017-18 , GSTR 9 is extended to 30.06.2019**

“Registered Person” means a person who is registered under section 25 but does not include a person having a Unique Identity Number

Thus, any person having multiple registrations / GSTIN whether in Same State / Union Territory or not, which are treated as distinct persons, will have to file an Annual Return for each such Registration / GSTIN.

Further, it is to be noted that the Annual Return is required to be filed irrespective of the turnover and the nature of supplies, subject to the basic condition that such person is registered under GST.

Registered Persons excluded for filing of Annual Return –

- Input Service Distributor,
- Casual taxable person,
- Non–resident taxable person,
- Person paying tax under Tax Deducted at Source – Not applicable / Not relevant, and
- Person paying tax under Tax Collected at Source – Not applicable / Not relevant.

Clarifications Required for Annual Audit

Clarification required w.r.t.

Turnover as threshold Limit – Turnover in State / Union Territory (State-wise) or Aggregate Turnover (All India Basis)

Turnover during April 2017 – June 2017 to be included or not

Comparison of Audited Annual Accounts of Entity (Total) and GST Returns (State-wise)

Key Issues to be Faced w.r.t Annual Return & Annual Audit

Important Issues -

Can ITC be availed after filing of GSTR-9 and/or GSTR-9C?

Is reconciliation of GSTR-2A with GSTR-3B compulsory for filing of GSTR-9 and/or GSTR-9C? If not, then are there any benefits if done voluntarily before filing of GSTR-9 and/or GSTR-9C?

Is scope of audit limited to reconciliation and maintenance of accounts and records only?

What if client does not agree to auditors' view?

Can tax be paid through GSTR-9 and/or GSTR-9C?

Disclosure of Forms filed other than Returns in GSTR-9 and/or GSTR-9C like DRC-03, ITC-01 / 02 / 04, etc.

Key Issues to be Faced w.r.t Annual Return & Annual Audit

Important Issues -

Disclosure of Ineligible ITC of GST paid in GSTR-9 and/or GSTR-9C, which was directly charged to P/L A/c?

Availment of ITC of Additional GST RCM Liability computed and paid as per Annual Audit, before or after the filing of Annual Return?

Disclosure of Financial Incomes like Dividend, Interest, LTCG / STCG, etc. and other Non-GST Incomes like Provisions written back, in GSTR-9 and/or GSTR-9C, if not disclosed in GSTR-1 and GSTR-3B?

Disclosure of Amendments made in Data currently not allowed for amendment like Details of Exempted, Nil Rated and Non-GST Supply and HSN Summary?

Key Issues to be Faced w.r.t Annual Return & Annual Audit

Important Issues -

Can additional liability be disclosed, whether or not paid as per DRC-03 or as per Departmental Action, or can ITC be claimed in GSTR-9 and/or GSTR-9C?

Can amendment be made, whether or not made as per GSTR-1 or GSTR-3B, through GSTR-9 and/or GSTR-9C?

Whether mistakes in GSTR-1 and GSTR-3B can be rectified in GSTR-9 and/or GSTR-9C?

Whether data in GSTR-9 and/or GSTR-9C be auto-populated or it has to be entered by the taxpayer and/or the auditor?

If data is required to be filled by the taxpayer in the GSTR-9, then whether such data in GSTR-9 will be as per books of accounts or as per GSTR-1 and GSTR-3B filed?

GSTR 9-Annual Return

Part	Details Required	Description
I	Basic Details	
II	Details of Outward and inward supplies made during the financial year	Part II consists of the details of all outward supplies & advances received during the financial year for which the annual return is filed. The details filled in Part II is a consolidation of all the supplies declared by the taxpayer in the returns filed during the financial year
III	Details of ITC for the financial year	Part III consists of the details of all input tax credit availed and reversed in the financial year for which the annual return is filed
IV	Details of tax paid as declared in returns filed during the financial year	Part IV is the actual tax paid during the financial year.
V	Particulars of the transactions for the previous FY declared in returns of April to September of current FY or upto date of filing of annual return of previous FY whichever is earlier	Part V consists of particulars of transactions for the previous financial year but paid in the FORM GSTR-3B of April to September of current FY or date of filing of Annual Return for previous financial year
VI	Other Information	Part VI consists of details of other information

