



# **Clause by clause analysis of GST R 9 / 9C**

***- CA Yogesh Ingale***

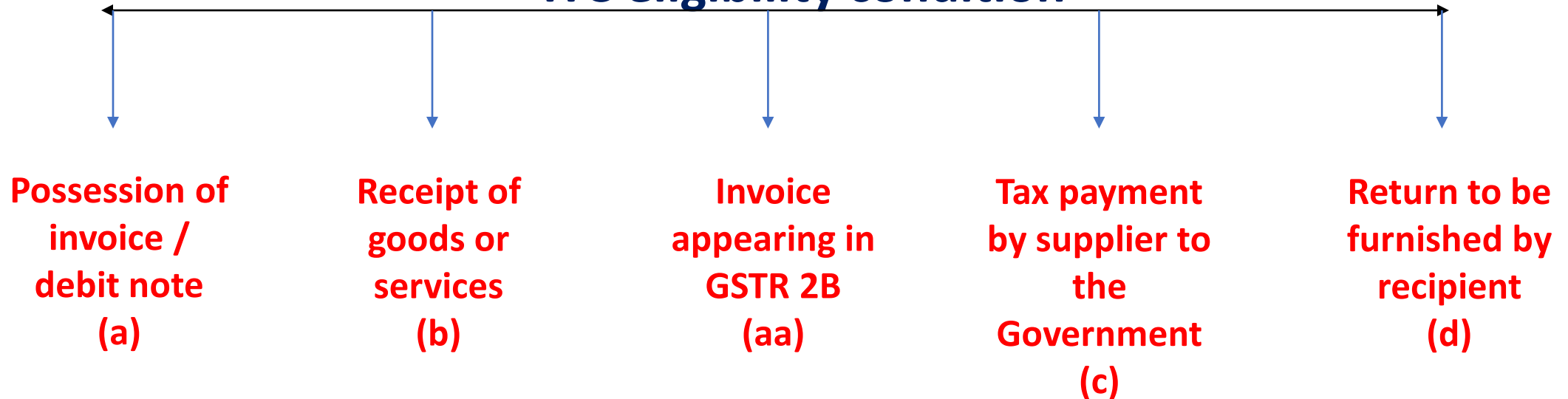
***21.11.2023***

*Important provisions to look after for FY  
2022-23*

# ❑ Section 16 at a glance : Eligibility and conditions for taking ITC

## • Section 16(2)

### • ITC eligibility condition



*\* Clause (aa) is made effective from 1<sup>st</sup> January, 2022 / Amended rule 36(4) states to avail ITC appearing in GSTR 2B*

# Section 16(2)(c)

- ***Subject to provision of section 41\****,
- *tax charged in respect of such supply has been actually paid to the govt. by supplier*
- 1<sup>st</sup> responsibility to pay tax is of supplier
- Press release dt. 4<sup>th</sup> May, 2018
- Section 32** – Prohibition of unauthorised collection of tax
- Section 76** – Tax collected but not paid to the Government
- Judicial pronouncements :**
  - ✓ Madras High Court : D.Y. Beathel Enterprises
  - ✓ Calcutta High Court : LGW Industries Ltd.
  - ✓ Orissa High Court : Bright Star Plastic Industries
  - ✓ Calcutta High Court : Gargo Traders

## Section 41 (Substituted w.e.f 1<sup>st</sup> October, 2022)

- (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to avail the credit of eligible input tax, as **self-assessed**, in his return and such amount shall be credited to his electronic credit ledger.
- (2) The credit of input tax availed by a registered person under sub-section (1) in respect of such supplies of goods or services or both, **the tax payable whereon has not been paid by the supplier, shall be reversed along with applicable interest**, by the said person in such manner as may be prescribed:
- ***Provided** that where the said supplier makes payment of the tax payable in respect of the aforesaid supplies, the said registered person may **re-avail** the amount of credit reversed by him in such manner as may be prescribed.*

## Rule 37A - Reversal of input tax credit in the case of non-payment of tax by the supplier and re-availment thereof – (inserted w.e.f 26/12/2022)

- Where ITC has been availed of invoice / debit note
- Details of which furnished by supplier in GSTR 1/ IFF
- But GSTR 3B has not been filed (taxes not paid) **corresponding to the said GSTR 1**
- till **30<sup>th</sup> September** following the end of financial year
- **in which the ITC in respect of such invoice or debit note has been availed**
- said ITC shall be reversed
- While furnishing a return in **FORM GSTR 3B on or before 30<sup>th</sup> Day of November**
- If not reversed – **interest payable u/s 50**
- ITC can be re-availed once supplier filed GSTR 3B

## Section 16(4) time limit to avail ITC

- Registered person shall not be entitled to take ITC
- In respect of any invoice or debit note
- **After 30<sup>th</sup> November**
- Following the end of Financial Year or
- Furnishing of relevant annual return, whichever is earlier

## Situation 1 :

- ✓ Invoice dt. 30/06/2022
- ✓ ITC availed on 30/06/2023
- ✓ Supplier to file GSTR 3B till - ??
  - 30<sup>th</sup> September, ~~2023~~ 2024
- ✓ ITC to be reversed by - ??
  - 30<sup>th</sup> November, ~~2023~~ 2024



## Situation 2 :

*(Assumption : Conditions of clause (a), (b) & (d) of section 16 are met )*

- ✓ Mr. A has not availed ITC of invoice dt. 30/09/2022 as invoice is not appearing in GSTR 2B
  - ✓ Till 30<sup>th</sup> November, 2023, supplier has not furnished GSTR 1 & GSTR 3B
  - ✓ Supplier filed GSTR 1 in January, 2024
  - ✓ Supplier filed GSTR 3B in December, 2024
  - ✓ How to deal with such situation ??
- 
- Avail & reverse ITC on or before 30<sup>th</sup> November, 2023
  - ITC may be re-availed in February, 2024 *(time limit to re-avail ITC is not applicable)*
  - ITC to be reversed till November, 2024
  - ITC can be re-availed after filing of GSTR 3B in December, 2024

