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Seminar on GST

Clause by Clause Analysis of Form 9C with Case Studies

Organized by Pune ICAI

GST : Good and Simple Tax

GST SYSTEM STATISTIC

GST SYSTEM STATISTIC:



1.14 Cr.

Registered Tax payer



15.99 Cr.

Total Return Filed



5.35 Cr.

Total Number of Payment Transactions



430.00 Cr.

Total Invoice Upload



9.68 Lakh Cr.

Payment through the portal
(excluding IGST on imports)



25.00 Cr.

E-way bill



18.00 Lakh

Total Returns Transactions in a
day



9.00 Lakh

Total Payment Transactions in a
day

SERIES OF ITC FRAUD DETECTION UNDER GST

GST SYSTEM BENEFIT:



Rs 2000-cr GST scam busted by Karnataka tax sleuths

Times of India - 25-Sep-2018

BENGALURU: In what could be the biggest GST fraud in the country so far, commercial tax sleuths from Karnataka have busted a scam worth ...



GST fraud: Fake bills used to claim input tax credit worth Rs 450 crore

Business Today - 22-May-2018

The GST-Intelligence Unit has unearthed a racket which used fake bills to claim input tax credit worth Rs 450 crore, the Financial Express ...

Fake GST bills racket busted in Jaipur, 3 arrested

Highly Cited - Hindustan Times - 21-May-2018



Rs 1200 crore GST fraud busted in Bengaluru: Huge modus operandi ...

Oneindia - 14-Nov-2018

Bengaluru, Nov 15: A major GST fraud amounting to around Rs 1,200 crore was busted in Bengaluru by the Goods and Services Tax ...

GST fake bill scam: Three held for defrauding more than Rs 200 crore

The New Indian Express - 14-Nov-2018



DGGI detects **Rs 80 crore GST 'fraud'**, says could be a tip of the iceberg

The New Indian Express - 28-Oct-2018

GST fraud of around Rs 80 crore has been detected in this case, which was paid through set-off of fraudulently availed Input Tax Credit on the ...

Pune zonal unit of DGGSTI arrest businessman for Rs 80 crore GST ...

Hindustan Times - 29-Oct-2018



50 करोड़ की जीएसटी चोरी का भंडाफोड़, सीए-वकील ...

नवभारत टाइम्स - 23-Oct-2018

Hindi News · State News in Hindi · Uttar Pradesh News in Hindi · Meerut News in Hindi; meerut 50 crore gst fraud three arrested including ca ...

50 करोड़ की जीएसटी चोरी का पर्दाफाश, ऐसे पकड़े गए ...

Patrika - 23-Oct-2018



US-based stockbroker jailed for GST fraud

My Business - 13-Nov-2018

An Australian stockbroker extradited from the US has been sentenced to five years' jail for fraudulently claiming over \$500,000 of GST refunds.

CA, two associates arrested for GST fraud of Rs 50 crore in Noida

Times Now - 23-Oct-2018

Meerut: A Chartered Accountant (CA) and two of his associates on Monday night were arrested for allegedly evading Rs 50 crore of Goods and ...



GST SYSTEM BENEFIT:



Haryana uncovers Rs 100 cr **GST fraud**, fears multi-state racket

Times of India - 31-Aug-2018

GURUGRAM: A company whose registered office led sleuths to a barber shop claimed GST refunds of Rs 50 crore through **fraudulent** returns, ...



Country's biggest-ever **GST fraud** worth Rs 60 crore unearthed in Kanpur

Daily News & Analysis - 06-Jul-2018

A year after introduction, country's biggest-ever GST fraud and evasion was unearthed by the intelligence unit in Kanpur where two prominent ...



First Kolkata **GST fraud** arrests in Rs 40 crore 'scam'

Times of India - 14-May-2018

KOLKATA: The Directorate General of GST Intelligence (DGGI) has arrested two persons, marking the first GST fraud-related arrests from the ...



GST fraud: Of 20 fake companies and one computer that generated ...

The Hindu - 14-Nov-2018

The detection of one of the biggest **frauds** — the generation of fake bills worth ₹1,200 crore — after the Goods and Services Tax (GST) regime ...

Rs 1200-crore GST fraud busted in Bengaluru

Deccan Herald - 14-Nov-2018



Rs 203 crore **GST scam** busted, three arrested

Times of India - 26-Sep-2018

A communique issued by the commercial tax department said the gang involved in the **fraud** had got 14 GST registrations in the names of their ...

Biggest GST Scam: Evasion of Rs. 2000 Cr unearthed in Karnataka
taxscan.in (press release) - 26-Sep-2018

Microsoft



Mumbai: Two arrested for alleged **GST fraud**, tax evasion

Times of India - 19-May-2018

MUMBAI: The Goods and Services Tax (GST) department on Saturday arrested two persons here for allegedly duping the exchequer of **Rs 127...**

Biggest GST Fraud Unveiled: Mumbai Firm Siphoned Off Rs 173 Crore ...
Trak.in (blog) - 21-May-2018



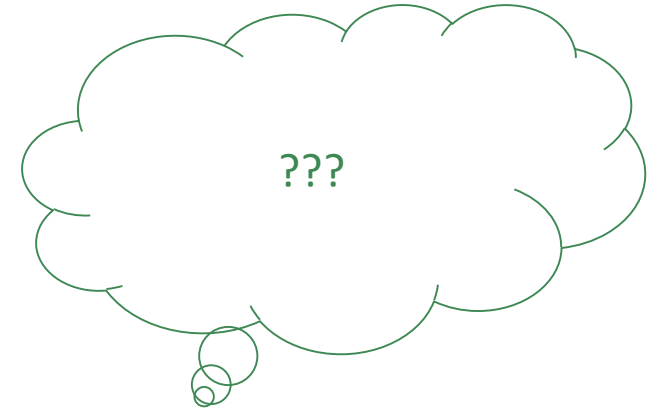
Tax dept detects ₹50 crore **GST 'fraud'**, files complaint

The Hindu - 17-Oct-2018

The Delhi government's Trade and Taxes Department has detected a **fraud** of ₹50 crore by a businessman who allegedly used forged ...

