



GST Audit – Version 2.0

WEBINAR – 02/05/2020

Topics for Discussion



Legal Provisions – Annual Return & Reconciliation Statement



Content of Form 9 & 9C



Reporting of Outward Supply



Reporting of RCM



Reporting of ITC



Checklist for Annual Return & Reconciliation Statement

Sec 44 of CGST Act, 2017

- Every registered person, shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed
 - Input Service Distributor,
 - Person paying tax under section 51 or section 52,
 - Casual taxable person and
 - Non-resident taxable person
- Every person covered by audit in terms of Sec 35(5) should furnish the following along with Annual Return:
 - Copy of Audited Accounts
 - Reconciliation Statement

Sec 35(5) of CGST Act, 2017

- Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit:
 - a copy of the audited annual accounts,
 - the reconciliation statement
- The above provision shall not apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.

Rule 80 of CGST Rules, 2017



- Forms in which Annual Return needs to be filed:
 - Form 9 – Every Registered Person other than specified earlier
 - Form 9A – Composition Suppliers
 - Form 9B – Electronic Commerce Operators
- Form in which Reconciliation Statements needs to be filed
 - Form 9C – All assessee who have aggregate turnover in excess of Rs. 2 crores [**5 crores for 2018-19**]

Relaxations provided

- Registered Persons whose aggregate turnover is below Rs. 2 crores shall have the option to furnish Annual Return for FY 2017-18 & 2018-19 [**Not 47/2019 – CT 09.10.2019**]
- Assessee supplying online information and data base access or retrieval services from a place outside India to a person in India is not required to file GSTR 9 & GSTR 9C. [**Not 30/2019 – CT 28.06.2019**]
- Foreign company which is an airlines company covered under the notification issued under sub-section (1) of section 381 of the Companies Act, 2013 (18 of 2013) and who have complied with the sub-rule (2) of rule 4 of the Companies (Registration of Foreign Companies) Rules, 2014 is not required to file GSTR 9C [**Not 09/2020 – CT 16.03.2020**]
 - Provided that a statement of receipts and payments for the financial year in respect of its Indian Business operations, duly authenticated by a practicing Chartered Accountant should be submitted

Summary of Filers for Annual Return

Assessee Type	Annual Return Applicable?	Reconciliation Statement Applicable?
Regular Tax-payer having aggregate turnover upto Rs. 2 crores	No	No
Regular Tax-payer having aggregate turnover above Rs. 2 crores but upto Rs. 5 crore	Yes	No
Regular Tax-payer having aggregate turnover above Rs. 5 crore	Yes	Yes
Composition Tax-payer	No	No
OIDAR Service Provider outside India	No	No
Foreign Airline	Yes*	No
Electronic Commerce Operator	Yes	Yes

* - Statement is required to be submitted

Option for Assessee below 2 Cr

- Notification 47/2019 provides for an option for assessee having a turnover below 2 crore to file annual return
- In case return not filed by Due Date then *Annual Return is deemed to be filed.*
- If Return Filed
 - Timely reconciliation and identification of issues
 - Timely reporting and payment of unpaid tax, if any
 - Possibility of mismatch reduced
- If Return not Filed
 - Possibility of Mismatched with other compliances such as Income Tax Return
 - Payment of additional liability on identification?
 - Department Audit – chances of allegations of suppression




GSTR 9 & 9C – Form & Content

Structure of Form 9

Part No	Details to be provided
Part I	Basic Details
Part II	Details of Outward Supplies and Inward Supplies made during the Financial Year
Part III	Details of ITC for the Financial Year
Part IV	Details of Tax paid as declared in returns filed during the Financial Year
Part V	Particulars of the transactions for the previous Financial Year declared in returns of April 2019 to September 2019
Part VI	Other Information

Structure of Form 9

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Part VI	Other Information

PT I	BASIC DETAILS	DETAILS TO BE PROVIDED
1	Financial Year	
2	GSTIN	
3A	Legal Name	
3B	Trade Name (If any)	

Part I – Basic Details

Structure of Form 9

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Part II	Details of Outward Supplies and Inward Supplies made during the Financial Year
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Part II – Details of Outward Supplies

Pt II	Particulars	Instruction and Issues
4	Details of Advances /inward supplies and outward supplies made during the financial year on which tax is payable	OUTWARD SUPPLIES/ INWARD SUPPLIES MADE DURING THE FINANCIAL YEAR <ul style="list-style-type: none">▪ Basis for deriving outward supplies (GSTR – 1 Vs GSTR – 3B Vs Sales Register)▪ Breakup of Taxable Turnover to be provided as per below:<ul style="list-style-type: none">▪ B2B, B2C, Export with payment of tax, SEZ supplies with payment of tax, Deemed Export, Advances▪ Inward Supplies on which RCM is applicable▪ Debit Notes, Credit Notes, Supplies/tax declared through amendments (+/-)

Points for Consideration:

- a) Most of the figures shall be auto-populated from GSTR-1 but shall be editable.
- b) Reporting can be done Net of CR/DR Notes


Part II – Details of Outward Supplies

Pt II	Particulars	Instruction and Issues
5	Details of Outward Supplies made during the financial year on which tax is not payable	OUTWARD SUPPLIES MADE DURING THE FINANCIAL YEAR <ul style="list-style-type: none">Breakup of Non - Taxable Turnover to be provided as per below:<ul style="list-style-type: none">Export without payment of tax, SEZ supplies without payment of tax, Exempted Supplies, Nil RatedOutward Supplies on which RCM is applicableNon-GST Supplies (including no supply)

Points for Consideration:

- a) Most of the figures shall be auto-populated from GSTR-1 but shall be editable.
- b) Reporting can be done Net of CR/DR Notes
- c) Exempted, NIL and Non-GST can be reported under Exempted

Structure of Form 9

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Part VI	Other Information

Part IV – Details of Tax Paid

Pt IV Particulars

Instruction and Issues

- 9 Details of Tax paid as declared in returns filed during the Financial Year

Points for Consideration:

- a) Tax paid figures shall be auto-populated from GSTR-3B and cannot be edited
- b) Tax payable figures are also auto-populated but can be edited

TAX PAID AS DECLARED DURING THE FINANCIAL YEAR

- Details of Tax payable and paid figures to be reflected here
- Tax payment through Electronic Cash Ledger
- Tax payment through Electronic Credit Ledger

Structure of Form 9

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Pt V	Particulars	Instruction and Issues
10	Supplies / Tax declared through amendments (+) (Net of Debit Notes)	Part V consists of particulars of transactions of 2018-19 which have been paid GSTR – 3B of April 2019 to September 2019
11	Supplies / Tax declared through amendments (-) (Net of Credit Notes)	
14	Differential Tax payable and paid on account of Point 10 & 11 above	The tax payable and paid on account of above disclosure shall be reported here

Part V – Particulars of Tax Paid in April 2019 to September 2019

Interplay of Part II, IV & V

Sr No	Particulars	Instruction and Issues
Pt II	Table No 4	Taxable supplies made during the FY
	Table No 5	Non Taxable supplies made during the FY
Pt IV	Table No 9	Tax payable as per Sr No 4 above and Tax paid in GSTR – 3B
Pt V	Table No 10	Supplies/tax declared in April 2019 to September 2019 (Additions)
	Table No 11	Supplies/tax declared in April 2019 to September 2019 (Deletion)
	Table No 14	Differential Tax payable and paid in respect of Sr No 10 & 11 above

Interplay of Part II, IV & V

Sr No	Particulars	Instruction and Issues
Pt II	Table No 4	<ul style="list-style-type: none">▪ Details of Taxable Supplies made in FY 2018-19 and reported in GSTR – 3B in FY 2018-19▪ Details of Taxable Supplies made in FY 2018-19 but unreported in any GSTR – 3B till September 2019
	Table No 5	<ul style="list-style-type: none">▪ Details of Non-Taxable Supplies made in FY 2018-19 and reported in GSTR – 3B in FY 2018-19▪ Details of Non-Taxable Supplies made in FY 2017-18 but unreported in any GSTR – 3B till September 2019
Pt IV	Table No 9	<ul style="list-style-type: none">▪ Tax payable as per Table No 4 above and Tax paid in GSTR – 3B▪ Any differential tax payable as per above shall be paid in FORM “DRC – 03”

Interplay of Part II, IV & V

Sr No	Particulars	Instruction and Issues
Pt V	Table No 10	<ul style="list-style-type: none">▪ Details of Taxable Supplies made in FY 2018-19 and reported in GSTR – 3B in April 2019 to September 2019 (Increase in turnover / liability)
	Table No 11	<ul style="list-style-type: none">▪ Details of Taxable Supplies made in FY 2018-19 and reported in GSTR – 3B in April 2019 to September 2019 (Reduction in turnover / liability)
	Table No 14	<ul style="list-style-type: none">▪ Differential Tax payable and paid in respect of Sr No 10 & 11 above▪ This is merely disclosure and no additional payment can be made on this account

2017 – 18 GST Adjustments



2017-18 adjustments

- Whether adjustments of 2017-18 made in 2018-19 should have an impact on the Annual Return of 2018-19?
 - Tax payable pertaining to 2017-18 paid in 3B of 2018-19 and **reported in GSTR 9** (Table 10 of 2017-18)
 - Tax payable pertaining to 2017-18 paid in 3B of 2018-19 and **unreported in GSTR 9** (Table 10 of 2017-18)
 - Excess Tax Paid pertaining to 2017-18 adjusted in 3B of 2018-19 and **reported in GSTR 9** (Table 11 of 2017-18)
 - Excess Tax Paid pertaining to 2017-18 adjusted in 3B of 2018-19 and **unreported in GSTR 9** (Table 11 of 2017-18)
- Is Form 9 far sighted to consider these adjustments?
- ***Table 9 – Tax Paid (Unedited column and directly flowing from GSTR – 3B)***