## Clients to consultants -



- 1) Government ne kaha – Supplier ko chhod do
- 2) Supplier ne kaha – Muze chhod do
- 3) Aur tum keh rahe ho – ITC chhod do

## Situation 3 :

*(Assumption : Conditions of clause (a), (b) & (d) of section 16 are met )*

- ✓ Mr. A has not availed ITC of invoice dt. 30/09/2022 as invoice is not appearing in GSTR 2B
  - ✓ Till 30<sup>th</sup> November, 2023, supplier has not furnished GSTR 1 & GSTR 3B
  - ✓ Mr. A availed and reversed ITC before 30<sup>th</sup> November, 2023
  - ✓ Supplier filed GSTR 1 in January, 2024
  - ✓ Supplier filed GSTR 3B in October, 2024
  - ✓ ITC was re-availed in February, 2024
  - ✓ ITC not reversed by Mr. A till November, 2024. Whether interest is applicable ??
- 
- No
  - ITC to be reversed in such situation by 30<sup>th</sup> November, 2024
  - By 30<sup>th</sup> November, 2024, GSTR 3B has been filed by the supplier
  - Hence, no interest is applicable in such situation

## Situation 4 :

- ✓ Mr. A has availed ITC of invoice dt. 30/09/2022 in the same month
- ✓ Till 30<sup>th</sup> September, 2023, supplier has not filed GSTR 3B
- ✓ Mr. A reversed ITC before 30<sup>th</sup> November, 2023
  
- ✓ (i) In January, 2024, supplier was issued notice u/s 61 (ASMT 10) and thereafter supplier paid taxes in form DRC 03. Whether ITC is allowed ??
  - - Yes
  
- ✓ (ii) In January, 2024, supplier was issued notice u/s 73 (SCN) and thereafter supplier paid taxes in form DRC 03 as per section 73(8). Whether ITC is allowed ??
  - - Yes
  
- ✓ (iii) In January, 2024, supplier was issued notice u/s 74 (SCN) and thereafter supplier paid taxes in form DRC 03 as per section 74(8). Whether ITC is allowed ??
  - - No [As per clause (i) of section 17(5) – ITC blocked if taxes are paid in accordance of
  - provisions of section 74,129,130]

## Situation 5 :

✓ Where to check 3B filing status ??

- GSTR 2A

✓ What if supplier pays taxes of 8 invoices out of 10 invoices, still whether Mr. A is eligible to avail ITC ??

- - GSTR 3B is summarized return

- - In such situation, ITC eligibility may be based on declaration by supplier

# *Preliminaries for GSTR 9/9C*

## Keep data ready as follows -

### ❑ Outward supply –

- ✓ Prepare “supply” register
- ✓ Identify B2B, B2C, B2B CN/DN, B2C CN/DN transactions, exports etc
- ✓ Identify supplies without payment. Ex – Exempt supply, SEZ/ Export without payment of tax
- ✓ **Rate-wise** outward supply register to be prepared
- ✓ Identify hidden liabilities (Ex. Recoveries from employees, Income accounted through expenditure account, Schedule I transactions)

## ❑ Inward Supply –

- ✓ Prepare ITC register
- ✓ Identify ITC pertaining to RCM, ITC on Imports and ITC other than RCM and imports
- ✓ Identify ITC pertaining to **inputs/ input services/ capital goods**
- ✓ ITC reversal list to be prepared
- ✓ Identify ITC availed for previous FY
- ✓ Identify ITC availed for reporting FY in next FY
- ✓ Identify ITC reversed in current as well as next FY
- ✓ Identify ITC yet to reverse



## ❑ **Reverse charge liability—**

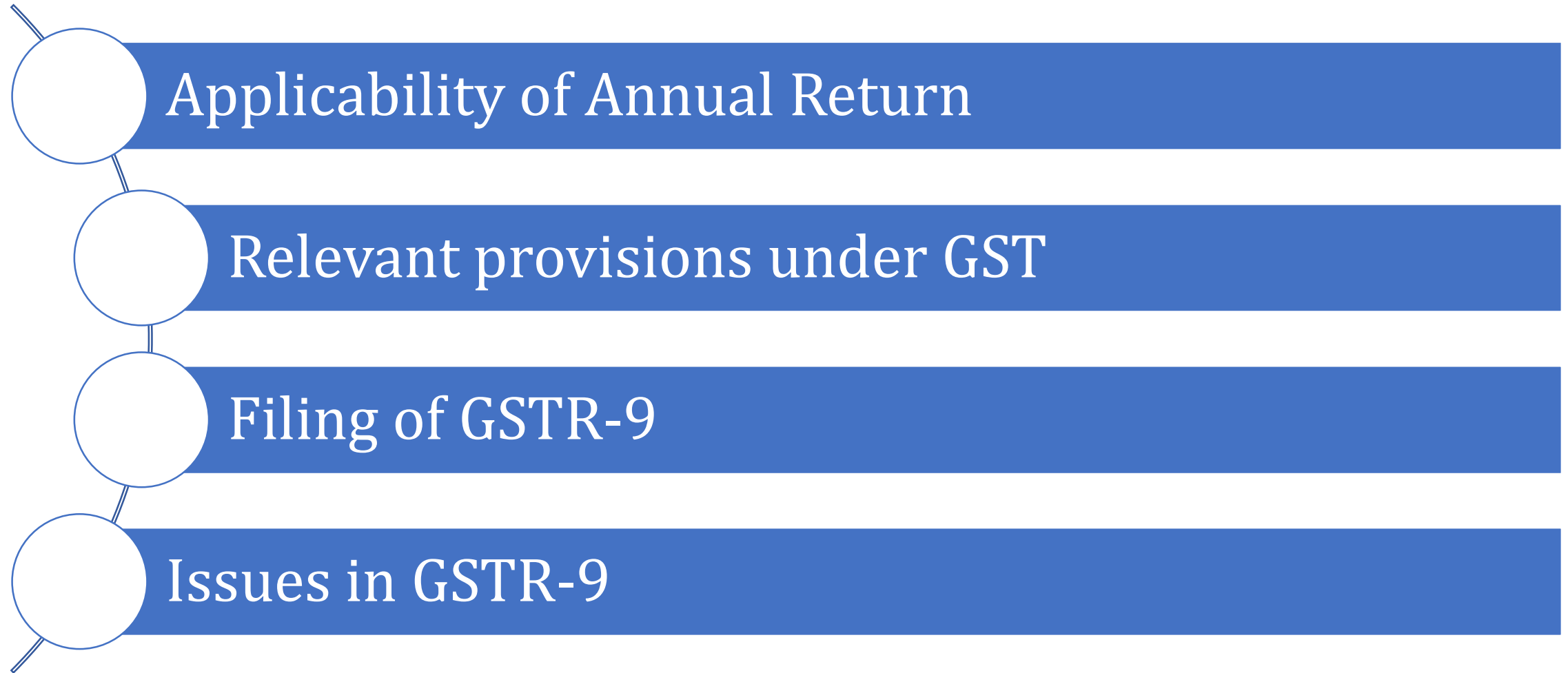
- ✓ Prepare RCM liability register
- ✓ Scrutinize books of accounts and identify RCM liability
- ✓ Identify RCM paid in reporting FY
- ✓ Identify RCM paid in next FY
- ✓ Identify RCM liability yet to pay