Delhi government files FIR over **GST fraud**

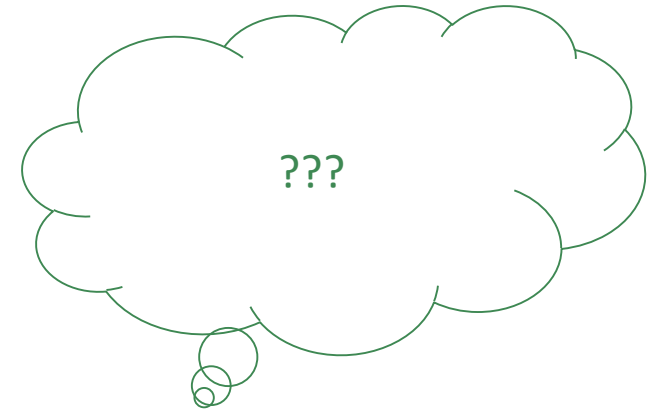
Times of India - 17-Oct-2018



GST Annual Return and Audit Challenges

CHALLENGES:

- **Reconciliation:** No reconciliation done at all
- **Mistakes in return filed:** Messy status of data and return filed
- **No clarity on GST:** ITC, RCM, Valuation, Other incomes
- **Consolidated Financial Statement:** Preparing financial statement for each GSTIN. Also information is to be separated for April 17 to June 17 and July 17 to Mar 18
- **Defaulter Supplier:** Follow up with vendor for ITC
- **Excel Utility of GSTR 9 / 9C:** Not yet available
- **Alignment of GSTR 3B and GSTR 1:** First step required to be done
- **No new discovery can be made in GSTR FORM 9 :**



Important Provisions

IMPORTANT PROVISIONS:



Audit Means



Sec 2(13)



Audit Required for



Sec 35(5)



**Annual Return
Required for**



Sec 44



**Audit & Annual
Return Regulation**



Rule 80



IMPORTANT PROVISIONS:

- **Audit Means** [sec 2(13)] : “audit” means
 - The **Examination of records, returns and other documents** maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force
 - To **verify the correctness** of **TURNOVER DECLARED**, **TAXES PAID**, **REFUND CLAIMED** and **INPUT TAX CREDIT AVAILED**, and
 - To assess his **compliance with the provisions** of this Act or the rules made thereunder

- **Audit Required for** [Sec 35(5)] :Every registered person whose turnover during a financial year exceeds the prescribed limit shall
 - **Get his accounts audited** by CA/CMA and
 - **Shall submit**
 - **Copy of the audited annual accounts**,
 - **The reconciliation statement under Sec 44(2)** and
 - **Such other documents** in such form and manner as may be prescribed

IMPORTANT PROVISIONS:

- **Final Return Required - Registration Cancellation Case [Sec 45] :**
 - Every registered person who is required to furnish a return under Sec 39(1) and whose registration has been cancelled
 - Shall furnish a final return within 3 months of the date of cancellation or date of order of cancellation, whichever is later, in such form and manner as may be prescribed.

- **Final Return Required - Registration Cancellation Case [Rule 81] :**
 - Every registered person required to furnish a final return under section 45,
 - shall furnish such return electronically in **FORM GSTR-10** through the common portal either directly or through a Facilitation Centre notified by the Commissioner

[Form GSTR 10 is notified vide Notf no. 21/2018-CT dt 18.04.2018]

IMPORTANT PROVISIONS:

- Annual Return and Audit - Regulation [Rule 80] :

3) Every registered person

- whose **AGGREGATE TURNOVER** during a financial year **EXCEEDS RS 2 CRORE**
- shall get his accounts audited as specified under Sec 35(5) and
- He shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in **FORM GSTR-9C**, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

GSTR Form No	Inserted by Notification No	Notification Date
Form GSTR 9, Form GSTR 9A	39/2018-CT	4 th Sep 2018
Form GSTR 9B	Not yet notified	Not yet notified
Form GSTR 9C	49/2018-CT	13 th Sep 2018

SYNOPSIS:

ANNUAL RETURN

FORM GSTR 9

FORM GSTR 9A

Form GSTR 9B

GST AUDIT & RECONCILIATION STATEMENT

FORM GSTR 9C

Applicable to Normal Registered Taxpayer, Other than ISD, TDS/TCS, Casual Taxable Person

Applicable to Composition Tax Payer

Applicable to GST TCS Tax Payer

Applicable to taxpayer whose turnover during FY is more than Rs 2 Crore

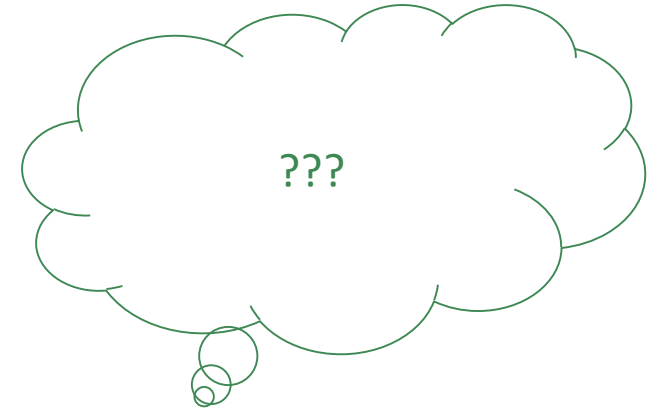


IMPORTANT PROVISIONS:

- Annual Return and Audit - Levy of Late Fee [Sec 47] :

GSTR Form No	Late fee under CGST + SGST	Maximum amount under CGST + SGST
Form GSTR 9,	Rs 100 + Rs 100 per day	0.25% + 0.25% of Turnover in State/UT
Form GSTR 9A	Rs 100 + Rs 100 per day	0.25% + 0.25% of Turnover in State/UT
Form GSTR 9B	Rs 100 + Rs 100 per day	0.25% + 0.25% of Turnover in State/UT
Form GSTR 9C	Rs 100 + Rs 100 per day	0.25% + 0.25% of Turnover in State/UT
Form GSTR 10	Rs 100 + Rs 100 per day	Rs 5000 + Rs 5000

**Rs 400 per day and Max
1% of Turnover**



Internal Auditor can not become GST Auditor

Announcement

Sub. : Internal Auditor not to undertake Goods and Service Tax (GST) Audit simultaneously

We have received enquiries from the members at large and other stakeholders as to whether an internal auditor of an entity can also undertake GST Audit of the same entity as required under the Central Goods and Service Act, 2017.

The Council of the Institute, while considering the issue at its 378th Meeting held on 26th and 27th September, 2018, noted its earlier decision taken at its 281st Meeting held from 3rd to 5th October, 2008, that internal auditor of an assessee, whether working with the organization or independently practising Chartered Accountant being an individual chartered accountant or a firm of chartered accountants, cannot be appointed as his Tax auditor (under the Income Tax Act, 1961).

Upon consideration, the Council has decided that based on the conflict in roles as statutory and internal auditor simultaneously, the bar on internal auditor of an entity to accept tax audit (under Income Tax Act, 1961) will also be applicable to GST Audit (under the Central Goods and Service Act, 2017).

Accordingly, it is clarified that an Internal Auditor of an entity cannot undertake GST Audit of the same entity.

28.9.2018

BULLET POINT TO NOTE

BULLET POINT	COMMENT
Period Covered	1 st July 17 to 31 st Mar 18
Due date	31 st Dec 18
Late Fee	Rs 400 per day for Form GSTR 9 + Form GSTR 9C Max 1% of Turnover for Form GSTR 9 + Form GSTR 9C
Notice for Non Filer	As per Sec 46 read with Rule 68, Notice in Form GSTR 3A shall be issued within 15 days electronically to registered person who fails to furnish return under Sec 44
Thresh hold limit	Form GSTR 9: Applicable irrespective of Turnover. Applicable even in case of Nil Turnover Form GSTR 9C: Applicable, if aggregate turnover is more than 2 Crore
PAN Vs GSTN	Reporting is GSTIN wise and not PAN Wise
Source of Information	Form GSTR 3B, Form GSTR 1 and Financial Statement



Form GSTR 9C – For F.Y. 17-18

**TOTAL V
PARTS**

**Reconciliation of
Audited Financial
Statement with GSTR 9**

**TOTAL 16
Reporting
Heading**

Reconciliation of Gross Turnover

Reconciliation of Taxable Turnover

**Reconciliation of Rate Wise Liability and Amount
Payable thereon**

**Additional Amount Payable due to above
reconciliation but not paid**

Reconciliation of Net ITC

Auditors Recommendation on additional Tax Liability

Verification

Audit Certification Report

Part No	Heading of the Part of Form GSTR 9C
PART – A - Reconciliation Statement	
I	Basic Details (Sr. No. 1 to 4)
II	Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return GSTR9 (Sr. No 5 to 8) <ul style="list-style-type: none">○ 5. Reconciliation of Gross Turnover○ 6. Reasons for Un - Reconciled difference in Annual Gross Turnover○ 7. Reconciliation of Taxable Turnover○ 8. Reasons for Un - Reconciled difference in taxable turnover
III	Reconciliation of tax paid (Sr. No. 9 to 11) <ul style="list-style-type: none">○ 9. Reconciliation of rate wise liability and amount payable thereon○ 10. Reasons for un-reconciled payment of amount○ 11. Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)

Part No	Heading of the Part of Form GSTR 9C
IV	<p data-bbox="285 285 1383 329">Reconciliation of Input Tax Credit (ITC) (Sr. No. 12 to 16)</p> <ul data-bbox="285 371 2346 842" style="list-style-type: none"><li data-bbox="285 371 1238 415">○ 12. Reconciliation of Net Input Tax Credit (ITC)<li data-bbox="285 456 1251 501">○ 13. Reasons for un-reconciled difference in ITC<li data-bbox="285 542 2346 671">○ 14. Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account<li data-bbox="285 714 1271 758">○ 15. Reasons for un - reconciled difference in ITC<li data-bbox="285 799 2193 842">○ 16. Tax payable on un-reconciled difference in ITC (due to reasons specified in 13 and 15 above)
V	<p data-bbox="285 895 1768 939">Auditor's recommendation on additional Liability due to non-reconciliation</p>
<p data-bbox="73 1011 570 1055">PART – B- CERTIFICATION</p>	

FORM GSTR 9C : FY 17-18

✓ Information Required in Annual Return for

PERIOD	YES / NO
April 17 to June 17	YES
July 17 to Mar 18	YES
April 18 to Sep 18	NO

- ✓ In Form GSTR 9C, information of turnover of April 17 to June 17 is required to be given. Said details are also required to furnish in first GSTR 1 of F.Y. 17-18. Cross checking of said information with GSTR 1 is to be done.