Possible Options – Black and White

- Ignore adjustments pertaining to 2017-18 since the Form does not ask for it
- Though Table 9 –Tax paid may not reflect the correct picture but adequate reconciliations are in place to take care of future queries
- Provide a detailed note and upload it at the time of filing GSTR – 9C to explain this position

- The Form has not been correctly visualized by Government and effect for 2017-18 should had been provided. So go for necessary adjustments in Form 9
- Avoid providing notes in GSTR – 9C since these adjustments pertain to Annual Return which is not in scope of GST Auditor
- Take precautions to ensure no mismatches in paid and payable figures



Practical Case Studies on Outward Supplies

Example 1: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	1,00,000	18,000	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	-	-	-	-	-	-

Disclosure in Annual Return

Reporting Table	Turnover	Tax
Table 4	1,00,000	18,000
Table 9 (Tax Payable)	-	18,000
Table 9 (Tax Paid)	-	18,000
Table 10	-	-
Table 11	-	-
Table 14	-	-

Example 2: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	80,000	14,400	80,000	14,400	1,00,000	18,000
April 2019 to Sept 2019	20,000	3,600	20,000	3,600	-	-

Disclosure in Annual Return

Reporting Table	Turnover	Tax
Table 4	80,000	14,400
Table 9 (Tax Payable)	-	14,400
Table 9 (Tax Paid)	-	14,400
Table 10	20,000	3,600
Table 11	-	-
Table 14	-	3,600

Example 3: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	1,20,000	21,600	90,000	16,200	1,00,000	18,000
April 2019 to Sept 2019	(20,000)	(3,600)	10,000	1,800	-	-

Disclosure in Annual Return

Reporting Table	Turnover	Tax
Table 4	1,20,000	21,600
Table 9 (Tax Payable)	-	21,600
Table 9 (Tax Paid)	-	21,600
Table 10	-	-
Table 11	20,000	3,600
Table 14	-	(3,600)

Example 4: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	80,000	14,400	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	-	-	-	-	-	-

Disclosure in Annual Return

Reporting Table	Turnover	Tax
Table 4	1,00,000	18,000
Table 9 (Tax Payable)	-	18,000
Table 9 (Tax Paid)	-	14,400
Table 10	-	-
Table 11	-	-
Table 14	-	-

File DRC - 03

DRC -03
payment in
Cash/Credit??

Example 5: Outward

Period under Review	GST R – 3B		GST R – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	1,40,000	25,200	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	-	-	-	-	-	-
2017 – 18 adjustments	40,000	7,200	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	1,00,000	18,000
Table 9 (Tax Payable)	-	18,000
Table 9 (Tax Paid)	-	25,200
Table 10	-	-
Table 11	-	-
Table 14	-	-

Ignore 17-18

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	1,40,000	25,200
Table 9 (Tax Payable)	-	25,200
Table 9 (Tax Paid)	-	25,200
Table 10	-	-
Table 11	40,000	7,200
Table 14	-	(7,200)

Consider 17-18

Example 6: Outward

Period under Review	GST R – 3B		GST R – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	1,20,000	21,600	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	20,000	3,600	-	-	-	-
2017 – 18 adjustments	40,000	7,200	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	80,000	14,400
Table 9 (Tax Payable)	-	14,400
Table 9 (Tax Paid)	-	21,600
Table 10	20,000	3,600
Table 11	-	-
Table 14	-	3,600

Ignore 17-18

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	1,20,000	21,600
Table 9 (Tax Payable)	-	21,600
Table 9 (Tax Paid)	-	21,600
Table 10	20,000	3,600
Table 11	40,000	7,200
Table 14	-	(3,600)

Consider 17-18

Example 7: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	50,000	9,000	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	-	-	-	-	-	-
2017 – 18 adjustments	(50,000)	(9,000)	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	1,00,000	18,000
Table 9 (Tax Payable)	-	18,000
Table 9 (Tax Paid)	-	9,000
Table 10	-	-
Table 11	-	-
Table 14	-	-

Ignore 17-18

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	50,000	9,000
Table 9 (Tax Payable)	-	9,000
Table 9 (Tax Paid)	-	9,000
Table 10	50,000	9,000
Table 11	-	-
Table 14	-	-

Consider 17-18

Example 8: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	40,000	7,200	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	10,000	1,800	-	-	-	-
2017 – 18 adjustments	(50,000)	(9,000)	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	90,000	16,200
Table 9 (Tax Payable)	-	16,200
Table 9 (Tax Paid)	-	7,200
Table 10	10,000	1,800
Table 11	-	-
Table 14	-	1,800

Ignore 17-18

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	40,000	7,200
Table 9 (Tax Payable)	-	7,200
Table 9 (Tax Paid)	-	7,200
Table 10	60,000	10,800
Table 11	-	-
Table 14	-	10,800

