

# **GST Returns, Annual Return and Audit**

Decoding the regulation....

JDT & Associates

14<sup>th</sup> March, 2019



# CONTENTS FOR THE DAY

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- GST Returns – An Overview
- Annual Return - Form 9
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- Reconciliation Statement – Form 9C
- Interpretation of Form 9C

The background of the slide is a golden-yellow color with a dense, repeating pattern of various international currency symbols, including the dollar sign (\$), euro (€), pound sterling (£), and yen (¥). The symbols are rendered in a 3D, embossed style, giving the background a textured appearance. In the center of the slide, the text "GST RETURNS" is displayed in a bold, red, serif font with a white outline and a slight drop shadow. Below the text, a thin, horizontal golden line spans across the width of the slide.

# ***GST RETURNS***

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# Returns

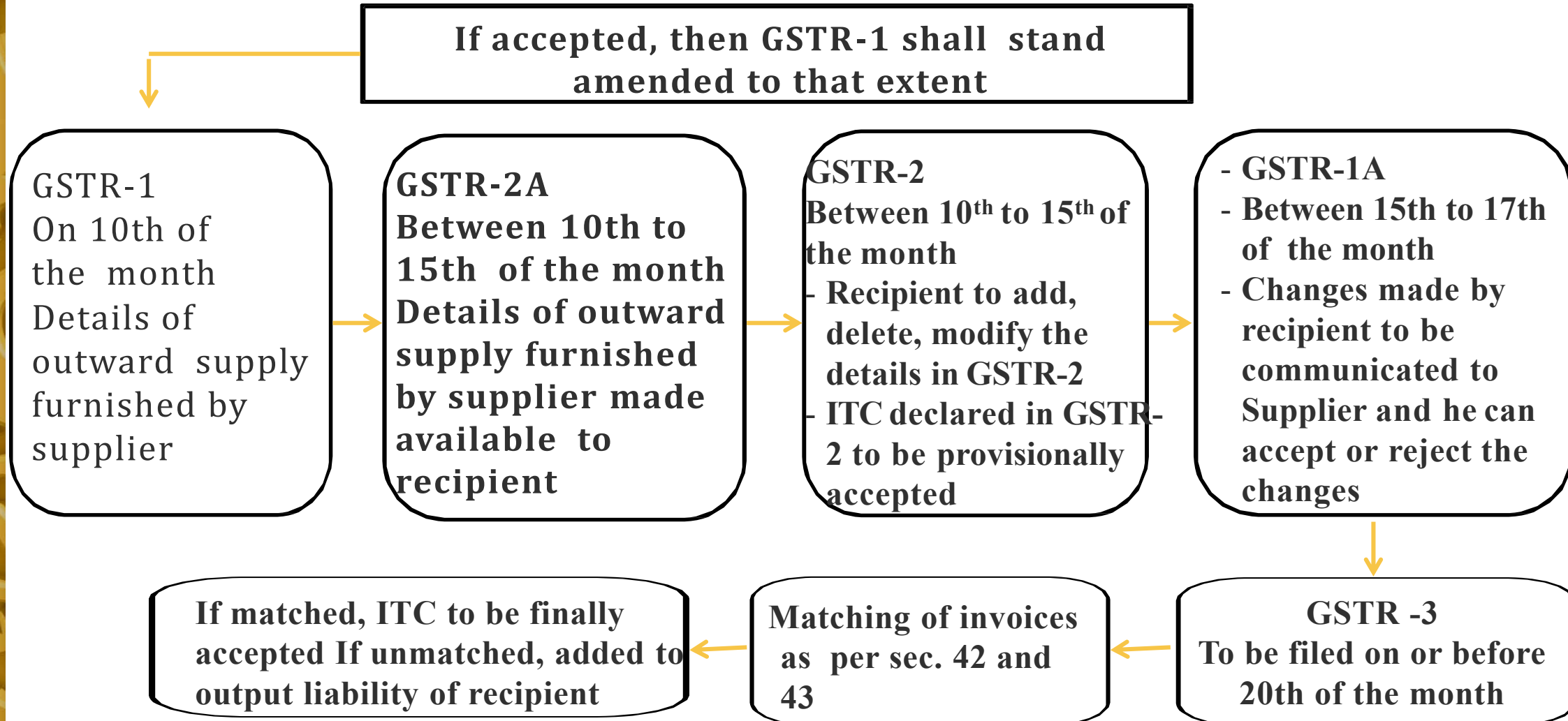
Section	Type of Return	Form	Period for filing Return
37	Outward supplies	GSTR -1	10th of next month
38	Inward supplier	GSTR-2	15th of next month
39(1)	Normal Assessee	GSTR-3	20th of next month
	Summary Return for Payment	GSTR-3B	20th of next month

- GSTR-2 and GSTR-3 filing is currently suspended. A Summary return for payment is to be filed in Form GSTR-3B instead.
- For GSTR-1 periodicity shall be either quarterly (Turnover < 1.5 cr) or Monthly (Turnover > 1.5 cr).

# Returns

Type of Return	Form	Period for filing Return
Assessee under composition scheme	GSTR-4	18th of next quarter
Non-Resident foreign Taxable Person	GSTR-5	20th of next month
Non-Resident who provide OIDAR services	GSTR-5A	20th of next month
ISD	GSTR-6	13th of next month
Assessee paying TDS	GSTR-7	10th of next month
Details of supplies effected through e-commerce operator and the amount of tax collected	GSTR-8	10th of next month

# Returns Process



# Understanding GSTR - 3B

Please answer the following questions to enable us to show relevant sections

• Indicates Mandatory Fields

A. Do you want to file Nil return? • <i>Note: Nil return can be filed by you if you have not made any outward supply (commonly known as sale) AND have NOT received (commonly known as purchase) any goods/services AND do not have any tax liability.</i>	<input type="radio"/> Yes <input type="radio"/> NO
B. Have you made any supply of goods/services (including nil rated, exempt and non-GST supplies) or received any supplies liable to reverse charge during this tax period? (Table 3.1) •	<input checked="" type="radio"/> Yes <input type="radio"/> NO
C. Have you made any inter-state supplies to unregistered persons, composition taxable persons or UIN holders? (Table 3.2) •	<input type="radio"/> Yes <input checked="" type="radio"/> NO
D. Do you have any claim/reversal of Input tax credit(ITC) on purchase of goods or receipt of services ? (Table 4) •	<input checked="" type="radio"/> Yes <input type="radio"/> NO
E. Have you received any nil rated, exempt or non-GST supplies during this tax period? (Table 5) •	<input type="radio"/> Yes <input checked="" type="radio"/> NO
F. Do you have any interest or late fee (including carry forward late-fee) liability? (Table 5.1) •	<input type="radio"/> Yes <input type="radio"/> NO
G. Do you have any tax liability due to GST TRAN-1?(System-populated) (Table 6) •	<input type="radio"/> Yes <input type="radio"/> NO

## Help

Based on your answers, relevant tables of GSTR-3B will be visible on the next page. You may go back to previous screen by clicking on Back button.

BACK

NEXT

# Understanding GSTR - 3B

Dashboard > Returns > GSTR3B > Outward and Reverse Charge Inward

English

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

Help ?

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				

What is the difference between Zero-rated , Nil-rated , Exempted and Non - GST Outward Supplies ?

CANCEL

CONFIRM



# Understanding GSTR - 3B

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

Help ?

## Supplies made to Unregistered Persons -

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

ADD

REMOVE

## Supplies made to Composition Taxable Persons +

## Supplies made to UIN holders +

CANCEL

CONFIRM

# Understanding GSTR - 3B

## 4. Eligible ITC

Help ?

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

# Understanding GSTR - 3B

<b>(D) Ineligible ITC</b>				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00

CANCEL

CONFIRM

2016-17 Goods and Services Tax Network

Site Last Updated on

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Best viewed at 1024 x 768 resolution in Internet Explorer 10+, Google Chrome 49+, Firefox 45+ and Safari 6+

- What is reversal as per Rule 42 and 43 ?
- What is Ineligible ITC as per Section 17(5) ?

# Understanding GSTR - 3B

Dashboard > Returns > GSTR3B > Inward Supplies

English

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

Help ?

Last Save request has been processed successfully.