FORM GSTR 9C : FY 17-18: PART I

“FORM GSTR-9C

See rule 80(3)

PART – A - Reconciliation Statement

Pt. I		Basic Details
1	Financial Year	
2	GSTIN	
3A	Legal Name	<Auto>
3B	Trade Name (if any)	<Auto>
4	Are you liable to audit under any Act?	<<Please specify>>
		(Amount in ₹ in all tables)

COMMENT:

- Information of whole FY. 17-18 is required to be given in this form
- Financial Statements are to be divided
 - Into GSTIN wise, and
 - April 17 to June 17 and July 17 to Mar 18
- Particulars of audit under other Acts (Companies Act 2013, Income Tax Act 1961, MVAT Act 2002 etc)

CASE STUDY

- Whether GST Audit is required ? - ABC Ltd is having below turnover in F.Y. 2017-18.

State	Taxable Turnover	Exempted Turnover	GST Audit Required
Maharashtra	Rs 1.5 Crore	Rs 0.75 Crore	YES
Gujrat	Rs 10 Lakhs	Rs 90 Lakhs	YES

- Whether GST Audit is required ? - ABC Ltd is having below turnover in F.Y. 2017-18.

Particulars	Value
Sale of Land (No Supply Case - Sch III)	Rs 1.9 Crore
Rent from Commercial Property	Rs 20 Lakhs

➔ No, Sale of Land is no supply case. It doesn't include under Aggregate Turnover Definition

Financial Statements for GSTR 9C:

- Where multiple GSTINs exist on same PAN (that is multiple registration under one PAN across India) :
 - ✓ Then, Such tax payer, will have to internally derive their GSTIN wise Turnover.
 - ✓ Audited Financial Statement includes reference to books of accounts.

Audited Financial Statements of XYZ Ltd							
Profit and Loss Account for F.Y. 17-18							
Particulars	GSTIN 1 (State A)	GSTIN 2 (State B)	Total Amount	Particulars	GSTIN 1 (State A)	GSTIN 2 (State B)	Total Amount
INFORMATION FOR APRIL 17 TO JUNE 17	XX	XX	XXXX	INFORMATION FOR APRIL 17 TO JUNE 17	XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
INFORMATION FOR JULY 17 TO MAR 18	XX	XX	XXXX	INFORMATION FOR JULY 17 TO MAR 18	XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX
	XX	XX	XXXX		XX	XX	XXXX



FORM GSTR 9C : FY 17-18: PART II

Pt. II Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)

5	Reconciliation of Gross Turnover	
A	Turnover (including exports) as per audited financial statements for the State / UT (For multi-GSTIN units under same PAN the turnover shall be derived from the audited Annual Financial Statement)	
B	Unbilled revenue at the beginning of Financial Year	(+)
C	Unadjusted advances at the end of the Financial Year	(+)
D	Deemed Supply under Schedule I	(+)
E	Credit Notes issued after the end of the financial year but reflected in the annual return	(+)
F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)

COMMENT:

- **PARA 5A:**
 - There may be cases where multiple GSTINs (State-wise) registrations exist on the same PAN. This is common for persons / entities with presence over multiple States. Such persons / entities, will have to **internally derive their GSTIN wise turnover and declare the same here.**
 - 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
 - It include supply of goods and services , other income which is supply under GST.

- **PARA 5B:** It means, revenue booked in last F.Y. on accrual basis (WIP etc), However invoice for the same is raised in F.Y. 17-18 and GST is charged on the same.
- **PARA 5C:** It means, advance on which GST is paid in FY 17-18 but invoice for the same is not raised in FY 17-18
- **PARA 5D:** It include adjustment on account of Schedule I Supply reported in GSTR 1, mainly: - Branch Transfer, Capital Goods transferred to under GSTIN unit etc
- **PARA 5E:** As per me, this para is not relevant and incorrect.
- **PARA 5F:** 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



FORM GSTR 9C : FY 17-18: PART II

Pt. II Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)

G	Turnover from April 2017 to June 2017	(-)
H	Unbilled revenue at the end of Financial Year	(-)
I	Unadjusted Advances at the beginning of the Financial Year	(-)
J	Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST	(-)
K	Adjustments on account of supply of goods by SEZ units to DTA Units	(-)
L	Turnover for the period under composition scheme	(-)
M	Adjustments in turnover under section 15 and rules thereunder	(+/-)
N	Adjustments in turnover due to foreign exchange fluctuations	(+/-)

COMMENT:

- **PARA 5G:** Turnover of F.Y. 17-18 are to be reported here.
- **PARA 5H:** Unbilled revenue (WIP) recorded on accrual basis in current FY but GST is not payable not the same. (Tax invoice is also not raised in FY 17-18 and will be raised in next FY)
- **PARA 5I:** Value of all advances for which GST has not been paid but the same has been recognized as revenue in the audited Annual Financial Statement shall be declared here
- **PARA 5J:** Value of credit notes which have been accounted for in Financial Statement but were not admissible under Section 34 of the CGST Act shall be declared here
- **PARA 5K:** Value of goods supplied by SEZs to DTA for which the DTA units have filed bill of entry shall be declared here.

- **PARA 5L:** There may be cases where registered persons might have opted out of the composition scheme during the current financial year and its turnover as per the audited Financial Statement would include both turnover, as composition taxpayer as well as normal taxpayer. Therefore, turnover for which GST was paid under composition scheme shall be declared here.
- **PARA 5M:** Reporting under this para will be required when here the taxable value and the invoice value differ due to valuation principles under section 15





FORM GSTR 9C : FY 17-18: PART II

Pt. II	Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)		
O	Adjustments in turnover due to reasons not listed above	(+/-)	
P	Annual turnover after adjustments as above		<Auto>
Q	Turnover as declared in Annual Return (GSTR9)		
R	Un-Reconciled turnover (Q - P)		AT1
6	Reasons for Un - Reconciled difference in Annual Gross Turnover		
A	Reason 1	<<Text>>	
B	Reason 2	<<Text>>	
C	Reason 3	<<Text>>	

COMMENT:

- **PARA 5O:** Residuary general para for reporting difference on some account. **Example:** Notice pay recovery, Sale of capital goods, Inputs and Capital Goods sent to job worker but not returned within the prescribed period, Incentive/rebate received from supplier
- **PARA 5P:** This amount will be auto reflected.
- **PARA 5Q:** This turnover may be derived from Sr. No. 5N, 10 and 11 of Form GSTR 9
- **PARA 5R and 6:** Reasons for non-reconciliation between the annual turnover declared in the audited Annual Financial Statement and turnover as declared in the Annual Return (GSTR 9) shall be specified here. Any liability arising therefrom must be disclosed at Table No.11 (Additional amount payable but not paid) & Part V as auditor's recommendation.