## ❑ Various reconciliations -

- ✓ GSTR 1 vs GSTR 3B vs Final books of accounts
- ✓ GSTR 2B vs ITC claimed in GSTR 3B
- ✓ RCM paid in GSTR 3B vs RCM supplies reported by suppliers in GSTR 1
- ✓ Import ITC vs ICE Gate data / GSTR 2A/ GSTR 2B vs Bill of entries
- ✓ RCM liabilities disclosed in GSTR 9 (table 4G) vs RCM ITC reported in GSTR 9 (Table 6CDF)
- ✓ E way bill reconciliation
- ✓ E invoice reconciliation

***Now let's understand annual return***

# Objective of session



# Applicability of Annual Returns

**As per section  
44(1) + Nofn.  
74/2018-CT**

Every registered  
person shall file  
annual return

Other than  
**ISD, person  
paying tax  
under 51 or 52  
Casual taxable  
person, NRTP**

# Applicability of Annual Returns

Normal registered person

- In GSTR-9

Person registered under section 10 of CGST

- In GSTR-9A/ GSTR 4

E-Commerce Operator

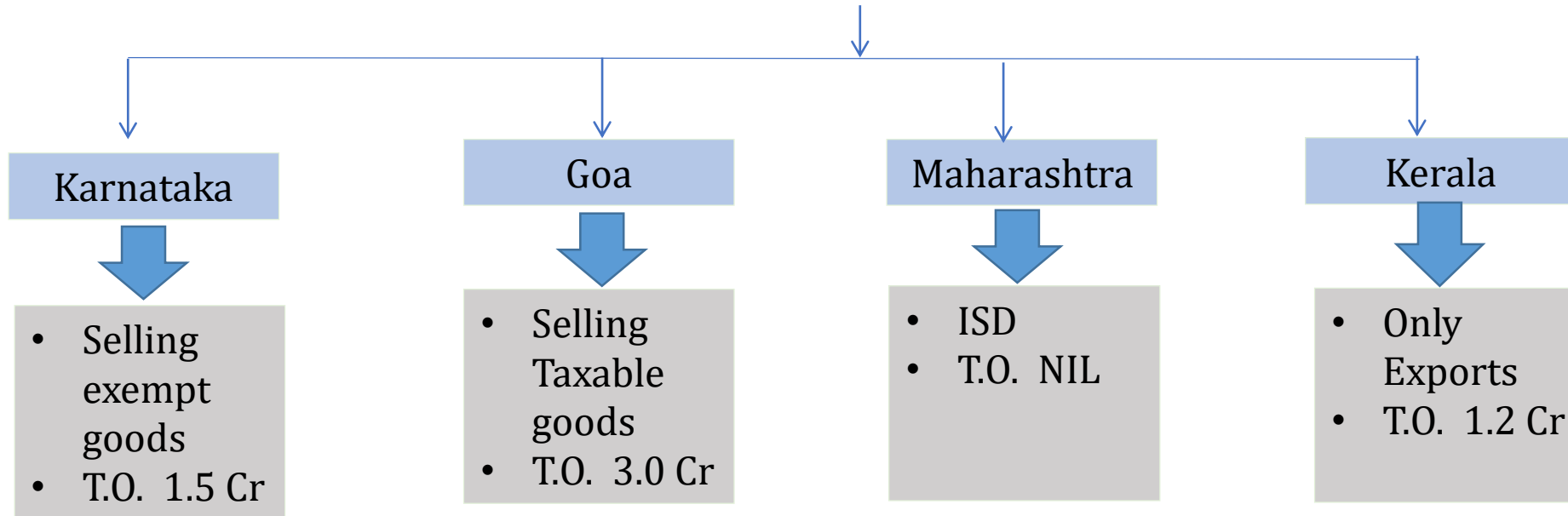
- In GSTR-9B

Turnover threshold

- Aggregate turnover upto 2 cr – exempted
- Aggregate turnover on and above 2 cr – mandatory
- Aggregate turnover on and above 5 cr – 9C alongwith GSTR 9

# Audit-Requirement

ABC Ltd (Registered Person)



# Aggregate turnover

- *"aggregate turnover" means the aggregate value of*
- *all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis),*
- *exempt supplies,*
- *exports of goods or services or both and*
- *inter-State supplies of persons having the same Permanent Account Number,*
- *to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess;*



