

# **Reconciliations under GST**

## **– A Practical Perspective**

**Bangalore Branch of SIRC of ICAI**

**6<sup>th</sup> September 2018**

# Reconciliations under GST

## What

- GSTR 1 Vs. Books
- GSTR 3B Vs. 1
- GSTR 3B Vs. 2A
- GSTR 2A Vs. Books
- **Re-look & Re-prepare 3B & cross check**

## Why

- Identify Errors
- Make Rectifications
- Early identification lesser interest

## How

- Compare relevant tables
- Arrive the correct figures
- Prepare A Recon Statement

**Are we filing the GSTR 3B  
correctly????**

**A Recap – An Introspection**

### 3.1 Tax on outward and reverse charge inward supplies

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

### 3.2 Inter-state supplies

Taxable Value	Integrated Tax
₹0.00	₹0.00

### 4. Eligible ITC

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

### 5. Exempt, nil and Non GST inward supplies

Inter-state supplies	Intra-state supplies
₹0.00	₹0.00

### 5.1 Interest and Late fee

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

### 6. Payment of tax

Balance Liability	Paid through Cash
₹0.00	₹0.00
Paid through Credit	
₹0.00	

### 7. TDS/TCS Credit

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	

### Important Message

You can fill and save the form now. You can also deposit the tax by using payment facility at the portal. Facility for setting off the payment against liability and filing the return form shall be made available shortly.



# Table 3.1: Details of Outward Supplies + Inward RCM Supplies

## 3.1 Details of Outward Supplies and inward supplies liable to reverse charge

Nature of Supplies	Total Taxable value (₹)	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(b) Outward taxable supplies (zero rated )	₹0.00	₹0.00			₹0.00
(c) Other outward supplies (Nil rated, exempted)	₹0.00				
(d) Inward supplies (liable to reverse charge)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(e) Non-GST outward supplies	₹0.00				

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# Table 3.2 B2C IGST Turnover + Composition + UIN

## 3.2 Of the supplies shown in 3.1 (a), details of inter-state supplies made to unregistered persons, composition taxable person and UIN holders

Supplies made to Unregistered Persons +

Supplies made to Composition Taxable Persons +

Supplies made to UIN holders -

<input type="checkbox"/>	Place of Supply (State/UT)	Total Taxable value (₹)	Amount of Integrated Tax (₹)
<input type="checkbox"/>	<div>Select ▼</div>	<div>₹0.00</div>	<div>₹0.00</div>