Part-II [Details of Outward and inward supplies made during the financial year]

Pt. II Details of Outward and inward supplies made during the financial year						
Sl. No.	Nature of Supplies	Taxable Value	IGST	CGST	SGST/UTGST	Cess
	1	2	3	4	5	6
4	Details of advances, inward and outward supplies made during the financial year on which tax is payable					
A	Supplies made to un-registered persons (B2C)	-	-	-	-	-
B	Supplies made to registered persons (B2B)	-	-	-	-	-
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)	-	-	-	-	-
D	Supply to SEZs on payment of tax	-	-	-	-	-
E	Deemed Exports					
F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)	-	-	-	-	-
G	Inward supplies on which tax is to be paid on reverse charge basis	-	-	-	-	-
H	Sub-total (A to G above)	-	-	-	-	-
I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)	-	-	-	-	-
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)	-	-	-	-	-
K	Supplies / tax declared through Amendments (+)					
L	Supplies / tax reduced through Amendments (-)					
M	Sub-total (I to L above)	-	-	-	-	-
N	Supplies and advances on which tax is to be paid (H + M) above	-	-	-	-	-

Part-II [Details of Outward and inward supplies made during the financial year]

Sl. No.	Nature of Supplies	Taxable Value	IGST	CGST	SGST/UTGST	Cess
	1	2	3	4	5	6
5	Details of Outward supplies made during the financial year on which tax is not payable					
A	Zero rated supply (Export) without payment of tax	-				
B	Supply to SEZs without payment of tax	-				
C	Supplies on which tax is to be paid by the recipient on reverse charge	-				
D	Exempted	-				
E	Nil Rated	-				
F	Non-GST supply (includes "No Supply")	-				
G	Sub-total (A to F above)	-	-	-	-	-
H	Credit Notes issued in respect of transactions specified in A to F above (-)					
I	Debit Notes issued in respect of transactions specified in A to F above (+)					
J	Supplies declared through Amendments (+)					
K	Supplies reduced through Amendments (-)					
L	Sub-Total (H to K above)	-	-	-	-	-
M	Turnover on which tax is not to be paid (G + L above)	-	-	-	-	-
N	Total Turnover (including advances) (4N + 5M - 4G above)	-	-	-	-	-

Part-III [Details of ITC for the financial year]

Pt. III Details of ITC for the financial year					
SL. No.	Description	IGST	CGST	SGST/UTGST	Cess
	1	3	4	5	6
6	Details of ITC availed during the financial year				
A	Total amount of input tax credit availed through FORM GSTR-3B (sum	-	-	-	-
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)				
	Inputs	-	-	-	-
	Capital Goods	-	-	-	-
	Input Services	-	-	-	-
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed				
	Inputs				
	Capital Goods				
	Input Services	-	-	-	-
D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed				
	Inputs				
	Capital Goods				
	Input Services				
E	Import of goods (including supplies from SEZs)				
	Inputs	-			-
	Capital Goods				
F	Import of services (excluding inward supplies from SEZs)	-			-
G	Input Tax credit received from ISD		-	-	-
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act				
I	Sub-total (B to H above)	-	-	-	-
J	Difference (I - A above)	-	-	-	-
K	Transition Credit through TRAN-I (including revisions if any)				
L	Transition Credit through TRAN-II				
M	Any other ITC availed but not specified above				
N	Sub-total (K to M above)	-	-	-	-
O	Total ITC availed (I + N above)	-	-	-	-

Part-III [Details of ITC for the financial year]