FORM GSTR 9C : FY 17-18: PART II

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

COMMENT:

- **PARA 7A:** It will be auto reflected
- **PARA 7B:** Amount net of Debit Note/ Credit Note to be reflected here.
- **PARA 7C:** Amount net of Debit Note/ Credit Note to be reflected here. SEZ Supplies under LUT are also be to be reflected here.
- **PARA 7D:** Amount net of Debit Note/ Credit Note to be reflected here.
- **PARA 7E:** It will be auto reflected
- **PARA 7F:** This turnover may be derived from Sr. No. 4N of Form GSTR 9
- **PARA 7G and 8:** Reasons for non-reconciliation between adjusted annual taxable turnover as derived from Table 7E above and the taxable turnover declared in Table 7F shall be specified here.



CASE STUDY

- Custom House Agent Services - Below are details. What will be implication in GSTR Form 9C

Sr. No.	Particulars	Value in Rs	CGST Paid Rs	SGST Paid Rs
1	Sales as per Audited Financial Statement	1.25 Crore	Rs 9 lakhs	Rs 9 lakhs
2	Amount Recovered as Pure Agent	20 lakhs	-	-
3	Amount Recovered as Pure Agent, (but it doesn't qualify criteria of Pure Agent Related Provisions)	5 lakhs	-	-
4	Turnover as declared in GSTR 9	1.0 Crore	Rs 9 lakhs	Rs 9 lakhs

- Sr. No 1: Sales will be part of Sr No 5A
- Sr. No 2: Amount Recovered as Pure Agent will be disclosed in Sr. No. 5M
- Sr. No 3: It will not be disclosed in Sr. No 5. It will be unreconciled item, to be reported in Sr. No. 6

CASE STUDY

- Supply by SEZ unit- Below are details. What will be implication in GSTR Form 9C

Sr. No.	Particulars	Value	CGST Paid	SGST Paid
1	Export of Goods to USA under LUT	1 Crore		
2	Goods Supplied domestically, where BOE is filed	20 lakhs	-	-

Sr. No 1: It will be part of Sr No 5A. Also it will be disclosed in Sr. No. 7C

Sr. No 2: It will be disclosed in Sr. No. 5K

Sr. No.	Particulars	Value	CGST ITC Taken	SGST ITC Taken
1	Profit on Sale of Fixed Asset	Rs 1 lakhs		
2	Sale Value of Fixed Asset	Rs 10 lakhs	Rs 0.9 lakhs	Rs 0.9 lakhs

Sr. No 1& 2 : It will be disclosed as adjustment in Sr No. 5O

CASE STUDY

- Imports - Below are details. What will be implication in GSTR Form 9C

Sr. No.	Particulars	Value	CGST Paid	SGST Paid
1	Goods Supplied on High Seas Sales Basis	20 lakhs		
2	Sale of Imported Goods	1 Crore	Rs 9 lakhs	Rs 9 lakhs
3	Total Sale as per Audited Financial Statement	Rs 1.2 Crore		

- Sr. No 1: sale of imported goods will be disclosed in Sr. No. 7B
- Sr. No 2: It will be of Sr No 5A. No separate disclosure required
- Sr. No 2: It will be of Sr No 5A.

CASE STUDY

- GST on Advance received against supply of Goods (Case where Notification No 40/2017 CT dated 13th Oct 2017, is applicable)

Sr. No.	Particulars	Value	CGST Paid	SGST Paid
1	Advance received on 1st Aug 2017	20 lakhs	Rs 1.8 Lakhs	Rs 1.8 Lakhs
2	Advance received on 25th Aug 2017	10 lakhs	Rs 0.9 Lakhs	Rs 0.9 Lakhs
3	Advance received on 1st Oct 2017	10 lakhs		
4	Advance received on 25th Jan 2018	30 lakhs		
5	Invoice raised on 1st Mar 2018, with respect to 1st Advance	30 lakhs	Balance Amount	Balance Amount
6	Invoice raised on 1st May 2018, with respect to 2 nd , 3 rd and 4 th Advance	60 lakhs	Balance Amount	Balance Amount

- Sr. No 2: It will be disclosed in Sr. No. 5C.
- Sr. No 3: For non payment of GST, auditor should recommend interest liability at Part V
- Sr. No. 1: No separate reporting, as invoice is raised during the same year.

CASE STUDY

- GST on Advance received against supply of Goods (Case where Notification No 66/2017 CT dated 11th Nov 2017, is applicable)

Sr. No.	Particulars	Value	CGST Paid	SGST Paid
1	Advance received on 1st Aug 2017	20 lakhs	Rs 1.8 Lakhs	Rs 1.8 Lakhs
2	Advance received on 25th Aug 2017	10 lakhs	Rs 0.9 Lakhs	Rs 0.9 Lakhs
3	Advance received on 1st Oct 2017	10 lakhs		
4	Advance received on 12th Oct 2017	30 lakhs		
5	Invoice raised on 1st Mar 2018, with respect to 1st Advance	30 lakhs	Balance Amount	Balance Amount
6	Invoice raised on 1st May 2018, with respect to 2 nd , 3 rd and 4 th Advance	60 lakhs	Balance Amount	Balance Amount

- Sr. No 2: It will be disclosed in Sr. No. 5C.
- Sr. No 3 & 4: For non payment of GST, auditor should recommend interest liability at Part V
- Sr. No. 1: No separate reporting, as invoice is raised during the same year.