Consider 17-18

Example 9: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	40,000	7,200	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	-	-	-	-	-	-
2017 – 18 adjustments	(50,000)	(9,000)	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	1,00,000	18,000
Table 9 (Tax Payable)	-	18,000
Table 9 (Tax Paid)	-	7,200
Table 10	DRC – 03 to be filed for 1,800 i.e. unreported value of Rs. 10,000	-
Table 11		-
Table 14		-
		-

Ignore 17-18

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	50,000	9,000
Table 9 (Tax Payable)	-	9,000
Table 9 (Tax Paid)	-	7,200
Table 10	50,000	9,000
Table 11	DRC – 03 to be filed for 1,800 i.e. unreported value of Rs. 10,000	-
Table 14		-

Consider 17-18

2017-18 adjustments (RCM)

- Whether adjustments of 2017-18 made in 2018-19 should have an impact on the Annual Return of 2018-19?
 - Tax payable pertaining to 2017-18 paid in 3B of 2018-19 and **reported in GSTR 9** (Table 10 of 2017-18)
 - Tax payable pertaining to 2017-18 paid in 3B of 2018-19 and **unreported in GSTR 9** (Table 10 of 2017-18)
- Press Release Dated 03/07/2019 – RCM of 2017-18 paid in 2018-19 should be reported in 2018-19 only and not in 2017-18

Example 1: RCM

Period under Review	GSTR – 3B		Books of Accounts	
	Turnover	Tax	Turnover	Tax
FY 2018 – 19	30,000	5,400	20,000	3,600
April 2019 to Sept 2019	5,000	900	-	-
2017 – 18 adjustments	15,000	2,700	-	-

Disclosure in Annual Return: **Option 1**: Reporting as per 2018-19 liability and not taking effect of 2017-18

Reporting Table	Turnover	Tax
Table 4	15,000	2,700
Table 9 (Tax Payable)	-	2,700
Table 9 (Tax Paid)	-	5,400
Table 10	-	900
Table 11	-	-
Table 14	-	-

Example 1: RCM

Period under Review	GSTR – 3B		Books of Accounts	
	Turnover	Tax	Turnover	Tax
FY 2018 – 19	30,000	5,400	20,000	3,600
April 2019 to Sept 2019	5,000	900	-	-
2017 – 18 adjustments	15,000	2,700	-	-

Disclosure in Annual Return: **Option 2**: Reporting as per 2018-19 liability and taking effect of 2017-18

Reporting Table	Turnover	Tax
Table 4	30,000	5,400
Table 9 (Tax Payable)	-	5,400
Table 9 (Tax Paid)	-	5,400
Table 10	-	900
Table 11	-	2,700
Table 14	-	-

Example 1: RCM

Period under Review	GSTR – 3B		Books of Accounts	
	Turnover	Tax	Turnover	Tax
FY 2018 – 19	30,000	5,400	20,000	3,600
April 2019 to Sept 2019	5,000	1,800	-	-
2017 – 18 adjustments	15,000	2,700	-	-

Disclosure in Annual Return: **Option 3**: Reporting as per 2018-19 payment and taking effect of 2017-18

Reporting Table	Turnover	Tax
Table 4	30,000	5,400
Table 9 (Tax Payable)	-	5,400
Table 9 (Tax Paid)	-	5,400
Table 10	-	-
Table 11	-	-
Table 14	-	-

Structure of Form 9

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Part III – Details of ITC

Pt III Particulars

Instruction and Issues

6 Details of ITC availed in GSTR – 3B

Points for Consideration:

- a) Details of Table 6A is auto-populated from 3B and not editable
- b) Table 6B – Breakup is not required, everything should be put as Inputs
- c) Table 6C & 6D – URD and RD RCM breakup is not required
- d) Table 6E – Breakup of Import of Goods vis-à-vis Input & CG not required

INPUT TAX CREDIT AVAILED DURING THE FY

- Break-up of credit into Inputs, Input Services, Capital Goods
- Transaction of RCM, Imports also to be segregated
- Problems with respect to differences in GSTR – 3B Vs Actual ITC

Part III – Details of ITC

Pt III Particulars

Instruction and Issues

7 Details of Reversal of ITC

Points for Consideration:

- a) Auto-population not happening
- b) All reversals to be clubbed and put in “other reversals”
- c) TRAN Credit reporting
- d) Reversal to be made now – whether to be reported or not??