7	Details of ITC Reversed and Ineligible ITC for the financial year				
A	As per Rule 37				
B	As per Rule 39				
C	As per Rule 42	-	-	-	-
D	As per Rule 43				
E	As per section 17(5)				
F	Reversal of TRAN-I credit				
G	Reversal of TRAN-II credit				
H	Other reversals (pl. specify)				
I	Total ITC Reversed (A to H above)	-	-	-	-
J	Net ITC Available for Utilization (6O - 7I)	-	-	-	-
8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)				
B	ITC as per sum total of 6(B) and 6(H) above	-	-	-	-
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) re				
D	Difference [A-(B+C)]	-	-	-	-
E	ITC available but not availed (out of D)				
F	ITC available but ineligible (out of D)				
G	IGST paid on import of goods (including supplies from SEZ)				
H	IGST credit availed on import of goods (as per 6(E) above)	-			
I	Difference (G-H)	-	-	-	-
J	ITC available but not availed on import of goods (Equal to I)				
K	Total ITC to be lapsed in current financial year (E + F + J)	-	-	-	-

Part-IV [Details of tax paid as declared in returns filed during the financial year]

Sl. No	Description	Tax Payable	Paid through Cash	Paid Through ITC			
				IGST	CGST	SGST/UTGST	Cess
	1	2	3	4	5	6	7
1	Integrated Tax	-		-	-	-	-
2	Central Tax	-		-	-		
3	State/UT Tax	-		-		-	
4	Cess	-					-
5	Interest						
6	Late fee						
7	Penalty						
8	Other						

Part-V [Details of tax paid as declared in returns filed during the financial year]

Pt. V Particulars of the transactions for the previous FY declared in returns of April to September of current FY or upto date of filing of annual return of prev						
Sl. No.	Description	Taxable Value	IGST	CGST	SGST/UTGST	Cess
	1	2	3	4	5	6
10	Supplies / tax declared through Amendments (+) (net of debit notes)					
11	Supplies / tax reduced through Amendments (-) (net of credit notes)					
12	Reversal of ITC availed during previous financial year					
13	ITC availed for the previous financial year					
14	Differential tax paid on account of declaration in 10 & 11 above	Payable	Paid through Cash			
1	Integrated Tax					
2	Central Tax					
3	State/UT Tax					
4	Cess					
5	Interest					

Part-VI [Other Information]

Pt. VI Other Information								
15 Particulars of Demands and Refunds								
Sl. No.	Details	IGST	CGST	SGST/UTGST	Cess	Interest	Penalty	Late Fee
	1	2	3	4	5			
A	Total Refund claimed							
B	Total Refund sanctioned							
C	Total Refund Rejected							
D	Total Refund Pending							
E	Total demand of taxes							
F	Total taxes paid in respect of E above							
G	Total demands pending out of E above							
16 Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis								
Sl. No.	Details	Taxable Value	IGST	CGST	SGST/UTGST	Cess		
	1	2	3	4	5	6		
A	Supplies received from Composition taxpayers							
B	Deemed supply under Section 143							
C	Goods sent on approval basis but not returned							
17 HSN Wise Summary of outward supplies								
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	IGST	CGST	SGST	Cess
1	2	3	4	5	6	7	8	9
18 HSN Wise Summary of Inward supplies								
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	IGST	CGST	SGST	Cess
1	2	3	4	5	6	7	8	9
19 Late fee payable and paid								
Sl. No.	Description	Payable	Paid					
	1	2	3					
A	Central Tax							
B	State Tax							

Consequences of not filing annual return within due date:

As per Section 46, notice in FORM GSTR-3A shall be issued requiring to furnish the Annual return within 15 days

As per Section 47(2), Late Fee of Rs 100 per day each under CGST and SGST will be payable subject to maximum limit of 0.25% of Turnover in State / Union Territory

Annual Audit by CA / CMA

As per Section 35(5), Section 44(2) and Rule 80(3),

every registered person whose turnover during a financial year exceeds Rs 2 crore

will have to get his accounts audited by a chartered accountant or a cost accountant and

will have to submit

- Annual Return , in GSTR-9,
- Copy of the Audited Annual Accounts,
- Reconciliation Statement, duly certified, in GSTR-9C, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement.

