



GST Annual Return and Audit

CA Pritam Mahure

CA Vaishali Kharde

November 2018

1st Edition

TABLE OF CONTENTS - INDEX

1. How to read this book?	4
2. About Author	5
3. Overview of GST Annual Return and Audit	6
3.1 Forms Prescribed	6
3.2 GST Annual Return and Audit – Ever increasing graph of GST compliances!	8
3.3 Critical Disclosure in the September Month Return	10
3.4 Action to be taken in case of incorrect reporting.....	14
3.5 Aspects pertaining to last FY to be considered in the next FY up to September...	19
4. Legal Provision	21
4.1 Section 44 of the CGST Act.....	22
4.2 Section 35 of the CGST Act.....	23
4.3 Rule 80 of the CGST Rules.....	25
5. Annual Return GSTR-9	26
5.1 Annual return – Overveiw.....	27
5.2 Five Key aspect to know about Annual Return	28
A. Details of Outward and inward supplies declared during the financial year	29
B. Details of Input Tax Credit (ITC) as declared in returns filed during the financial year	32
C. Details of GST paid as declared in the returns filed during the financial year	32
D. Particulars of the transactions for the previous FY declared in returns of April to September of current FY or up to date of filing of annual return of previous FY whichever is earlier.	33
E. Other Information	34

5.3	FORM GSTR-9 Annual Return Format	36
A.	Disclosure in Form GSTR-9.....	36
B.	Commentary on FORM GSTR-9	38
5.4	Upcoming Challenges -Annual Return	73
A.	Bifurcation of input tax credit (ITC) in to Inputs, Capital goods and Input services	73
B.	Separation exempted vs Nil rated vs Non-GST supply	74
C.	Validation of HSN along with quantitative details of Outward Supply	74
D.	HSN wise supply for Inward Supply.....	74
E.	ITC availed in GSTR-3B is consolidated and not invoice wise. But GSTR-2A is invoice wise.....	75
6.	GST Audit.....	77
6.1	Plan for GST Audit.....	77
6.2	key takeaways to prepare for GST Audit	78
7.	Other Forms.....	84
7.1	Form GSTR-9A Annual Return for Composition Dealer.....	84
7.2	Form GSTR-9C Reconciliation Statement.....	92

1. HOW TO READ THIS BOOK?

About the Book

- This book contains Provision with respect to Annual Return and Reconciliation Statement (GST Audit) included in Central Goods and Service Tax Act and Rules thereunder.
- Book does not contain state specific rules, notification, circulars, press release etc. with respect to Annual Return and GST Audit.
- 'Orange' colour is used for authors comments on GST Act, CGST Rules, Notification etc. Key words in respective sections are highlighted in bold.
- Wherever required the content of the official documents, notification etc are referred or reproduced in the Author comment.
- The Author is grateful to CA Sunil Gabhawalla under whose guidance I learnt Indirect Taxes/GST
- Also, would like to thank Suresh Nair (Partner, Ernst & Young) for guidance
- The Author is grateful to CA Pratik Shah (Partner, Dhruva Advisors) for guidance
- The Author grateful to CA Jigar Doshi (Partner, SKP Business Consulting LLP) for guidance
- The Author is thankful to CA Jaishree Kaltari, CA Sachin Totala, CA Shruti Golecha, Sahil Tharani, Bhargav Amuru, Lavesh Solanki, Nitu Mishra, Sajana Kumavat, Pooja Bora and Pooja Sharma for their assistance for the book.

Readers can also view our **videos** on GST Youtube.com/c/Pritam Mahure

For feedback please email:

pritam.mahure@lawgical.in

vaishali.kharde@lawgical.in

1st edition dated 19th November 2018

2. ABOUT AUTHOR

CA Pritam Mahure



CA Pritam Mahure has over fourteen years of work experience in GST. Pritam has authored five books on GST and Gulf VAT. He has actively worked on comprehensive GST / VAT impact and implementation assignments in India, UAE and KSA. Pritam is actively assisting Government agencies on key indirect tax reforms.

Pritam is 'Master Trainer' for ICAI for GST as well as Gulf VAT. He has addressed more than 100 conferences for various chamber of commerce including CII, ASSOCHAM, NASSCOM, MCCIA, ICAI, Government officials etc across UAE, Oman, Bahrain, Kuwait and India.

Pritam is a columnist and writes regularly in Business Line, Business Standard, Economic Times, Times of India, Times of Oman, Asian Age, Deccan Herald, Taxindiaonline.com etc

Pritam has addressed more than 15,000 professionals and 3,000 Government officials. His trainings/ lectures are also featured in trending videos on VAT/GST on youtube.com

CA Vaishali Kharde



CA Vaishali Kharde currently practicing in the field of Indirect Taxation [Goods and Services Tax (GST), Service Tax, Excise and VAT] with CA Pritam Mahure since more than four years.

Vaishali is Leader and consultant in advisory firm for advising to leading Indian and multi-national entities

Vaishali has Authored a book named – “Handbook on E-way Bill”

Vaishali is a regular writer of articles at various web portal like Tax-India Online, Tax-On Go, Taxguru etc.

Vaishali has Addressed seminars for students and professionals on GST Act, E-way Bill, Budget etc.

Vaishali has actively contributed her technical inputs in the Service Tax and GST books published by Bharat Publication, Delhi and New Book Corporation, Mumbai.

3. OVERVIEW OF GST ANNUAL RETURN AND AUDIT

3.1 FORMS PRESCIBED

It has been more than one year since introduction of GST. Typically, any GST law will either bring interpretation/ legal or compliance challenge. While the GST Council continues to take steps to iron out the interpretation/ legal aspects, still, compliance challenge seems to be either ignored or missed out and this is proving to be fatal as its building up un-precedented compliance burden on genuine GST payer.

Additionally, now 'Annual Return' which is applicable to every registered person is to be added in the compliance. The forms given below are prescribed under GST for annual Return:

FORM GSTR-9

Every registered person (other than an Input Service Distributor, a person paying tax under Section 51 or Section 52, a casual taxable person and a non-resident taxable person) shall require to furnish an annual return in 'Form GSTR 9' [Section 44(1) of the CGST Act, 2017 read with rule 80 of the CGST rules and Notification No. 39/2018 – Central Tax]

Form GSTR-9A

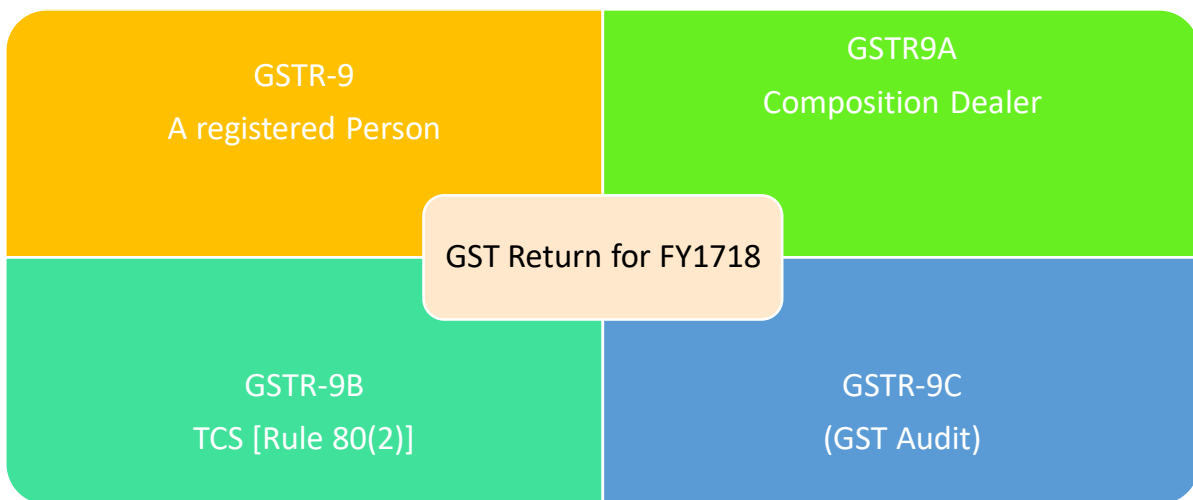
A person paying tax under section 10 (i.e. Composition Dealer) shall require to furnish the annual return in FORM GSTR-9A. [Rule 80 of the CGST rules and Notification No. 39/2018 – Central Tax]

Form GSTR-9B

Every electronic commerce operator required to collect tax at source under section 52 shall furnish annual statement in FORM GSTR -9B. However, same is not yet prescribed as TCS provision is made applicable from 1st October 2018. Hence, for FY 2017-18 Form GSTR-9B is not applicable.

Form GSTR-9C

A registered person whose aggregate turnover during a financial year exceeds INR 2 crores shall require get his accounts audited by GST auditor to submit a reconciliation statement duly certified, in FORM GSTR-9C [Section 44(2) of the CGST Act, 2017 read with rule 80 of the CGST rules and Notification No. 49/2018 – Central Tax].



3.2 GST ANNUAL RETURN AND AUDIT – EVER INCREASING GRAPH OF GST COMPLIANCES!

Annual Return (GSTR-9), is expected to be filed by GST payers in days to come. Additionally, certain GST payers, above threshold (INR 2 crore), will be required to file Reconciliation report in the form GSTR-9C (referred as 'GST Audit'). It's apparent that through Form-9 and Form-9C, the Government is looking for an additional data validation check from GST payer and as well as from GST auditors.

The following are certain challenges in the preparation and reconciliation of GST details at the time of filing of Annual Return.

Maze of numerous re-conciliations

The requirement to provide same details (say outward supply) in various returns such as GSTR-1, GSTR-3B, E-way Bills, GSTR-9, GSTR-9C, inherently creates a situation of reconciliation. Given this, as the same data (say outward supply) is filed in various returns, currently, GST payer is required to prepare the reconciliation of GSTR-1 vis-a-vis GSTR-3B, GSTR-2A vis-a-vis GSTR-3B, GSTR-3B vis-a-vis Financials, Financials vis-a-vis Annual Return, GSTR-1 vis-à-vis E-ways bills, GSTR-1 vis-à-vis Financials, GSTR-2A vis-à-vis Financials etc.

Further, reconciliation could be required as time of supply as per GST (based on accrual or receipt etc) and financials (based on accrual system of accounting) is different.

Additionally, key requirement of Form-9C (Audit) is to reconcile turnover declared in Audited Financials with GSTR-9, disclosure of rate wise liability, and re-conciliation of Input Tax Credit (ITC) of Financial Statement with Annual Return. Hence, it appears that it's a further reconciliation of same.

The Government needs to appreciate that the GST payer is not only required to file returns under GST but also Income Tax, TDS/ TCS, Transfer Pricing, Company Law, Profession tax, RERA, Labour laws etc. Thus, making GST compliances cumbersome has potential to put off even genuine GST payers.

Thus, the question that comes to the GST payers mind is why these details are not auto-populated from various returns filed by GST payer online than asking the GST payer to file more returns?

Validation of HSN of vendor in addition to Outward supply

Additionally, HSN wise summary along with quantitative details of inward supplies [refer Table 18 of GSTR-9] is required to be disclosed. Capturing the HSN wise details for inward supplies is cumbersome task as the GST payer does not accounted for inward supplies with HSN.

Further, it's a challenge to capture HSN of inward supply like stationary, furniture etc. procured from un-registered vendors or vendors below threshold for disclosing HSN.

Also, the taxpayer is required to disclose HSN-wise summary along with quantitative details of outward supplies [i.e. table 17] in GSTR-9. Earlier, HSN-wise outward supply was disclosed in monthly GSTR-1 [i.e. in Table 12] and hence, the said details can be re-captured from this table. However, GSTR-9C additionally mandates the validation of these details with the turnover of Audited Financial Statement.

If the details available on online portal are used effectively and certain details are requested during Assessment/ Scrutiny then the data asked by the Authorities can be sufficiently reduced. The GST payers awaits relief in GST regime from, ever increasing GST compliance.