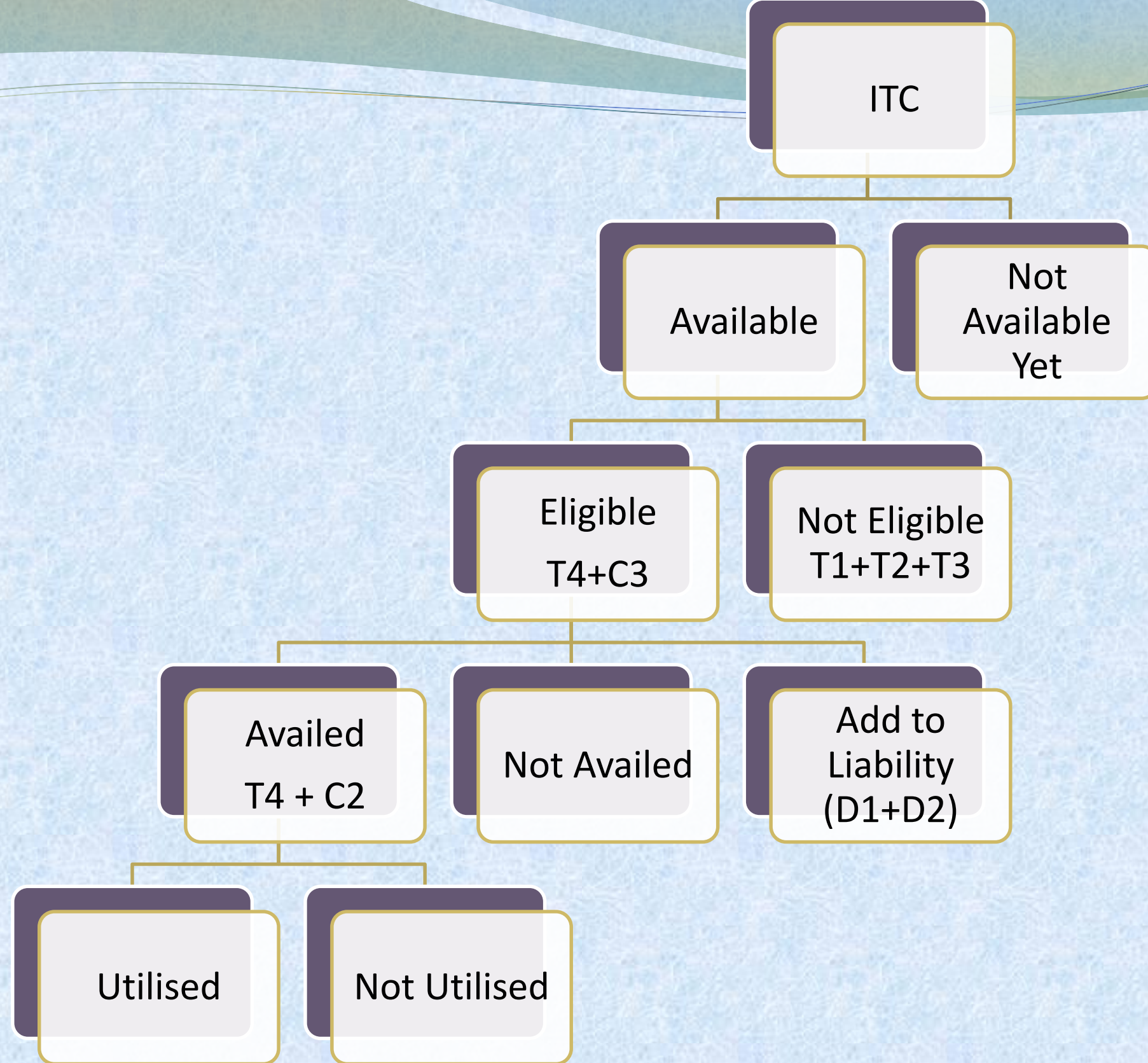
ADD

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# Table 4 Eligible ITC

Table 4 Eligible ITC





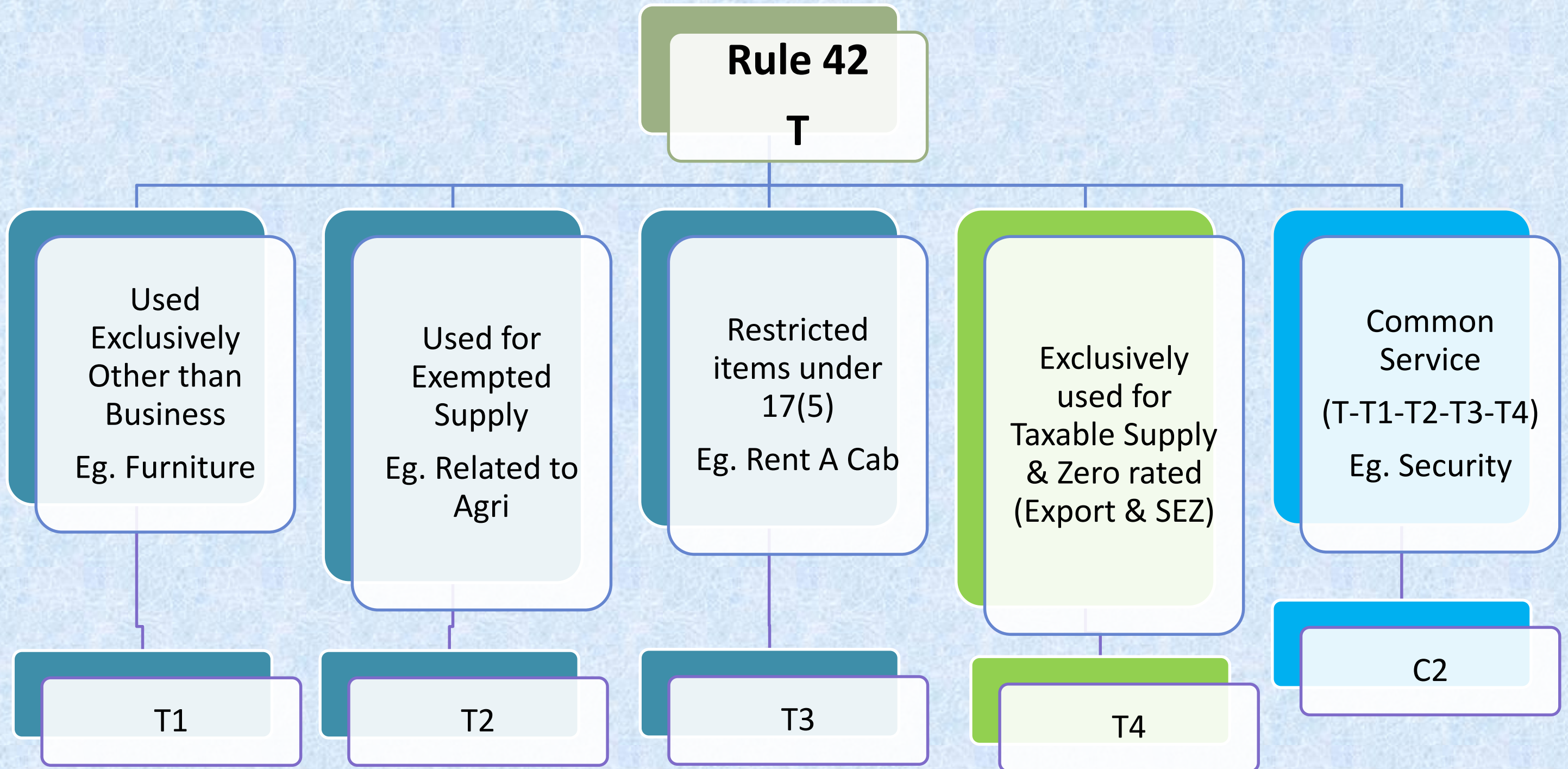
Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
<b>(A) ITC Available (whether in full or part)</b>				
(1) Import of goods	<input type="text" value="₹0.00"/>			<input type="text" value="₹0.00"/>
(2) Import of services	<input type="text" value="₹0.00"/>			<input type="text" value="₹0.00"/>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



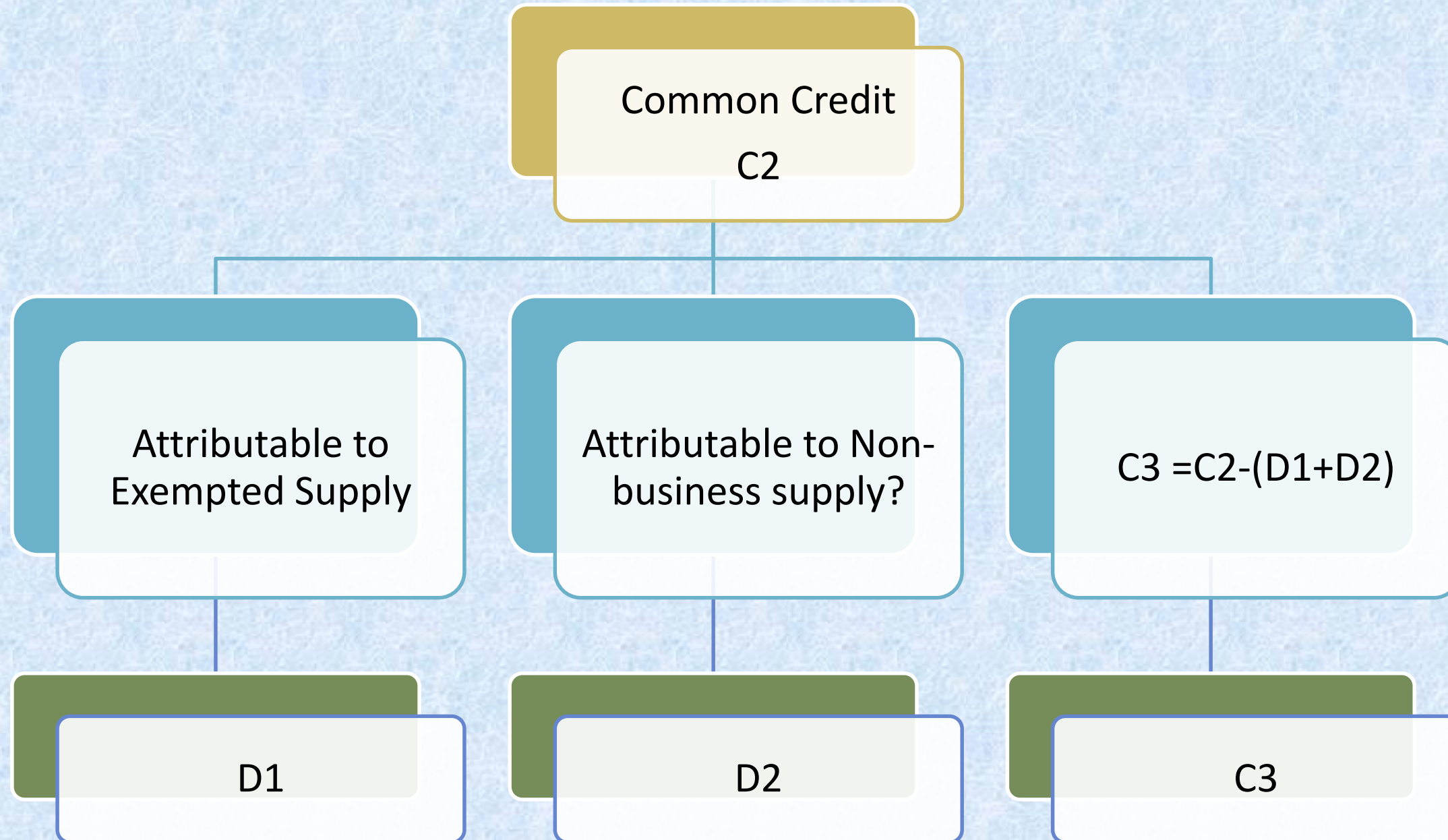
# Table 4B ITC Reversal

Table 4 Eligible ITC

# GSTR 2 Table 4 & 5 – Apportionment of ITC



# GSTR 2 Table 4 & 5 – Apportionment of ITC



The amount equal to 'D1' and 'D2' shall be added to the output tax liability of the registered person;



# 4(B)(1) : Rule 43 of CGST Rules – Capital Goods

- ITC on Capital Goods
  - used for non business and exempt supplies exclusively – In Eligible (*Table 3, Col 12 GSTR 2*)
  - Exclusively for taxable supplies incl. zero rated – Fully Allowed
  - Common credit ( $T_c$ )– treat as follows:
    - Amount attributable to tax period for a particular CG( $T_m$ ) =  $T_c \div 60$
    - Total of all such  $T_m$  =  $T_r$
    - Amount of credit attributable to exempt supplies =  $T_e = (E \div F) \times T_r$ 
      - ( $E$  – exempt supplies and  $F$  – Total turnover for tax period)
    - Such  $T_e$  along **with interest** is to be added to output tax liability (*Table 11 A d GSTR 2*)
  - Earlier Used for Taxable Supply , now partly used for Exempt Supply
    - Computation as mentioned above  $CG(T_m) = T_c \div 60$
    - Such  $T_e$  along **with interest** is to be added to output tax liability (*Table 11 A d GSTR 2*)

## 4B Others : Rule 37 and 39 of CGST Act

- Rule 37: Reverse ITC availed in case of non payment to vendor within 180 days –
- **Display – Statement of Accounts –Outstandings**
- Rule 39: In case of receipt of credit note by ISD, the ISD shall
  - Reduce such amount in same ratio as that of original apportionment, in the credit to be distributed.
  - After such reduction, if the credit to be distributed for the month is negative, same shall be added to the output liability of the recipient.