CASE STUDY

- GST on Advance received against supply of Services

Sr. No.	Particulars	Value	CGST Paid	SGST Paid
1	Advance received on 1st Aug 2017	20 lakhs	Rs 1.8 Lakhs	Rs 1.8 Lakhs
2	Advance received on 25th Aug 2017	10 lakhs	Rs 0.9 Lakhs	Rs 0.9 Lakhs
3	Advance received on 1st Oct 2017	10 lakhs		
4	Advance received on 12th Mar 2018	30 lakhs		
5	Invoice raised on 1st Mar 2018, with respect to 1st Advance	30 lakhs	Balance Amount	Balance Amount
6	Invoice raised on 1st May 2018, with respect to 2 nd , 3 rd and 4 th Advance	60 lakhs	Balance Amount	Balance Amount

- Sr. No 2: It will be disclosed in Sr. No. 5C.
- Sr. No 3 & 4: For non payment of GST, auditor should recommend interest liability at Part V
- Sr. No. 1: No separate reporting, as invoice is raised during the same year.

CASE STUDY

- Other Income and Recovery

Sr. No.	Particulars	Value	CGST Paid	SGST Paid
1	Sales	1 Crore	Rs 9 lakhs	Rs 9 lakhs
2	Interest Income on FD	Rs 1 Lakhs	-	-
3	Dividend Received	Rs 2 Lakhs	-	-
4	Canteen Recovery from Exmployee - deducted from Canteen Expenses	Rs 0.5 Lakhs		
5	Interest received from Customer for late payment	Rs 0.25 Lakhs		
6	Penalty Amount received from Supplier, as per contract terms, for Non-performance of partivity	Rs 1 Lakhs		

- Sr. No 2 & 3: It may be disclosed at Sr No 5O, if said amount is already included in Sr. No 5A
- Sr. No 4,5,6 : It may be disclosed at Sr No 5O by adding the values, then it will reconciliation item on which there will be additional liability at Sr. No. 6A. Else auditor can disclose additional liability on the same in Part V

FORM GSTR 9C : FY 17-18: PART III

Pt. III	Reconciliation of tax paid					
9	Reconciliation of rate wise liability and amount payable thereon					
			Tax payable			
	Description	Taxable Value	Central tax	State tax / UT tax	Integrated Tax	Cess, if applicable
	1	2	3	4	5	6
A	5%					
B	5% (RC)					
C	12%					
D	12% (RC)					
E	18%					
F	18% (RC)					
L	Interest					
M	Late Fee					
N	Penalty					
O	Others					
P	Total amount to be paid as per tables above		<Auto>	<Auto>	<Auto>	<Auto>
Q	Total amount paid as declared in Annual Return (GSTR 9)					
R	Un-reconciled payment of amount				PT 1	
10	Reasons for un-reconciled payment of amount					
A	Reason 1	<<Text>>				
B	Reason 2	<<Text>>				
C	Reason 3	<<Text>>				
11	Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)					
			To be paid through Cash			
	Description	Taxable Value	Central tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	12%					
	18%					

COMMENT:

- **PART III:** It is reconciliation of tax paid as per Form GSTR 9C and Form GSTR 9. Rate wise details are to be given. "RC" under this table means, Tax paid under RCM
- **PARA 9P:** It is total of 9A to 9O and it will be auto reflected
- **PARA 9Q:** Amount payable as declared in Table 9, Table 10, Table 11 of the Form GSTR9 shall be declared here.
- **PARA 10:** Reasons for non-reconciliation between payable / liability declared in Table 9P and the amount payable in Table 9Q shall be specified here
- **PARA 11:** It will be auto reflected
- **PARA 7F:** Amount which is payable due to reasons specified under Table 6, 8 and 10 shall be declared here

CASE STUDY

- Wrong Tax Rate as per GST Auditor

On particular Goods, GST Rate as per	Tax Rate
Auditor is	18%
Company is	12%

Here, auditor should report said differential liability in Part III - Sr No 9 and 10



FORM GSTR 9C : FY 17-18: PART IV

IV 12 Reconciliation of Net Input Tax Credit (ITC)

A	ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)		
B	ITC booked in earlier Financial Years claimed in current Financial Year	(+)	
C	ITC booked in current Financial Year to be claimed in subsequent Financial Years	(-)	
D	ITC availed as per audited financial statements or books of account		<Auto>
E	ITC claimed in Annual Return (GSTR9)		
F	Un-reconciled ITC		ITC 1
13	Reasons for un-reconciled difference in ITC		
A	Reason 1	<<Text>>	
B	Reason 2	<<Text>>	
C	Reason 3	<<Text>>	
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
A	Purchases		4

COMMENT:

- **PARA 12A:** Total ITC availed amount is never disclosed on the face of Balance Sheet. Therefore, it is to be derived from Books of Accounts. Net ITC availed (after reversal if any) is to be reported here.
- **PARA 12B:** ITC which was recorded in books in earlier FY, but availed in GSTR 3B of current FY shall be declared here. This includes Transitional Credit.
- **PARA 12C:** ITC which was recorded in books in current FY, but not availed in GSTR 3B of current FY shall be declared here.
- **PARA 12D:** It will be auto reflected
- **PARA 12E:** ITC available for utilization as declared in Table 7J of Form GSTR9 shall be declared here.
- **PARA 12F and 13:** Reasons for non-reconciliation of ITC to be shall be specified here
- **PARA 14A to 14R:** It is expenses wise ITC reco. of Financial Statement and Form GSTR 9. Expenses wise details are to be given for amount mentioned in Para 12D of Form GSTR 9C