3.3 CRITICAL DISCLOSURE IN THE SEPTEMBER MONTH RETURN

While filing of Annual Return and GST Audit for FY 2017-18 the entity is required to consider GSTR-1 and GSTR-3B filed for April 2018 to September 2018 to the extent of amount disclosed pertaining to FY 2017-18. Further, it is to be noted that Annual Return is nothing but the compilation of data disclosed in GSTR-1, GSTR-3B and GSTR-2A whereas GST Audit is reconciliation of these compiled data with books of account. Hence it requires the consolidation of 30 returns filed under GST where amount of last Financial Year are disclosed.

Given the aforesaid, no new reporting or disclosure is allowed in the Annual Return. Further, GST audit will qualify the difference if any of Annual Return vis-à-vis Books of Account. It is key to note that all the addition, deletion or amendment pertaining to FY 2017-18 is required to be made on or before September 2018. Given this, September Months return is critical return to correct the incorrect reporting pertaining to last financial year. Given below are the legal provision along with our comments thereon:

Section	Legal Provision	Critical Impact	Action points for September Month Return
16(4)	<i>A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for</i>	The GST Return for the month of September is the LAST return (unless otherwise extended) within which any claim of	<ul style="list-style-type: none">- The Company should reconcile the Input Tax Credit (ITC) availed in GSTR-3B, available in GSTR-2A and as per books of account.- Avail the balance ITC in the September month pertaining to

	<i>the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.</i>	ITC has to be made for all transactions pertaining to FY 2017-18.	FY 2017-18 if not availed in any of the Previous Month - Ask vendor to upload invoices or differential invoices in the month of September if not reflected in GST-2A.
Section 34(2)	<i>Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in</i>	The GST Return for the month of September is the LAST return (unless otherwise extended) for declaration of credit note for the supply made in FY 2017-18.	- Ensure that all the credit note for the supply made in FY 2018-19 are declared on or before September months return.

	<p><i>such manner as may be prescribed:</i></p> <p><i>Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person</i></p>		
<p>Proviso to Section 37(3)</p>	<p><i>Provided that no rectification of error or omission in respect of the details furnished under sub section (1) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier. Explanation —For the purposes of this Chapter, the expression “details of outward</i></p>	<p>September Months GST return is the Last return for correcting all the error or rectification with respect to GSTR-3B and GSTR-1 pertaining to FY 2017-18.</p>	<ul style="list-style-type: none"> - Reconcile all the value disclosed in the GSTR-1 and GSTR-3B with the books of account. Error if any in the disclosure of GST Return for FY 2017-18 is required to be corrected on or before September months return. - Check the GSTN of the customer disclosed in the GSTR-1 and correct the same in the return. - Check whether any supply is reported as B2B instead B2C and vice versa.

	<i>supplies” shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.</i>		- Refer attached detailed analysis of Circular No. 26/26/2017-GST issued by GST council for correction of various error occurred.
Rule 42	<i>The input tax credit determined under sub-rule (1) shall be calculated finally for the financial year before the due date for furnishing of the return for the month of September following the end of the financial year to which such credit relates, in the manner specified in the said sub-rule and-</i>	The final reversal ratio as prescribed pertaining to outward supply of FY 2017-18 shall be required to be computed in the month of September.	<ul style="list-style-type: none"> - Ensure Common Credits in relation to exempted supplies, non-GST supply, free supply etc. pertaining to FY 2017-18 is recomputed on the basis of yearly final ratio. - Excess amount reversed shall be claimed as credit in the September month’s return. On other way in case of short reversal reverse the balance ITC in the month of September.

3.4 ACTION TO BE TAKEN IN CASE OF INCORRECT REPORTING

Circular No. 26/26/2017-GST

The Table given below depict the Action which taxpayer is required to be consider to correct the incorrect details reported in the last FY 2017 -18 while filing of GST return of April to September of the next Financial Year.

No	Scenario	Action to be taken
Incorrect reporting of Outward Supply		
1	Wrong reporting of liability in current month and taxpayer realised that after submission but before filing of return.	Taxpayer has given a relief to modify and reset the liability, even if GSTR 3B is submitted.
2	Under reporting of liability in GSTR 3B of earlier month.	<p>In this scenario, there are 2 options available.</p> <p>Option 1</p> <p>Tax payer can add short-reported liability in GSTR3B of subsequent month and pay tax along with the interest. September month's return is the Last return for correcting said error pertaining to FY 2017-18.</p> <p>Option 2</p>

		<p>Tax payer can add the short-reported liability in the GSTR 1 of the same month and pay tax along with interest. However, in this regard it is to be noted that, the offset of liability will be available at the time of filing of GSTR-3. Hence, interest could be levied till the date of filing of GSTR-3B. Given this, it is recommended to add said liability in subsequent GSTR-3B.</p> <p>Also, September month's return is the Last return for correcting said error pertaining to FY 2017-18.</p>
	Liability over reported in GSTR 3B	<p>In this scenario, there are 2 options available.</p> <p>Option 1</p> <p>Tax payer can adjust the liability in the return of the subsequent month.</p> <p>Option 2</p> <p>Tax payer can claim refund where the adjustment is not feasible.</p> <p>In case taxpayer intent to adjust it then September month's return is the Last return for correcting said error pertaining to FY 2017-18.</p>

	Wrong reporting of liability (i.e. IGST reported and paid instead of CGST and SGST) in the earlier month.	<p>Since, the return has already been filed, then the company will have to report the Inter-State supply in their next month's liability and adjust their wrongly paid intra-State liability in the subsequent months returns or claim refund of the same.</p> <p>In case taxpayer intent to adjust it then September month's return is the Last return for correcting said error pertaining to FY 2017-18.</p>
	Liability under/over reported in GSTR 1.	<p>The liability may be amended through amendments under Table 9 of Form GSTR 1.</p> <p>It is to be noted that, September month's return is the Last return for correcting said error pertaining to FY 2017-18.</p>
	Other Incorrect Reporting like GSTN Invoice No., Date , Credit note, debit note	<p>It is to be noted that, September month's return is the Last return for correcting error pertaining to FY 2017-18.</p> <p>Also, the Company can raise and declare credit note and or debit note pertaining to supply of FY 17-18 in the month of September 18.</p>

Incorrect reporting of Inward Supply		
	Input Tax Credit is under reported and taxpayer realised that after submission but before filing of return.	Taxpayer has given a relief to modify and reset the liability, even if GSTR 3B is submitted.
	Input Tax Credit is under reported in GSTR 3B in earlier month.	Tax payer may avail the differential ITC in the return of the subsequent month. It is to be noted that, September month's return is the Last return for correcting said error pertaining to FY 2017-18.
	Input Tax Credit is over reported	Tax payer can reverse / pay (through cash) such over reported input tax credit in the subsequent month GSTR 3B along with interest if the same is utilized. It is to be noted that, September month's return is the Last return for correcting said error pertaining to FY 2017-18.
	Wrong availment of Input Tax Credit (For eg. Instead of CGST, IGST credit is taken)	Tax payer can pay (through cash) / reverse any wrongly reported input tax credit in the GSTR 3B along with interest and avail correct input tax credit in the subsequent month GSTR 3B. It is to be noted that, September month's return

		is the Last return for correcting said error pertaining to FY 2017-18.
--	--	---

3.5 ASPECTS PERTAINING TO LAST FY TO BE CONSIDERED IN THE NEXT FY UP TO SEPTEMBER

1. Correction of Outward Supply reported in GST Return filed for FY 17-18

Prepare Outward supply to be reported in GSTR 3B/GSTR 1 for the month of September 2018

Add: Outward taxable liability under reported pertaining to FY 17-18.

Less: Outward taxable liability over reported during the FY 2017-18

Verify any credit note is pending to be raised or disclosure is of supply made in FY 17-18. Issue and declare the same in the month of September.

Update the details of export invoices like shipping bill No, date etc if any not declared in FY17-18

Verify the Advances if any received in FY 2017-18 and GST to be paid on the same.

Correct the Error like wrong reporting of GSTN, Invoice No. pertaining to FY 17-18 in GSTR-1

Correct the wrong reporting of liability (IGST instead CGST and SGST and vice versa) of FY 17-18.

Disclosure of Document type/series if any not disclosed in the FY 17-18.

Correction of wrong reporting of B2B supply in B2C and vice versa.

Disclosure of other supply like exempt, Non GST, Nil rated, etc. not disclosed in GSTR-3B of FY 17-18.

2. Correction of Inward Supply reported in GST Return filed for FY 17-18

Prepare ITC availed to be reported in GSTR 3B for the month of September 2018.	Add: ITC not availed in FY 17-18.	Less: ITC wrongly availed in the FY 17-18
Add/Less: difference of ITC as per GSTR 2A and ITC claimed	Ask vendor to disclose All invoices and credit note not reflected in GSTR-2A of FY 17-18 in the September Month	Consider the liability under RCM not paid (if any) pertaining to FY 17-18.
Declare the Transaction if any not disclosed in FY17-18 like Nil rated, exempted, non GST supply etc.	Recompute the proportionate ITC required to be reversed on the basis of yearly turnover.	Reverse the excess ITC if short reversal in the FY 17-18 or avail the ITC if excess reversed in FY 17-18
Verify the goods return if any of Pre-GST regime from customer. Ask customer to Issue a Tax invoice for the same and avail the ITC in the month of September	Reverse the ITC availed in FY 17 -18 however is ineligible as per section 17(5) of the CGST Act.	Recompute and reverse the ITC with respect to vendor outstanding more than 180 days up to March 18

4. LEGAL PROVISION

Section 44 of the CGST Act, prescribe the applicability of the Annual Return and Reconciliation report. Further, Section 35(5) of the CGST Act, prescribe the limit of turnover where GST Audit is applicable. Rule 80 of the CGST Rules talks about the forms applicable for different taxpayer for filing of Annual Return. Said rule is further amended by Notification no. 39/2018 – central tax and Notification No. 49/2018 – Central Tax to issue the format of Annual Return and Reconciliation Statement (i.e. GST Audit) respectively.

Section 44 of the CGST Act

- Applicability Annual Return

Section 35(5) of the CGST Act

- Applicability of GST Audit

Notification no. 39/2018 – central tax

- Format of Annual Return

Notification No. 49/2018 – Central Tax

- Format of GST Audit

4.1 SECTION 44 OF THE CGST ACT

- 1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty-first day of December following the end of such financial year

As per said section every register person is required to file Annual Return. However, Annual return is not applicable to the registered person given below:

- An Input Service Distributor
- A person who requires to deduct tax at source (Section 51 of the CGST Act)
- A person requires to collect tax (section 52 of the CGST Act),
- A casual taxable person
- A non-resident taxable person.

Further, said return is required to be filed on or before the thirty-first day of December following the end of such financial year.

In this regard, Rule 80 of the CGST Rules prescribe the other provisions of Annual Return and Notification No. 39/2018 dated 04.09.2018 prescribes the format of Annual Return.

- 2) Every registered person who is required to get his accounts audited in accordance with the provisions of sub-section (5) of section 35 shall furnish, electronically, the annual return under sub-section (1) along with a copy of the audited annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement, and such other particulars as may be prescribed.

Every registered person who is required to get his accounts audited is required to file reconciliation statement along with annual return.

4.2 SECTION 35 OF THE CGST ACT

1) Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of—

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

Provided that where more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business:

Provided further that the registered person may keep and maintain such accounts and other particulars in electronic form in such manner as may be prescribed.

2) Every owner or operator of warehouse or godown or any other place used for storage of goods and every transporter, irrespective of whether he is a registered person or not, shall maintain

records of the consigner, consignee and other relevant details of the goods in such manner as may be prescribed.

- 3) The Commissioner may notify a class of taxable persons to maintain additional accounts or documents for such purpose as may be specified therein.
- 4) Where the Commissioner considers that any class of taxable persons is not in a position to keep and maintain accounts in accordance with the provisions of this section, he may, for reasons to be recorded in writing, permit such class of taxable persons to maintain accounts in such manner as may be prescribed.
- 5) Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant. Accounts and other records and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.