# Table 4D in-eligible ITC

1. 17(5) = T3
2. Others

T1 = Exclusively Used for Non – Business Purposes

T2 = Exclusively Used for Exempted Supplies



# Table 5: Exempt, Nil Rated and Non-GST Inward Supplies

## 5. Values of exempt, nil-rated and non-GST inward supplies

Nature of Supplies	Inter-State Supplies (₹)	Intra-State Supplies (₹)
From a supplier under composition scheme, Exempt and Nil rated supply	<div>₹0.00</div>	<div>₹0.00</div>
Non GST supply	<div>₹0.00</div>	<div>₹0.00</div>

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# 5.1 Interest & late fee payable

## 5.1 Interest & late fee payable

 Declare interest payable on tax liabilities on supplies attracting reverse charge as well as other than reverse charge 

Description	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
Interest	<input type="text" value="₹0.00"/>	<input type="text" value="₹0.00"/>	<input type="text" value="₹0.00"/>	<input type="text" value="₹0.00"/>
Late Fees		<input type="text" value="₹0.00"/>	<input type="text" value="₹0.00"/>	

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# **Reconciliation of Outward Supplies**

# 3B Filing – Table 3

## Table 3 : Detail of Outward Supplies and Inward supplies liable to reverse charges

- a) Outward taxable supplies (other than zero rated, Nil rated and exempted)
- b) Outward taxable supplies (zero rated)
- c) Other outward supplies, (Nil rated, exempted)
- d) Inward supplies (liable to reverse charge)
- e) Non GST outward supplies

# GSTR 1 Relevant Table

Table No	Description
4	B2B Invoices including RCM & E-commerce
5	B2CL Supplies to unregistered persons (Inter - state) Large Invoices > 2.5 Lacs
6	Exports , SEZ Supplies and Deemed Exports
7	B2CS (Net of debit and credit notes) other than supplies covered in Table 5
8	Exempt : Nil rated, Exempted and Non GST outward supplies*
9	Amendments in Table 4, 5 and 6 for earlier tax periods
10	Amendments in Table 7 for earlier tax periods
11	Tax Liability (Advances received) & Adjustment of advances



# GSTR 3B & 1 – Tables Comparison

Sl.No.	Description	GSTR 3B Table reference	GSTR 1 Table reference
1.	Outward taxable Supplies (other than zero rated, Nil rated and exempted)	3.1(a)	4 – B2B 5 – B2C Large 6C – Deemed Export 7 – B2C Small 9 &10 - Amendments to the above Tables of earlier tax periods. Debit and credit notes of B2B 11 - Advances
2.	Outward taxable supplies (zero rated)	3.1(b)	6A - Exports 6B – SEZ Supplies
3.	Other outward supplies, (Nil rated, exempted)	3.1(c)	8
4.	Non GST outward supplies	3.1(e)	8

# Sample Reconciliation with Books

	Total Credits in statement of profit and loss	XXX
<b>Less:</b>	Not Goods / Not Services - eg Dividend Income	(XXX)
<b>Less:</b>	Sch III Items which is not a Supply eg : Land & Building etc	(XXX)
<b>Less:</b>	April - June Supplies	(XXX)
<b>Add:</b>	Sch I Supplies <b>like</b> Branch Transfer to Distinct Persons, Consignment Agent Sales	XXX
<b>Add:</b>	Receipts capitalised but taxable to GST (like Subsidy other than Government etc)	XXX
<b>Less :</b>	Profit on Sale of Capital Goods	(XXX)
<b>Add :</b>	Taxable Value of Supply of Capital Goods	XXX
<b>Add:</b>	Advance (Net of Taxes) received during the Current Period	XXX
<b>Less:</b>	Advance of earlier period adjusted during the Current period	(XXX)
<b>Less:</b>	Closing unbilled revenue recognised - But Time of Supply did not arise	(XXX)
<b>Add:</b>	Opening unbilled revenue (Billed during the period/Time of supply falls in the month)	XXX
<b>+/-</b>	Other similar adjustments	XXX
	<b>Total Value in GSTR 1</b>	<b>XXX</b>



# Possible factors for Mismatch – Outward Supplies

- Missed out Invoices
- Exclusion of Credit Notes & Debit Notes
- Duplication of Invoices, CN & DN
- Errors in Invoice fields
  - **GSTIN**
  - Invoice No
  - Invoice Date
  - Invoice Value
  - Rate
  - Taxable Value
  - IGST; CGST; SGST; Cess
  - Place of Supply
- Typo errors while filing GSTR 3B
- Incorrect Discount treatment
- Non reporting of Exempt Supplies
- Treating Taxable Supplies as Exempt & Vice versa
- Non reporting of Exports ( Zero Rated Supplies)
- Wrong reporting of exempt under Zero Rated Supplies
- Non Compliances pertaining to Reverse Charge – 9(3);9(4);5(3);5(4)
- Non reporting of Non GST Outward supplies
- Wrong reporting of Non GST Outward supplies
- RCM Accounting entries/ Closing Entries not passed

# Issues in Taxable Outwards Supplies

- Possible Reconciliation issues
  - Debit Note / Credit note of erst while law – Tax Rate changes
  - **Purchases** related debit note & credit note erroneously reported
  - In case of a business dealing majorly with goods, some of the income like commission, Incentive, Repairs etc – GST may not have been charged.
  - For Credit Note time limit is as per Sec 34(2)
  - Wrong reporting between interstate and intra state.
  - Advances paid and not adjusted/reported after supply
  - Monthly reconciliation vs Year To Date (YTD) Reconciliation
    - YTD reconciliation from July 2017 till date i.e FY 2018-19 also



# Reconciliation of Taxes Collected

- Taxes collected as per Ledger Balances
- Taxes liability disclosed in Returns
- Reconciliation
  - Debit Notes / Credit Notes
  - Inter adjustment
- Adjustments of
  - RCM Inward not in outward supply side of books

# **Reconciliation of Inward Supplies**

# 3B Filing – Table 4

## **(A) ITC Available (whether in full or part)**

- (1) Import of goods
- (2) Import of services
- (3) Inward supplies liable to reverse charge (other than 1 & 2 above)
- (4) Inward supplies from ISD
- (5) All other ITC

## **(B) ITC Reversed**

- (1) As per rules 42 & 43 of CGST Rules
- (2) Others

## **(C) Net ITC Available (A) – (B)**

## **(D) Ineligible ITC**

- (1) As per section 17(5)
- (2) Others



# Import of Goods

- 3B
  - 4A(1) : Import of goods
- ICE Gate Portal

<https://www.icegate.gov.in/epayment/locationAction.action>

e-Payment

→ Unpaid Challans

→ Incomplete Transactions

→ Print Transaction Receipt

→ Today Transaction

→ Transaction Report

→ Home

Transaction Report

Transaction Report

Location CodeBangalore ICD (INWFD6)