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

CANCEL

CONFIRM



# Understanding GSTR 1

## 4. Taxable outward supplies made to registered persons (including UIN-holders) other than supplies covered by Table 6

(Amount in Rs. for all Tables)

GSTIN/ UIN	Invoice details			Rate	Taxable value	Amount				Place of Supply (Name of State)
	No.	Date	Value			Integrated Tax	Central Tax	State / UT Tax	Cess	
1	2	3	4	5	6	7	8	9	10	11
4A. Supplies other than those (i) attracting reverse charge and (ii) supplies made through e-commerce operator										
4B. Supplies attracting tax on reverse charge basis										
4C. Supplies made through e-commerce operator attracting TCS (operator wise, rate wise)										
GSTIN of e-commerce operator										

Taxable outward supplies To Registered Dealer excluding zero rated supplies and deemed exports

- **All B2B supplies** (intra-state or inter-state). **Invoice level Rate wise** details to be reported
- Details of all the outward supply which are covered under RCM shall be reported in table 4B or else 4A
- All the outward supply made through the e-commerce shall be reported under the Table 4C.

# Understanding GSTR 1

## 5. Taxable outward inter-State supplies to un-registered persons where the invoice value is more than Rs 2.5 lakh

Place of Supply (State)	Invoice details			Rate	Taxable Value	Amount	
	No.	Date	Value			Integrated Tax	Cess
1	2	3	4	5	6	7	8
5A. Outward supplies (other than supplies made through e-commerce operator, rate wise)							
5B. Supplies made through e-commerce operator attracting TCS (operator wise, rate wise)							
GSTIN of e-commerce operator							

Taxable outward inter-state supplies to URD, where the invoice value > 2.5 lakh shall be reported in table 5

- B2C inter-state supplies other than made through e-commerce will be reported in table 5A. **Invoice level Rate wise** details to be reported
- If supply is mode through e-commerce it will be reported in Table 5B

# Understanding GSTR 1

## 6. Zero rated supplies and Deemed Exports

GSTIN of recipient	Invoice details			Shipping bill/ Bill of export		Integrated Tax		
	No.	Date	Value	No.	Date	Rate	Taxable value	Amt.
1	2	3	4	5	6	7	8	9
6A. Exports								
6B. Supplies made to SEZ unit or SEZ Developer								
6C. Deemed exports								

All the exports, deemed export and supplies made to SEZ will be reported in table no. 6

- All the export will be reported in table 6A. Invoice level wise details are to be uploaded. Further, export can we with payment of duty or without payment of duty both will be reported in table no 6A
- Supplies made to the unit of SEZ or SEZ developer will be reported in table no 6B
- Deemed export as per the Act shall be reported in table 6C
- Details of shipping bill is not mandatory field, it can be added when received through amendment



# Understanding GSTR 1

## 7. Taxable supplies (Net of debit notes and credit notes) to unregistered persons other than the supplies covered in Table 5

Rate of tax	Total Taxable value	Amount			
		Integrated	Central Tax	State Tax/UT Tax	Cess
1	2	3	4	5	6
7A. Intra-State supplies					
7A (1). Consolidated rate wise outward supplies [including supplies made through e-commerce operator attracting TCS]					
7A (2). Out of supplies mentioned at 7A(1), value of supplies made through e-Commerce Operators attracting TCS (operator wise, rate wise)					
GSTIN of e-commerce operator					
7B. Inter-State Supplies where invoice value is upto Rs 2.5 Lakh [Rate wise]					
7B (1). Place of Supply (Name of State)					
7B (2). Out of the supplies mentioned in 7B (1), the supplies made through e-Commerce Operators (operator wise, rate wise)					
GSTIN of e-commerce operator					

All B2C supplies intra-state irrespective of value and inter-state where invoice value is  $\leq$  2.5 lakh shall be reported in table 7.

- Aggregate level rate wise details of intra state supplies need to be reported in table no 7A.
- Aggregate level state wise and rate wise details of inter state supplies need to be reported in table no 7B
- The aggregate value shall be net of debit/credit notes issued in that period.`

# Understanding GSTR 1

## 8. Nil rated, exempted and non GST outward supplies

Description	Nil Rated Supplies	Exempted (Other than Nil rated/non-GST supply)	Non-GST supplies
1	2	3	4
8A. Inter-State supplies to registered persons			
8B. Intra- State supplies to registered persons			
8C. Inter-State supplies to unregistered persons			
8D. Intra-State supplies to unregistered persons			

- All the Nil rated supplies, exempted supplies and Non -GST supplies need to be reported in table no. 8
- Aggregate level details need to be provided which need to be bifurcated into 4 baskets as under :
  1. Inter-state to RD
  2. Intra-state to RD
  3. Inter-state to URD
  4. Intra-state to URD

# Understanding GSTR 1

## 9. Amendments to taxable outward supply details furnished in returns for earlier tax periods in Table 4, 5 and 6 [including debit notes, credit notes, refund vouchers issued during current period and amendments thereof]

Details of original document			Revised details of document or details of original Debit/Credit Notes or refund vouchers					Rate	Taxable Value	Amount				Place of supply	
GSTIN	Inv. No.	Inv. Date	GSTIN	Invoice		Shipping bill				Value	Integrated Tax	Central Tax	State / UT Tax		Cess
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
9A. If the invoice/Shipping bill details furnished earlier were incorrect															
9B. Debit Notes/Credit Notes/Refund voucher [original]															
9C. Debit Notes/Credit Notes/Refund voucher [amendments thereof]															

Any amendment in table no 4, 5 or 6 made in subsequent period relating to earlier period and debit note and credit note and amendment thereafter shall be reported in table no. 9

- All the amendment, Debit note and credit note shall be tagged to the original invoice
- Any changes in relation to table no 4, 5 and 6 will be reported in table no 9A.
- Original debit note and credit note need to be reported in table no 9B and shall be tagged to the original invoice.
- Amendment in debit note and credit note need to be reported in table no 9C and shall be tagged to original debit note and credit note

# Understanding GSTR 1

## 10. Amendments to taxable outward supplies to unregistered persons furnished in returns for earlier tax periods in Table 7

Rate of tax 1	Total Taxable value 2	Amount			
		Integrated Tax 3	Central Tax 4	State/UT Tax 5	Cess 6
Tax period for which the details are being revised		<Month>			
10A. Intra-State Supplies [including supplies made through e-commerce operator attracting TCS] [Rate wise]					
10A (1). Out of supplies mentioned at 10A, value of supplies made through e-Commerce Operators attracting TCS (operator wise, rate wise)					
GSTIN of e-commerce operator					
10B. Inter-State Supplies [including supplies made through e-commerce operator attracting TCS] [Rate wise]					
Place of Supply (Name of State)					
10B (1). Out of supplies mentioned at 10B, value of supplies made through e-Commerce Operators attracting TCS (operator wise, rate wise)					
GSTIN of e-commerce operator					

- Any amendment in table no. 7 shall be reported in table no. 10
- Any amendment shall be tagged to that month in which there are changes

# Understanding GSTR 1

## 11. Consolidated Statement of Advances Received/Advance adjusted in the current tax period/ Amendments of information furnished in earlier tax period

Rate	Gross Advance Received/adjusted	Place of supply (Name of State)	Amount			
			Integrated	Central	State/UT Tax	Cess
1	2	3	4	5	6	7
<b>I Information for the current tax period</b>						
11A. Advance amount received in the tax period for which invoice has not been issued (tax amount to be added to output tax liability)						
11A (1). Intra-State supplies (Rate Wise)						
11A (2). Inter-State Supplies (Rate Wise)						
11B. Advance amount received in earlier tax period and adjusted against the supplies being shown in this tax period in Table Nos. 4, 5, 6 and 7						
11B (1). Intra-State Supplies (Rate Wise)						
11B (2). Inter-State Supplies (Rate Wise)						
<b>II Amendment of information furnished in Table No. 11[1] in GSTR-1 statement for earlier tax periods</b> [Furnish revised information]						
Month					Amendment relating to information furnished in S. No.(select)	11A(1) 11A(2) 11B(1) 11B(2)

All the details of advances and any amendments thereof need to be reported in table no 11

- Advance received to be reported in table no 11A, further bifurcation in to intra state and inter state is required
- Advance already received in earlier period & adjusted against supply of current period reflected in Tables 4,5,6 & 7 needs to be reported in table no 11B, further bifurcation in to intra state and inter state is required.
- Any amendment to table no 11A or 11B of the earlier period needs to be reported in Part II. Such amendment should be tagged.