# Annual Return

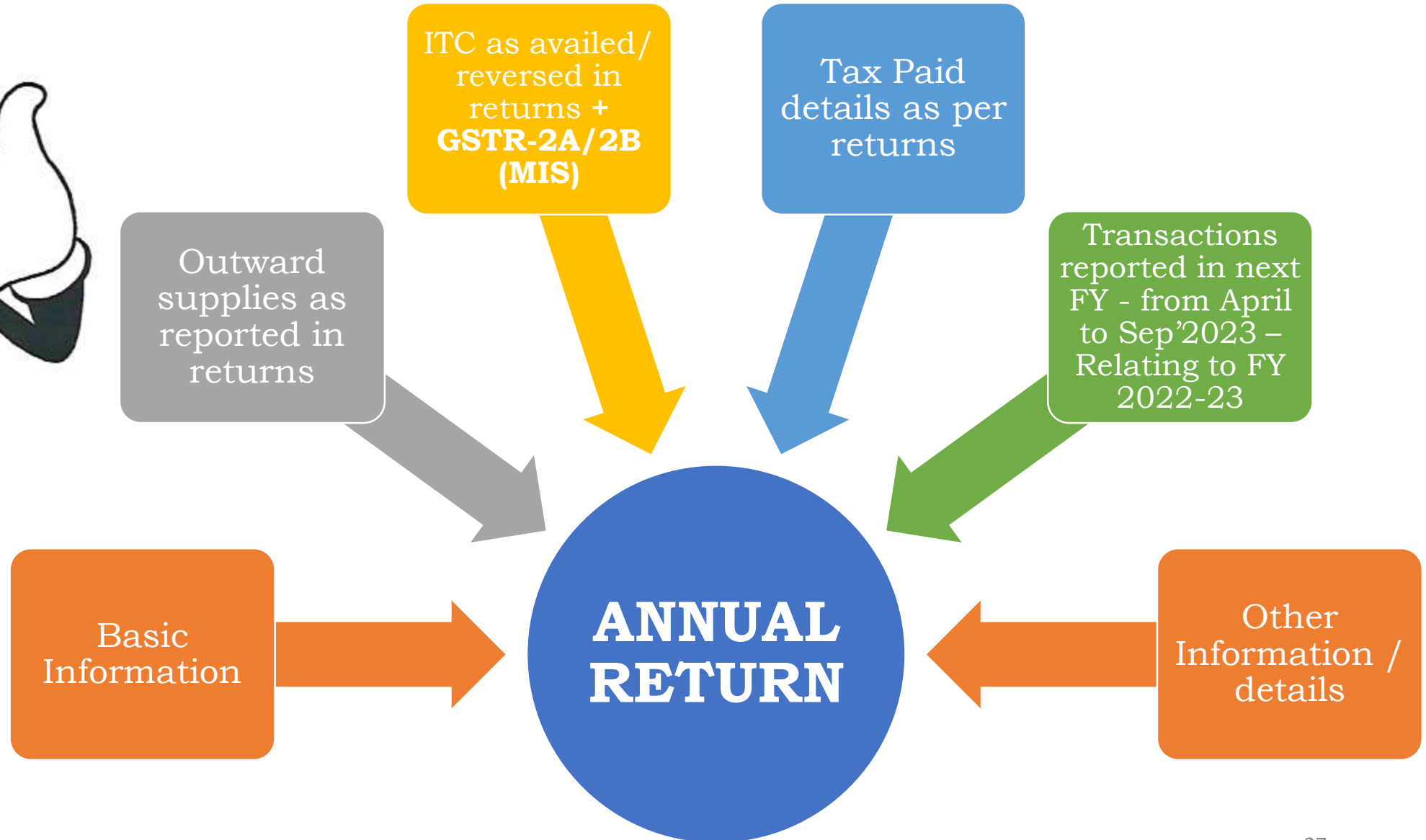
## How to prepare??

- Download the pre-filled GSTR 9 (advisable use the software)
- Consolidate the GSTR 9 of all the registrations of the entity
- Reconcile the consolidated figures with that of final accounts by allocating all the revenues and expenses to each registration. Thus, ascertain the figures as per books for each registration
- Identify the transaction of current FY declared in the 3B next FY (which is to be reported in Table 10 and 11)
- Balance figures may be declared in part II

# Points to note

- This return to be filed annually is intended to provide 360 degree view about the activities of the taxpayer
- Last chance to declare the transactions
- Disclosure made in Annual Return – onus in self assessment regime
- Disclosure not made – allegation of suppression
- Declaration of error & omission

# PARTS OF ANNUAL RETURN



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**FORM GSTR - 9<sup>27 28</sup>**

*[See rule 80]*

**Annual Return**

Pt. I		Basic Details	
1	Financial Year		
2	GSTIN		
3A	Legal Name		
3B	Trade Name (if any)		
Pt. II		Details of Outward and inward supplies made during the financial year	
		(Amount in ₹ in all tables)	

2. It is mandatory to file all your **FORM GSTR-1** and **FORM GSTR-3B** for the FY 2017-18 before filing this return. The details for the period between July 2017 to March 2018 are to be provided in this return.
3. It may be noted that additional liability for the FY 2017-18 not declared in **FORM GSTR-1** and **FORM GSTR-3B** may be declared in this return. However, taxpayers cannot claim input tax credit unclaimed during FY 2017-18 through this return.
4. Part II consists of the details of all outward supplies & advances received during the financial year for which the annual return is filed. It may be noted that all the supplies for which payment has been made through **FORM GSTR-3B** between July 2017 to March 2018 shall be declared in this part. The instructions to fill Part II are as follows:

Table No.	Instructions
4A	Aggregate value of supplies made to consumers and unregistered persons on which tax has been paid shall be declared here. These will include details of supplies made through E-Commerce operators and are to be declared as net of credit notes or debit notes issued in this regard. Table 5, Table 7 along with respective amendments in Table 9 and Table 10 of <b>FORM GSTR-1</b> may be used for filling up these details.
4B	Aggregate value of supplies made to registered persons (including supplies made to UINs) on which tax has been paid shall be declared here. These will

Pt. II	Details of Outward and inward supplies made during the financial year					
						(Amount in ₹ in all tables)
	Nature of Supplies	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
<b>4</b>	<b>Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>					
A	Supplies made to un-registered persons (B2C)					
B	Supplies made to registered persons (B2B)					
	Zero rated supply (Export) on					