Start Date [yyyy/mm/dd]2017/07/01

End Date [yyyy/mm/dd]2017/07/31

Get Report

S.No.	Port Code	BE No.	BE Date	Challan No.	Ref ID	Bank Name	Duty Paid	Date of Payment	Bank Code	Transaction ID	Status
1	INWFD6	20192017	2019017	<a href="#">2019160936</a>	IG290717064907790964	Corporation Bank	1327057	29/07/2017 18:46	0350596	170729276529773	Y
2	INWFD6	20150017	2015017	<a href="#">2018831942</a>	IG050717011221057764	Corporation Bank	656290	05/07/2017 13:08	0350596	170705276178482	Y
3	INWFD6	20191017	2019017	<a href="#">2018981141</a>	IG170717010106797750	Corporation Bank	1013182	17/07/2017 13:11	0350596	170717276364489	Y
4	INWFD6	20101017	2010017	<a href="#">2018923332</a>	IG120717114438470656	Corporation Bank	99167	12/07/2017 11:45	0350596	170712276291802	Y
5	INWFD6	20131017	2013017	<a href="#">2018981241</a>	IG170717123946811061	Corporation Bank	1575230	17/07/2017 12:37	0350596	170717276364027	Y
6	INWFD6	20192017	2019017	<a href="#">2019071121</a>	IG220717051407247933	Corporation Bank	597139	22/07/2017 17:10	0350596	170722276438399	Y
7	INWFD6	20132017	2013017	<a href="#">2019076729</a>	IG220717070658261848	Corporation Bank	425614	22/07/2017 19:03	0350596	170722276439146	Y



# Import of Services & Other RCM

- **3B**

- **4A(2)** : Import of Services
- **4A(3)** : Inward supplies liable to reverse charge

- **3B**

- **Table 3 (d)** Inward supplies (liable to reverse charge)

# ISD Credits

- **3B**
  - **4A(4)** : Inward supplies from ISD
- **GSTR 2 A : PART B**
  - **Table 6** : ISD credit (including amendments thereof) received

# All other ITC

- **3B**
  - **4A(5)** : All other ITC
  - **4B** : Ineligible ITC
- **GSTR 2 A : PART A**
  - **Table 3** : Inward supplies received from a registered person other than the supplies attracting reverse charge
  - **Table 4** : Inward supplies received from a registered person on which tax is to be paid on reverse charge
  - **Table 5** : Debit / Credit notes (including amendments thereof) received during current tax period



# Sample Reconciliation with Books : Expenses

<b>GSTR 2 : RECON WITH BOOKS</b>		Total debits in statement of profit and loss	XXX
<b>Less:</b>	Schedule III items (Ex: Salary expense)		(XXX)
<b>Less:</b>	Depreciation and Amortization		(XXX)
<b>Less:</b>	Accrued expenses and month end provisions, not credited to party account		(XXX)
<b>Add:</b>	Invoices recd and adjusted for Expenses provision made earlier		XXX
<b>Add:</b>	Capital Expenses		XXX
<b>Add:</b>	Advance paid to unregistered dealers -Expenses Not Booked		XXX
<b>Less:</b>	Purchases booked for URD Advances paid in earlier periods		XXX
<b>Total Taxable value in GSTR 2</b>			<b>XXX</b>



# Possible factors for Mismatch – Inward Supplies

- Missed out Invoices
- Exclusion of Credit Notes & Debit Notes
- Duplication of ITC Claims Invoices, CN & DN
- Wrong upload by Suppliers – (Not our Invoices)
- Suppliers not uploaded
- Suppliers uploaded it as B2C instead of B2B
- Errors in Invoice fields
  - **GSTIN**
  - Invoice No
  - Invoice Date
  - Invoice Value
  - Rate
  - Taxable Value
  - IGST; CGST; SGST; Cess
  - Place of Supply
- Typo errors while filing GSTR 3B
- Incorrect Discount treatment
- Non reporting of Exempt & Non GST Inward Supplies
- Wrong reporting of Exempt & Non GST Inward Supplies
- Non Compliances pertaining to Reverse Charge – 9(3);9(4);5(3);5(4)
- RCM Accounting entries/ Closing Entries not passed
- Rule 37,42 & 43 reversals not done
- Reversals not shown separately

# Reconciliation of Input Tax

- Input Taxes Paid on Inward Supplies as per Ledger Balances
- ITC Credit Availed in Table 4A of GSTR 3B
- Reconciliation of
  - Missing credits
  - Reversal as per Rule 42 and Rule 43
  - Reversal as per sec 16(2) non compliance
  - Re-availment of reversed credits
  - **Credit Notes & Debit Notes issued by the supplier not considered – Cross check with 2A & consider in the present month returns **with interest****
- Adjustments of
  - RCM Inward supplies

# GSTR 2A – View/Download

[Dashboard](#) [Services](#) [GST Law](#) [Search Taxpayer](#) [Help](#) [e-Way Bill System](#)

[Dashboard](#) > [Returns](#) English

## File Returns

Financial Year • Return Filing Period • • Indicates Mandatory Fields

2017-18

July

SEARCH

**Details of outward supplies of goods or services**  
GSTR1

Status- **Filed**

VIEW GSTR1

PREPARE OFFLINE

**Auto Drafted details (For view only)**  
GSTR2A

VIEW

DOWNLOAD

**Monthly Return**  
GSTR3B

Status- **Filed**

VIEW GSTR3B

PREPARE OFFLINE



# GSTR 2A – View/Download

## PART-A

**\*\* Important Notice:** If the invoices are more than 500, please check [here](#)

**B2B Invoices**

**Credit/Debit Notes**

**Amendments to B2B Invoices**

**Amendments to Credit/Debit Notes**

## PART-B

**ISD Credits**

**Amendments to ISD Credits**

## PART-C

**TDS Credits**

**TCS Credits**



# GSTR 2A – View/Download

## Credit/Debit Notes- Summary

Uploaded by Supplier

Note Type	Credit/Debit Note No	Credit/Debit Note Date	Original Invoice No	Original Invoice Date	Pre GST Regime	Applicable Percentage(%)	Taxable Value (₹)	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CES (₹)
C	<a href="#">KN5040000215A</a>	31-07-2017	KNHS001720	18-07-2017	N	-	4,950.00	0.00	693.00	693.00	0.0
C	<a href="#">KN5040000380A</a>	31-07-2017	KNHS001720	18-07-2017	N	-	35.35	0.00	4.95	4.95	0.0
C	<a href="#">KN5040000380B</a>	31-07-2017	KNHS001720	18-07-2017	N	-	7.07	0.00	0.99	0.99	0.0
C	<a href="#">KN5040000509A</a>	31-07-2017	KNHS001720	18-07-2017	N	-	900.00	0.00	126.00	126.00	0.0



BACK

# **Reconciliation of Electronic Ledgers**

# Electronic Ledgers Reconciliation

**Excess Challan  
payment**

**Balance in  
Electronic Cash  
ledger**

**to be reflected  
in Balance  
Sheet**

**Output tax**

**Vs**

**Electronic Liability Ledger**

**Input tax**

**Vs**

**Electronic Credit Ledger**

**GST paid**

**Vs**

**Electronic Cash Ledger**



# Closing Entries

# Outward Supply

Nature	Dr/Cr	Ledger a/c	Amount	Amount
Transfer to Liability Ledger	Dr	Output CGST A/c	21,600	
	Dr	Output SGST A/c	21,600	
	Dr	Output IGST A/c	54,000	
	Cr	To Electronic Liability Ledger CGST A/c		21,600
	Cr	To Electronic Liability Ledger SGST A/c		21,600
	Cr	To Electronic Liability Ledger IGST A/c ( being transfer of output GST to corresponding liability ledgers)		54,000

# Inward Supply

Nature	Dr/Cr	Ledger a/c	Amount	Amount
Transfer to Credit Ledger	Dr	Electronic Credit CGST Ledger A/c	9,450	
	Dr	Electronic Credit SGST Ledger A/c	9,450	
	Dr	Electronic Credit IGST Ledger A/c	7,500	
	Cr	To Input CGST A/c		9,450
	Cr	To Input SGST A/c		9,450
	Cr	To Input IGST A/c (being transfer of Input GST to corresponding Credit ledgers)		7,500