# Understanding GSTR 1

## 12. HSN-wise summary of outward supplies

Sr. No.	HSN	Description (Optional if HSN is provided)	UQC	Total Quantity	Total value	Total Taxable Value	Amount			
							Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5	6	7	8	9	10	11

Summary of HSN codes needs to be provided in table No 12 depending upon the annual T/O in the previous F.Y.

If Annual T/O in previous F.Y. :

- Less than equal to 1.5 Cr – either HSN or product description has to be provided
- Greater than 1.5 Cr but up to 5 Cr- HSN code 2 digits or more
- Greater than 5 Cr – HSN code 4 digits or more

# Understanding GSTR 1

## 13. Documents issued during the tax period

Sr. No.	Nature of document	Sr. No.		Total number	Cancelled	Net issued
		From	To			
1	2	3	4	5	6	7
1	Invoices for outward supply					
2	Invoices for inward supply from unregistered person					
3	Revised Invoice					
4	Debit Note					
5	Credit Note					
6	Receipt voucher					
7	Payment Voucher					
8	Refund voucher					
9	Delivery Challan for job work					
10	Delivery Challan for supply on approval					
11	Delivery Challan in case of liquid gas					
12	Delivery Challan in cases other than by way of supply (excluding at S no. 9 to 11)					

Summary of the series of Invoice No of Tax invoices, Debit Note, Credit Note, Delivery Challan, etc. issued during the period and any cancelation of the same during the tax period needs to be provided in table no 13

# New Return System

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- New Return filing System shall be introduced on a Trial Basis from 01.04.2019 and on mandatory basis from 01.07.2019.
- All taxpayers excluding small taxpayers and a few exceptions like ISD etc. shall file one monthly return.
- New return system is simple with two main tables. One for reporting outward supplies and one for availing input tax credit based on invoices uploaded by the supplier.
- Invoices can be uploaded continuously by the supplier and can be continuously viewed and locked by the buyer for availing input tax credit. This process would ensure that very large part of the return is automatically filled based on the invoices uploaded by the buyer and the supplier. Simply put, the process would be “UPLOAD – LOCK – PAY” for most tax payers.



# New Return System

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- Periodicity :
  - ✓ Turnover > 5 cr in preceeding Financial Year (Monthly)
  - ✓ Turnover < 5 cr in preceeding Financial Year (Quarterly)
- ✓ Change in periodicity of the return filing would be allowed only once at the time of filing the first return by a taxpayer.
- ✓ The periodicity of the return filing will remain unchanged during the next financial year unless changed before filing the first return of that year.
- Types of Returns under New System :
  - ✓ SAHAJ
  - ✓ SUGAM
  - ✓ NORMAL

# Returns

Return	Periodicity	Clarifications
SAHAJ	Quarterly	<ul style="list-style-type: none"><li>• Eligibility :<ul style="list-style-type: none"><li>✓ Registered Person having B2CS supplies only and inward supplies attracting reverse charge.</li></ul></li><li>• Restrictions :<ul style="list-style-type: none"><li>✓ Cannot make supplies through e-commerce operators on which TCS is applicable.</li><li>✓ Cannot take credit on missing invoices .</li><li>✓ Shall not be allowed to make any other type of inward or outward supplies.</li><li>✓ Can make nil rated, exempted or Non-GST supplies which need not be declared in the said return.</li></ul></li></ul>

# Returns

Return	Periodicity	Clarifications
SUGAM	Quarterly	<ul style="list-style-type: none"><li>• Eligibility :<ul style="list-style-type: none"><li>✓ Registered Person having B2CS and B2B supplies only and inward supplies attracting reverse charge.</li></ul></li><li>• Restrictions :<ul style="list-style-type: none"><li>✓ Cannot make supplies through e-commerce operators on which TCS is applicable.</li><li>✓ Cannot take credit on missing invoices .</li><li>✓ Shall not be allowed to make any other type of inward or outward supplies.</li><li>✓ Can make nil rated, exempted or Non-GST supplies which need not be declared in the said return.</li></ul></li></ul>

# Returns

Return	Periodicity	Clarifications
NORMAL	Quarterly/Monthly	<ul style="list-style-type: none"><li>• Eligibility :<ul style="list-style-type: none"><li>✓ Registered Person making all type of supplies including and other than those covered under SAHAJ and SUGAM.</li></ul></li><li>• Restrictions :<ul style="list-style-type: none"><li>✓ There are no restrictions as such.</li><li>✓ Shall be able to declare all types of outward supplies and inward supplies.</li><li>✓ Can take credit on missing invoices .</li></ul></li></ul>

***ANNUAL RETURN -  
GST R 9***

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# Annual Return (GSTR - 9)

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- Section 44 of the Central Goods and Services Tax Act, 2017 provides -the registered person under GST is liable to file annual return electronically every year on or before 31st December following the end of the financial year.
- Following persons are not required to file the annual return :
  - (a)The Input Service Distributor,
  - (b)Casual taxable person,
  - (c)Non resident taxable person and
  - (d)The persons who are liable to deduct tax at source and collect tax at source.

# Annual Return (GST R - 9)

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- **Different types of GST R - 9:**

- (a) GST R 9 - GST R 9 should be filed by the regular taxpayers filing GST R 1, GST R 2, GST R 3.
- (b) GST R 9A - GST R 9A should be filed by the persons registered under composition scheme under GST.
- (c) GST R 9B - GST R 9B should be filed by the e-commerce operators who have filed GST R 8 during the financial year.
- (d) GST R 9C - GST R 9C should be filed by the taxpayers whose annual turnover exceeds Rs 2 crores during the financial year. All such taxpayers are also required to get their accounts audited and file a copy of audited annual accounts and reconciliation statement of tax already paid and tax payable as per audited accounts along with GST R 9C.

# Annual Return (GSTR - 9)

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- The annual return is not merely the sum total of the periodic returns filed for the year but the return showing the correct figures as per the provisions of GST law based on the annual accounts of the assessee.
- Where it is required to be audited, the figures appearing in the annual return shall be as per the audited figures (Statutory audit).
- **Consequence of failure to submit the annual return:**
  - Section 47(2) provides that in case of failure to submit the annual return within the specified time, a late fee of Rs. 100 under CGST & 100 under SGST, the total penalty is Rs 200 per day of default during which such failure continues subject to a maximum of a quarter percent of his turnover in the State/UT.



# Annual Return (GSTR - 9)

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- The annual return GSTR - 9 has six parts as detailed below-
  - Part I - Basic details;
  - Part II - Details of outward and inward supplies during the financial year.
  - ✓ It is mandatory to file all FORM GSTR-1 and FORM GSTR-3B for the FY 2017- 18 before filing this return. It consists of the details of all outward supplies & advances received during the financial year for which the annual return is filed.
  - Part III - Details of ITC as declared in returns during the financial year;
  - Part IV- Details of tax paid as declared in returns during the financial year;

# Annual Return (GSTR - 9)

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- Part V – Particulars of the transactions for the previous financial year declared in returns of April to September of current financial year or up to date of filing of annual return of previous financial year whichever is earlier;
- Part VI – Other information.
- Vide Central Goods and Service Tax (14th Amendment) Rules,2018 (Notification No.74/2018 – Central Tax dated 31.12.2018) changes have been made in FORM GSTR-9 , 9A and 9C.

# Annual Return - Format

**“FORM GSTR-9  
(See rule 80)  
Annual Return**

Pt. I		Basic Details
1	Financial Year	
2	GSTIN	Persons with multiple registrations would be required to submit annual return for each registration separately
3A	Legal Name	<Auto>
3B	Trade Name (if any)	<Auto>

# Annual Return - Format

**4** **Details of advances, inward and outward supplies on which tax is payable as declared in returns filed ~~made~~ during the financial year on which tax is payable.**

The point for discussion is – At the time of preparation of GSTR 9, whether the details required to be reported at Part 4 should be:

Based on the combined reading of Part 4 and Part 5 (Sr. No 10 and 11) and the instructions related to these entries, one possible view is that:

1. Invoices related to 2017-18 reported in any month in the GSTR 1 during 2017-18 along with Amendments relating to 2017-18 made by reporting such amendment in any subsequent month but within 2017-18 itself will be reported at Part 4 of GSTR 9; and
2. Amendments to invoices and fresh invoices related in any month in the GSTR 1 during 2017-18 made by reporting such amendment in the GSTR 1 during the months period April 2018 to September 2018 will only be reported in Part V Sr.No. 10 of GSTR 9.