INPUT TAX CREDIT REVERSAL FOR THE FY

- Rule 37 – Reversal on account of Non payment within 180 days
- Rule 42 – Reversal of input and input services on account of Taxable Vs exempted services
- Rule 43 - Reversal of Capital Goods on account of Taxable Vs exempted services
- Section 17(5) – Blocked Credits

Part III – Details of ITC

Pt III Particulars

Instruction and Issues

8 Matching with GSTR – 2A

Points for Consideration:

- a) Auto-population is done as on 1st November 2019
- b) This is merely reporting Table and no implication on liability
- c) Reconciliation can be submitted in PDF along with GSTR 9C without CA Certificate

MATCHING WITH GSTR – 2A

- Invoices appearing in 2A but not in Books
- Invoices appearing in Books but not in 2A
- Invoices appearing in both but value is higher in 2A as compared to Books
- Invoices appearing in both but value is higher in Books as compared to 2A

Part V – Particulars of 2018-19 effected in April 2019 to September 2019

PT V

PARTICULARS

INSTRUCTION AND ISSUES

12

Input Tax Credit Reversal

Part V consists of particulars of Input Tax Credit of 2017-18 which have been claimed or reversed in GSTR – 3B of financial year 2018-19

13

Input Tax Credit claim

2017-18 adjustments

- Impact of 2017-18 adjustments with respect to ITC
 - ITC of 2017-18 claimed in 2018-19 (**whether reported or unreported in Table 13 of GSTR 9 of 17-18**) will be auto-populated in Table 6A – Need to give breakup for the same in Table 6.
 - ITC of 2017-18 reversed in 2018-19 (**reported or unreported in Table 12 of GSTR 9 of 2017-18**) will be required to be reported in Table 7.
 - ITC of 2017-18 claimed in 2018-19 will not be auto-populated in Table 8A (**GSTR 2A of 2018-19**).
 - Whether to be reported by way of note
 - Give effect in Table 8C net off such reporting
 - Table 8 reporting to be done on a customized basis?



Practical Case Studies on ITC

Example 1: ITC

Period under Review	3B 18-19	Books 18-19
ITC (2018-19)	1,00,000	1,50,000
ITC (2017-18)	30,000	-
ITC (2019-20)	80,000	-

Reporting in Annual Return: Option 1

Table	Amount
Table 6	1,00,000
Table 7	-
Table 8	1,00,000
Table 12	-
Table 13	80,000

Reporting in Annual Return: Option 2

Table	Amount
Table 6	1,00,000
Table 7	-
Table 8	1,00,000
Table 12	30,000
Table 13	80,000

Example 2: ITC

Period under Review	3B 18-19	Books 18-19
ITC (2018-19) - Gross	1,00,000	1,50,000
ITC (2017-18)	30,000	-
ITC (2019-20)	80,000	-
ITC Reversals (18-19)	30,000	20,000
ITC Reversals (17-18)	10,000	

Reporting in Annual Return: Option 1

Table	Amount
Table 6	1,00,000
Table 7	30,000
Table 8	1,00,000
Table 12	-
Table 13	80,000

Reporting in Annual Return: Option 2

Table	Amount
Table 6	1,00,000
Table 7	20,000
Table 8	1,00,000
Table 12	30,000
Table 13	90,000

Example 2: ITC

Period under Review	3B 18-19	Books 18-19
ITC (2018-19) - Gross	1,00,000	1,50,000
ITC (2017-18)	30,000	-
ITC (2019-20)	80,000	-
ITC Reversals (18-19)	30,000	20,000
ITC Reversals (17-18)	10,000	

Reporting in Annual Return: Option 3

Table	Amount
Table 6	1,00,000
Table 7	20,000
Table 8	1,00,000
Table 12	-
Table 13	80,000



Other Information

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Point VI – Other Information

PT VI	PARTICULARS	INSTRUCTION AND ISSUES
15 (A to D)	Particulars Refunds filed during the year	Aggregate value of refunds claimed, sanctioned, rejected and pending for processing shall be declared here. Refund claimed will be the aggregate value of all the refund claims filed in the financial year and will include refunds which have been sanctioned, rejected or are pending for processing
15 (E to G)	Particulars of Demand of Taxes during the year	Aggregate value of demands of taxes for which an order confirming the demand has been issued by the adjudicating authority shall be declared here

Made optional for 2018-19

Point VI – Other Information

Pt VI	Particulars	Instruction and Issues
16A	Supplies received from Composition Dealers	Aggregate value of supplies received from composition taxpayers shall be declared here. Table 5 of FORM GSTR-3B may be used for filling up these details.
16B	Deemed Supply under section 143	Aggregate value of all deemed supplies from the principal to the job-worker in terms of sub-section (3) and sub-section (4) of Section 143 of the CGST Act shall be declared here.
16C	Goods sent on approval basis but not returned	Aggregate value of all deemed supplies for goods which were sent on approval basis but were not returned to the principal supplier within one eighty days of such supply shall be declared here.