4	<b>Details of advances, inward and outward supplies on which tax is payable as declared in returns filed during the financial year</b>					
A	Supplies made to un-registered persons (B2C)					
B	Supplies made to registered persons (B2B)					
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)					
D	Supply to SEZs on payment of tax					
E	Deemed Exports					
F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)					
G	Inward supplies on which tax is to be paid on reverse charge basis					
H	Sub-total (A to G above)					
I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)					
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)					
K	Supplies / tax declared through Amendments (+)					
L	Supplies / tax reduced through Amendments (-)					
M	Sub-total (I to L above)					
N	Supplies and advances on which tax is to be paid (H + M) above					

5	Details of Outward supplies on which tax is not payable as declared in returns filed during the financial year					
A	Zero rated supply (Export) without payment of tax					
B	Supply to SEZs without payment of tax					
C	Supplies on which tax is to be paid by the recipient on reverse charge basis					
D	Exempted					
E	Nil Rated					
F	Non-GST supply					
G	Sub-total (A to F above)					
H	Credit Notes issued in respect of transactions specified in A to F above (-)					
I	Debit Notes issued in respect of transactions specified in A to F above (+)					
J	Supplies declared through Amendments (+)					
K	Supplies reduced through Amendments (-)					
L	Sub-Total (H to K above)					
M	Turnover on which tax is not to be paid (G + L above)					
N	Total Turnover (including advances) (4N + 5M - 4G above)					



6	Details of ITC availed as declared in returns filed during the financial year				
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			
		Capital Goods			
		Input Services			
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	Inputs			
		Capital Goods			
		Input Services			
D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	Inputs			
		Capital Goods			
		Input Services			
E	Import of goods (including supplies from SEZs)	Inputs			
		Capital Goods			
F	Import of services (excluding inward supplies from SEZs)				
G	Input Tax credit received from ISD				
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act				
I	Sub-total (B to H above)				
J	Difference (I - A above)				
K	Transition Credit through TRAN-I (including revisions if any)				
L	Transition Credit through TRAN-II				
M	Any other ITC availed but not specified above				
N	Sub-total (K to M above)				
O	Total ITC availed (I + N above)				

7	<b>Details of ITC Reversed and Ineligible ITC for the financial year</b>				
A	As per Rule 37				
B	As per Rule 39				
C	As per Rule 42				
D	As per Rule 43				
E	As per section 17(5)				
F	Reversal of TRAN-I credit				
G	Reversal of TRAN-II credit				
H	Other reversals (pl. specify)				
I	Total ITC Reversed (A to H above)				
J	Net ITC Available for Utilization (6O - 7I)				

8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<Auto>	<Auto>	<Auto>	<Auto>
B	ITC as per sum total of 6(B) and 6(H) above	<Auto>			
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				
D	Difference [A-(B+C)]				
E	ITC available but not availed (out of D)				
F	ITC available but ineligible (out of D)				
G	IGST paid on import of goods (including supplies from SEZ)				
H	IGST credit availed on import of goods (as per 6(E) above)	<Auto>			
I	Difference (G-H)				
J	ITC available but not availed on import of goods (Equal to I)				
K	Total ITC to be lapsed in current financial year (E + F + J)	<Auto>	<Auto>	<Auto>	<Auto>

Pt. IV	Details of tax paid as declared in returns filed during the financial year						
9	Description	Tax Payable	Paid through cash	Paid through ITC			
				Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6	7
	Integrated Tax						
	Central Tax						
	State/UT Tax						
	Cess						
	Interest						
	Late fee						
	Penalty						
	Other						
Pt. V	Particulars of the transactions for the previous FY declared in returns of April to September of current FY or upto date of filing of annual return of previous FY whichever is earlier						
	Description	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
	1	2	3	4	5	6	
10	Supplies / tax declared through Amendments (+) (net of debit notes)						
11	Supplies / tax reduced through Amendments (-) (net of credit notes)						
12	Reversal of ITC availed during previous financial year						
13	ITC availed for the previous financial year						

14 Differential tax paid on account of declaration in 10 & 11 above								
		Description			Payable	Paid		
		1			2	3		
		Integrated Tax						
		Central Tax						
		State/UT Tax						
		Cess						
		Interest						
Pt. VI		Other Information						
15		Particulars of Demands and Refunds						
	Details	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	Interest	Penalty	Late Fee / Others
	1	2	3	4	5			
A	Total Refund claimed			<i>Optional</i>				
B	Total Refund sanctioned							
C	Total Refund Rejected							
D	Total Refund Pending							
E	Total demand of taxes							
F	Total taxes paid in respect of E above							
G	Total demands pending out of E above							

16 Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis								
Details			Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
1			2	3	4	5	6	
A	Supplies received from Composition taxpayers							
B	Deemed supply under Section 143							
C	Goods sent on approval basis but not returned							
17 HSN Wise Summary of outward supplies								
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9
18 HSN Wise Summary of Inward supplies								
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7	8	9
19 Late fee payable and paid								
	Description				Payable		Paid	
	1				2		3	
A	Central Tax							
B	State Tax							

*Optional*

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 and in case of any reduction in output tax liability the benefit thereof has been/will be passed on to the recipient of supply.