CASE STUDY

- Input Tax Credit - Wrongly availed

Sr. No.	Particulars	Value	CGST Credit	SGST Credit
1	ITC availed in F.Y. 17-18. Afterward Taxpayer has identified some wrong ITC of 17-18 and reversal done in May 18 Return		Rs 0.5 lakhs	Rs 0.5 lakhs
2	ITC availed in F.Y. 17-18. During GST Audit, auditor observed wrong ITC is claimed in Nov 18. Disclosure is not made for the same, in any return upto Nov 18		Rs 1 lakhs	Rs 1 lakhs

- Sr. No 1: Since tax payer has already done the correction, so separate reporting is to be done. However auditor should recommend Interest liability at Part V
- Sr. No 2 : Auditor should disclose additional liability of wrong ITC in Part V

CASE STUDY

- Input Tax Credit – Payment within 180 days

Sr. No.	Particulars	Value	CGST ITC Taken	SGST ITC Taken
1	ITC availed in July 17	Rs 10 lakhs	Rs 0.9 lakhs	Rs 0.9 lakhs
2	Out of the above payment made to supplier upto Mar 18	Rs 8 Lakhs		
3	Balance amount paid in Nov 18	Rs 2 Lakhs		

- Sr. No 3 : Auditor should disclose additional liability / Interest in Part V

CASE STUDY

- Input Tax Credit - ITC taken in books but not in Return

Sr. No.	Particulars	Value	CGST ITC Taken	SGST ITC Taken
1	Total ITC take for Feb 18 in books	Rs 10 lakhs	Rs 0.9 lakhs	Rs 0.9 lakhs
2	Out of the above, ITC taken in GSTR 3B	Rs 1 lakhs	Rs 0.09 lakhs	Rs 0.09 lakhs
3	Balance ITC is not taken upto Oct 18 and same is observed during audit	Rs 9 lakhs		

- Sr. No 3: This will be reported as difference by auditor at Sr. No. 13. This is credit lapsed, as not taken upto due date of filing of Sep 17 return. Auditor will simply disclose this difference and will not recommend anything.

CASE STUDY

- ITC - Auditor observed below Credit availed by taxpayer in Books as well as GSTR Return. What to do

Sr. No.	ITC availed on	CGST	SGST
1	Food	5000	5000
2	Works Contract	25000	25000
3	Purchase of Car	90000	90000
4	Factory Insurance	30000	30000
5	Employee Insurance	75000	75000
	Total	225000	225000

- Sr. No 1, 2,3, 5: It is blocked credit as per Sec 17(5). It is to be reported as additional liability by Auditor in Part V of GSTR 9C

FORM GSTR 9C : FY 17-18: PART IV

	Description	Value	Amount of Total ITC	Amount of eligible ITC availed
	1	2	3	4
A	Purchases			
B	Freight / Carriage			
C	Power and Fuel			
D	Imported goods (Including received from SEZs)			
E	Rent and Insurance			
F	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples			
G	Royalties			
H	Employees' Cost (Salaries, wages, Bonus etc.)			
I	Conveyance charges			
J	Bank Charges			
K	Entertainment charges			
L	Stationery Expenses (including postage etc.)			
M	Repair and Maintenance			
N	Other Miscellaneous expenses			

O	Capital goods		
P	Any other expense 1		
Q	Any other expense 2		
R	Total amount of eligible ITC availed		<<Auto>>
S	ITC claimed in Annual Return (GSTR9)		
T	Un-reconciled ITC		ITC 2
15	Reasons for un - reconciled difference in ITC		
A	Reason 1		<<Text>>
B	Reason 2		<<Text>>
C	Reason 3		<<Text>>
16	Tax payable on un-reconciled difference in ITC (due to reasons specified in 13 and 15 above)		
	Description	Amount Payable	
	Central Tax		
	State/UT Tax		

COMMENT:

- **PARA 14F:** Goods given as Free sample are not recorded as expenses. This head is incorrect.
- **PARA 14R:** It will be auto reflected
- **PARA 14S:** ITC available for utilization as declared in Table 7J of Form GSTR9 shall be declared here.



FORM GSTR 9C : FY 17-18: PART V

Pt. V	Auditor's recommendation on additional Liability due to non-reconciliation				
	To be paid through Cash				
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					
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)					

Verification:

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

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

Place:

Name of the signatory

Membership No.....

Date:

Full address

COMMENT:

- **AUDITORS RECOMMENDATION:** Part V consists of the auditor's recommendation on the additional liability to be discharged by the taxpayer due to (a) non-reconciliation of turnover or ITC (b) supplies not included in GSTR 9 (c) Refund erroneously taken (d) any other outstanding demands which is recommended to be settled by the auditor shall be declared in this Table.
- **TAX PAYABLE, DUE TO AUDIT OBSERVATION:** Towards, the end of the reconciliation statement taxpayers shall be given an option to pay their taxes as recommended by the auditor.

CASE STUDY

- Job Work : Deemed Supply Case - Below are details. What will be implication in GSTR Form 9C

Sr. No.	Particulars	Value
1	Total Raw Material supplied to Job Worker	1 Crore
2	Returned within 12 months	80 lakhs
3	Returned after 12 months	20 lakhs

- Sr. No 3: Auditor should recommend additional tax liability at Part V, due to non compliance of provisions

✓ Audit Certification

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

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

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

1.