Made optional for 2018-19

Point VI – Other Information

Pt VI	Particulars	Instruction and Issues
17	HSN Wise Summary of Outward Supplies	<ul style="list-style-type: none">▪ Summary of supplies effected and received against a particular HSN code to be reported▪ It will be optional for taxpayers having annual turnover upto Rs. 1.50 Cr▪ Taxpayers having annual turnover in the preceding year above Rs 1.50 Cr but upto Rs 5.00 Cr and at four digits' level
18	HSN Wise Summary of Inward Supplies	<ul style="list-style-type: none">▪ UQC details to be furnished only for supply of goods. Quantity is to be reported net of returns▪ Declaration only for those inward supplies which in value independently account for 10 % or more of the total value of inward supplies

Made optional for 2018-19

Form GSTR – 9C

Structure of Form 9C

PART A – Form 9C

- Reconciliation of Turnover Declared in Audited Annual Financial Statement vis-à-vis Turnover declared in Annual Return
- Reconciliation of Tax Paid
- Reconciliation of Input Tax Credit
- Auditors Recommendation on Additional Liability due to non-reconciliation

PART B – Certification

- Part B (i) - In case where 9C is done by same person conducting audit
- Part B (ii) – In case where 9C is done by person other than conducting audit

In case 9C is done by same person conducting audit	In case 9C is done by person other than the one conducting audit
<ul style="list-style-type: none"> 1) Examination of Books of Accounts 2) Maintenance of Books of Accounts, Records and documents as required under GST 3) Any Observation / discrepancies / comments 4) All information and explanation has been provided and books of accounts are in agreement with Financial Statements 	<ul style="list-style-type: none"> 1) Reporting that the Audit has been conducted by _____. 2) Maintenance of Books of Accounts, Records and documents as required under GST 3) Any Observation / discrepancies / comments

PART B – Certification

Section 35 of CGST Act, 2017

Every registered person shall keep and maintain,—

- (a) production or manufacture of goods;
- (b) inward and outward supply of goods or services or both;
- (c) stock of goods;
- (d) input tax credit availed;
- (e) output tax payable and paid; and
- (f) such other particulars as may be prescribed :

Rule 56 of CGST Rules, 2017

Every registered person shall keep and maintain –

- (a) goods or services imported or exported
- (b) supplies attracting payment of tax on reverse charge
- (c) Stock of goods including quantitative details
- (d) Advances and adjustment thereof
- (e) Input Tax Credit and its details thereof
- (f) All types of Registers including documentation such as invoices, debit notes, credit notes, receipt vouchers and refund vouchers

Accounts and Records



GSTR 9C

Clause wise analysis of PART – A

PART A – Point I (Basic Details)

Pt I	Basic Details	Details to be provided
1	Financial Year	
2	GSTIN	
3A	Legal Name	
3B	Trade Name (If any)	
4	Are you liable to audit under any Act?	

PT II	PARTICULARS	INSTRUCTION AND ISSUES
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5A to 50	Reconciliation of Total Turnover vis-à-vis Financial Statements	<p>All items of differentiation on accounting of difference between Financial Statements and turnover as per Annual Return such as:</p> <ul style="list-style-type: none"> a) Opening and Closing Unbilled Revenue b) Advance and Advance adjustment c) Deemed Supply under Schedule I d) Credit Notes and Discounts not eligible e) Difference in turnover due to valuation provisions or exchange rate
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PART A – Point II (Table 5) (Reconciliation of Turnover)

All details can be put directly in Column 50

PT II	PARTICULARS	INSTRUCTION AND ISSUES
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7A to 7D	Reconciliation of Total Turnover vis-à-vis Financial Statements
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All items which are exempted or not liable for payment of GST have to be reported here. Ideally this will match Table 5 of GSTR 9

- | |
|------------------------------------|
| a) Exempted and NIL rated Supplies |
| b) Zero Rated Supplies |
| c) NON GST Supplies |
| d) No Supply |

PART A – Point II (Table 7) (Reconciliation of Taxable Turnover)

Reconciling Points between 9 & 9C

GSTR – 9

- Table 4 (Taxable Outward Supply)
- Table 4G (RCM Supply)
- Table 5 (Non-Taxable Outward Supply)
- Table 10/11 (Turnover Adjustment of Subsequent Period)
- $4 - 4G + 5 + 10 - 11 = \text{Turnover as per 9C}$

GSTR – 9C

- Table 5 – Total Turnover as per GSTR 9
- Table 7 – Excluding Non-Taxable Turnover

Turnover should match irrespective of reporting criteria

Example 5: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	1,40,000	25,200	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	-	-	-	-	-	-
2017 – 18 adjustments	40,000	7,200	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	1,00,000	18,000
Table 9 (Tax Payable)	-	18,000
Table 9 (Tax Paid)	-	25,200
Table 10	-	-
Table 11	-	-
Table 14	-	-

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	1,40,000	25,200
Table 9 (Tax Payable)	-	25,200
Table 9 (Tax Paid)	-	25,200
Table 10	-	-
Table 11	40,000	7,200
Table 14	-	(7,200)

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Example 6: Outward

Period under Review	GST R – 3B		GST R – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	1,20,000	21,600	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	20,000	3,600	-	-	-	-
2017 – 18 adjustments	40,000	7,200	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	80,000	14,400
Table 9 (Tax Payable)	-	14,400
Table 9 (Tax Paid)	-	21,600
Table 10	20,000	3,600
Table 11	-	-
Table 14	-	3,600