Part – II – Table 5 & 6 – Reconciliation of Gross Turnover

Pt. II	Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)		
5	Reconciliation of Gross Turnover		
A	Turnover (including exports) as per audited financial statements for the State / UT (For multi-GSTIN units under same PAN the turnover shall be derived from the audited Annual Financial Statement)		
B	Unbilled revenue at the beginning of Financial Year	(+)	
C	Unadjusted advances at the end of the Financial Year	(+)	
D	Deemed Supply under Schedule I	(+)	
E	Credit Notes issued after the end of the financial year but reflected in the annual return	(+)	
F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)	
G	Turnover from April 2017 to June 2017	(-)	
H	Unbilled revenue at the end of Financial Year	(-)	
I	Unadjusted Advances at the beginning of the Financial Year	(-)	
J	Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST	(-)	
K	Adjustments on account of supply of goods by SEZ units to DTA Units	(-)	
L	Turnover for the period under composition scheme	(-)	
M	Adjustments in turnover under section 15 and rules thereunder	(+/-)	
N	Adjustments in turnover due to foreign exchange fluctuations	(+/-)	
O	Adjustments in turnover due to reasons not listed above	(+/-)	
P	Annual turnover after adjustments as above		<Auto>
Q	Turnover as declared in Annual Return (GSTR9)		
R	Un-Reconciled turnover (Q - P)		AT1
6	Reasons for Un - Reconciled difference in Annual Gross Turnover		
A	Reason 1	<<Text>>	
B	Reason 2	<<Text>>	
C	Reason 3	<<Text>>	

Part – II – Table 7 & 8 – Reconciliation of Taxable Turnover

7	Reconciliation of Taxable Turnover	
A	Annual turnover after adjustments (from 5P above)	<Auto>
B	Value of Exempted, Nil Rated, Non-GST supplies, No-Supply turnover	
C	Zero rated supplies without payment of tax	
D	Supplies on which tax is to be paid by the recipient on reverse charge basis	
E	Taxable turnover as per adjustments above (A-B-C-D)	<Auto>
F	Taxable turnover as per liability declared in Annual Return (GSTR9)	
G	Unreconciled taxable turnover (F-E)	AT 2
8	Reasons for Un - Reconciled difference in taxable turnover	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

Part – III – Table 9 & 10 – Reconciliation of rate wise liability and amount payable thereon

Pt. III	Reconciliation of tax paid					
9	Reconciliation of rate wise liability and amount payable thereon					
			Tax payable			
	Description	Taxable Value	Central tax	State tax / UT tax	Integrated Tax	Cess, if applicable
	1	2	3	4	5	6
A	5%					
B	5% (RC)					
C	12%					
D	12% (RC)					
E	18%					
F	18% (RC)					
G	28%					
H	28% (RC)					
I	3%					
J	0.25%					
K	0.10%					
L	Interest					
M	Late Fee					
N	Penalty					
O	Others					
P	Total amount to be paid as per tables above		<Auto>	<Auto>	<Auto>	<Auto>
Q	Total amount paid as declared in Annual Return (GSTR 9)					
R	Un-reconciled payment of amount				PT 1	
10	Reasons for un-reconciled payment of amount					
A	Reason 1		<<Text>>			
B	Reason 2		<<Text>>			
C	Reason 3		<<Text>>			

Part – III – Table 11 – Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)

11	Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)					
			To be paid through Cash			
	Description	Taxable Value	Central tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Interest					
	Late Fee					
	Penalty					
Others (please specify)						

Part – IV – Table 12 & 13 – Reconciliation of Net Input Tax Credit (ITC)

12	Reconciliation of Net Input Tax Credit (ITC)	
A	ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)	
B	ITC booked in earlier Financial Years claimed in current Financial Year	(+)
C	ITC booked in current Financial Year to be claimed in subsequent Financial Years	(-)
D	ITC availed as per audited financial statements or books of account	
E	ITC claimed in Annual Return (GSTR9)	
F	Un-reconciled ITC	
	ITC 1	
13	Reasons for un-reconciled difference in ITC	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