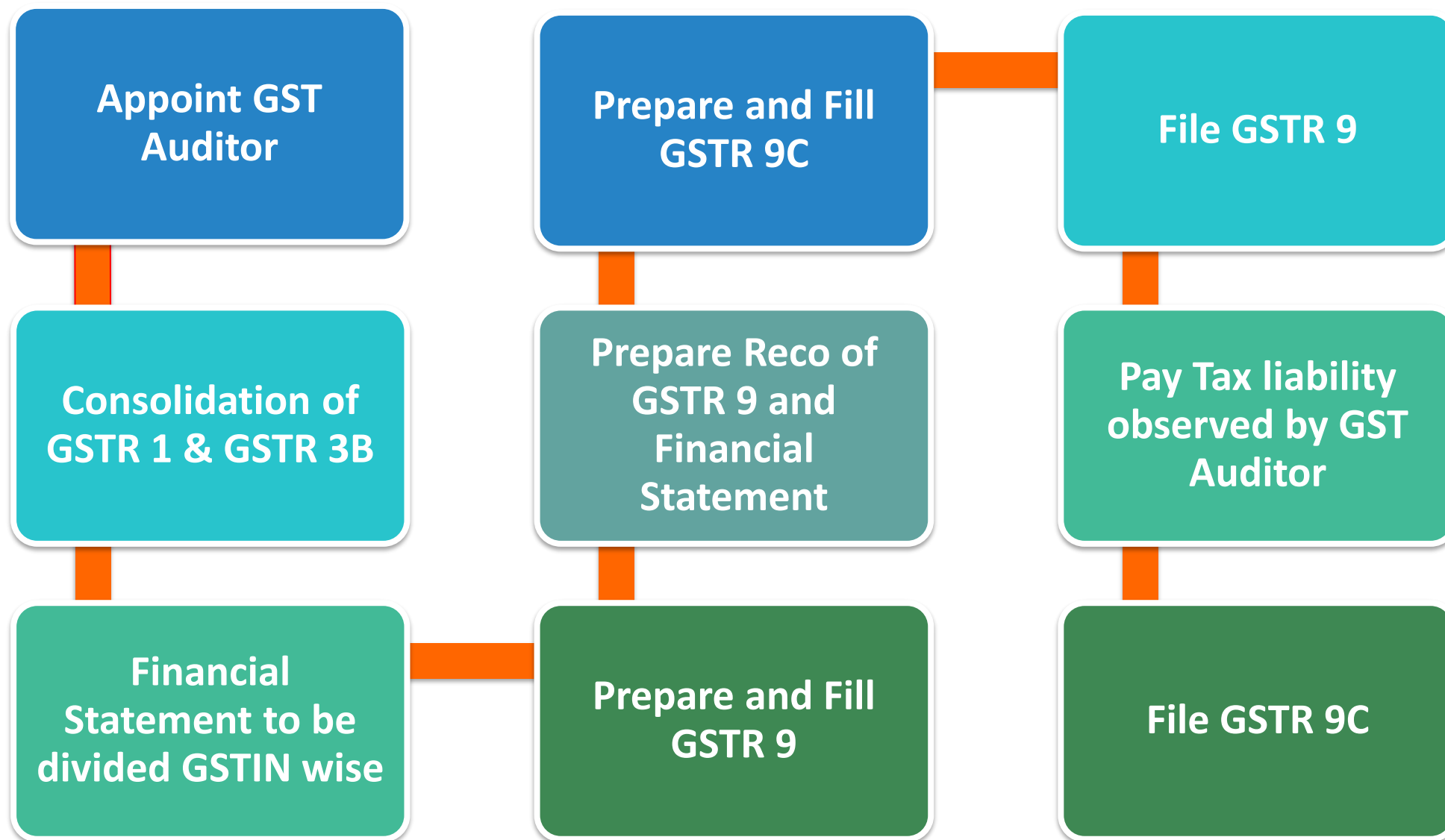
2.

3.

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

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

HOW TO GO AHEAD WITH GST ANNUAL RETURN AND AUDIT



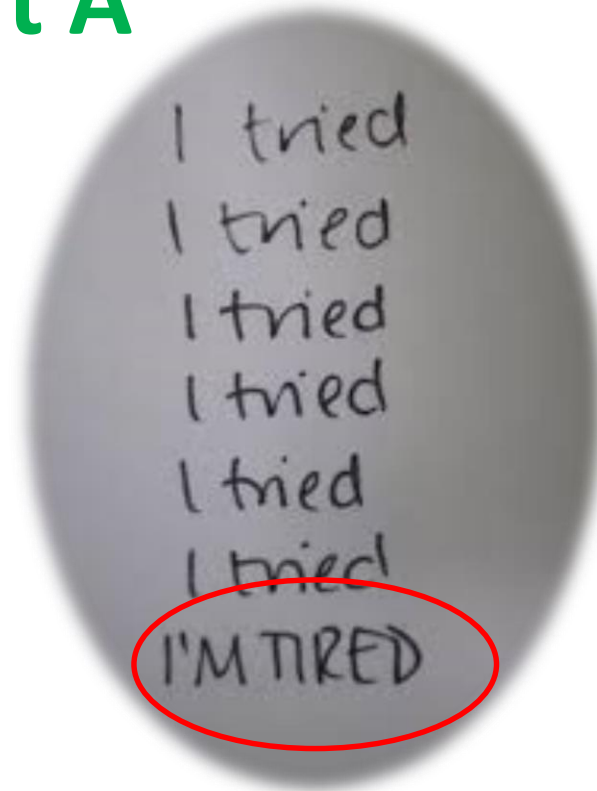
TIME MANGEMENT:

→ Assisting for Preparation of Form GSTR 9

→ Filling of GSTR 9C – Part A

Vs

**GST
Audit**



Thank You.

PRESENTED BY

CA SWAPNIL MUNOT

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