Signature

Place  
Signatory

Name of Authorised

Date  
Status

Designation /

***- Let's go through GSTR 9C –  
Reconciliation Statement***



## Form GSTR 9C

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>>

Sr. No.	Particulars	Analysis
1	Financial Year	✓ To be selected from dropdown list
2	Legal Vs Trade Name	
3	Are you liable to audit under any Act?	<ul style="list-style-type: none"> <li>✓ Yes / No type option – NO</li> <li>✓ List of the Act – NO</li> <li>✓ Name of Acts to be mentioned here</li> </ul>

# Form GSTR 9C

## Reconciliation mantra –

- ✓ Start with any end (Ex. Start with turnover declared in GSTR 9 or turnover declared in Financial Statement)
- ✓ Try to reach other end

If started with GSTR 9 turnover		If started with financial statement	
Add (+)	Which is not declared in GSTR 9 but declared in FS	Less (-)	Which is not declared in GSTR 9 but declared in FS
Less (-)	Which is declared in GSTR 9 but not declared in FS	Add (+)	Which is declared in GSTR 9 but not declared in FS

## Form GSTR 9C

<b>Pt. II</b>	<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)	

Sr. No.	Particulars	Analysis
1	Turnover <b>for the state</b>	<ul style="list-style-type: none"> <li>✓ For multi-state registration, turnover for state to be derived</li> <li>✓ Such turnover to be derived from Financial Statements</li> </ul>
2	In case of single GSTIN for single PAN	<ul style="list-style-type: none"> <li>✓ BSPL should form the primary basis for part 5A</li> </ul>
3	In case of multiple GSTIN for single PAN	<ul style="list-style-type: none"> <li>✓ Split data from trial balance GSTIN wise</li> <li>✓ Link data with GSTIN for which GSTR 9C is to be filed</li> </ul>

## Form GSTR 9C

Sr. No.	Particulars	Analysis
4	Whether Form 9C to be filed GSTIN wise?	✓ Yes
5	Indirect income to be included?	✓ Yes ✓ Include all supplies – Viz. Taxable, Zero rated, Non Taxable, Exempt etc.)
6	Checks & balances to validate correctness	✓ Reconcile complete data which is split GSTN wise ✓ It shall be matched with turnover declared in FS
7	If audit not required under Income Tax Act but required under GST – Possible?	✓ GSTR 9 to be filed based on Financial Statement on the basis of which ITR is filed

## Sl. No. 5B. Unbilled revenue at the beginning of Financial Year

5B	Unbilled revenue at the beginning of Financial Year	(+)	
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Table No.	Instructions
5B	<p>Unbilled revenue which was recorded in the books of accounts on the basis of accrual system of accounting in the last financial year and was carried forward to the current financial year shall be declared here. In other words, when GST is payable during the financial year on such revenue (which was recognized earlier), the value of such revenue shall be declared here.</p> <p>(For example, if rupees Ten Crores of unbilled revenue existed for the financial year 2016-17, and during the current financial year, GST was paid on rupees Four Crores of such revenue, then value of rupees Four Crores rupees shall be declared here)</p>

Sr. No.	Particulars	Analysis
1	What is unbilled revenue ?	✓ Revenue recognized <b>in the books of accounts</b> before issue of an invoice as per AS 9/ IND AS 115
2	When to add?	<ul style="list-style-type: none"> <li>✓ When GST is paid on such revenue</li> <li>✓ Ex. If unbilled revenue at beginning is Rs. 10 cr – GST paid in FY 17-18 on Rs. 4 cr – add Rs. 4 cr</li> </ul>
3	Source of information	<ul style="list-style-type: none"> <li>✓ Previous year FS</li> <li>✓ Generally declared in notes to accounts in schedules</li> </ul>

## SI. No. 5C Add: Unadjusted advances at the end of the Financial Year

5C	Unadjusted advances at the end of the Financial Year	(+)	
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Table No.	Instructions
5C	Value of all advances for which GST has been paid but the same has not been recognized as revenue in the audited Annual Financial Statement shall be declared here.

## SI. No. 5I Less: Unadjusted advances at the beginning of the Financial Year

### Introduction

The scope of Part II SI No. 5C and 5I is to make adjustment of Unadjusted Advances to Audited Financials for arriving towards the GSTR 9 turnover.

Sr. No.	Particulars	Analysis
1	What is meant by unadjusted advances ?	<ul style="list-style-type: none"><li>✓ Advances on which GST is payable</li><li>✓ But the invoice against which is not raised by the end of FY</li></ul>
2	Sr. no. 5C – to be added	<ul style="list-style-type: none"><li>✓ Unadjusted advances at the end of FY</li><li>✓ GST paid on advance – No invoice raised till end of FY</li></ul>
3	Sr. no. 5I – to be subtracted	<ul style="list-style-type: none"><li>✓ Unadjusted advances at the beginning of FY</li><li>✓ GST paid on advance in PY – Invoice raised in current FY</li></ul>

Sr. No.	Particulars	Analysis
4	Sr. no. 5I – Whether applicable for 1 <sup>st</sup> GST audit?	✓ Yes / No ??????
5	What about GST paid on advances & invoice also raised ?	✓ It will be considered as invoice only once
6	Supply of goods	✓ No TOS attracted in case of goods on advances w.e.f. 15 <sup>th</sup> November, 2017
7	Supply of services	✓ GST is still payable on advances

***Food for thought –***

➤ Whether unadjusted advance received for Exempt service at the end of FY to be added ?

## Sl. No. 5D. Deemed Supply under Schedule I

5D	Deemed Supply under Schedule I	(+)	
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Table No.	Instructions
5D	Aggregate value of deemed supplies under Schedule I of the CGST Act, 2017 shall be declared here. Any deemed supply which is already part of the turnover in the audited Annual Financial Statement is not required to be included here.

Sr. No.	Particulars	Analysis
1	Schedule I	✓ Deemed supply w/o consideration
2	Always to be added ??	✓ Nowhere reflected in Financial Statements ✓ Shall be reflected in GST returns & GST to be paid
3	How to find out ?	✓ Scrutinize trial balance in detail ✓ Find out such transactions



## Illustrations – How to find out such supplies ??

- Permanent transfer or disposal of business **assets** where input tax credit has been availed on such assets
  - ✓ Check Fixed Asset register / Depreciation schedule
  - ✓ Check inventory register, inter-state branch transfers, free samples / gift register
  
- Supply between related persons or between distinct persons when made in the course or furtherance of business
  - ✓ Inter-state branch transfers
  - ✓ Supplies to employees – Ex. Gifts to employees above Rs. 50,000/
  
- Supply of goods between agent & principal
  - ✓ Check inventory register, Inward / Outward register