As per Section 35(5) of the CGST Act, every registered person whose turnover during a financial year exceeds two crores shall entail to get his accounts audited by a chartered accountant or a cost accountant. The very applicability of the threshold limits for audit purposes with respect to financial year 2017-18, whether wholly (Rs.2 Crore) or in proportion, has not been yet clarified from the Government

- 6) Subject to the provisions of clause (h) of sub-section (5) of section 17, where the registered person fails to account for the goods or services or both in accordance with the provisions of sub-section (1), the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for, as if such goods or services or both had been supplied by such

person and the provisions of section 73 or section 74, as the case may be, shall, mutatis mutandis, apply for determination of such tax.

4.3 RULE 80 OF THE CGST RULES

- 1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return as specified under sub-section (1) of section 44 electronically in FORM GSTR-9 through the common portal either directly or through a Facilitation Centre notified by the Commissioner:

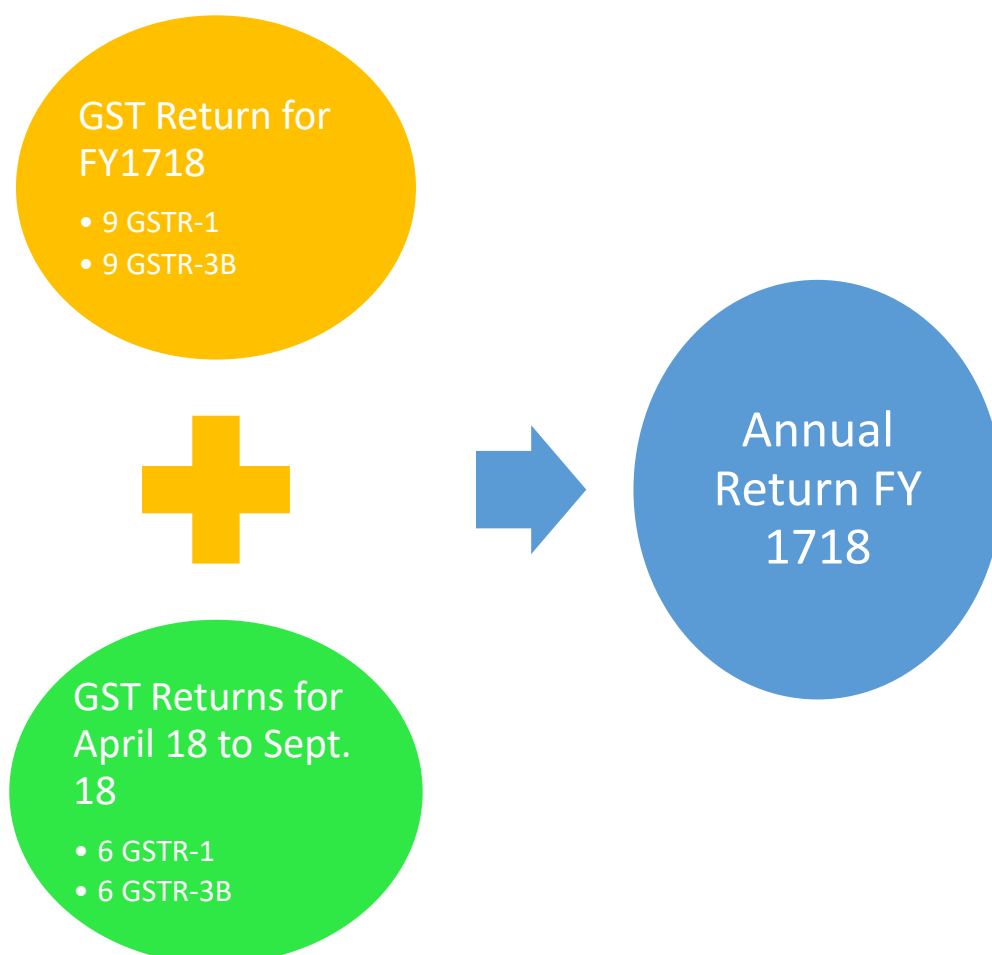
Provided that a person paying tax under section 10 shall furnish the annual return in FORM GSTR-9A.

- 2) Every electronic commerce operator required to collect tax at source under section 52 shall furnish annual statement referred to in sub-section (5) of the said section in FORM GSTR -9B.
- 3) Every registered person whose aggregate turnover during a financial year exceeds two crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 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

5. ANNUAL RETURN GSTR-9

Every registered person (other than an Input Service Distributor, a person paying tax under Section 51 or Section 52, a casual taxable person and a non-resident taxable person) shall require to furnish an annual return in 'Form GSTR 9' [Section 44(1) of the CGST Act, 2017 read with rule 80 of the CGST rules and Notification No. 39/2018 – Central Tax].

Accordingly, Annual Return is applicable irrespective of turnover to every person registered under GST. In the Form -9 taxpayer have to compile and compare the data disclosed in GSTR-1, GSTR-3B and GSTR-2A. Further GSTR-9 is nothing but the consolidation of 30 returns filed under GST where amount of last Financial Year are disclosed.



5.1 ANNUAL RETURN – OVERVIEW

As per section 44 of the CGST Act every registered person is required to file Annual Return for every Financial Year. However, in the instruction with respect to Annual Return it is clarified that for the FY 2017-18 the amount of the Period July 2017 to March 2018 is to be considered. Following are certain key provisions of the Annual Return:

Instruction issued

- Period Covered
Amount to be disclosed from July 2017 to March 2018 for FY 2017-18

Section 44 of the CGST Act

- Due date is 31st December 2018

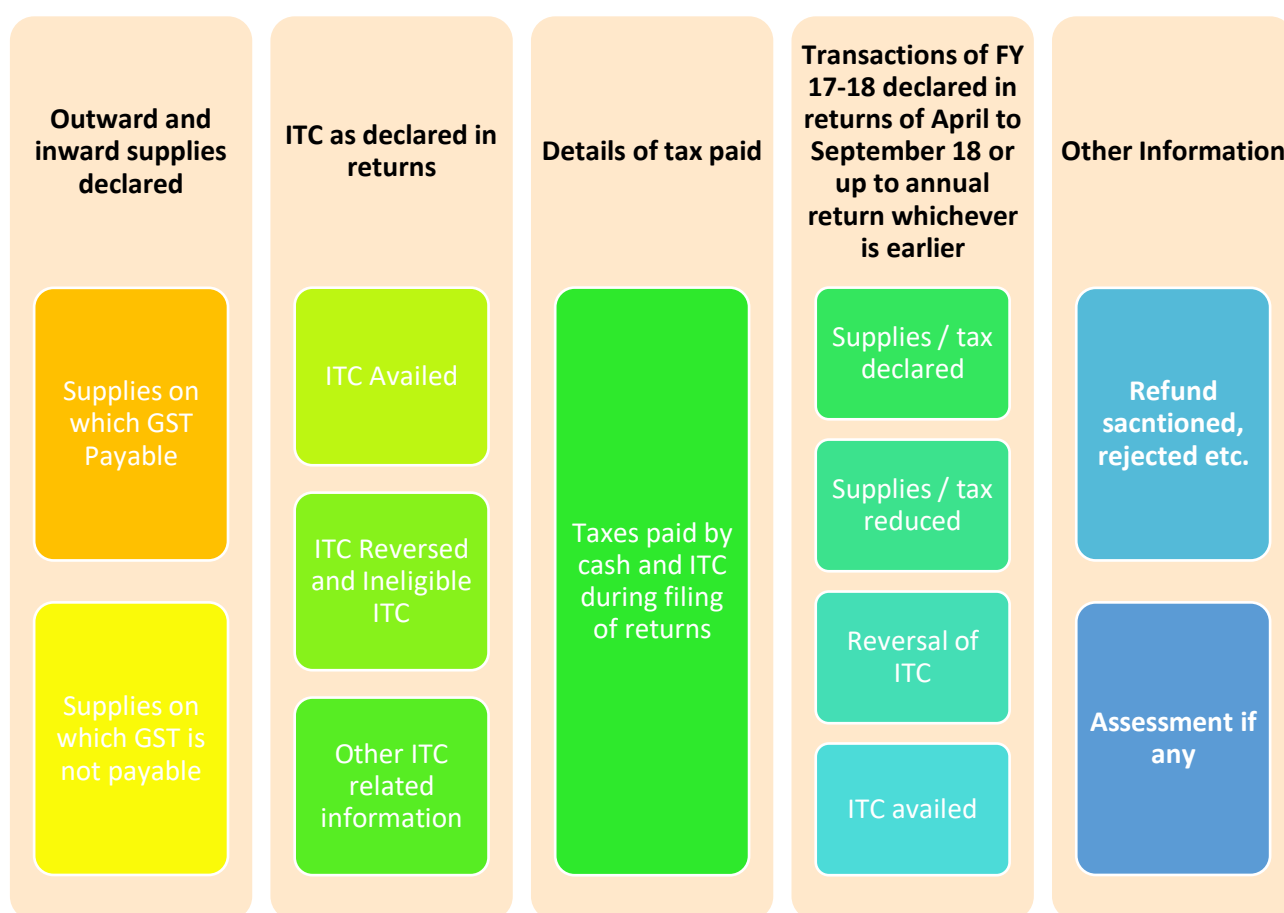
- Late filing fee (Rs. 100/- per day per Act max (0.25% of turnover in state per Act))

Section 46 read with Rule 68

- Notice to Non-filer within 15 days electronically

5.2 FIVE KEY ASPECT TO KNOW ABOUT ANNUAL RETURN

A detailed format of annual return is declared by the Government [Notification No. 39/2018 – Central Tax]. As per rule 80 of the CGST Rules every registered person shall requires to furnish an annual return in 'Form GSTR 9'. However, Annual return is not applicable to an Input Service Distributor, a person who requires to deduct tax at source (Section 51 of the CGST Act) or requires to collect tax (section 52 of the CGST Act), a casual taxable person and a non-resident taxable person. The information which is required to be submitted in the annual return is divided in 5 parts as given below



A. Details of Outward and inward supplies declared during the financial year

This Part is related to computation of GST liability on outward supplies and Inward supplies which are liable to reverse charge mechanism (RCM). Additionally, the supplies where GST is not paid like export, supplies to SEZ unit etc. are required to be disclosed in the said part.

This part is mainly related to disclosure of aggregate value of supplies made during the year. Given this, the supplies like B2B and B2C, Export, reimbursements liable to GST (Including freight, transportation, packing etc), Schedule I supplies (Including inter-State stock transfer, management recharges etc), other supplies (such as disposal of asset on which credit is availed, supplies to principal/ agent, gift above Rs 50,000 to employees) are required to be disclosed in this part.

Hence, computation of the gross GST payable and disclosure of all outward supplies including the supplies which are not liable for GST are key component of Part 1 of the GSTR-9.

Table 4 contain the Transaction where GST is Payable (Advances, Inward and Outward) whereas Table 5 contain the Transaction where GST is not payable (ZR, Supply to SEZ, Exempt, RCM, Nil rates, Non-GST). Further, reference of table by 'Orange' colour referred that the amount required to be captured from GSTR-1 and 'Green' colour referred that the amount required to be captured from GSTR-3B.