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	1,20,000	21,600
Table 9 (Tax Payable)	-	21,600
Table 9 (Tax Paid)	-	21,600
Table 10	20,000	3,600
Table 11	40,000	7,200
Table 14	-	(3,600)

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Example 7: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	50,000	9,000	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	-	-	-	-	-	-
2017 – 18 adjustments	(50,000)	(9,000)	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	1,00,000	18,000
Table 9 (Tax Payable)	-	18,000
Table 9 (Tax Paid)	-	9,000
Table 10	-	-
Table 11	-	-
Table 14	-	-

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	50,000	9,000
Table 9 (Tax Payable)	-	9,000
Table 9 (Tax Paid)	-	9,000
Table 10	50,000	9,000
Table 11	-	-
Table 14	-	-

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Example 8: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	40,000	7,200	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	10,000	1,800	-	-	-	-
2017 – 18 adjustments	(50,000)	(9,000)	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	90,000	16,200
Table 9 (Tax Payable)	-	16,200
Table 9 (Tax Paid)	-	7,200
Table 10	10,000	1,800
Table 11	-	-
Table 14	-	1,800

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	40,000	7,200
Table 9 (Tax Payable)	-	7,200
Table 9 (Tax Paid)	-	7,200
Table 10	60,000	10,800
Table 11	-	-
Table 14	-	-

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Example 9: Outward

Period under Review	GSTR – 3B		GSTR – 1		Books of Accounts	
	Turnover	Tax	Turnover	Tax	Turnover	Tax
FY 2018 – 19	40,000	7,200	1,00,000	18,000	1,00,000	18,000
April 2019 to Sept 2019	-	-	-	-	-	-
2017 – 18 adjustments	(50,000)	(9,000)	-	-	-	-

Disclosure in Annual Return: Option 1

Reporting Table	Turnover	Tax
Table 4	1,00,000	18,000
Table 9 (Tax Payable)	-	18,000
Table 9 (Tax Paid)	-	7,200
Table 10	-	-
Table 11	-	-
Table 14	-	-

DRC – 03 to be filed for 1,800 i.e. unreported value of Rs. 10,000

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Disclosure in Annual Return: Option 2

Reporting Table	Turnover	Tax
Table 4	50,000	9,000
Table 9 (Tax Payable)	-	9,000
Table 9 (Tax Paid)	-	7,200
Table 10	50,000	9,000
Table 11	-	-
Table 14	-	-

DRC – 03 to be filed for 1,800 i.e. unreported value of Rs. 10,000

Turnover for 9C : 1,00,000 (Tab 4 + Tab 10 – Tab 11)

Pt III	Particulars	Instruction and Issues
9	Rate wise break up of taxable turnover (including liability of RCM)	The table provides for reconciliation of tax paid as per reconciliation statement and amount of tax paid as declared in Annual Return (GSTR 9). Under the head labelled “RC”, supplies where tax was paid on reverse charge basis by the recipient (i.e. the person for whom reconciliation statement has been prepared) shall be declared
	10	Identification of difference between tax paid as per point 9 above and tax paid as per Annual Return. Reasons/Justification of such unreconciled difference
	11	Additional amount payable in respect of differences in turnover/tax paid

PART A – Point III (Table 9) (Reconciliation of Tax Paid)

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	Integrated Tax	Cess,
	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%					

PART A – Point III (Reconciliation of Tax Paid)

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	

PART A – Point III (Reconciliation of Tax Paid)

Reconciling Points between 9 & 9C

GSTR – 9

- Table 9 (Tax payable) (Including RCM)
- Table 10/11 (Tax Adjustment of Subsequent Period)
- $4 + 10 - 11 = \text{Turnover as per 9C}$

GSTR – 9C

- Table 9 – Rate wise break up of Tax and Turnover

- a) Tax Payable should match irrespective of reporting criteria
- b) Any payment made in DRC-03 should be mentioned as a note inspite of there being no difference

PART A – Point IV (Table 12) (Reconciliation of ITC)

Pt IV	Particulars	Instruction and Issues
12	Reconciliation of ITC with Financial Statements	<p>The major reason for difference in ITC as per Financials and Annual Return is n account of timing difference such as ITC of 2018-19 claimed in 2019-20 or ITC of 2017-18 claimed in 2018-19. The reconciling points on this count has been given in Table 12B/12C (However, it is optional to mention these points)</p> <p>If not disclosed, then difference should be explained in Table 13</p>

Reconciling Points between 9 & 9C

GSTR – 9

- Table 6 (Gross ITC claimed in 3B)
- Table 7 (ITC reversed)
- $6 - 7 = \text{NET ITC to be reconciled as per 9C}$

GSTR – 9C

- Table 12 – NET ITC after reversal should be taken

a) Different reporting may lead to difference and the same should be explained in Table 13