**Accordingly the Taxpayer is required to disclose the additions to outward supplies here for F.Y.2017-18 though the same is shown in F.Y.2018-19 in the GSTR-1 filed. However Instructions as per the Notification are contradicting.**

# Annual Return - Format

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A	Supplies made to un-registered persons (B2C)	<p>Details of sum of all B2C supplies net of debit/credit notes and amendments with tax break-up to be provided.</p> <p>Therefore, 4A of GSTR 9 contains B2C information pertaining to 2017-18 that is declared in the returns, that is, <b>GSTR 1</b> furnished during 2017-18 <b>even belatedly during 2018-19.</b></p>
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# Annual Return - Format

B	Supplies made to registered persons (B2B)	<p>Aggregate value of supplies made to registered persons (including supplies made to UINs) on which tax has been paid shall be declared here.</p> <p>These will include supplies made through E-Commerce operators but shall not include supplies on which tax is to be paid by the recipient on reverse charge basis.</p> <p>Details of debit and credit notes are to be mentioned separately. Table 4A and Table 4C of <b>FORM GSTR-1</b> may be used for filling up these details.</p>
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# Annual Return - Format

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B	Supplies made to registered persons (B2B)	<p>To be noted that unlike supplies made to unregistered Persons (B2C), any amendments made to such supplies as reported in Table 9 of <b>GSTR 1 will not form part</b> of the reporting here.</p> <p>It shall not include supplies on which tax is paid on reverse charge basis by the recipient.</p> <p>Also, any credit notes and debit notes issued against the supplies to Registered Persons will not be reported under this part.</p>
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# Annual Return - Format

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C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)	<p>4C of GSTR 9 contains information relating to a sub-set of all zero-rated supplies comprising of exports of goods and exports of services out of India. 4C does not include supplies to SEZ.</p> <p>Table 6A of <b>FORM GSTR-1</b> may be used for filling up these details.</p> <p>Further, exports are permitted in two ways, namely, export with payment of tax and export without payment of tax.</p> <p>4C contains information pertaining only to exports on payment of tax and not exports without payment of tax.</p>
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# Annual Return - Format

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D	Supply to SEZs on payment of tax	<p>4D of GSTR 9 contains information relating to a sub-set of all zero-rated supplies comprising of supplies to SEZ being a Developer of the SEZ or a Unit in the SEZ.</p> <p>It will include supplies to SEZ whether by an SEZ to another SEZ or by a DTA unit to SEZ. 4D does not include supplies to SEZ without payment of tax.</p>
E	Deemed Exports	<p>Aggregate value of supplies in the nature of deemed exports on which tax has been paid shall be declared here.</p> <p>Table <b>6C of FORM GSTR-1</b> may be used for filling up these details.</p>

# Annual Return - Format

F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)	<p>The advances on which tax is charged and paid is disclosed as part of Table 11A of GSTR 1.</p> <p>Where advance is received, and tax Invoice has been issued in 2017-18, the same is to be excluded from 4F since the same would have been adjusted against the tax due on the tax Invoice issued.</p> <p>Only the advances which are existing at the close of financial year i.e. March 2018 will be reported.</p> <p>Any advances against which outward supplies are made and are adjusted before the said period will not be reported here.</p>
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# Annual Return - Format

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G	Inward supplies on which tax is to be paid on reverse charge basis	<p>This shall include supplies received from registered persons, unregistered persons on which tax is levied on reverse charge basis.</p> <p>This shall also include aggregate value of all import of services. Table 3.1(d) of <b>FORM GSTR-3B</b> may be used for filling up these details.</p>				
H	Sub-total (A to G above)					

# Annual Return - Format

I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)	<p>Only credit notes issues in respect of those supplies on which tax is payable should be reported. Any supplies which are NIL rated, exempted, non-GST etc. should not be part of this.</p> <p>Table 9B of <b>FORM GSTR-1</b> may be used for filling up these details.</p>
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)	<p>Aggregate value of debit notes issued in respect of B to B supplies (4B), exports (4C), supplies to SEZs (4D) and deemed exports (4E) shall be declared here.</p> <p>Table 9B of <b>FORM GSTR-1</b> may be used for filling up these details.</p>
K	Supplies / tax declared through Amendments (+)	<p>Details of amendments made to B to B supplies (4B), exports (4C), supplies to SEZs (4D) and deemed exports (4E), credit notes (4I), debit notes (4J) and refund vouchers shall be declared here.</p> <p>Table 9A and Table 9C of FORM GSTR-1 may be used for filling up these details.</p>

# Annual Return - Format

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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					

# Annual Return - Format

5	Details of Outward supplies <b>made during the financial year</b> on which tax is not payable <del>as declared in returns filed during the financial year</del>				
A	Zero rated supply (Export) without payment of tax	Table 6A of FORM GSTR-1 may be used for filling up these details.			
B	Supply to SEZs without payment of tax				
C	Supplies on which tax is to be paid by the recipient on reverse charge basis	<p>Aggregate value of supplies made to registered persons on which tax is payable by the recipient on reverse charge basis.</p> <p>Details of debit and credit notes are to be mentioned separately.</p>			

# Annual Return - Format

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D	Exempted	<p>Aggregate value of exempted, Nil Rated and Non-GST supplies shall be declared here.</p> <p>Table 8 of FORM GSTR-1 may be used for filling up these details.</p> <p>The value of –"no supply" shall be declared under Non-GST supply (5F)."</p>				
E	Nil Rated					
F	Non-GST supply (includes 'no supply')					
G	Sub-total (A to F above)					

# Annual Return - Format

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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)					



# Annual Return - Format

Pt. III		Details of ITC <del>as declared in returns filed</del> for the financial year				
	Description	Type	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
<b>6</b>	<b>Details of ITC <del>as declared in returns filed</del> during the financial year</b>					

If the details of the input tax credit are not shown in the GSTR 3B filed during the previous year then it is required to shown in table no. 8C if the same is shown in next financial year. Thus it is clear that ITC itself cannot be availed through FORM GSTR-9.

# Annual Return - Format

A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	<Auto>	<Auto>	<Auto>	<Auto>	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	<p>Total ITC availed is to be classified as ITC on inputs, capital goods and input services. This adds extra burden.</p> <p>Not to include details of inward supplies on which tax is payable on reverse charge basis, inward supply of goods from SEZ &amp; import of goods &amp; services.</p> <p>Does this section require to include ITC which was availed, reversed and then reclaimed or it shall be shown in Table 6H ?</p>			
Capital Goods						
Input Services						

# Annual Return - Format

C	Inward supplies received from <b>unregistered persons</b> liable to reverse charge (other than B above) on which tax is paid & ITC availed.	Inputs	<p>Not to include details of Import of Services.</p> <p>Sum of ITC availed on tax paid under reverse charge for supplies received from unregistered persons to be classified as inputs, input services and capital goods.</p> <p>Challenging as such information is presently not being captured in GSTR-3B return.</p>			
		Capital Goods				
		Input Services				
D	Inward supplies received from <b>registered persons</b> liable to reverse charge (other than B above) on which tax is paid and ITC availed.	Inputs				
		Capital Goods				
		Input Services				

# Annual Return - Format

E	Import of goods (including supplies from SEZs)	Inputs				
		Capital Goods				
F	Import of services (excluding inward supplies from SEZs)			Table 4(A)(2) of FORM GSTR-3B may be used for filling up these details.		
G	Input Tax credit received from ISD					
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act	Aggregate value of ITC availed , reversed and reclaimed under the provisions of the Act shall be declared here.				
I	Sub-total (B to H above)					
J	Difference (I - A above)	Ideally this amount should be zero.				

# Annual Return - Format

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K	Transition Credit through TRAN-I (including revisions if any)	Include details of transition credit received in the electronic credit ledger on filing of GST TRAN-I including revision of TRAN-I.	
L	Transition Credit through TRAN-II	Include details of transition credit received in the electronic credit ledger on filing of GST TRAN-II.	