Table 4 A to 4G (**Outward and Inward supply where GST applicable**)

4A (Table 5, Table 7 and Table 9 and Table 10)	4B (Table 4A and Table 4C)	4C (Table 6A)	4D (Table 6B)	4E (Table 6C)	4F (Table 11A)	4G (Table 3.1(d)) (Table 4B)
Supplies made to un-registered persons (B2C)	Supplies made to registered persons (B2B)	Zero rated supply (Export)	Supply to SEZs on payment of tax	Deemed Exports	Advances on which tax has been paid but invoice has not been issued	Inward supplies on which tax is to be paid on reverse charge basis

Table 4 **Adjustment**

4I (Table 9B)	4J (Table 9B)	4K (Table 9A and Table 9C)	4L (Table 9A and Table 9C)
Credit Notes for (B) to (E) above (-)	Debit Notes For (B) to (E) above (+)	Supplies / tax declared through Amendments (+)	Supplies / tax reduced through Amendments (-)

Table 5 (Outward supplies on which tax is not payable and declared in the financial year)

5A (Table 6A)	5B Table 6A	5C (Table 4B)	5D (Table 8)	5E (Table 8)	5F (Table 8)
Zero rated supply (Export) without payment of tax	Supply to SEZs without payment of tax	Supplies on which tax is to be paid by the recipient on reverse charge basis	Exempted	Nil Rated	Non-GST supply

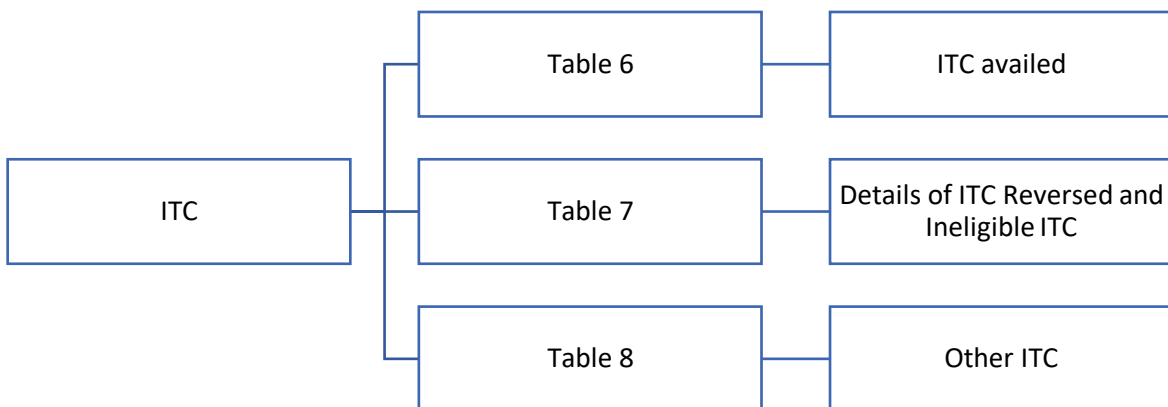
Table 5 (Adjustment)

5I (Table 9B)	5J (Table 9B)	5K (Table 9B)	5L (Table 9B)
Credit Notes for (A) to (F) above (-)	Debit Notes For (A) to (F) above (+)	Supplies / tax declared through Amendments (+)	Supplies / tax reduced through Amendments (-)

B. Details of Input Tax Credit (ITC) as declared in returns filed during the financial year

All ITC related details are required to be captured in said part like ITC availed, ineligible ITC as per section 17(5) of the CGST Act, reversal of ITC etc. This part requires disclosure of aggregate value of ITC availed on all inward supplies except those on which tax is payable on reverse charge basis but includes supply of services received from SEZs. It is to be noted that, this part shall not include ITC which was availed, reversed and then reclaimed in the ITC ledger.

Further, said part include the computation of the difference between the total amount of input tax credit availed through FORM GSTR-3B and input tax credit declared in said part. As per one of the official documents said difference should be zero. Hence, the taxpayer shall require to maintain reconciliation along with rational behind difference if any.



C. Details of GST paid as declared in the returns filed during the financial year

GST paid through cash and ITC is required to be captured here. It is to be noted that, said part contain the disclosure of GST paid during the year and declared in returns filed. While disclosing the amount in this table three things given below are to be considered

Payment of tax under Table 6.1 of FORM GSTR-3B	Amount which offset during GSTR3B (i.e. How much paid through cash and credit.)	No new scope for extra paid or GST Payable
--	---	--

D. Particulars of the transactions for the previous FY declared in returns of April to September of current FY or up to date of filing of annual return of previous FY whichever is earlier.

In said Part the details which are related to FY 2017-18 however reported during the period of April 2018 to September 2018 are required to be captured.

Details of additions or amendments to any of the supplies, already declared in the returns filed of FY 17-18 but such amendments were furnished in GSTR-1 of April 18 to September 18 of the current financial year or date of filing of Annual Return for the previous financial year, whichever is earlier shall be required to declared here.

Additionally, additions or amendments to details of ITC for goods/services received in the previous financial year but ITC for the same was availed in returns filed for the months of April 18 to September18 or date of filing of Annual Return for the previous financial year whichever is earlier shall also be required to be declared here.

Hence, said part of Annual Return compute the differential GST if any on account of transaction belongs to FY 17-18 however reported in the months of April 18 to September 18 of the current financial year or date of filing of Annual Return for previous financial year, whichever is earlier.

In the Table 10 to table 14 the details given the aforesaid required to be disclosed.

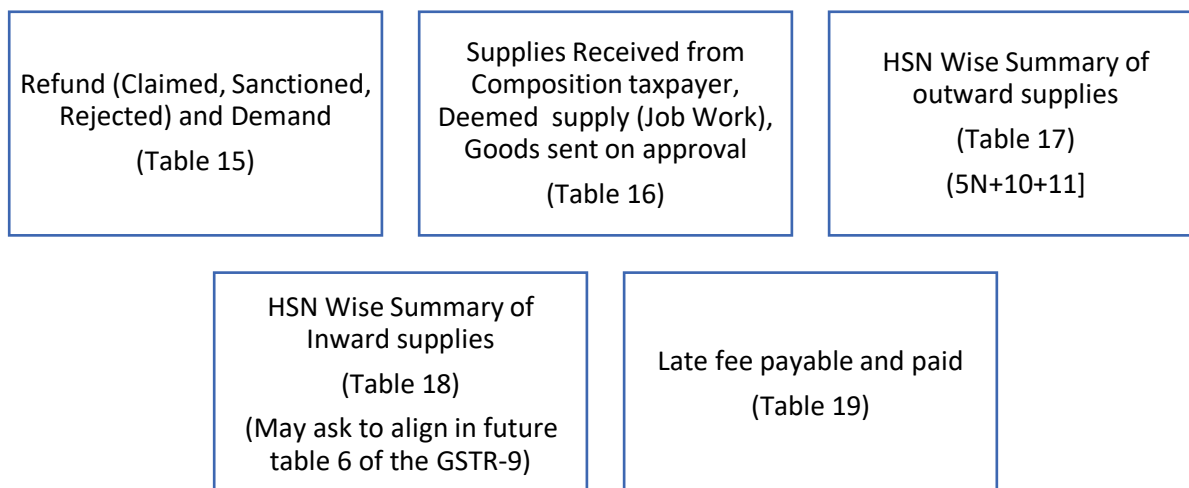
Table 10 (Table 9A, Table 9B and Table 9C)	Supplies / tax declared through Amendments (+) (net of debit notes)
Table 11 (Table 9A, Table 9B and Table 9C)	Supplies / tax reduced through Amendments (-) (net of credit notes)
Table 12 [Table 4(B)]	Reversal of ITC availed during previous financial year
Table 13 [Table 4(A)]	ITC availed for the previous financial year
Table 14	Differential tax paid on account of declaration in 10 & 11 above

E. Other Information

All other information which is not covered in any of the aforesaid part is to be captured in said part. This information could be related to refund claimed, sanctioned or pending etc.

Further it is to be noted that, the taxpayer is required to disclose HSN wise summary of outward supplies as well as inward supplies. It is to be noted that, capturing HSN wise details for inward supplies is unwieldy task where the Company has not accounted for inward supply with HSN.

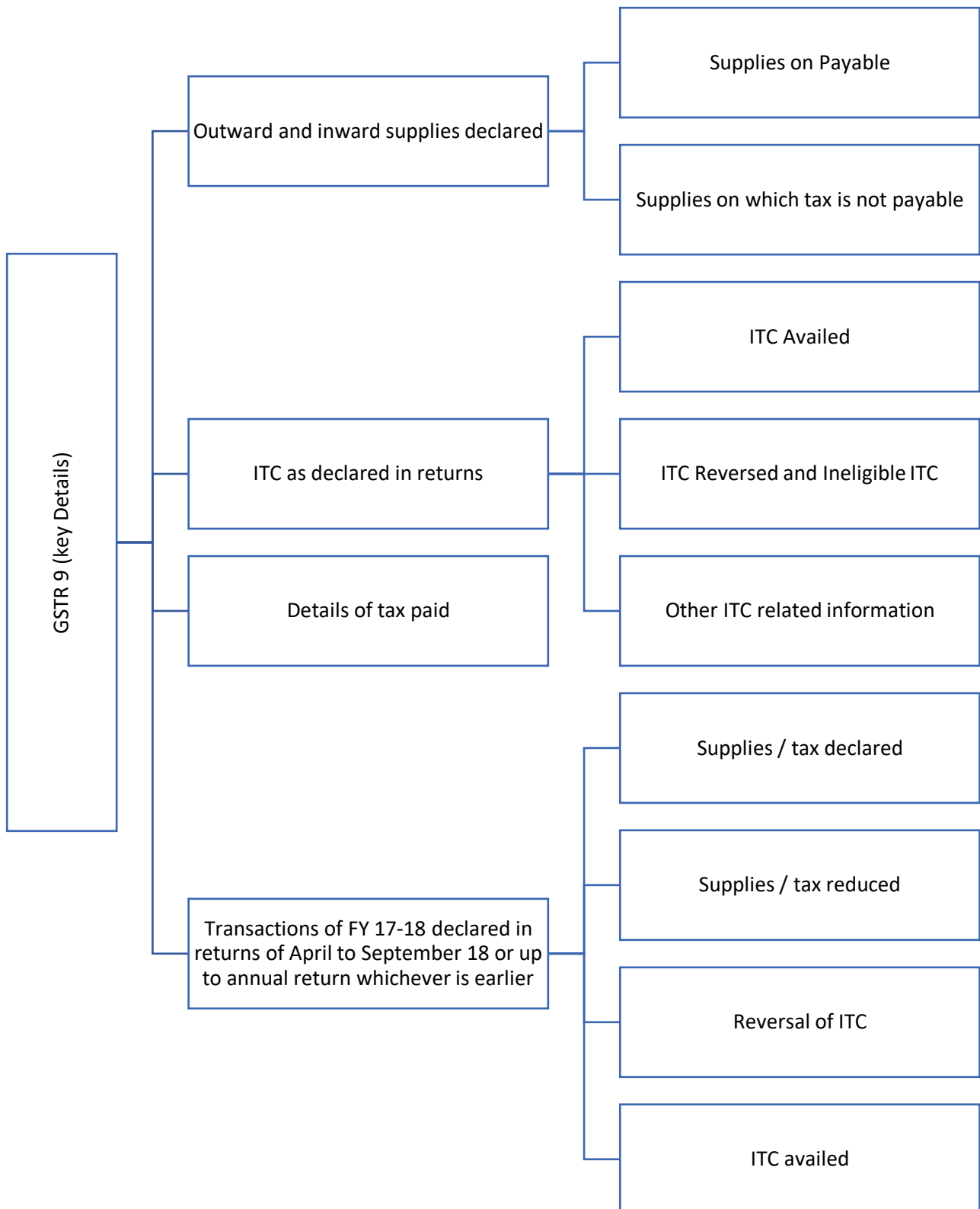
This Part required the disclosure of the details given below.



As discussed, aforesaid, capturing of certain details in Annual Return are critical. Further, the taxpayer should go through challenges, which at best be anticipated and planned for on the basis of experiences from periodic return and other filing such as TRAN 1 etc. Additionally, there is no specific provision in the GST law to revise the annual return hence, based upon the current version of the law, it appears that once annual return filed the same cannot be revised. Hence, taxpayer should gear up and start proactive step to understand the format of Annual Return.