Example 2: ITC

Period under Review	3B 18-19	Books 18-19
ITC (2018-19) - Gross	1,00,000	1,50,000
ITC (2017-18)	30,000	-
ITC (2019-20)	80,000	-
ITC Reversals (18-19)	30,000	20,000
ITC Reversals (17-18)	10,000	

Reason for
Difference

Reporting in Annual Return: Option 1

Table	Amount
Table 6	1,00,000
Table 7	30,000
Table 8	1,00,000
Table 12	-
Table 13	80,000

Reporting in GSTR 9C

Table	Amount
Table 12A	1,30,000
Table 12B	30,000
Table 12C	80,000
Table 12D (A+B-C)	80,000
As per GSTR 9 (6 – 7)	70,000

Example 2: ITC

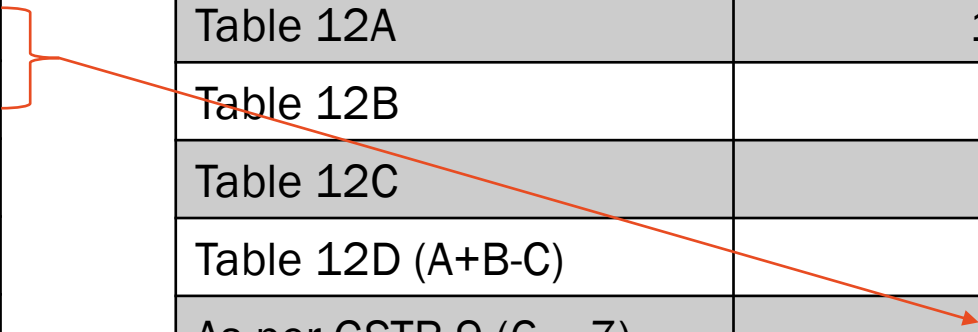
Period under Review	3B 18-19	Books 18-19
ITC (2018-19) - Gross	1,00,000	1,50,000
ITC (2017-18)	30,000	-
ITC (2019-20)	80,000	-
ITC Reversals (18-19)	30,000	20,000
ITC Reversals (17-18)	10,000	

Reporting in Annual Return: Option 2

Table	Amount
Table 6	1,00,000
Table 7	20,000
Table 8	1,00,000
Table 12	30,000
Table 13	90,000

Reporting in GSTR 9C

Table	Amount
Table 12A	1,30,000
Table 12B	30,000
Table 12C	80,000
Table 12D (A+B-C)	80,000
As per GSTR 9 (6 – 7)	80,000



Example 2: ITC

Period under Review	3B 18-19	Books 18-19
ITC (2018-19) - Gross	1,00,000	1,50,000
ITC (2017-18)	30,000	-
ITC (2019-20)	80,000	-
ITC Reversals (18-19)	30,000	20,000
ITC Reversals (17-18)	10,000	

Reporting in Annual Return: Option 3

Table	Amount
Table 6	1,00,000
Table 7	20,000
Table 8	1,00,000
Table 12	-
Table 13	80,000

Reporting in GSTR 9C

Table	Amount
Table 12A	1,30,000
Table 12B	30,000
Table 12C	80,000
Table 12D (A+B-C)	80,000
As per GSTR 9 (6 – 7)	80,000

Pt IV	Particulars	Instruction and Issues
14	Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account	<p>The ITC availed should be divided expenses firstly among the list of expenses already provided and thereafter you can add rows and mentioned therein</p> <p><u>This reporting is optional for the FY 2018-19</u></p>

PART A – Point IV (Table 14) (Reconciliation of ITC)

PART A – Point V (Auditor Recommendation)

Pt V	Particulars	Instruction and Issues
	Any liability arising on account of difference in turnover/tax paid/ Input Tax Credit will be recommended by the Auditor.	Part V consists of the auditor's recommendation on the additional liability to be discharged by the taxpayer due to non-reconciliation of turnover or non-reconciliation of input tax credit. The auditor shall also recommend if there is any other amount to be paid for supplies not included in the Annual Return. Any refund which has been erroneously taken and shall be paid back to the Government shall also be declared in this table. Lastly, any other outstanding demands which is recommended to be settled by the auditor shall be declared in this Table.

The taxpayers shall be given an option to pay any additional liability declared in this form, through **FORM DRC-03**. Taxpayers shall select "Reconciliation Statement" in the drop down provided in FORM DRC-03. It may be noted that such liability shall be paid through electronic cash ledger only



Audit Checklist / To Do List

Major Areas to be looked....

- Summary of Returns filed for the year 2018 – 19
 - Consider the effect of adjustments of 2017-18
- Summary of Books of Accounts
 - Sales Registers/ITC Registers/RCM Registers
- External Checks
 - GSTR – 2A mapping
 - E-way Bill Reco for supplier of Goods
- Scope of Vouching to be decided considering the effect of COVID – 19
- Documentation to be preserved
 - Engagement Letter
 - Management Representation
 - Certification



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