# Inward Supply- Ineligible credits

Nature	Dr/Cr	Ledger a/c	Amount	Amount
Transfer to Expense Ledgers	Dr	Expense Ledgers A/c	26,400	
	Cr	To Input CGST A/c		9,450
	Cr	To Input SGST A/c		9,450
	Cr	To Input IGST A/c (being T1,T2 & T3 <b>(Blocked credits)</b> transferred to the respective expense ledgers)		7,500
Transfer to a Separate ledger	Dr	ITC Reversal A/c	5,800	
	Cr	To Input CGST A/c		2,000
	Cr	To Input SGST A/c		2,000
	Cr	To Input IGST A/c ( being D1 & D2 reversals by virtue of <b>Rule 42</b> transferred to a common account)		1,800

## Inward Supply- On Payment of Taxes ( July 17 to Feb 18)

Nature	Dr/Cr	Ledger a/c	Amount	Amount
Transfer amount to cash ledger	Dr	Electronic Cash CGST Ledger A/c	1,000	3,000
	Dr	Electronic Cash SGST Ledger A/c	1,000	
	Dr	Electronic Cash IGST Ledger A/c	1,000	
	Cr	To Bank A/c (being payment on account of GST transferred to Corresponding Cash ledgers)		

# Final Closure entries for the months July 17 to Feb 18

Nature	Dr/Cr	Ledger a/c	Amount	Amount
Transfer to Credit Ledger	Dr	Electronic Liability Ledger CGST A/c	21,600	
	Dr	Electronic Liability Ledger SGST A/c	21,600	
	Dr	Electronic Liability Ledger IGST A/c	55,800	
	Cr	To Electronic Credit CGST Ledger A/c		13,950
	Cr	To Electronic Credit SGST Ledger A/c		13,950
	Cr	To Electronic Credit IGST Ledger A/c		7,500
	Cr	To Electronic Cash CGST Ledger A/c		6,750
	Cr	To Electronic Cash SGST Ledger A/c		26,850
	Cr	To Electronic Cash IGST Ledger A/c		30,000
		( being the offsetting of the credits against the liability & discharge of balance corresponding taxes)		



# Screen Shot of Electronic Liability Ledger for the month of March 2018

## – Case 1 Tax payable

Financial Year

2017-18

Month

March

GO

Viewing details of electronic liability register for the tax period - Mar-18

Sr. No.	Date	Reference No.	Ledger used for discharging liability	Description	Transaction Type (Debit/Credit)	Amount debited / credited (₹)				
						Integrated Tax (₹)	Central Tax	State Tax	CESS	Total
1	18/04/2018	AA290318351815U	-	Other than reverse charge	Debit	0.00	3,34,188.00	3,34,188.00	0.00	6,68,376.00
2	18/04/2018	AA290318351815U	-	Reverse charge	Debit	0.00	0.00	0.00	0.00	0.00
3	18/04/2018	DC2904180140192	Cash	Other than reverse charge	Credit	0.00	41.00	13,138.00	0.00	13,179.00
4	18/04/2018	DI2904180115989	Credit	Other than reverse charge	Credit	0.00	3,34,147.00	3,21,050.00	0.00	6,55,197.00
-	-	-	-	Closing Balance	-	-	-	-	-	-

# Provisional Entries for March 31<sup>st</sup> – Case 1 Tax payable

Nature	Dr/Cr	Ledger a/c	Amount	Amount
Transfer to Credit Ledger	Dr	Electronic Liability Ledger CGST A/c	3,34,188	
	Dr	Electronic Liability Ledger SGST A/c	3,34,188	
	Dr	Electronic Liability Ledger IGST A/c	0	
	Cr	To Electronic Credit CGST Ledger A/c		3,34,147
	Cr	To Electronic Credit SGST Ledger A/c		3,21,050
	Cr	To Electronic Credit IGST Ledger A/c		0
	Cr	To CGST Payable A/c		41
	Cr	To SGST Payable A/c		13,138
	Cr	To IGST Payable A/c		0
		( being GST related provisions entries for the month of March 2018)		

# Screen Shot of Electronic Liability Ledger for the month of April 2018

## – Case 2 Excess ITC carried forward

Financial Year

2017-18

Month

March

GO

Viewing details of electronic liability register for the tax period - Mar-18

Sr. No.	Date	Reference No.	Ledger used for discharging liability	Description	Transaction Type (Debit/Credit)	Amount debited / credited (₹)				
						Integrated Tax (₹)	Central Tax	State Tax	CESS	Total
1	18/04/2018	AA290318310886U	-	Other than reverse charge	Debit	0.00	1,09,854.00	1,09,854.00	0.00	2,19,708.00
2	18/04/2018	AA290318310886U	-	Reverse charge	Debit	0.00	0.00	0.00	0.00	0.00
3	18/04/2018	DI2904180100749	Credit	Other than reverse charge	Credit	0.00	1,09,854.00	1,09,854.00	0.00	2,19,708.00
-	-	-	-	Closing Balance	-	-	-	-	-	-



# Provisional Entries for March 31<sup>st</sup> – Case 1 Excess ITC C/f

Nature	Dr/Cr	Ledger a/c	Amount	Amount
Transfer to Credit Ledger	Dr	Electronic Liability Ledger CGST A/c	1,09,854	
	Dr	Electronic Liability Ledger SGST A/c	1,09,854	
	Dr	Electronic Liability Ledger IGST A/c	0	
	Cr	To Electronic Credit CGST Ledger A/c		1,09,854
	Cr	To Electronic Credit SGST Ledger A/c		1,09,854
	Cr	To Electronic Credit IGST Ledger A/c		0
		(being provisions entries passed to offset the credits only to the extent of liability & excess ITC carried forward)		

# Screen Shot of Electronic Cash ledger as on 31-03-2018

From: •

01/03/2018



To: •

31/03/2018



GO

Viewing Ledger details from 01/03/2018 to 31/03/2018

Tax Code, if applicable	Description	Transaction Type (Debit/ Credit)	Amount debited / credited (₹)					Balance (₹)				
			Integrated Tax	Central Tax	State Tax	Cess	Total	Integrated Tax	Central Tax	State Tax	Cess	Total
-	Opening Balance	-	-	-	-	-	-	6,374.00	11,770.00	11,825.00	0.00	29,969.00
5-18	Reverse charge	Debit	0.00	6,200.00	6,200.00	0.00	12,400.00	6,374.00	5,570.00	5,625.00	0.00	17,569.00
-	Closing Balance	-	-	-	-	-	-	6,374.00	5,570.00	5,625.00	0.00	17,569.00

# **Reconciliation of Other Items**



# Other Items of Reconciliation

Rule No	Particulars	To be added/Reduced to output tax liability
37(2)	Section 16(2) – payment to supplier not made – 180 days	Added to OTL
39(1)(j)(2)	ISD – apportioned is in negative because of credit note received by the ISD	Added to OTL
42(1)(m)	Proportionate reversal of credit on common input tax and other than business purpose input tax (D1+D2)	Added to OTL
43(1)(h)	Proportionate reversal of credit on common capital goods	Added to OTL
42(2)(a)	Provisional reversal is less than the actual reversal to be made	Added to OTL
42(2)(b)	Provisional reversal is more than the actual reversal to be made – before Sept	Reduced from OTL
	Any other liability	Added to OTL

# Other Issues

- Credit Not Availed on
  - Fixed Asset purchase
  - Expenses covered under RCM
  - Bank Charges
- Credit Availed on
  - Sec 17(5) Blocked Credit
  - Attributable to Exempted Supplies
  - Expenses where Place of Supply in different state
- Re Assessment
  - Annual Calculation of Rule 42 and Rules 43