5.3 FORM GSTR-9 ANNUAL RETURN FORMAT

A. Disclosure in Form GSTR-9



Annual Return

The information required to be submitted in the annual return is divided in to 4 parts as given below

No	ame	emark
Part -I	Basic Details	
Part -II	Details of Outward and inward supplies declared during the financial year	Part is related to computation of GST liability on outward supplies and Inward supplies liable to RCM
Part -III	Details of ITC as declared in returns filed during the financial year.	All ITC related details are required to be captured in said part like availed, ineligible, reversal of ITC etc.
Part-IV	Details of tax paid as declared in returns filed during the financial year	GST paid through cash and ITC is required to be captured
Part-V	Particulars of the transactions for the previous FY declared in returns of April to September of current FY or up to date of filing of annual return of previous FY whichever is earlier	In said Part the details which are related to FY 2017-18 however reported during the period of April 2018 to September 2018 are required to be captured.
Part-VI	Other Information	Other details such as refund claimed or sanctioned, Demand etc. are required to be captured in said part

Detailed analysis of each part along with comment thereon is prescribed hereunder.

B. Commentory on FORM GSTR-9

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

Government of India

Ministry of Finance

Department of Revenue

Central Board of Indirect Taxes and Customs

Notification No. 39/2018 – Central Tax

New Delhi, the 4th September, 2018

G.S.R.....(E).- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

- (1) These rules may be called the Central Goods and Services Tax (Eighth Amendment) Rules, 2018.
- (2) Save as otherwise provided in these rules, they shall come into force on the date of their publication in the Official Gazette.

2.

3.

4.

5.

6.

7.

8.

9.

10. In the said rules, after **FORM GSTR-8**, the following FORMS shall be inserted, namely:-

"FORM GSTR-9" (See rule 80) Annual Return						
Pt. I	Basic Details					
3A	Financial Year					
	GSTIN					
	Legal Name					
	3B	Trade Name (if any)				
Part I contain Basic details of the taxpayer. It is to be noted that, legal name referred here is PAN based and trade name is business name. Registration Certificate can be used to complete said fields of the form.						
Pt. II	Details of Outward and inward supplies declared during the financial year					
Part II consists of the details of all outward supplies & advances received during the financial year for which the annual return is filed. The details filled in Part II is a consolidation of all the supplies declared by the taxpayer in the returns filed during the financial year.						
			(Amount in ₹ in all tables)			
	Nature of Supplies	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
4	Details of advances, inward and outward supplies on which tax is payable as declared in returns filed during the financial year					

	Supplies made to un-registered persons (B2C)					
	Supplies made to registered persons (B2B)					
	Zero rated supply (Export) on payment of tax (except supplies to SEZs)					
	Supply to SEZs on payment of tax					
	Deemed Exports					

	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)					
	Inward supplies on which tax is to be paid on reverse charge basis					
	Sub-total (A to G above)					
	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)					
	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)					

	Supplies / tax declared through Amendments (+)					
	Supplies / tax reduced through Amendments (-)					
	Sub-total (I to L above)					
	Supplies and advances on which tax is to be paid (H + M) above					

Taxable outward supply (4 A to E):

- Identify B2B and B2C supply
- Identify reimbursements liable to GST (Including freight, transportation, packing etc)
- Identify, Schedule I supplies to distinct persons liable to GST (Including inter-State stock transfer, management recharges etc)
- Identify, Schedule I other supplies (such as disposal of asset on which credit is availed, supplies to principal/ agent, gift above Rs 50,000 to employees)

Table- 4A (B2C)

- Aggregate value of supplies made to consumers and unregistered persons on which tax has been paid should be declared here.
- These will include details of supplies made through E-Commerce operators (net of credit notes or debit notes issued)
- Table 5, Table 7 along with respective amendments in Table 9 and Table 10 of FORM GSTR-1 may be used for filling up these details. Given this, net B2C supply (after deduction of credit note) is required to be disclosed in the said table.

Table-4B (B2B)

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

Table 4C

- Includes aggregate value of exports (except supplies to SEZs) on which tax has been paid.
- Table 6A of FORM GSTR-1 may be used for filling up these details.

Table 4D

- Aggregate value of supplies to SEZs on which tax has been paid Should be declared here.
- Table 6B of GSTR-1 may be used for filling up these details.

Table 4E

- Aggregate value of supplies in the nature of deemed exports on which tax has been paid Should be declared
- Table 6C of FORM GSTR-1 may be used for filling up these details

Table 4F

- Details of all unadjusted advances i.e. advance has been received and tax has been paid but invoice has not been issued in the current year Should be captured here.

Taxable Inward Supply:

- The details of Inward Supplies on which tax is payable under RCM is required to be captured in Table (4 A-E)
- Aggregate value of all inward supplies (including advances and net of credit/debit notes) on which tax is to be paid by the recipient (i.e.by the person filing the annual return) on reverse charge basis.

- This also include imports.
- Identify details of employee reimbursements - Check which are liable to GST under RCM and which are not.
- Whether any advance is given to supplier wherein RCM is triggered? If yes, time of supply is date of pay
- In case of import of services from associated enterprises, time of supply is date of entry in the books of account of the recipient of supply or the date of payment, whichever is earlier.
- Table 3.1(d) of FORM GSTR-3B may be used for filling up these details.

Computation of Taxable Supply and Tax Thereon

Table 4I

- Aggregate value of credit notes issued in respect of B to B supplies (4B), exports (4C), supplies to SEZs (4D) and deemed exports (4E) required to be declared here.

Table 4J

- Aggregate value of debit notes issued in respect of B to B supplies (4B), exports (4C), supplies to SEZs (4D) and deemed exports (4E) required to be declared here.

Table 4K & 4L

- 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 required to be declared here.

Computation

$$= (4A+4B+4C+4D+4E+4F+4G) + (-I+J+K-L)$$

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)					

Outward supply where tax has not paid (4 A-E):

Table 5A

- Aggregate value of exports (except supplies to SEZs) on which tax has not been paid Should be declared here
- Table 6A of FORM GSTR-1 may be used for filling up these details.

Table 5B

- Aggregate value of supplies to SEZs on which tax has not been paid Should be declared here.
- Table 6B of GSTR-1 may be used for filling up these details

Table 5C

- Aggregate value of supplies made to registered persons on which tax is payable by the recipient on reverse charge basis. Details of debit and credit notes are to be mentioned separately.
- Table 4B of FORM GSTR-1 may be used for filling up these details.

Table 5D,5E&5F

- Aggregate value of exempted, Nil Rated and Non-GST supplies Should be declared here.
- The value of “no supply” Should also be declared here. (like interest received on deposit)
- Table 8 of FORM GSTR-1 may be used for filling up these details.

Computation of Non- Taxable Supply

Table 5H

- Aggregate value of credit notes issued in respect of supplies declared in 5A,5B,5C, 5D, 5E and 5F are required to be declared here.
- Table 9B of FORM GSTR-1 may be used for filling up these details.

Table 5I

- Aggregate value of debit notes issued in respect of supplies declared in 5A,5B,5C, 5D, 5E and 5F Should be declared here.
- Table 9B of FORM GSTR-1 may be used for filling up these details.

Table 5J&5K

- Details of amendments made to exports (except supplies to SEZs) and supplies to SEZs on which tax has not been paid Should be declared here.
- Table 9A and Table 9C of FORM GSTR-1 may be used for filling up these details.

Table 5L

- Total of debit notes, credit notes and amendments made in non-taxable supply. (5H+5K)

Table 5M

- Net value of Non-taxable Supply (5G+5L)

Table 5N

- Total turnover including the sum of all the supplies (with additional supplies and amendments) on which tax is payable and tax is not payable Should be declared here.
- This Should also include amount of advances on which tax is paid but invoices have not been issued in the current year

- However, this Should not include the aggregate value of inward supplies on which tax is paid by the recipient (i.e. by the person filing the annual return) on reverse charge basis.

Pt. III	Details of ITC as declared in returns filed during the financial year					
	Description	Type	Central Tax	State Tax /	Integrated Tax	Cess

				UT Tax		
	1	2	3	4	5	6

Part III consists of the details of all input tax credit availed and reversed in the financial year for which the annual return is filed

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)					

Table 6A

- Total input tax credit availed in Table 4A of FORM GSTR-3B for the taxpayer would be auto-populated here.

Table 6B

- Aggregate value of input tax credit availed on all inward supplies except those on which tax is payable on reverse charge basis but includes supply of services received from SEZs Should be declared here.
- It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services.
- This shall not include ITC which was availed, reversed and then reclaimed in the ITC ledger. This is to be declared separately under 6(H) below.
- Table 4(A)(5) of FORM GSTR-3B may be used for filling up these details

Table 6C

- Aggregate value of input tax credit availed on all inward supplies received from unregistered persons (other than import of services) on which tax is payable on reverse charge basis Should be declared here.
- It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services.
- Table 4(A)(3) of FORM GSTR-3B may be used for filling up these details.

Table 6D

- Aggregate value of input tax credit availed on all inward supplies received from registered persons on which tax is payable on reverse charge basis Should be declared here.
- It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services.
- Table 4(A)(3) of FORM GSTR-3B may be used for filling up these details.

Table 6E

- Details of input tax credit availed on import of goods including supply of goods received from SEZs Should be declared here.

- It may be noted that the total ITC availed is to be classified as ITC on inputs and capital goods.
- Table 4(A)(1) of FORM GSTR-3B may be used for filling up these details.

Table 6F

- Details of input tax credit availed on import of services (excluding inward supplies from SEZs) Should be declared here.
- Table 4(A)(2) of FORM GSTR-3B may be used for filling up these details.

Table 6G

- Aggregate value of input tax credit received from input service distributor Should be declared here.
- Table 4(A)(4) of FORM GSTR-3B may be used for filling up these details.

Table 6H

- Aggregate value of input tax credit availed, reversed and reclaimed under the provisions of the Act Should be declared here.
- The ITC which is not auto-populated but claimed in the books of account and availed after March 2018 is required to be captured here.

Table 6J

- The difference between the total amount of input tax credit availed through FORM GSTR-3B and input tax credit declared in row B to H Should be declared here.
- As per the official document said amount should be zero. Hence, it is recommended that, the Company Should maintain reconciliation along with rational if there is a difference in said subtotal.

Table 6K

- Details of transition credit received in the electronic credit ledger on filing of FORM GST TRAN-I including revision of TRAN-I (whether upwards or downwards), if any Should be declared here.

Table 6L

- Details of transition credit received in the electronic credit ledger after filing of FORM GST TRAN-II Should be declared here.

Table 6M

- Details of ITC availed but not covered in any of heads specified under 6B to 6L above Should be declared here.
- Details of ITC availed through FORM ITC01 and FORM ITC-02 (i.e transfer of ITC from one Company to another) in the financial year Should be declared here.

7	Details of ITC Reversed and Ineligible ITC as declared in returns filed during the financial year				
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 (60 - 7I)				

Table 7A,7B,7C,7D,7E,7F,7G&7H

Details of ITC reversed (ineligible ITC/ITC required to reverse as per Section 16 of the CGST Act) Should be declared here. The details are as given hereunder

Table 7A

- Reversal of ITC by a person who availed ITC but fails to pay to the supplier thereof, the value of such supply along with the tax payable thereon, within the time limit specified (i.e. 180 days).

Table 7B

- ITC distributed by Input Service Distributor are required to be captured here.

Table 7C

- Reversal of ITC of inputs or input services to the proportion of used for other than business or exempt supply is required to be disclose here.
- It is to be noted that reversal ratio to be computed on yearly basis. Hence, the amount of reversal of ITC may not be in tune with GSTR-3B.

Table 7D

- Reversal of ITC of Capital Goods to the proportion of used for other than business or exempt supply is required to be disclose here.
- This reversal ratio also to be computed on yearly basis. Hence, the amount of reversal of ITC may not be in tune with GSTR-3B.

Table 7E

- Ineligible ITC as prescribed in section 17(5) of the CGST Act is required to be disclosed in this table.