## Sl. No. 5F. Trade discounts accounted for in the audited Annual Financial Statement but are not permissible under GST

5F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)	
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Sr. No.	Particulars	Analysis
1	Why to add ??	<ul style="list-style-type: none"> <li>✓ If not permissible under GST</li> <li>✓ GST shall be paid on such discount amount</li> <li>✓ However, it is deducted from turnover in FS</li> </ul>
2	Section 15 (3)	<p>Permissible discount i.e taxable value is allowed to reduce if -</p> <ul style="list-style-type: none"> <li>✓ Discount is duly recorded in invoice before or at the time of supply</li> <li>✓ After supply – <ul style="list-style-type: none"> <li>(i) If discount is mentioned in agreement &amp; specifically linked to relevant invoices <b>AND</b></li> <li>(ii) ITC attributable to such discount is reversed by recipient</li> </ul> </li> </ul>

Sr. No.	Particulars	Analysis
3	How to find out ?	<ul style="list-style-type: none"><li>✓ Scrutinize various discount ledgers</li><li>✓ Identify various discount policies of entity</li><li>✓ Segregate it in allowable / not allowable discounts</li></ul>
4	Example of not allowable discounts	<ul style="list-style-type: none"><li>✓ Special discounts linked to achievement of turnover</li><li>✓ Bonus discounts</li><li>✓ Quantity discounts</li></ul>
5	Confirmation from recipients	<ul style="list-style-type: none"><li>✓ Additional activity can be carried out</li><li>✓ Ask recipients to provide confirmation in relation to reversal of ITC</li></ul>

## Sl. No. 5G: turnover from April 2017 to June 2017

5G	Turnover from April 2017 to June 2017	(-)	
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Table No.	Instructions
5G	Turnover included in the audited Annual Financial Statement for April 2017 to June 2017 shall be declared here.

Sr. No.	Particulars	Analysis
1	Source of information	<ul style="list-style-type: none"> <li>✓ Split trial balance for Q1</li> <li>✓ Cross verify with returns filed under Excise, Service Tax, VAT laws</li> <li>✓ VAT audit report filed under Q1</li> </ul>
2	Accounting Vs Point of Taxation under erstwhile laws	<ul style="list-style-type: none"> <li>✓ Formula – Irrespective of accounting done, deduct turnover on which tax is paid under erstwhile law</li> <li>✓ Ex. 1) Excise duty is payable on removal of goods Invoice raised on 15<sup>th</sup> June, 2017 Goods removed on 15<sup>th</sup> July, 2017</li> <li>✓ Ex. 2) Advance against service received on 28<sup>th</sup> June, 2017 Invoice raised on 25<sup>th</sup> July, 2017</li> </ul>

**Sl. No. 5H. Unbilled revenue at the end of Financial Year**

5H	Unbilled revenue at the end of Financial Year	(-)	
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**Sl. No. 5I Less: Unadjusted Advances at the beginning of the Financial Year**

5I	Unadjusted Advances at the beginning of the Financial Year	(-)	
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5J	Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST	(-)	
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Sr. No.	Particulars	Analysis
1	What to consider in this entry ??	<ul style="list-style-type: none"> <li>✓ Credit notes which are not permissible under GST</li> <li>✓ Such credit notes through which GST liability is not reduced</li> </ul>
2	What not to consider in this entry ??	<ul style="list-style-type: none"> <li>✓ Credit notes which are permissible under GST</li> <li>✓ Such credit notes through which GST liability is reduced</li> </ul>
3	Examples	<ul style="list-style-type: none"> <li>✓ Cash discount provided by way of issue of credit note against early payment received</li> <li>✓ Credit note issued for rate reduction without giving effect to GST</li> </ul>

5K	Adjustments on account of supply of goods by SEZ units to DTA Units	(-)	
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Sr. No.	Particulars	Analysis
1	Why this entry ?	<ul style="list-style-type: none"> <li>✓ SEZ need not to report such supplies in their GST return</li> <li>✓ DTA units have to file bill of entry</li> <li>✓ Such transaction is sale for SEZ unit under FS but</li> <li>✓ Not supply under GST</li> <li>✓ DTA units treat such transactions as an import of goods</li> </ul>

5L	Turnover for the period under composition scheme	(-)	
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## Sl. No. 5M. Adjustments in turnover under section 15 and rules thereunder

5M	Adjustments in turnover under section 15 and rules thereunder	(+/-)	
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Sr. No.	Particulars	Analysis
1	What to consider under this entry??	<ul style="list-style-type: none"><li>✓ In certain cases, valuation of few transactions may differ than value declared in FS</li><li>✓ Even if the price for a supply is agreed to be TV, few adjustments are also required</li></ul>



# Value of supply

## shall be

- transaction value
- price actually paid
- supplier & recipient are not related
- price is sole consideration

## Value of supply shall include:

- any taxes, cess, duties, fees etc other than this act
- amount incurred by recipient not included in price
- incidental expenses – **at the time of or before** delivery of goods or supply of service
- interest or late fee or penalty for delayed payment
- Subsidies directly linked to the price excluding subsidies provided by CG/SG

Sr. No.	Adjustments	Illustration
1	Taxes, duties, cess, fees, charges other than this act	✓ CEIG Tax charged in Industrial Park debited to P & L A/c
2	Any amount that supplier is liable to pay but incurred by recipient	✓ Free of cost cement provided by developer to contractor
3	Incidental expenses	✓ Packing charges incurred at the time of supply
4	Transactions with related parties	✓ 50% amount recovered from employees against canteen service provided

50	Adjustments in turnover due to reasons not listed above	(+/-)	
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5P	Annual turnover after adjustments as above	<Auto>
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5Q	Turnover as declared in Annual Return (GSTR9)	
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Sr. No.	Adjustments	Illustration
1	5P	✓ Turnover after all above adjustments
2	5Q	✓ Turnover as declared in annual return GSTR 9 ✓ 5Q of GSTR 9C = 5n of GSTR 9
3	5P is higher than 5Q	✓ Situation may arise where some supplies has not been declared in GSTR 9 ✓ Ex. Non – GST supplies are not declared in GSTR 9
4	5P is lower than 5Q	✓ Rare situation ✓ Situation may arise if turnover erroneously declared higher turnover in GSTR 9