# Other Issues

- Common Credits Not identified
- Reversed credit not re-availed
- Reverse charge
  - Liability paid credit not availed
  - Not reported at all
- URD Purchases
  - Upto 12<sup>th</sup> Oct RCM liability not identified
  - Subsequent purchases not reported as “Exempt Inward supplies”
- Wrong Classification of
  - Non – GST inwards / Exempted inwards / Blocked purchases / Personal Expenses



# Checks & Balances

- Book Balance and Department Ledger Not Reconciling
  - A Reconciliation statement similar to BRS is must.
- 2A Related
  - 2A Not Matching, Vendor Not traceable
  - Vendor considered my supplies as B2C
  - Records uploaded in different period

# Checks & Balances

- Payments
  - Check if all IDT payments are paid.
  - Check if all liabilities are recognized including RCM payments
- Credits
  - Check if all eligible credits have been claiming within stipulated time.
- Filing
  - Check if all returns are filed within the due date with appropriate disclosure of credits and liabilities.
- Benefits
  - Check if all export benefits are claimed within due date.
- Procedures
  - Check if goods with job workers are reconciled with appropriate treatment for credits
  - Correctness of Trans 1 and Trans 2 Filing

# Rectification of errors in Returns : Circular 26/2017

## What is the Error?

Liability was under reported

Liability was over reported

Liability was wrongly reported

Input tax credit was under reported

Input tax credit was over reported

Input tax credit of the wrong tax was taken

Cash Ledger wrongly updated

## Which stage of filing ?

Confirmed Submission

Cash Ledger Updated

Offset Liability

Return Filed



# Rectification of errors in Returns : Circular 26/2017 to be reported in Annual Return

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 previous FY whichever is earlier					
	Description	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	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					
	Description	Payable		Paid		
	1	2		3		

# Rectification of errors in Returns : Circular 26/2017 to be reported in Annual Return – Table 8C

C

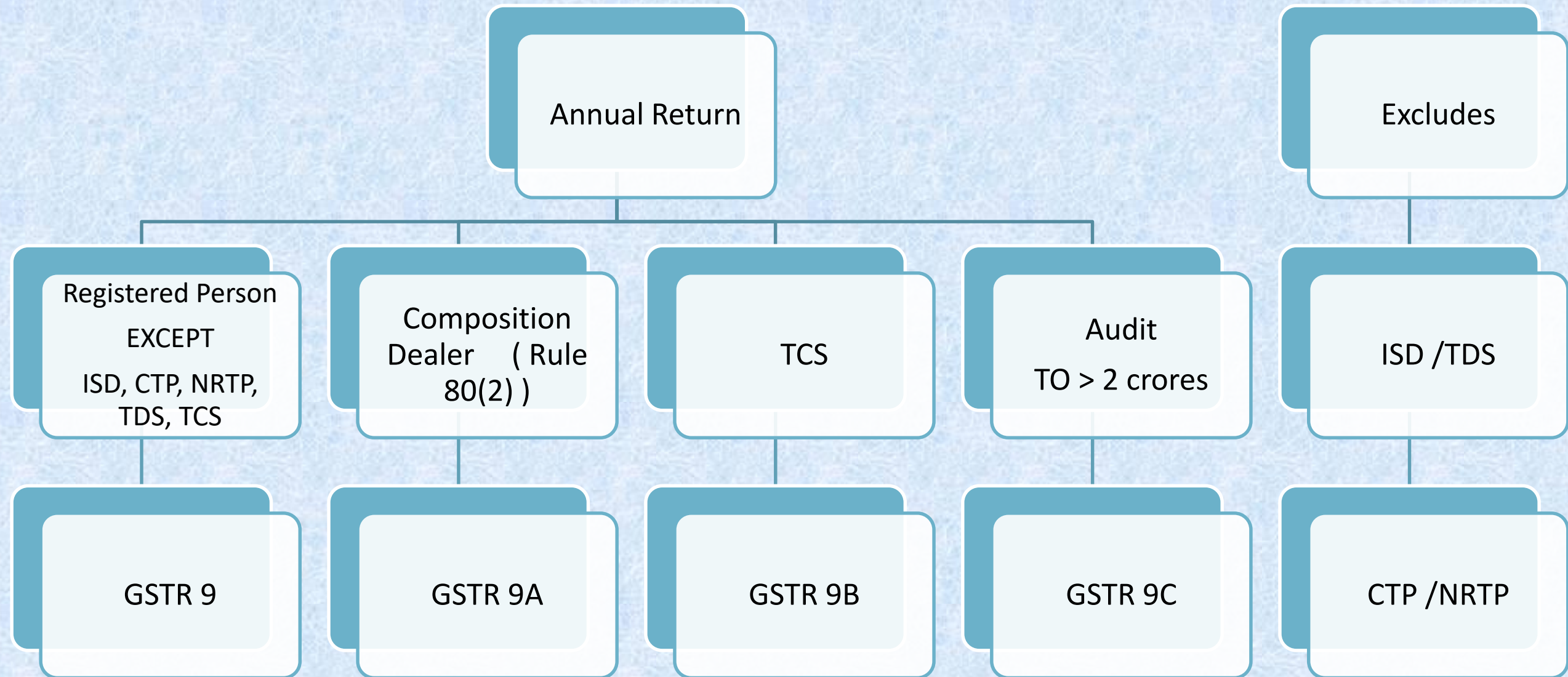
ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to September, 2018