Table 7F and 7G

- This column should also contain details ineligible transition credit claimed under FORM GST TRAN-I or FORM GST TRAN-II and then subsequently reversed.

Table 7H

- Any other ITC which is required to be reversed however not to be disclosed in the aforesaid table is required to specify here.
- Like ITC reversed through FORM ITC -03, eligible ITC however the Company has not availed etc.

Table 7I

- Said table compute the total ITC required to be reversed (i.e 7A+7B+7C+7D+7E+7F+7G+7H)

Table 7J

- This table Compute the net ITC available for utilisation [i.e. Total ITC (Table 6O) – Total reversal (Table 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>

Table 8A

- The total credit available for inwards supplies (other than imports and inwards supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 and reflected in FORM GSTR-2A (table 3 & 5 only) shall be auto-populated in this table.
- This would be the aggregate of all the input tax credit that has been declared by the corresponding suppliers in their FORM GSTR-I.

Table 8B

- The ITC as declared in Table 6B and 6H (above) shall be auto-populated here.

Table 8C

- Aggregate value of ITC availed on all inward supplies (except those on which tax is payable on reverse charge basis but includes supply of services received from SEZs) received during July 2017 to March 2018 but credit on which was availed between April to September 2018 Should be declared here.
- Table 4(A)(5) of FORM GSTR-3B may be used for filling up these details.
- It is to be noted, that said ITC is the ITC which is related to FY 2017-18 however availed between April to September 2018

Table 8E&8F

- Aggregate value of the ITC which was available in FORM GSTR2A (table 3 & 5 only) but not availed in any of the FORM GSTR-3B returns Should be declared here.
- The credit shall be classified as credit which was available and not availed or the credit was not availed as the same was ineligible.

- As per the official document issued the sum total of both the rows (8E+8F) should be equal to difference in 8D.
- However, it is to be noted that said difference may not be equal in the scenario like vendor has disclosed wrong amount, vendor has not filed their GSTR-1, the Company has accounted certain expenses in 'Vo' account code.
- Hence the Company should reconcile the details as early as possible.

Table 8G

- Aggregate value of IGST paid at the time of imports (including imports from SEZs) during the financial year Should be declared here.

Table 8H

- The ITC as declared in Table 6E shall be auto-populated here.

Table 8I

- This table compute the difference between IGST paid on import of goods and IGST credit availed by the Company (G-H)

Table 8J

- ITC available but not availed (ie 8I) is required to be disclosed here.

Table 8K

- The total ITC which shall lapse for the current financial year is to be computed in this row.

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						

Payment of tax under Table 6.1 of FORM GSTR-3B is to be used for filling up these details.

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		

Part V consists of particulars of transactions for the previous financial year but declared in the returns of April to September of current FY or date of filing of Annual Return for previous financial year (for example in the annual return for the FY 2017-18, the transactions declared in April to September 2018 for the FY 2017-18 Should be declared), whichever is earlier.

It is to be noted that, these details are critical to capture unless the Company maintain reconciliation of GSTR-3B, GSTR-2A and books of account on monthly basis.

Table 10&11

- Details of additions or amendments to any of the supplies already declared in the returns of the previous FY but such amendments were furnished in Table 9A, Table 9B and Table 9C of FORM GSTR-1 of April to September of the current financial year or date of filing of Annual Return for the previous financial year, whichever is earlier Should be declared here.

Table 12

- Aggregate value of reversal of ITC which was availed in the previous FY but reversed in returns filed for the months of April to September of the current financial year or date of filing of Annual Return for previous financial year, whichever is earlier Should be declared here.
- Table 4(B) of FORM GSTR-3B may be used for filling up these details.

Table 13

- Details of ITC for goods/services received in the previous financial year but ITC for the same was availed in returns filed for the months of April to September of the current financial year or date of filing of Annual Return for the previous financial year whichever is earlier Should be declared here.
- Table 4(A) of FORM GSTR-3B may be used for filling up these details.

Table 14

- Differential GST if any on account of transaction belongs to FY 17-18 however reported in the months of April 18 to September 18 of the current financial year or date of filing of Annual Return for previous financial year, whichever is earlier is computed in this table.

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							
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							

Table 15A,B,C&D

- Aggregate value of refunds claimed, sanctioned, rejected and pending for processing Should be declared here.
- **Refund claimed** will be the aggregate value of all the refund claims filed and will include refunds which have been sanctioned, rejected or are pending for processing.
- **Refund sanctioned** means the aggregate value of all refund sanction orders.
- **Refund pending** will be the aggregate amount in all refund application for which acknowledgement has been received and will exclude provisional refunds received.
- These will not include details of non-GST refund claims.

Table_15E,15F&15G

- Aggregate value of demands of taxes for which an order confirming the demand has been issued by the adjudicating authority Should be declared here.
- Aggregate value of taxes paid out of the total value of confirmed demand as declared in 15E above Should be declared here.
- Aggregate value of demands pending recovery out of 15E above Should be declared here.

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					

Table 16A

- Aggregate value of supplies received from composition taxpayers Should be declared here.

Table 16B

- Aggregate value of all deemed supplies from the principal to the job-worker Should be declared here.

Table 16C

Aggregate value of all deemed supplies for goods which were sent on approval basis but were not returned to the principal supplier within one eighty days of such supply Should be declared here

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

Table 17&18

- Summary of supplies effected and received against a particular HSN code to be reported only in this table.
- Applicability to the taxpayer is as given hereunder

Optional	Taxpayers having annual turnover upto ₹ 1.50 Cr. preceding year
Two digits level HSN	Taxpayers having annual turnover in the preceding year above ₹ 1.50 Cr but upto ₹ 5.00 Cr
Four digits level	Taxpayers having annual turnover above ₹ 5.00 Cr.

- UQC details are to be furnished only for supply of goods.
- Quantity is to be reported net of returns. Table 12 of FORM GSTR1 may be used for filling up details in Table 17.
- The Company is also required to give the HSN summary of Inward supply. Capturing said details is cumbersome task where the Company has not accounted inward supply with HSN.

19	Late fee payable and paid		
	Description	Payable	Paid
	1	2	3
A	Central Tax		
B	State Tax		

Late fee will be payable if annual return is filed after the due date.

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

Name of Authorised

Signatory

Date

Designation / Status

Instructions: –

1. Terms used:

- a. GSTIN: Goods and Services Tax Identification Number
- b. UQC: Unit Quantity Code
- c. HSN: Harmonized System of Nomenclature Code

2. The details for the period between July 2017 to March 2018 are to be provided in this return.

3. Part II consists of the details of all outward supplies & advances received during the financial year for which the annual return is filed. The details filled in Part II is a consolidation of all the supplies declared by the taxpayer in the returns filed during the financial year. 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 FORM GSTR-1 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 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. Details of debit and credit notes are to be mentioned separately. Table 4A and Table 4C of FORM GSTR-1 may be used for filling up these details.

4C	Aggregate value of exports (except supplies to SEZs) on which tax has been paid shall be declared here. Table 6A of FORM GSTR-1 may be used for filling up these details.
4D	Aggregate value of supplies to SEZs on which tax has been paid shall be declared here. Table 6B of GSTR-1 may be used for filling up these details.
4E	Aggregate value of supplies in the nature of deemed exports on which tax has been paid shall be declared here. Table 6C of FORM GSTR-1 may be used for filling up these details.
4F	Details of all unadjusted advances i.e. advance has been received and tax has been paid but invoice has not been issued in the current year shall be declared here. Table 11A of FORM GSTR-1 may be used for filling up these details.
4G	Aggregate value of all inward supplies (including advances and net of credit

	and debit notes) on which tax is to be paid by the recipient (i.e. by the person filing the annual return) on reverse charge basis. This shall include supplies received from registered persons, unregistered persons on which tax is levied on reverse charge basis. This shall also include aggregate value of all import of services. Table 3.1(d) of FORM GSTR-3B may be used for filling up these details.
4I	Aggregate value of credit notes issued in respect of B to B supplies (4B), exports (4C), supplies to SEZs (4D) and deemed exports (4E) shall be declared here. Table 9B of FORM GSTR-1 may be used for filling up these details.

4J	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. Table 9B of FORM GSTR-1 may be used for filling up these details.
4K & 4L	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. Table 9A and Table 9C of FORM GSTR-1 may be used for filling up these details.
5A	Aggregate value of exports (except supplies to SEZs) on which tax has not been paid shall be declared here. Table 6A of FORM GSTR-1 may be used for filling up these details.
5B	Aggregate value of supplies to SEZs on which tax has not been paid shall be declared here. Table 6B of GSTR-1 may be used for filling up these details.
5C	Aggregate value of supplies made to registered persons on which tax is payable by the recipient on reverse charge basis. Details of debit and credit notes are to be mentioned separately. Table 4B of FORM GSTR-1 may be used for filling up these details.
5D,5E and 5F	Aggregate value of exempted, Nil Rated and Non-GST supplies shall be declared here. Table 8 of FORM GSTR-1 may be used for filling up these details. The value of “no supply” shall also be declared here.
5H	Aggregate value of credit notes issued in respect of supplies declared in 5A,5B,5C, 5D, 5E and 5F shall be declared here. Table 9B of FORM GSTR-1 may be used for filling up these details.

5I	Aggregate value of debit notes issued in respect of supplies declared in 5A,5B,5C, 5D, 5E and 5F shall be declared here. Table 9B of FORM GSTR-1 may be used for filling up these details.
5J & 5K	Details of amendments made to exports (except supplies to SEZs) and supplies to SEZs on which tax has not been paid shall be declared here. Table 9A and
	Table 9C of FORM GSTR-1 may be used for filling up these details.
5N	Total turnover including the sum of all the supplies (with additional supplies and amendments) on which tax is payable and tax is not payable shall be declared here. This shall also include amount of advances on which tax is paid but invoices have not been issued in the current year. However, this shall not include the aggregate value of inward supplies on which tax is paid by the recipient (i.e. by the person filing the annual return) on reverse charge basis.

4. Part III consists of the details of all input tax credit availed and reversed in the financial year for which the annual return is filed. The instructions to fill Part III are as follows:

Table No.	Instructions
6A	Total input tax credit availed in Table 4A of FORM GSTR-3B for the taxpayer would be auto-populated here.

6B	<p>Aggregate value of input tax credit availed on all inward supplies except those on which tax is payable on reverse charge basis but includes supply of services received from SEZs shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(5) of FORM GSTR-3B may be used for filling up these details.</p> <p>This shall not include ITC which was availed, reversed and then reclaimed in the ITC ledger. This is to be declared separately under 6(H) below.</p>
6C	<p>Aggregate value of input tax credit availed on all inward supplies received from unregistered persons (other than import of services) on which tax is payable on reverse charge basis shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(3) of FORM GSTR-3B may be used for filling up these details.</p>
6D	<p>Aggregate value of input tax credit availed on all inward supplies received from registered persons on which tax is payable on reverse charge basis shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(3) of FORM GSTR-3B may be used for filling up these details.</p>
6E	<p>Details of input tax credit availed on import of goods including supply of goods received from SEZs shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs and capital goods. Table 4(A)(1) of FORM GSTR-3B may be used for filling up these details.</p>

6F	Details of input tax credit availed on import of services (excluding inward supplies from SEZs) shall be declared here. Table 4(A)(2) of FORM GSTR-
----	---

	3B may be used for filling up these details.
6G	Aggregate value of input tax credit received from input service distributor shall be declared here. Table 4(A)(4) of FORM GSTR-3B may be used for filling up these details.
6H	Aggregate value of input tax credit availed, reversed and reclaimed under the provisions of the Act shall be declared here.
6J	The difference between the total amount of input tax credit availed through FORM GSTR-3B and input tax credit declared in row B to H shall be declared here. Ideally, this amount should be zero.
6K	Details of transition credit received in the electronic credit ledger on filing of FORM GST TRAN-I including revision of TRAN-I (whether upwards or downwards), if any shall be declared here.
6L	Details of transition credit received in the electronic credit ledger after filing of FORM GST TRAN-II shall be declared here.
6M	Details of ITC availed but not covered in any of heads specified under 6B to 6L above shall be declared here. Details of ITC availed through FORM ITC01 and FORM ITC-02 in the financial year shall be declared here.