Part – IV – Table 14 – Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account

14	Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account			
	Description	Value	Amount of Total ITC	Amount of eligible ITC availed
	1	2	3	4
A	Purchases			
B	Freight / Carriage			
C	Power and Fuel			
D	Imported goods (Including received from SEZs)			
E	Rent and Insurance			
F	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples			
G	Royalties			
H	Employees' Cost (Salaries, wages, Bonus etc.)			
I	Conveyance charges			
J	Bank Charges			
K	Entertainment charges			
L	Stationery Expenses (including postage etc.)			
M	Repair and Maintenance			
N	Other Miscellaneous expenses			
O	Capital goods			
P	Any other expense 1			
Q	Any other expense 2			
R	Total amount of eligible ITC availed			<<Auto>>
S	ITC claimed in Annual Return (GSTR9)			
T	Un-reconciled ITC			ITC 2

Part – IV – Table 14 – Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account

14	Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account			
	Description	Value	Amount of Total ITC	
	1	2	3	
			Amount of eligible ITC availed	
			4	
A	Purchases			
B	Freight / Carriage			
C	Power and Fuel			
D	Imported goods (Including received from SEZs)			
E	Rent and Insurance			
F	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples			
G	Royalties			
H	Employees' Cost (Salaries, wages, Bonus etc.)			
I	Conveyance charges			
J	Bank Charges			
K	Entertainment charges			
L	Stationery Expenses (including postage etc.)			
M	Repair and Maintenance			
N	Other Miscellaneous expenses			
O	Capital goods			
P	Any other expense 1			
Q	Any other expense 2			
R	Total amount of eligible ITC availed			<<Auto>>
S	ITC claimed in Annual Return (GSTR9)			
T	Un-reconciled ITC			ITC 2

**Part – IV – Table 15 & 16 – Reasons for un - reconciled difference in ITC &
Tax payable on un-reconciled difference in ITC**

15	Reasons for un - reconciled difference in ITC	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>
16	Tax payable on un-reconciled difference in ITC (due to reasons specified in 13 and 15 above)	
	Description	Amount Payable
	Central Tax	
	State/UT Tax	
	Integrated Tax	
	Cess	
	Interest	
	Penalty	

Part – V – Auditor's recommendation on additional Liability due to non-reconciliation

Pt. V	Auditor's recommendation on additional Liability due to non-reconciliation					
	Description	Value	To be paid through Cash			Cess, if applicable
			Central tax	State tax / UT tax	Integrated tax	
1	2	3	4	5	6	
	5%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Input Tax Credit					
	Interest					
	Late Fee					
	Penalty					
	Any other amount paid for supplies not included in Annual Return (GSTR.9)					
	Erroneous refund to be paid back					
	Outstanding demands to be settled					
	Other (Pl. specify)					

Part – V – Auditor's recommendation on additional Liability due to non-reconciliation

Pt. V	Auditor's recommendation on additional Liability due to non-reconciliation					
	Description	Value	To be paid through Cash			Cess, if applicable
			Central tax	State tax / UT tax	Integrated tax	
1	2	3	4	5	6	
	5%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Input Tax Credit					
	Interest					
	Late Fee					
	Penalty					
	Any other amount paid for supplies not included in Annual Return (GSTR.9)					
	Erroneous refund to be paid back					
	Outstanding demands to be settled					
	Other (Pl. specify)					

GSTR-9C – Certification - Overview

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

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

* I/we have examined the—

(a) balance sheet as on

(b) the *profit and loss account/income and expenditure account for the period beginning from to ending on, and

(c) the cash flow statement for the period beginning from to ending on, — attached herewith, of M/s (Name), (Address), (GSTIN).

2. Based on our audit I/we report that the said registered person—

*has maintained the books of accounts, records and documents as required by the IGST/CGST/⟨⟨⟩⟩GST Act, 2017 and the rules/notifications made/issued thereunder

*has not maintained the following accounts/records/documents as required by the IGST/CGST/⟨⟨⟩⟩GST Act, 2017 and the rules/notifications made/issued thereunder:

1.