# Annual Return - Format

M	Any other ITC availed but not specified above	Details of ITC availed through Form ITC-01 and Form ITC -02.			
ITC01	<ul style="list-style-type: none"> <li>• Unregistered person got registered.</li> <li>• Composition dealer opting out of the composition scheme</li> <li>• Exempted goods become taxable goods</li> </ul>				
ITC02	In case of transfer of business by way of sale of business / merger / demerger				
N	Sub-total (K to M above)				
O	Total ITC availed (I + N above)				

# Annual Return - Format

7		Details of ITC Reversed and Ineligible ITC <del>as declared in returns filed during the financial year</del> <b>for the financial year.</b>
A	As per Rule 37	Sum of ITC reversed on account of non-payment to vendor within 180 days.
B	As per Rule 39	Sum of ITC reversed on account of ISD Credit Notes.
C	As per Rule 42	Sum of ITC reversed on common input and input services (used for exempt supplies)  Final annual reversal made in subsequent financial year to be included here ?

# Annual Return - Format

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D	As per Rule 43	Sum of ITC reversed on capital goods (used partially for exempt supplies)
E	As per section 17(5)	<p>Sum of ineligible credits under Section 17(5) which have been reversed.</p> <p>The said amount shall be disclosed only when credit has been availed and reversed in Form – 3B.</p> <p>Mere reporting of values in GSTR-3B Table 4(D)(1) shall not be reported in this section, as it would be adjusted against the total ITC availed as reported in Table 6.</p> <p>Thus, if the amount stated in Table 4D of FORM GSTR-3B was not included in table 4A of FORM GSTR-3B, then no entry should be made in table 7E of FORM GSTR-9. However, if amount mentioned in table 4D of FORM GSTR-3B was included in table 4A of FORM GSTR-3B, then entry will come in 7E of FORM GSTR-9.”</p>



# Annual Return - Format

F	Reversal of TRAN-I credit	<p>Refer ECL</p> <p>What if the reversal has been done in the return of periods pertaining post September ??</p>			
G	Reversal of TRAN-II credit	Refer ECL			
H	Other reversals (pl. specify)	Ex - ITC reversed through FORM ITC -03 shall be declared in 7H. (Normal to Composition)			
I	Total ITC Reversed (A to H above)				
J	Net ITC Available for Utilization (6O - 7I)				

# Annual Return - Format

8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<Auto>	<Auto>	<Auto>	<Auto>
	<p>This would be the aggregate of all the input tax credit that has been declared by the corresponding suppliers in their GSTR-I.</p> <p>This would not include the input tax credit on imports and inwards supplies liable to reverse charge.</p> <p>GSTR 2A is the reflection of ITC on inward supplies made but it doesn't determine the eligibility of the credit.</p> <p><b>After extension of time limit for adding/rectifying invoices for F.Y.2017-18, the GSTR-2A now will show all invoices of F.Y.2017-18 filed by the vendor upto 31.03.2019.</b></p>				
B	ITC as per sum total of 6(B) and 6(H) above	<Auto>			

# Annual Return - Format

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.	<p>Sum of ITC availed during the period April to September 2018, w.r.t. invoices issued by the vendor for supplies received up to 31.03.2018.</p> <p>This section is provided to capture credits availed by the registered period in the subsequent financial year, which pertain to F.Y.2017-18.</p> <p>Refer GSTR-3B workings, for the period April to September 2018.</p>
D	Difference [A-(B+C)]	<p>Auto – populated.</p> <p>If values arrived is negative, it would mean that the total availment of credit is more than the credit reported by the vendor.</p> <p>If value is positive, explanation in E &amp; F.</p>

# Annual Return - Format

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E	ITC available but not availed	<p>ITC reflected in Form GSTR-2A for F.Y.2017-18 which is eligible but not availed.</p> <p>The credit which was available and not availed in FORM GSTR-3B shall be declared here. Ideally, if 8D is positive, the sum of 8E and 8F shall be equal to 8D.</p>
F	ITC available but ineligible	<p>Transactions reflected in Form GSTR-2A for F.Y.2017-18 which is available but not eligible.</p> <p>The credit was not availed in FORM GSTR-3B as the same was ineligible shall be declared here. Ideally, if 8D is positive, the sum of 8E and 8F shall be equal to 8D.</p>

# Annual Return - Format

G	IGST <b>paid</b> on import of goods (including supplies from SEZ)	Aggregate of actual IGST paid on import of goods and procurements from SEZ shall be reported.  Refer Bill of Entries filed and duty payment challans.	
H	IGST credit <b>availed</b> on import of goods (as per 6(E) above)	<Auto>	The ITC as declared in Table 6E shall be auto-populated here.  What if IGST on Import of Goods by mistake shown under normal ITC of IGST in GSTR-3B??
I	Difference (G-H)	Ideally this should be nil.	

# Annual Return - Format

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J	ITC available but not availed on import of goods (Equal to I)	The form does not provide option of reporting ITC availed on import of goods in 2018-19, on which IGST was paid in 2017-18.			
K	Total ITC to be lapsed in current financial year (E + F + J)	<Auto>	<Auto>	<Auto>	<Auto>

# Annual Return - Format

Pt. IV	Details of <b>tax paid</b> as declared in returns filed during the financial year						
9	Description	Tax Payable	Paid through cash	Paid through ITC			
				Central Tax	State Tax	Integrated Tax	Cess
	Integrated Tax						
	Central Tax						
	State/UT Tax						
	Cess						
	Interest						
	Late fee						
	Penalty						
	Other						
<p>Paid through Cash – Ensure that the amount of tax paid in cash reported in the Table 9 is matched with the actual cash payments.</p> <p>Paid through ITC – Ensure that the amount of tax paid in cash reported in the Table 9 is matched with the actual credit utilization as per returns.</p>							

# Annual Return - Format

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	Centr al Tax	State Tax / UT Tax	Integrat ed Tax	Cess
	1	2	3	4	5	6
<b>10</b>	Supplies / tax declared through Amendments (+) (net of debit notes)	<b>Details of additions/amendments</b> in invoices/debit notes against invoices reported in previous F.Y.				



# Annual Return - Format

11	Supplies / tax reduced through Amendments (-) (net of credit notes)					
12	Reversal of ITC availed during previous financial year		<p>ITC availed in the Previous FY, which has been reversed in the Current Financial Year in returns filed for the months of April to September. (Ex – Ineligible credit availed in previous FY, reversed in current FY).</p> <p>Table 4(B) of Form GSTR-3B maybe used for filling up these details.</p> <p>What if the reversals are shown netted off in the Normal ITC row of GSTR-3B ??</p>			

# Annual Return - Format

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<b>13</b>	ITC availed for the previous financial year		<p>ITC availed in the current FY pertaining to supplies received in the previous FY.</p> <p>Reference should also be made to Table 8 of the Annual Return – Reporting of ITC availed in current FY till September month for supplies received in previous FY.</p>
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# Annual Return - Format

14	Differential tax paid on account of declaration in 10 & 11 above		
	Description	Payable	Paid
	1	2	3
	Integrated Tax		
	Central Tax		
	State/UT Tax		
	Cess		
	Interest		

Additional payments, if any, required to be paid can be done through FORM GST DRC-03 only in cash.

# Annual Return - Format

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
A	Total Refund claimed							
B	Total Refund sanctioned							
C	Total Refund Rejected							
D	Total Refund Pending							

# Annual Return - Format

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E	Total demand of taxes	Aggregate value of demands of taxes for which an order confirming demand has been issued by the adjudicating authority shall be declared here along with value of taxes paid and pending recovery.
F	Total taxes paid in respect of E above	
G	Total demands pending out of E above	

# Annual Return - Format

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
A	Supplies received from Composition taxpayers	Refer Table 5 of GSTR - 3B. The details furnished in FORM ITC-03 may be used for filling up these details.				
B	Deemed supply under Section 143	Sum of all deemed supplies from the principal to the job-worker in terms of sub-section(3) and (4) of section 143 of the CGST Act.  For FY 2017-18 this would not be applicable as the time limit specified for inputs is 1 year which completes only on 01.07.2018.				
C	Goods sent on approval basis but not returned	Sum of deemed supplies for goods which were sent on approval basis but were not returned to the principal supplier within 180 days of such supply.				

# Annual Return - Format

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
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

HSN code may be declared only for those inward supplies whose value independently accounts for 10% or more of the total value of inward supplies.

# Annual Return - Format

It would be optional for taxpayers having annual turnover upto Rs.1.5 cr.

Mandatory to report HSN code at 2 digit level for annual turnover > 1.5cr but < 5cr in preceding year and 4 digits for annual turnover > 5 cr.

UQC details to be furnished for supply of goods only.

Quantity to be reported net of returns.