7A, 7C, 7E, 7G 7H	7B, 7D, 7F, and	<p>Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39,42 and 43 of the CGST Rules, 2017 shall be declared here.</p> <p>This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under FORM GST TRAN-I or FORM GST TRAN-II and then subsequently reversed. Table 4(B) of FORM GSTR-3B may be used for filling up these details.</p> <p>Any ITC reversed through FORM ITC -03 shall be declared in 7H.</p>
8A		<p>The total credit available for inwards supplies (other than imports and inwards supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 and reflected in FORM GSTR-2A (table 3 & 5 only) shall be auto-populated in this table. This would be the aggregate of all the input tax credit that has been declared by the corresponding suppliers in their FORM GSTR-I.</p>
8B		<p>The input tax credit as declared in Table 6B and 6H shall be auto-populated here.</p>
8C		<p>Aggregate value of input tax credit availed on all inward supplies (except those on which tax is payable on reverse charge basis but includes supply of services received from SEZs) received during July 2017 to March 2018 but credit on which was availed between April to September 2018 shall be declared here.</p> <p>Table 4(A)(5) of FORM GSTR-3B may be used for filling up these details.</p>
8E & 8F		<p>Aggregate value of the input tax credit which was available in FORM GSTR2A (table 3 & 5 only) but not availed in any of the FORM GSTR-3B returns shall be</p>

	declared here. The credit shall be classified as credit which was available and not availed or the credit was not availed as the same was ineligible. The sum total of both the rows should be equal to difference in 8D.
8G	Aggregate value of IGST paid at the time of imports (including imports from SEZs) during the financial year shall be declared here.
8H	The input tax credit as declared in Table 6E shall be auto-populated here.
8K	The total input tax credit which shall lapse for the current financial year shall be computed in this row.

5. Part IV is the actual tax paid during the financial year. Payment of tax under Table 6.1 of FORM GSTR-3B may be used for filling up these details.
6. Part V consists of particulars of transactions for the previous financial year but declared in the returns of April to September of current FY or date of filing of Annual Return for previous financial year (for example in the annual return for the FY 2017-18, the transactions declared in April to September 2018 for the FY 2017-18 shall be declared), whichever is earlier. The instructions to fill Part V are as follows:

Table No.	Instructions
10 & 11	Details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of FORM GSTR-1 of April to September of

	the current financial year or date of filing of Annual Return for the previous financial year, whichever is earlier shall be declared here.
12	Aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April to September of the current financial year or date of filing of Annual Return for previous financial year , whichever is earlier shall be declared here. Table 4(B) of FORM GSTR-3B may be used for filling up these details.
13	Details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April to September of the current financial year or date of filing of Annual Return for the previous financial year whichever is earlier shall be declared here. Table 4(A) of FORM GSTR-3B may be used for filling up these details.

7. Part VI consists of details of other information. The instructions to fill Part VI are as follows:

Table No.	Instructions
15A, 15B, 15C and 15D	Aggregate value of refunds claimed, sanctioned, rejected and pending for processing shall be declared here. Refund claimed will be the aggregate value of all the refund claims filed in the financial year and will include refunds which have been sanctioned, rejected or are pending for processing. Refund sanctioned means the aggregate value of all refund

	sanction orders. Refund pending will be the aggregate amount in all refund application for which acknowledgement has been received and will exclude provisional refunds received. These will not include details of non-GST refund claims.
15E, 15F and 15G	Aggregate value of demands of taxes for which an order confirming the demand has been issued by the adjudicating authority shall be declared here. Aggregate value of taxes paid out of the total value of confirmed demand as declared in 15E above shall be declared here. Aggregate value of demands pending recovery out of 15E above shall be declared here.
16A	Aggregate value of supplies received from composition taxpayers shall be declared here. Table 5 of FORM GSTR-3B may be used for filling up these details.
16B	Aggregate value of all deemed supplies from the principal to the job-worker in terms of sub-section (3) and sub-section (4) of Section 143 of the CGST Act shall be declared here.
16C	Aggregate value of all deemed supplies for goods which were sent on approval basis but were not returned to the principal supplier within one eighty days of such supply shall be declared here.

17 & 18	Summary of supplies effected and received against a particular HSN code to be reported only in this table. It will be optional for taxpayers having annual turnover upto ₹ 1.50 Cr. It will be mandatory to report HSN code at two digits level for taxpayers having annual turnover in the preceding year above ₹ 1.50 Cr but upto ₹ 5.00 Cr and at four digits' level for taxpayers having annual turnover above ₹ 5.00 Cr. UQC details to be furnished only for supply of goods. Quantity is to be reported net of returns. Table 12 of FORM GSTR1 may be used for filling up details in Table 17.
19	Late fee will be payable if annual return is filed after the due date.

5.4 UPCOMING CHALLENGES -ANNUAL RETURN

Till now we had discussed in the aforesaid para disclosure requirement and legal provision of GSTR-9. As per the disclosure requirement of form 9 and 9C it appears that the Government intent one more data validation check. Given this, Annual return is nothing but the consolidation of the GST return filed for the FY 2017-18. However, a taxpayer can face challenges given below at the time of preparedness of the date

A. Bifurcation of input tax credit (ITC) in to Inputs, Capital goods and Input services

As per the official instruction issued on GSTR-9 the ITC availed with respect to FY 2017-18 will get auto-populated in the table 6A of the GSTR-9 from the GST return filed by the taxpayer.

Further, said ITC is required to be divided as per the nature of supply in to ITC with respect to inward supply, Inward supplies of URD liable to RCM, import of goods, import of services etc.

(refer table 6B to 6H of the GSTR-9). This bifurcation can be easily available with the Company.

However, additionally as per the disclosure requirement of the GSTR-9 each nature of supply is further required to be divided in to supply towards Inputs, Capital goods and Input services.

This data may not be readily available with the Company as GSTR-3B required only consolidated details of the ITC availed.

B. Separation exempted vs Nil rated vs Non-GST supply

The outward supply on which tax is not paid is required to be bifurcated separately as exempted vs Nil rated vs Non-GST supply. (Table 5D, Table 5E and Table 5F). It is to be noted that, till now said details are not required to disclose separately as per GSTR-3B, however Annual Return requires to divide said amount.

As per section 2(47) of the CGST Act, “exempt supply” means *supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply;*

Given the aforesaid exempt supply include Nil rated and Non-GST supply. Further, the Act does not define Nil Rated and Non-GST Supply. Hence, disclosure of the said details separately could vary case to case basis.

C. Validation of HSN along with quantitative details of Outward Supply

The taxpayer has to disclose HSN wise summary along with quantitative details of outward supplies [table 17] in GSTR-9. Earlier, HSN wise outward supply were disclosed monthly in GSTR-1 [Table 12] and hence can be captured from this table. Further, as per official document issued by the Government HSN summary of outward supply should be in tune with the value of outward supply disclosed in Table 5N, Table 11 and Table 12.

D. HSN wise supply for Inward Supply

Additionally, HSN wise summary along with quantitative details of inward supplies [table 18] is required to be disclosed in GSTR-9. Capturing HSN wise details for inward supplies is cumbersome task where the Company has not accounted for inward supply with HSN. Further capturing and validation of various HSN of inward supply like stationary, furniture etc. could be unbelievable where vendors had not captured said details on tax invoices.

E. ITC availed in GSTR-3B is consolidated and not invoice wise. But GSTR-2A is invoice wise

Part III of GSTR-9 consists of the details of ITC availed and reversed in the financial year for which the annual return is to be filed. Additionally, the details of transitional credit availed on filing of FORM GST TRAN-I including revision of TRAN-I (whether upwards or downwards), if any shall require to be declared.

Further, as per Table 8 of the GSTR-9 this declared ITC is required to be compared with the ITC available on online portal in the Form GSTR-2A. Any difference, with comparing said details are needs to be bifurcated in to ITC available but not availed (out of D) and ITC available but ineligible (out of D). Following table depict the detailed computation in this regard,

Add/Less	Particulars	Remark
	Total ITC Availed	Table 6
Less :	Reversal	Table 7
	Net ITC Available for Utilization	Table 7 (J)
Comparison (Table 8)		
	ITC as per GSTR-2A (Auto-Populated)	Table 8(A)

Less	ITC as per sum total of above 6(B) and 6(H)	Table 8(B)
Less	ITC on inward supplies received during 2017-18 but availed during April to September, 2018	Table 8 (c)
	Difference	Table 8(D)
	ITC available but not availed (out of D)	Table 8(E)
	ITC available but ineligible (out of D)	Table 8(F)

However, here it is key to note that GSTR-2A is an invoice level document, further ITC availed by the Company is also as per invoices however comparison with GSTR-2A is with the Consolidated amount. Also, it is to be noted that the amount of the GSTR-2A is being auto-populated from the online portal. Given this, invoice level difference could be more vis-à-vis consolidated difference computed as per aforesaid table.

6. GST AUDIT

As per rule 80(3) of the CGST Rules, every registered person **whose aggregate turnover during a financial year exceeds two crore rupees** shall requires to audit books of account under GST.

[section 35(5) of the CGST Act] Accordingly, Form 9C is prescribed for GST Audit.

The key reporting in the said for is as given below:

- Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9) along with reason thereof.
- Reconciliation of rate wise liability and amount payable thereon along with reason for non-payment.
- Reconciliation of Input Tax Credit (ITC) of financial statement with annual return along with reason of unreconciled ITC

6.1 PLAN FOR GST AUDIT

The Company is required to be planned well before initiation of any audit by the Auditor. GST audit is the newly born concept for the service provider. As far as old VAT law is considered some state has requirement of VAT Audit. Hence this could be easy for the same. However to prepare for GST audit the Company should consider the aspects given below to ensure effective completion of the same:

1. The nature of business should be clearly stated in the course of conduct of an audit so that the Auditor should able to comment correctness of the GST rate of supply;
2. The Company should has a Proper estimation of the timelines for commencement and closure of GST Audit;

3. Understand the scope of auditor and scope of the Company properly and it should be document for further reference if any.
4. Understand the operational and legal requirements, reporting requirements and milestones to be achieved during the course of conduct of audit;
5. The data populated in the report / relevant forms, etc. should be verified and compared with the financial statements;
6. Each qualification of the Auditor should be thoroughly understood by the Company along with legal provision with respect to same. The Company should ensure that all the transactions of the business are properly reported, noted and disclosed.
7. Every transactions of exceptional nature, including non-monetary transactions, are explained properly to the Auditor along with rational behind whether they are taxable or not;
8. The Company should ensure that expert views / opinions on the applicability of GST should be shared with the Auditor where the same is obtained by the Company wherever the GST is levied as per said opinion.

6.2 KEY TAKEAWAYS TO PREPARE FOR GST AUDIT

The GST Audit is to be undertaken for the first time. As per the disclosure requirement of form 9C it can be concluded that significant preparation from both the auditor and the auditee is necessary. Given below are the key six takeaways which could be considered by the entity to prepare for GST.

1. Numerous Reconciliation

Compliance is increased drastically under GST law due to the aspect of uploading invoice wise level details on online portal, E-way bill concept, Monthly return etc. Additionally, the requirement of Tax Audit report is also revised for FY 2017-18 to include certain details related

to GST like taxable supply, exempt supply, registered and unregistered dealer etc. This again added to the compliance. All these aspects are required to be considered while preparing the reconciliation given below

- Reconciliation of GST Outward Supply i.e. GSTR-1 (Taxable, exempt, export etc.) with books of account.
- Reconciliation of GSTR- 2A with Input Tax Credit (ITC) availed in GST Return.
- Reconciliation of outward supply and ITC between GSTR-3B, GSTR-1 and Books of account
- Reconciliation of Outward supply with 26AS
- Reconciliation of GST Payable between 3B and books.
- Reconciliation of expenses subject to reverse charge as per books of accounts and GSTR-3B.
- Reconciliation of balance in E-Cash ledger, E-credit ledger, E-liability ledger with books.