2.

3.

3. (a) *I/we report the following observations/ comments / discrepancies / inconsistencies; if any:

.....
.....

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

3. (b) *I/we further report that, -

(A) *I/we have obtained all the information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit/ information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit were not provided/partially provided to us.

(B) In *my/our opinion, proper books of account *have/have not been kept by the registered person so far as appears from *my/ our examination of the books.

(C) I/we certify that the balance sheet, the *profit and loss/income and expenditure account and the cash flow Statement are *in agreement/not in agreement with the books of account maintained at the Principal place of business atand **additional place of business within the State.

4. The documents required to be furnished under section 35 (5) of the CGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act is annexed herewith in Form No. GSTR-9C.

5. In *my/our opinion and to the best of *my/our information and according to explanations given to *me/us, the particulars given in the said Form No.GSTR-9C are true and correct subject to following observations/qualifications, if any:

(a)

(b)

(c)

.....

.....

** (Signature and stamp/Seal of the Auditor)

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

*I/we report that the audit of the books of accounts and the financial statements of M/s. (Name and address of the assessee with GSTIN) was conducted by M/s. (full name and address of auditor along with status), bearing membership number in pursuance of the provisions of theAct, and *I/we annex hereto a copy of their audit report dated along with a copy of each of :-

- (a) balance sheet as on
- (b) the *profit and loss account/income and expenditure account for the period beginning from to ending on
- (c) the cash flow statement for the period beginning from to ending on, and
- (d) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/income and expenditure account and balance sheet.

2. I/we report that the said registered person—

*has maintained the books of accounts, records and documents as required by the IGST/CGST/⟨⟩GST Act, 2017 and the rules/notifications made/issued thereunder

*has not maintained the following accounts/records/documents as required by the IGST/CGST/⟨⟩GST Act, 2017 and the rules/notifications made/issued thereunder:

- 1.
- 2.
- 3.

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

3. The documents required to be furnished under section 35 (5) of the CGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act is annexed herewith in Form No.GSTR-9C.

4. In *my/our opinion and to the best of *my/our information and according to examination of books of account including other relevant documents and explanations given to *me/us, the particulars given in the said Form No.9C are true and correct subject to the following observations/qualifications, if any:

- (a)
- (b)
- (c)

.....
****(Signature and stamp/Seal of the Auditor)**

Place:

Name of the signatory

Membership No.....

Date:

Full address

Tariff / Relevant Rates/ HSN

Under Heading 9967, supporting services in Transport other than services of GTA in relation to transport of goods will be taxable @ 18%.

996711	Container handling services	This service code includes cargo handling services for containerized freight; services of container freight terminal facilities for all modes of transport, including stevedoring services (i.e. loading, unloading and discharging of vessels' containerized freight, at ports)
996712	Customs House Agent services	This service code includes services provided by a person licensed, temporarily or otherwise, under the regulations made under sub-section (2) of section 146 of the Customs Act, 1962, related to import or export of goods
996713	Clearing and forwarding services	This service code includes services provided by a clearing and forwarding agent in relation to clearing and forwarding operations, in any manner and includes services provided by a consignment agent.
996719	Other cargo and baggage handling services	This service code includes cargo handling services for non-containerized freight; services of freight terminal facilities, for all modes of transport, including stevedoring services (i.e. loading, unloading and discharging of vessels' non-containerized freight, at ports); cargo handling services incidental to freight transport not elsewhere classified; baggage handling services at airports and at bus, rail or highway vehicle terminals
99672	Storage and warehousing services	

Room is Open for Queries...



Thank You

S.K.KANODIA & ASSOCIATES

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CHARTERED ACCOUNTANTS

SKA

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THANK YOU

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4/15/2019

FFFAI_ GST ANNUAL RECONCILIATIONS_ CA ANKIT KANODIA

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