19

Late fee payable and paid

	Description	Payable	Paid
	1	2	3
A	Central Tax		
B	State Tax		



The background of the slide is a golden-yellow color with a dense, repeating pattern of various international currency symbols, including the dollar sign (\$), euro (€), pound sterling (£), and yen (¥). The symbols are rendered in a 3D, embossed style, creating a textured effect. The central text is set against a plain white background.

***RECONCILIATION  
STATEMENT - GSTR 9C***

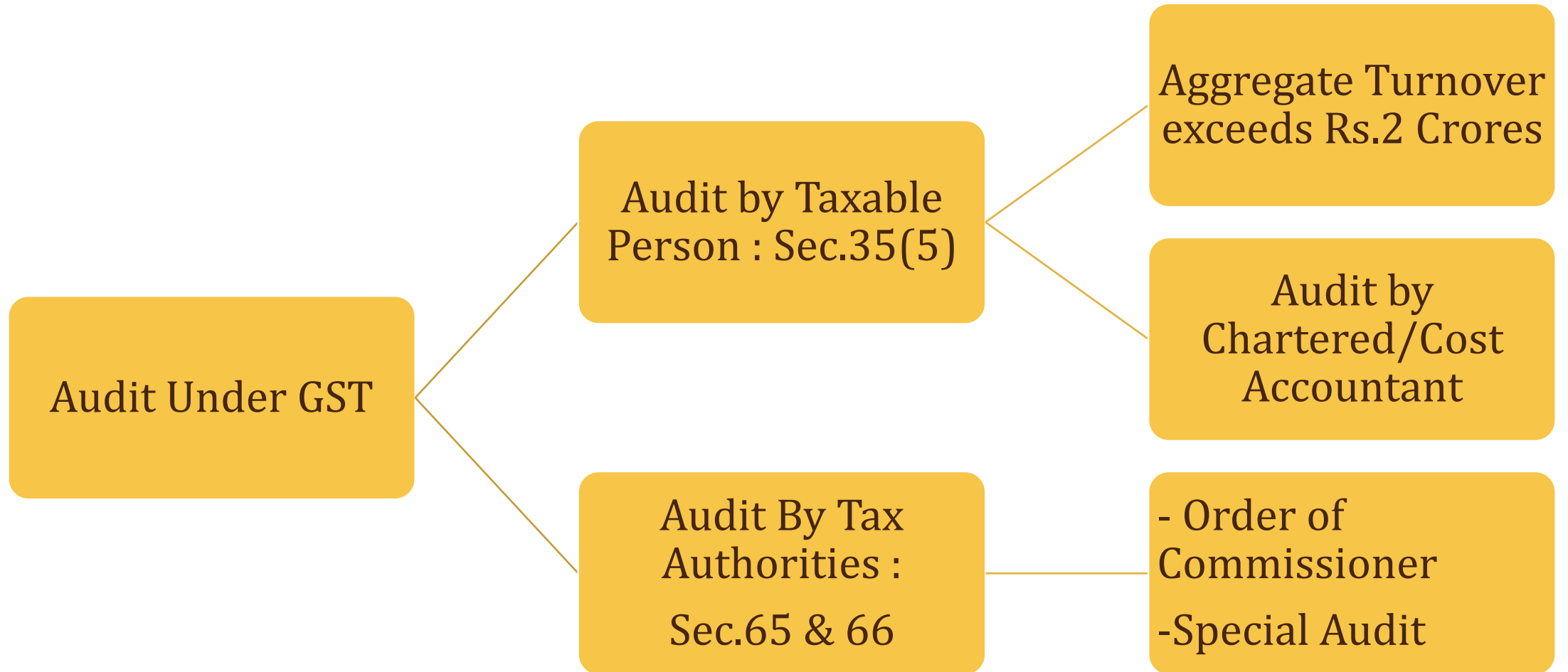
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# Meaning of Audit under GST

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- Need for Audit – Section 35(5) :
  - Every registered person whose turnover during a financial year exceeds the prescribed limit [Aggregate Turnover - Rs 2 Crore by Rule 80(3) of CGST Rules 2017]
  - 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 under sub-section (2) of section 44 of CGST Act 2017 and
  - such other documents in such form and manner as may be prescribed.
  - Audited Annual Accounts copy + Reconciliation (Form GSTR - 9C) + Other Documents

# Audit Under GST – An Overview



# Audit Under GST

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## Points to be noted :

- Section 35(5) uses the word “Turnover” while Rule 80(3) uses the word “Aggregate Turnover”
- Aggregate turnover is PAN based while turnover in a State / UT is similarly worded except to the extent that turnover in a State / UT is limited to a State.
- Reasonable to interpret that the word turnover used in section 35(5) ought to be understood as aggregate turnover.

# Issues

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XYZ .Ltd has presence in 3 states with break-down of turnover in 3 states as under :

Maharashtra – Rs.75 lacs

Gujarat - Rs.1 crores

Delhi – Rs.3 crores

**XYZ Ltd. needs to get his books audited only in Delhi or in all the 3 states ?**

**Every registered person to be read qua the Company or qua the distinct persons ?**

# Issues

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XYZ .Ltd for the period April 2017 to March 2018 has the following turnover :

April to June 2017 – Rs.75 lacs

July to March 2018 - Rs.1.5 crores

Total                               - Rs 2.25 crores

**Whether XYZ Ltd. is required to get GST Audit done ?**

# Issues

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➤ ICAI – Guidance Note :

- For the financial year 2017-18, the GST period comprises of 9 months whereas the relevant section 35(5) uses the expression financial year.
- In absence of clarification from government, also to avoid any cases of default, it is reasonable to understand that to reckon the turnover limits prescribed for audit i.e.Rs.2 crores one has to reckon the turnovers for the whole of the financial year which would also include the first quarter of the financial year 2017-18.
- Stock transfers/ cross charges/ services provided from a branch located in one state to a branch located in another state would be included in aggregate turnover of the branch supplying the goods/services.

# GSTR – 9C

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- PART – A : Reconciliation Statement
- PART – B : Certification



# Reconciliation : GSTR - 9C

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Pt. I	Basic Details	
1	Financial Year	
2	GSTIN	To be filed for every GSTIN separately.
3A	Legal Name	< Auto >
3B	Trade Name (if any)	<Auto>

# Reconciliation : GSTR - 9C

4	Are you liable to audit under any Act?	<<Please specify>>
	<p>If the registered person is liable to audit under any Act (other than GST Act), he has to mention the same in this part of the format. The audit under any other Act may include the Companies Act, Income Tax Act etc.</p> <p>Therefore, in case assessee has got the Books of Accounts has got the Books of accounts audited as per the requirement of the any act, then details of the same must be appropriately mentioned in this field.</p>	<p>(Amount in ₹ in all tables)</p>

# Reconciliation : GSTR – 9C

Pt. II	<b>Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)</b>	
5	<b>Reconciliation of Gross Turnover</b>	
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)	<p>In case of Multi-state GSTINs, such persons / entities, will have to internally derive their GSTIN wise turnover and declare the same here.</p> <p>This shall include export turnover (if any). It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons / entities having presence over multiple States.</p> <p>Turnover to be declared under this Sr.No. must purely flow from the ‘audited financial statements’ even if such turnover consists of adjustments/ revenue recognition on account of a requirement of an Accounting Standard.</p>

# Reconciliation : GSTR – 9C

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)	<p>It is possible that different Auditors are appointed for certifying GSTR 9C for different registrations of the entity. As multiple Auditors are involved in certifying of the GSTR 9C, the Registered Person and every Auditor must ensure that the turnovers' declared by different Auditors must reconcile and add-up to the total turnover of the entity as per the audited financial statements.</p> <p>Such an exercise will also be required where multiple registrations are obtained within the same State / UT for different business verticals.</p>

# Reconciliation : GSTR – 9C

<p>B Unbilled revenue at the beginning of Financial Year</p>	<p>(+)</p>	<p>Unbilled revenue which was recorded in the books of accounts on the basis of accrual system of accounting in the last financial year as per the Accounting Standards in this regard and was carried forward to the current financial year shall be declared here.</p> <p>When GST is payable during the financial year on such revenue (which was recognized earlier), the value of such revenue shall be declared here. (For example, if Rs.10 cr of unbilled revenue existed for the financial year 2016-17, and during the current financial year, GST was paid on Rs.4 cr of such revenue, then value of Rs.4 cr shall be declared here).</p> <p>Unbilled revenue is the revenue recognized in the books of accounts before the issue of an invoice at the end of a particular period.</p>
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# Reconciliation : GSTR – 9C

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B	Unbilled revenue at the beginning of Financial Year	(+)	<p>Unbilled revenue will appear in the profit and loss account of the previous year. In order to get information of unbilled revenue at the beginning of Financial Year, reference may be had to previous year's audited financial statements.</p> <p>However, as GST was introduced from 1st July 2017 one needs to be careful to exclude invoices raised during the period April 2017 to June 2017 from the computation.</p> <p>In case of entities with multiple registration, a separate statement to be obtained for each GSTIN reconciling the total with the amount disclosed in financials.</p>
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# GSTR – 9C

➤ Issue :

Should Clause 5B consider beginning of Financial Year or 1<sup>st</sup> July 2017 ?