# **Annual Returns & GST Audit**

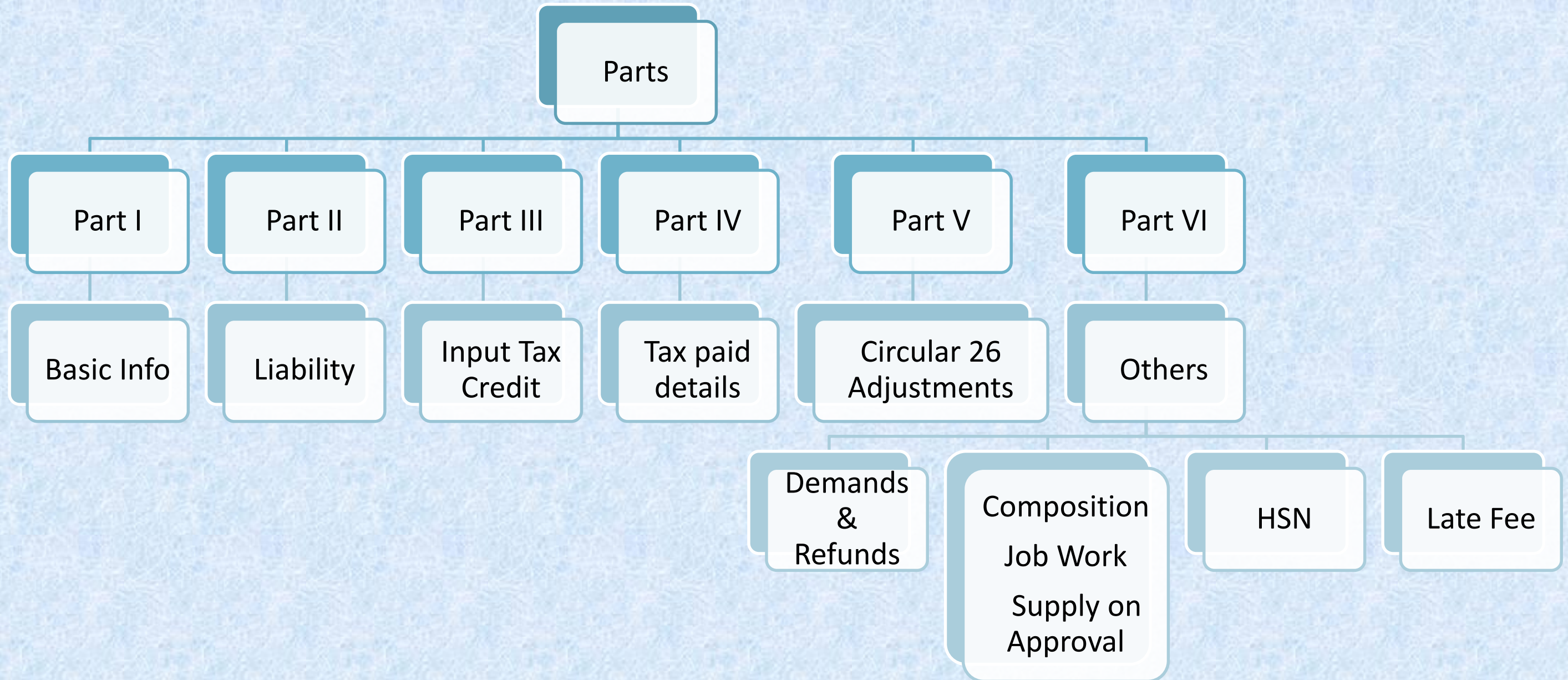


# Annual Return & Audit – GSTR-9ABC

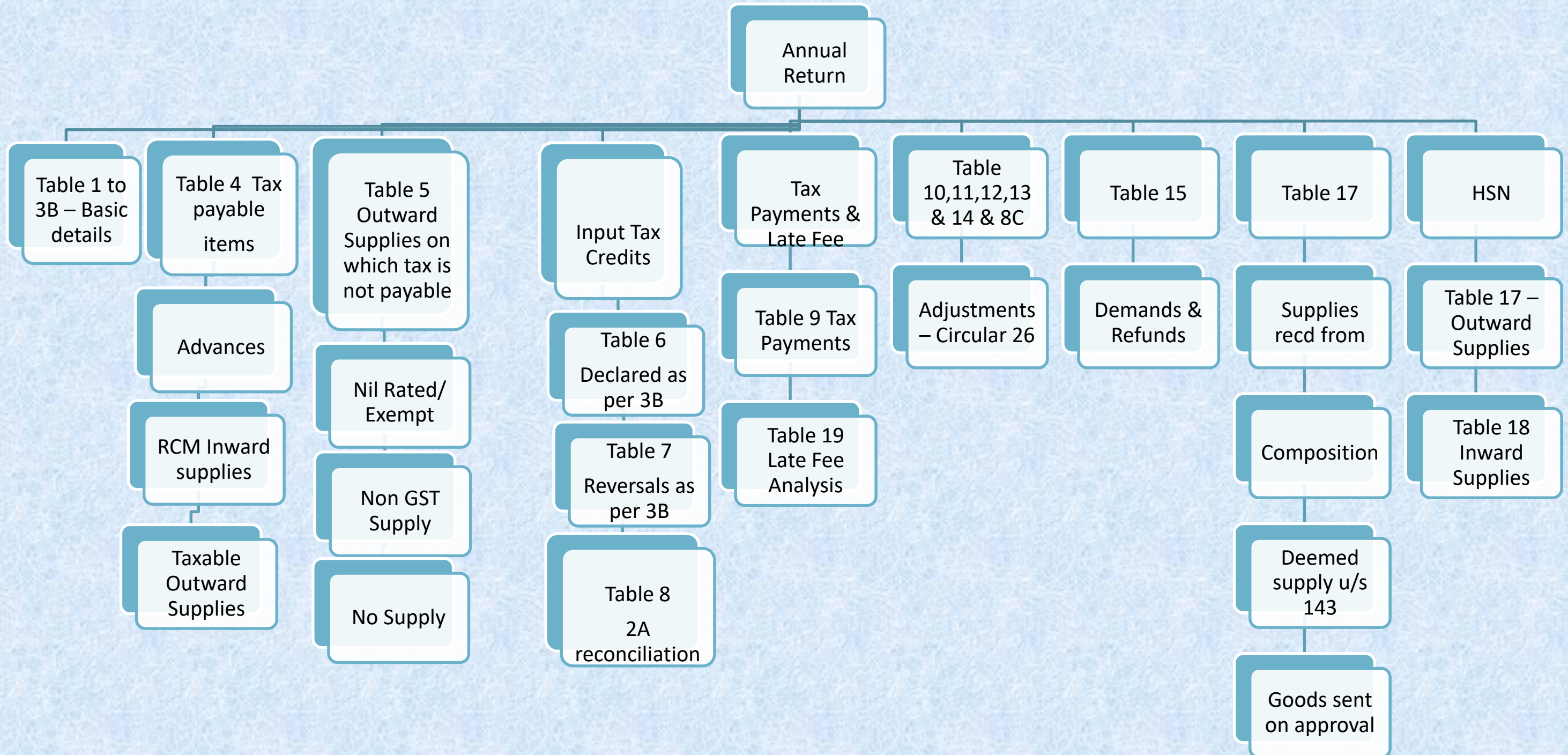


➤ Last date - 31st December following the end of the financial year

# Annual Return – GSTR 9 Broad View 6 Parts 19 Tables



# Annual Return – GSTR 9 Broad View





# Annual Return Format : Table 4

Note : Reporting fields – Taxable Value, CGST, SGST, IGST, Cess

Table No.	Description
1,2,3A & 3B	Basic details
<b>4 . Details of advances, inward and outward supplies on which tax is payable as declared in returns filed during the financial year</b>	
4A	Supplies made to un-registered persons (B2C)
4B	Supplies made to registered persons (B2B)
4C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)
4D	Supply to SEZs on payment of tax
4E	Deemed Exports
4F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)
4G	Inward supplies on which tax is to be paid on reverse charge basis
4H	Sub Total ( A to G above )

# Annual Return Format : Table 4

Note : Reporting fields – Taxable Value, CGST, SGST, IGST, Cess

Foot Notes – GSTR 1 data reference **may** be used for filling Table 4 after effecting all amendments

Table No.	Description
<b>4 . Details of advances, inward and outward supplies on which tax is payable as declared in returns filed during the financial year</b>	
4I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)
4J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)
4K	Supplies / tax declared through Amendments (+)
4L	Supplies / tax reduced through Amendments (-)
4M	Sub-total (I to L above)
4N	Supplies and advances on which tax is to be paid (H + M) above



# Annual Return Format : Table 5

Note : Reporting fields – Taxable Value, CGST, SGST, IGST, Cess

Foot Notes – GSTR 1 data reference **may** be used for filling Table 5 after effecting all amendments

Table 5D,5E,5F Exempted, Nil Rated and Non-GST supplies shall be declared here.The value of “no supply” shall also be declared here.

Table No.	Description
<b>5 . Details of Outward supplies on which tax is not payable as declared in returns filed during the financial year</b>	
5A	Zero rated supply (Export) without payment of tax
5B	Supply to SEZs without payment of tax
5C	Supplies on which tax is to be paid by the recipient on reverse charge basis
5D	Exempted
5E	Nil Rated
5F	Non-GST supply
5G	Sub-total (A to F above)



# Annual Return Format : Table 5

Note : Reporting fields – Taxable Value, CGST, SGST, IGST, Cess

Foot Notes – GSTR 1 data reference **may** be used for filling Table 5 after effecting all amendments

Table No.	Description
<b>5 . Details of Outward supplies on which tax is not payable as declared in returns filed during the financial year</b>	
5H	Credit Notes issued in respect of transactions specified in A to F above (-)
5I	Debit Notes issued in respect of transactions specified in A to F above (+)
5J	Supplies declared through Amendments (+)
5K	Supplies reduced through Amendments (-)
5L	Sub-Total (H to K above)
5M	Turnover on which tax is not to be paid (G + L above)
5N	Total Turnover (including advances) (4N + 5M - 4G above)

# Annual Return Format : Table 6

Note : Reporting fields – Description, Type, CGST, SGST, IGST, Cess – **Foot Notes – GSTR 3B**