Pt. II Details of Outward and inward supplies declared <b>made</b> during the financial year						
Nature of Supplies	Taxable Value	(Amount in ₹ in all tables)				
		Central Tax	State Tax / UT Tax	Integra ted Tax	Cess	
1	2	3	4	5	6	
<b>4</b>	<del>Details of advances, inward and outward supplies on which tax is payable as declared in returns filed during the financial year.</del> <b>Details of advances, inward and outward supplies made during the financial year on which tax is payable.</b>					
<u>A</u>	Supplies made to un-registered persons (B2C)	-	-	-	-	-
<u>B</u>	Supplies made to registered persons (B2B)	-	-	-	-	-
<u>C</u>	Zero rated supply (Export) on payment of tax (except supplies to SEZs)	-	-	-	-	-
<u>D</u>	Supply to SEZs on payment of tax	-	-	-	-	-
<u>E</u>	Deemed Exports	-	-	-	-	-
<u>F</u>	Advances on which tax has been paid but invoice has not been issued (not	-	-	-	-	-
<u>G</u>	Inward supplies on which tax is to be paid on reverse charge basis	-	-	-	-	-
<u>H</u>	Sub-total (A to G above)	-	-	-	-	-
<u>I</u>	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)	-	-	-	-	-
<u>J</u>	Debit Notes issued in respect of transactions specified in (B) to (E) above	-	-	-	-	-
<u>K</u>	Supplies / tax declared through Amendments (+)	-	-	-	-	-
<u>L</u>	Supplies / tax reduced through Amendments (-)	-	-	-	-	-
<u>M</u>	Sub-total (I to L above)	-	-	-	-	-
<u>N</u>	Supplies and advances on which tax is to be paid (H + M) above	-	-	-	-	-

<b>5</b>	<b>Details of Outward supplies on which tax is not payable as declared in returns filed during the financial year.</b>				
	<b>Details of Outward supplies made during the financial year on which tax is not payable.</b>				
<u>A</u>	Zero rated supply (Export) without payment of tax	-			
<u>B</u>	Supply to SEZs without payment of tax	-			
<u>C</u>	Supplies on which tax is to be paid by the recipient on reverse charge basis	-	-	-	-
<u>D</u>	Exempted	-			
<u>E</u>	Nil Rated	-			
<u>F</u>	Non-GST supply	-			
<u>G</u>	Sub-total (A to F above)	-	-	-	-
<u>H</u>	Credit Notes issued in respect of transactions specified in A to F above (-)	-	-	-	-
<u>I</u>	Debit Notes issued in respect of transactions specified in A to F above (+)	-	-	-	-
<u>J</u>	Supplies declared through Amendments (+)	-	-	-	-
<u>K</u>	Supplies reduced through Amendments (-)	-	-	-	-
<u>L</u>	Sub-Total (H to K above)	-	-	-	-
<u>M</u>	Turnover on which tax is not to be paid (G + L above)	-	-	-	-
<u>N</u>	Total Turnover (including advances) (4N + 5M - 4G above)	-	-	-	-

6	<b>Reasons for Un - Reconciled difference in Annual Gross Turnover</b>	
6A	Reason 1	<<Text>>
6B	Reason 2	<<Text>>
6C	Reason 3	<<Text>>

Sr. No.	Particulars	Remarks
1	Un-reconciled difference not resulting in tax liability	✓ Ex. Difference due to method of disclosure in capital gains
2	Un-reconciled difference resulting in tax liability	✓ Ex. Turnover declared above but GST not paid

7	Reconciliation of Taxable Turnover*	
S.No	Description	Amount (₹)
A	Annual Turnover after adjustments [from 5(P) above]*	0.00
B	Value of Exempted, Nil Rated, Non-GST Turnover, 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)*	0.00
F	Taxable turnover as per liability declared in Annual Return (GSTR9)*	
G	<b>Unreconciled Taxable Turnover (F-E)*</b>	0.00

Sr. No.	Particulars	Remarks
1	7F	✓ 7F of GSTR 9C = 4N of GSTR 9
2	Ideally there should not be difference	✓ Ex. Turnover declared above but GST not paid

8	Reasons for Un - Reconciled difference in taxable turnover	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

Pt. III	Reconciliation of tax paid					
9	Reconciliation of rate wise liability and amount payable thereon					
	Description	Taxable Value	Tax payable			
			Central tax	State tax/ UT tax	Integrat ed Tax	Cess, if applicable
			3	4	5	6
	1	2				
A	5%					
B	5% (RC)					
C	12%					
D	12% (RC)					
E	18%					
F	18% (RC)					
G	28%					
H	28% (RC)					
II	3%					
J	0.25%					
K	0.10%					
L	Interest					
M	Late Fee					
N	Penalty					
O	Others					
P	Total amount to be paid as per tables above		<Auto>	<Auto>	<Auto>	<Auto>
Q	Total amount paid as declared in annual return (FORM GSTR-9)					
R	Un-reconciled payment of amount (PT1)					
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	Centr al tax	State tax / UT tax	Integrated tax	Cess, if applicab le
	1	2	3	4	5	6
	5%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Interest					
	Late Fee					
	Penalty					
	Others (please specify)					

Pt.	Reconciliation of Input Tax Credit (ITC)		
12	<b>Reconciliation of Net Input Tax Credit (ITC)</b>		
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		<b>ITC 1</b>
13	<b>Reasons for un-reconciled difference in ITC</b>		
A	Reason 1		<<Text>>
B	Reason 2		<<Text>>
C	Reason 3		<<Text>>

14	<b>Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account</b>			
	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			

Pt. V

## Auditor's recommendation on additional Liability due to non-reconciliation

Description	Value	To be paid through Cash			
		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					

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 .....

*Thank  
you*



**अश्वं नैव गजं नैव, व्याघ्रं नैव च नैव च।  
अजापुत्रं बलिं दद्यात् देवो दुर्बलघातकः ॥**

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