<b>Unbilled revenue as on 31.03.2017</b>	<b>100</b>	
Invoiced before 30.06.2017	50	
Invoiced between 01.07.2017 to 31.03.2018	30	
Invoiced after 01.04.2018	20	
	<b>Option I</b>	<b>Option II</b>
5B. Opening unbilled revenue (April/July)	100	50
5G. April to June 2017 (Billing/Turnover)	-50	0
5H. Closing unbilled revenue	-20	-20
5A. Turnover for C.Y	30	30

# Reconciliation : GSTR – 9C

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<p>C Unadjusted advances at the end of the Financial Year</p>	<p>(+)</p>	<p>It must be acknowledged that the turnover of FY 2017-18 as per the audited Financial Statement would not include advances received.</p> <p>Whereas this amount would have been offered to tax and reflected in annual return GSTR 9.</p> <p>In order to reconcile these two, since the advances are included in GST turnover, any unadjusted advances at the end of Financial Year 2017-18 shall be added to the turnover of the FY 2017-18 as taken in Clause 5A in order to nullify the effect and to arrive at the turnover of GST.</p>
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# Reconciliation : GSTR - 9C

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D	Deemed Supply under Schedule I	(+)	<p>Deemed supplies are specific transactions of supplies that are regarded as supply even if there is no consideration involved in such transaction of the supply.</p> <p>Any deemed supply which is already part of the turnover in the audited Annual Financial Statement is not required to be included here.</p> <ul style="list-style-type: none"><li>-Permanent transfer/disposal of assets where ITC has been claimed.</li><li>-Supplies between related/distinct persons</li><li>-Supply of goods between principal to his agent and vice-versa.</li><li>-Import of services from related person/establishment outside India.</li></ul>
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# Reconciliation : GSTR - 9C

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E Credit Notes issued after the end of the financial year but reflected in the annual return

(+)

(-)

Recognition of credit notes issued after 31.03.2018 where these credit notes are related to any invoices which are considered in GSTR-1 and further GSTR-9 filed for the said financial year.

Pertinent to note that certain credit notes may be issued afresh in the subsequent financial year and not as amendment in the GSTR-1, even the details of those credit notes needs to be disclosed here.

# Reconciliation : GSTR – 9C

<p>F Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST</p>	<p>(+) Trade discounts which are accounted for in the audited Annual Financial Statement but on which GST was leviable (being not permissible) shall be declared here.</p> <p>Treatment of discounts governed by Section 15 of the CGST Act.</p> <p>Generally trade discount is given in the invoice itself at the time of supply of goods. Therefore, it is not clear here as to whether discounts of the other nature are also required to be given effect here or the same is to be restricted only to trade discounts.</p> <p>However going by the intention of the exercise which requires reconciliation with the audited annual accounts, it seems that although the term used is trade discount, but any reconciliation difference created out of other discount elements such as cash elements, volume discounts etc. should be reported here.</p> <p>Discounts allowed as per GST and reduced from the books as well shall not form part of this column.</p>
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# Reconciliation : GSTR – 9C

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G	Turnover from April 2017 to June 2017	(-)	<p>In order to bring both Annual financial statements and annual returns on same level, the turnover for period July 2017 to March 2018 shall be reduced from turnover.</p>
H	Unbilled revenue at the end of Financial Year	(-)	<p>The recognition of revenue in financial statements is as per accounting standards prescribed in this regard.</p> <p>Accordingly it is possible that in case of some business transactions all the criteria required for recognition of revenue are satisfied in a transaction and accordingly the revenue is recognized but no billing is done in respect of such item.</p> <p>Therefore since invoice shall be raised in F.Y.2018-19 for these items, GST liability also will fall in that year and hence deduct the same here in order to match the numbers with annual returns.</p>

# Reconciliation : GSTR – 9C

I	Unadjusted Advances at the beginning of the Financial Year	(-)	<p>Since GST was implemented from the middle of the financial year and therefore if there exists any unadjusted advances at time of implementation of GST, then one may disclose the same here ?</p> <p>Or</p> <p>This field is exclusively for those unadjusted advances which are opening at the beginning of the FY ?</p>
J	Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST	(-) (+)	<p>In case an assessee raises only financial credit notes having impact only on the financial statements and no reduction is made to the output tax liability as the same is not permissible under GST law, the differences on account of such cases need to be reported here.</p>

# Reconciliation : GSTR - 9C

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K	Adjustments on account of supply of goods by SEZ units to DTA Units	(-)	<p>Aggregate value of all goods supplied by SEZs to DTA units for which the DTA units have filed bill of entry shall be declared here.</p> <p>Such outward supplies are not required to be reported by SEZ units in their GST Returns and hence the data cannot be retrieved from the returns filed by such SEZ units.</p>
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# Reconciliation : GSTR - 9C

	L Turnover for the period under composition scheme	(-)	Turnover for which GST was paid under the composition scheme shall be declared here when opted out of it during the financial year.
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# Reconciliation : GSTR – 9C

M Adjustments (+/-) in turnover under section 15 and rules thereunder	<p>Section 15 of the CGST Act states that the supply of goods must be valued at the transaction value in all situations where price is the sole consideration for supply and the parties to supply are not related to each other.</p> <p>In certain situations, valuation is as per mechanism provided on basis of open market value or based on the value of similar goods or on the basis of cost of provision of goods/services etc as under :</p> <ul style="list-style-type: none"><li>-Transactions between related persons</li><li>- Between distinct persons</li><li>-Supplies involving consideration in non monetary form etc.</li></ul> <p>In such cases value at which revenue is recognized in the books of accounts may not match with the one adopted for calculating GST, the differences on this account need to be appropriately reported here</p>
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# Reconciliation : GSTR - 9C

N	Adjustments in turnover due to foreign exchange fluctuations	(+/ -)	<p>As on balance sheet date changes are to be done based on accounting standards which affect the turnover that is to be shown in annual financial statements.</p> <p>The turnover may be increased or decreased, such adjustment in turnover due the foreign exchange fluctuations shall be declared in this entry.</p>
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# Reconciliation : GSTR – 9C

O Adjustments in turnover due to reasons not listed above	( +/- )	<p>Any difference between the turnover reported in the Annual Return (GSTR9) and turnover reported in the audited Annual Financial Statement due to reasons not listed above shall be declared here.</p> <p>Clause 5O is a residuary Sr.No. which requires disclosure of reconciliation details relating to adjustments for which specific column is not provided under any other Sr.No.s under Item No. 5. This Sr.No. may contain an option to insert multiple line items to add / reduce the amount from the gross turnover declared in the audited Annual Financial Statements so as to reconcile the same with the turnover declared in Form GSTR 9.</p> <p>Clause 5O is an important Sr.No. and due attention has to be paid for the adjustments made under this Sr.No.. This will be a key area for scrutiny by the department during audit and assessment.</p>
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# Reconciliation : GSTR - 9C

P	Annual turnover after adjustments as above	<Auto>
Q	Turnover as declared in Annual Return (GSTR9)	This turnover may be derived from Sr. No. 5N, 10 and 11 of Annual Return (GSTR 9)
R	Un-Reconciled turnover (Q - P)	AT1
6	<b>Reasons for Un - Reconciled difference in Annual Gross Turnover</b>	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>
	<p>Notes to reconciliation may contain disclosure regarding certain limitations inherent in this existence:</p> <p>In line with ICAI Regulations, the auditor must suitably disclose the fact that he has relied upon audited financial statements attested by another auditor.</p> <p>In case where the Registered Person is not required to get the accounts audited under any other law, the reasons for the same may be mentioned.</p>	

# Reconciliation : GSTR - 9C

7	<b>Reconciliation of Taxable Turnover</b>	
	Once the reconciliation of turnover is done on gross basis which may also include certain exempt supplies or non-taxable supplies on which no tax is paid, in order to arrive at the reconciliation of the taxable turnover, this second level of reconciliation is required to be performed.	
A	Annual turnover after adjustments (from 5P above)	<Auto>
B	Value of Exempted, Nil Rated, Non-GST supplies, No-Supply turnover	

# Reconciliation : GSTR – 9C

C Zero rated supplies without payment of tax

The zero-rated supplies can be effected either by payment of tax or without payment of tax upon filing letter of undertaking (LUT).