Type – Inputs, Capital Goods, ( for sub tables 6B,6C,6D & 6E) Input Services ( for sub tables 6B, 6C, 6D)

Table No.	Description
<b>6. Details of ITC availed as declared in returns filed during the financial year</b>	
6A	Total amount of input tax credit availed through FORM GSTR-3B ( <b>Auto drafted from GSTR 3B – Table 4A</b> )
6B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)
6C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed
6D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed
6E	Import of goods (including supplies from SEZs)
6F	Import of services (excluding inward supplies from SEZs)
6G	Input Tax credit received from ISD
6H	Amount of ITC reclaimed (other than B above) under the provisions of the Act
6I	Sub-total (B to H above)
6J	Difference (I - A above)



# Annual Return Format : Table 6

Note : Reporting fields – Description, Type, CGST, SGST, IGST, Cess

Table No.	Description
<b>6. Details of ITC availed as declared in returns filed during the financial year</b>	
6K	Transition Credit through TRAN-I (including revisions if any)
6L	Transition Credit through TRAN-II
6M	Any other ITC availed but not specified above
6N	Sub-total (K to M above)
6O	Total ITC availed (I + N above)



# Annual Return Format : Table 7

Note : Reporting fields – Description, Type, CGST, SGST, IGST, Cess

Table No.	Description
<b>7. Details of ITC Reversed and Ineligible ITC as declared in returns filed during the financial year</b>	
7A	As per Rule 37
7B	As per Rule 39
7C	As per Rule 42
7D	As per Rule 43
7E	As per section 17(5)
7F	Reversal of TRAN-I credit
7G	Reversal of TRAN-II credit
7H	Other reversals (pl. specify)
7I	Total ITC Reversed (A to H above)
7J	Net ITC Available for Utilization (60 - 7I)

# Annual Return Format : Table 8

Note : Reporting fields – Description, Type, CGST, SGST, IGST, Cess

Table No.	Description
<b>8.Other ITC related information</b>	
8A	ITC as per GSTR-2A (Table 3 & 5 thereof) ( Auto)
8B	ITC as per sum total of 6(B) and 6(H) above ( Auto )
8C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to September, 2018
8D	Difference [A-(B+C)]
8E	ITC available but not availed (out of D)
8F	ITC available but ineligible (out of D)
8G	IGST paid on import of goods (including supplies from SEZ)
8H	IGST credit availed on import of goods (as per 6(E) above) ( Auto )
8I	Difference (G-H)
8J	ITC available but not availed on import of goods (Equal to I)
8K	Total ITC to be lapsed in current financial year (E + F + J) ( Auto )

# Annual Return Format : Table 9

Table 9 – Payment of Taxes

Pt. IV	Details of tax paid as declared in returns filed during the financial year						
9	Description	Tax Payable	Paid through cash	Paid through ITC			
				Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6	7
	Integrated Tax						
	Central Tax						
	State/UT Tax						
	Cess						
	Interest						
	Late fee						
	Penalty						
	Other						



# Annual Return 9 – Table 10 to 14

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 previous FY whichever is earlier					
	Description	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	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					
	Description	Payable		Paid		
	1	2		3		

# Annual Return – Other Info – Demands & Refunds –

## Table 15

Pt. VI 15	Other Information							
	Particulars of Demands and Refunds							
	Details	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	Interest	Penalty	Late Fee / Others
	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							

# Annual Return – Table 16 &17

16	Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis							
	Details	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	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	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9

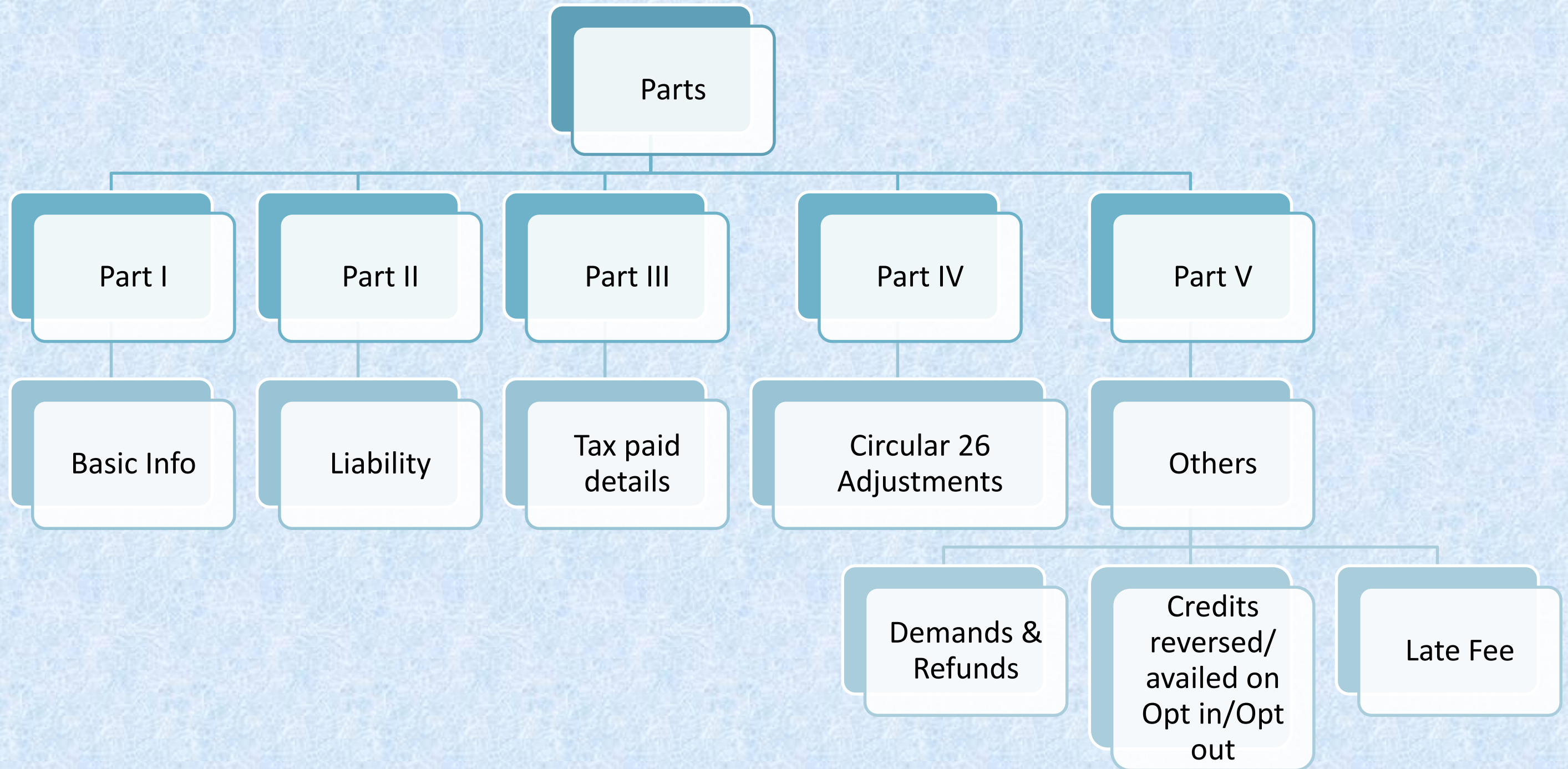


# Annual Return – Table 18 & 19

18	HSN Wise Summary of Inward supplies							
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9
19	Late fee payable and paid							
	Description				Payable	Paid		
	1				2	3		
A	Central Tax							
B	State Tax							

# Annual Return – GSTR 9A – For Composition

## Broad View 5 Parts 17 Tables







**For queries please reach at**  
Email: [info@annapurnasrikanth.com](mailto:info@annapurnasrikanth.com)

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other resources access the below link  
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