Where the tax invoice is issued prior to 31st March 2018 and shipping bill / delivery of goods takes place after 31st March, 2018 it is relevant to understand the manner in which the transactions are recorded in the financial statements.

If the exports are recognised as revenue for the financial year 2017-18, such value of exports should be declared against Sl.No. 7C. However, if the exports are recorded as unearned revenue in the annual audited financial statement as on 31st March 2018, this will not form part of the revenue for 2017-18. Therefore, such value shall not form part of the value to be declared in Sl.No. 7C. Such value should be declared against this Sl.No. of GSTR – 9C since, the exports will be declared in the monthly returns / annual returns but will not form part of the revenue recorded in audited annual financial statements.

# Reconciliation : GSTR – 9C

D	Supplies on which tax is to be paid by the recipient on reverse charge basis	<p>Section 9(3) : Specified category of goods as notified from time to time eg : Raw cotton, cashew etc.</p> <p>Section 9(3) : Specified category of services as notified from time to time eg : GTA, advocate services , importer of services etc.</p> <p>Section 9(4) : Procurement of goods and services from URD by a registered person. Presently deferred w.e.f. 13.10.2017 to 30.09.2019.</p>
E	Taxable turnover as per adjustments above (A-B-C-D)	<Auto>

# Reconciliation : GSTR - 9C

F	Taxable turnover as per liability declared in Annual Return (GSTR9)	Taxable turnover at column 7E needs to be compared with the turnover disclosed in the annual return for differences as per Table 4N of GSTR-9 is to be replicated here.
G	Unreconciled taxable turnover (F-E)	<b>AT 2</b>
8	<b>Reasons for Un - Reconciled difference in taxable turnover</b>	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

# Reconciliation : GSTR - 9C

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%					



# Reconciliation : GSTR - 9C

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	

# Reconciliation : GSTR - 9C

10	Reasons for un-reconciled payment of amount	
	<p>Some of the common reasons for such difference could be on account of the following :</p> <p>Un-reconciled turnover itself at Column 5R.</p> <p>Incorrect disclosure in any of the column of table 5 of GSTR 9C which is considered as the base for further adjustments.</p> <p>Difference of opinion on classification of goods/services and rate of tax on that.</p>	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

# Reconciliation : GSTR - 9C

11 Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)					
These additional amounts shall be paid through cash only even though the taxable person may have sufficient credit in electronic credit ledger.		To be paid through Cash			
Description	Taxable Value	Central tax	State tax / UT tax	Integrated tax	Cess, if applicable
5%					
12%					
18%					
28%					
3%					

# Reconciliation : GSTR - 9C

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0.25%					
0.10%					
Interest					
Late Fee					
Penalty					
Others (please specify)					

# Reconciliation : GSTR - 9C

Pt.IV	Reconciliation of 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	(+)	<p>As GST has been rolled out in the year 2017 itself, there will be no credit of GST which must have been accounted for by the assessee in the year 2016 and claimed in the return during the year 2017.</p> <p>Transitional credits i.e. credit of erstwhile taxes like service tax, excise duty, VAT etc. to be shown here ???(Apr to June 2017 is same financial year)</p>

# Reconciliation : GSTR - 9C

C	ITC booked in current Financial Year to be claimed in subsequent Financial Years	(-)	<p>Requires value of ITC which is accounted for in the current financial year in the books of accounts however the credit of which is going to be claimed in the next financial year in the GST returns.</p> <ul style="list-style-type: none"><li>- Year end purchases.</li><li>-Credit missed to be considered while filing return.</li><li>-Hardcopy invoice not received</li><li>-Credit note issued by the vendor.</li></ul>
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# Reconciliation : GSTR - 9C

D	ITC availed as per audited financial statements or books of account	<Auto>
E	ITC claimed in Annual Return (GSTR9)	
F	Un-reconciled ITC	<b>ITC 1</b>
	<p>The difference between ITC claimed as per audited financial statements and Annual return (GSTR-9) will get auto-populated here.</p> <p>This is the un-reconciled ITC of the assessee which maybe disputed by the department and the reasons for non-reconciliation will have to be figured out by the assessee.</p> <p>Assessee needs to re-validate the details so auto-populated here.</p>	
13	<b>Reasons for un-reconciled difference in ITC</b>	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

# Reconciliation : GSTR - 9C

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			



# Reconciliation : GSTR - 9C

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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			

# Reconciliation : GSTR - 9C

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			<b>ITC 2</b>

The list of expense head given in the form is indicative not exhaustive.

ITC on prepaid expenses recorded in the Balance Sheet should also be considered for disclosure under this head.

ITC availed to be shown as net after reversals required due to ineligible credit under section 17(5) of the CGST Act or for any other reason.

Clause 14 is merely sub-set of Clause 12 or much more than that ? Whether it requires reconciliation with PL ?

# Reconciliation : GSTR - 9C

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

# Reconciliation : GSTR – 9C

Pt. V	Auditor's recommendation on additional Liability due to non-reconciliation	
	<p>The auditor is primarily required to report on the liability arising on the non-reconciled amounts under Form GSTR-9C, however his scope is not restricted only to the un-reconciled amounts but in addition he has to provide his comments on the following aspects as well:</p> <ul style="list-style-type: none"><li>-Any amount paid for supplies which is not included in the Annual Return.</li><li>-If any erroneous refund is claimed by the assessee.</li><li>-If any demand is outstanding to be paid by the assessee.</li><li>-Any other liability arising if any.</li></ul>	To be paid through Cash

# Reconciliation : GSTR - 9C

Description	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%					
Input Tax Credit					
Interest					

# Reconciliation : GSTR - 9C

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)					

# Certification for GSTR – 9C

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- Part B is certification part.
- GSTR – 9C can be certified by the same CA who conducted the audit of accounts or it can be also certified by any other CA who did not conduct the audit of accounts for that particular GSTIN.
- **Format – I:**
  - Certification in cases where the reconciliation statement is drawn up by the person who had conducted the audit.
- **Format – II:**
  - Certification in cases where the reconciliation statement is drawn up by a person other than the person who had conducted the audit.

# Certification for GSTR – 9C

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- The difference between both is that in case the CA certifying the GSTR-9C did not conduct the audit, he must have based an opinion on the Books of Accounts audited by another CA in the reconciliation statement. The format for certification report will vary depending on who the certifier is.
  
- Qualification in Audit Report :
  - 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) .....



# Certification for GSTR – 9C

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- Verification by Registered Person (added through Notification No.74/2018 – Central Tax dated 31.12.2018) :

I hereby solemnly affirm and declare that I am uploading the reconciliation statement in FORM GSTR-9C prepared and duly signed by the Auditor and nothing has been tampered or altered by me in the statement. I am also uploading other statements, as applicable, including financial statement, profit and loss account and balance sheet etc.

Signature

Place:

Date:

Name of Authorized Signatory

# Rectification after return based on results of Audit

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- If any taxable person, after furnishing a return discovers any omission/incorrect details (from results of audit), he can rectify **subject to payment of interest.**
- However, no rectification will be allowed after the due date for filing of return for the month of September or second quarter, (as the case may be), following the end of the financial year, or the actual date of filing the relevant annual return, whichever is earlier.
- For example, X found during audit that he has made a mistake in Oct 2017 return. X submitted annual return for FY 2017-18 on 31st August 2018 along with audited accounts. He can rectify the Oct 2017 mistake within-
  - 20th Oct 2018 (last date for filing Sep return) or
  - 31st August 2018 ( the actual date of filing of relevant annual return)

whichever is earlier,

i.e., his last date for rectifying is 31st August 2018.

A decorative border on the left and right sides of the slide, featuring a repeating pattern of various currency symbols (Dollar, Euro, Pound, Yen) in a golden-yellow color.

***“Thank You”***

***Journey begins.....***

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