2. Finalisation of account

The finalisation of accounts for FY 2017-18 before GST audit is necessary. As the tax Audit is filed by the entity hence now books are finalized. While preparing for GST Audit the entity should check GST payable, input tax credit, GST turnover, balance as on 31st March 2018 in electronic ledger vis a vis book of account etc with the audited books of account. As GST law was introduced 1st July 2017 it's necessary to consider GST levied and turnover disclosed in Post-GST regime. Given this, below aspects are vital from GST prospective and Audited books of account

Outward Supply

- Disclosure of annual and monthly turnover is mandatory requirement for GST return and if same is not in tune with books of accounts then reason for the same is identifiable.
- The supply is required to bifurcate in to Taxable supply, Zero rated supply, Exempt supply, Nil rated supply, non-GST supply etc.
- The taxpayer should consider and pay the GST on the supply pertaining to FY 2017-18, on or before September 2018 if any not included while filing of GST return of the financial year 17-18.
- Identify related party transaction if any. GST is required to be paid on the same even same is without consideration.

Inward Supply and Input Tax Credit (ITC)

- Re-check the nature of ITC availed and ITC which is not allowed as per section 17(5) of the CGST Act.
- As per Section 16(4) of the CGST Act, *'A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, **whichever is earlier.**'*

Given this, the taxpayer should identify all the invoices of inwards supply where ITC is not availed and can consider while finalizing of books of account. It is to be noted that said ITC needs to be availed on or before September 2018 and once same is not availed it will become the cost for the Company.

- The ratio of reversal of ITC is required to recompute on the basis of yearly details of supply and effect of the same is to be considered while finalizing books (Rule 42 and Rule 43 of the CGST Rules) and the effect of the same is required to be consider on or before September 2018.

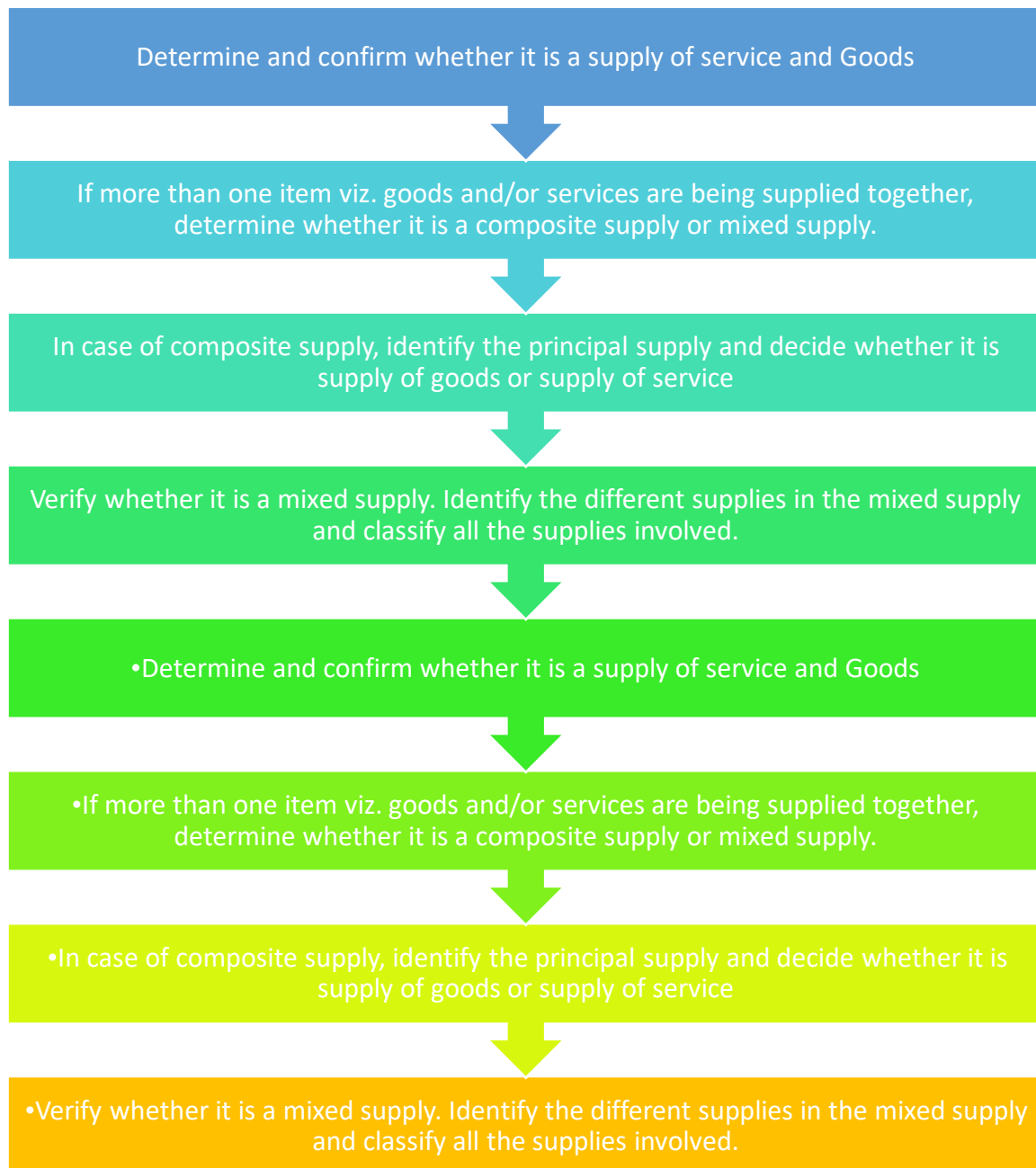
- The taxpayer shall identify ITC relating to inward supplies where vendor's payment is pending for more than 180 days from the date of issue of invoice. The amount of such ITC pertaining to FY 2017-18 is required to reverse along with interest in terms of second proviso to Sec 16(2) read with Rule 37 on or before September 2018

3. Composite Supply Vs Mixed Supply

The entity should ensure the proper classification of goods and services and respective rate – mainly in case of composite supply and mixed supply.

Composite Supply	Mixed Supply
<ul style="list-style-type: none"> • Means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply; 	<ul style="list-style-type: none"> • Means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply;

Further, it is to be noted that GST law does not specify the principle to classify the goods and services to apply correct GST rate. In the absence of principle, the entity may follow the steps given below to decide the correct nature of supply for the purpose of levy of GST.



4. Anti-Profiteering impact on selling price.

As per section 171 (1) of the CGST Act, any

- Reduction in rate of tax on any supply of goods or services or
- the benefit of input tax credit

shall be passed on to the recipient by way of commensurate reduction in prices. Given this, being a first year of the Audit the entity should required to have proper explanation for correct selling price.

The documents given below could be maintained by the entity to substantiate the correctness of the selling price

- Certificate (of computation and passing of benefits) from a Cost Accountant/ Statutory Auditor
- Vendor communication with respect to Anti-profiteering
- Price comparison with Pre-GST regime wherever possible
- Documentary proof and computation which substantiate the fact that whichever benefit is passed on by the vendor is passed on as it is to customer
- Computation and working supported etc.

5. Other Aspects to be consider before GST Audit

1.Reversal of ITC in case of FOC supply

1.Verification of 'Other Income' Ledger

GST is to be payable on supply of services free of cost to the branches located in other state.

GST impact on any payment made in foreign currency

All service transaction with group companies

Applicability of GST on any recovery from employees

Display of GST Registration Certificate in the business premises

7. OTHER FORMS

7.1 FORM GSTR-9A ANNUAL RETURN FOR COMPOSITION DEALER

FORM GSTR-9A							
(See rule 80)							
Annual Return (For Composition Taxpayer)							
Pt. I		Basic Details					
1	Financial Year						
2	GSTIN						
3A	Legal Name	<Auto>					
3B	Trade Name (if any)	<Auto>					
4	Period of composition scheme during the year (From ---- To ----)						
5	Aggregate Turnover of Previous Financial Year						
(Amount in ₹ in all tables)							
Pt. II		Details of outward and inward supplies declared in returns filed during the financial year					
	Description	Turnover	Rate of Tax	Central Tax	State / UT Tax	Integrated tax	Cess
	1	2	3	4	5	6	7
6	Details of Outward supplies on which tax is payable as declared in returns filed during the financial year						
A	Taxable						
B	Exempted, Nil-rated						
C	Total						
7	Details of inward supplies on which tax is payable on reverse charge basis (net of debit/credit notes) declared in returns filed during the financial year						
	Description	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
	1	2	3	4	5	6	

A	Inward supplies liable to reverse charge received from registered persons					
B	Inward supplies liable to reverse charge received from unregistered persons					
C	Import of services					
D	Net Tax Payable on (A), (B) and (C) above					
8	Details of other inward supplies as declared in returns filed during the financial year					
A	Inward supplies from registered persons (other than 7A above)					
B	Import of Goods					
Pt. III	Details of tax paid as declared in returns filed during the financial year					
9	Description	Total tax payable		Paid		
	1	2		3		
	Integrated Tax					
	Central Tax					
	State/UT Tax					
	Cess					
	Interest					

	Late fee					
	Penalty					
Pt. IV	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	Turnover	Central Ta x	State Ta x / UT Ta x	Integrate d Tax	Cess
	1	2	3	4	5	6
10	Supplies / tax (outward) declared through Amendments (+) (net of debit notes)					
11	Inward supplies liable to reverse charge declared through Amendments (+) (net of debit notes)					
12	Supplies / tax (outward) reduced through Amendments (-) (net of credit notes)					
13	Inward supplies liable to reverse charge reduced through Amendments (-) (net of credit notes)					
14	Differential tax paid on account of declaration made in 10, 11, 12 & 13 above					
	Description	Payable		Paid		
	1	2		3		
	Integrated Tax					
	Central Tax					
	State/UT Tax					
	Cess					
	Interest					
Pt. V	Other Information					
15	Particulars of Demands and Refunds					

	Description	Central Tax	State Tax / UT Tax	Integrate d Tax	Cess	Interes t	Penalty	Late Fee / Other s
	1	2	3	4	5	6	7	8
A	Total Refund claimed							
B	Total Refund sanctioned							
C	Total Refund Rejected							
D	Total Refund Pending							
E	Total demand of taxes							
F	Total taxes paid in respect of E above							
G	Total demands pending out of E above							
16	Details of credit reversed or availed							
	Description	Central Tax	State Tax / UT Tax	Integrate d Tax	Cess			
	1	2	3	4	5			

A	Credit reversed on opting in the composition scheme (-)				
B	Credit availed on opting out of the composition scheme (+)				
17	Late fee payable and paid				
	Description	Payable		Paid	
	1	2		3	
A	Central Tax				
B	State Tax				

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.

Place

Signature

Name of Authorised Signatory

Date

Designation / Status

Instructions: –

1. The details for the period between July 2017 to March 2018 shall be provided in this return.

2. Part I consists of basic details of taxpayer. The instructions to fill Part I are as follows :

Table No.	Instructions
5	Aggregate turnover for the previous financial year is the turnover of the financial year previous to the year for which the return is being filed. For example for the annual return for FY 2017-18, the aggregate turnover of FY 2016-17 shall be entered into this table. It is the sum total of turnover of all taxpayers registered on the same PAN.

3. Part II consists of the details of all outward and inward supplies in the financial year for which the annual return is filed. The instructions to fill Part II are as follows:

Table No.	Instructions
6A	Aggregate value of all outward supplies net of debit notes / credit notes, net of advances and net of goods returned for the entire financial year shall be declared here. Table 6 and Table 7 of FORM GSTR-4 may be used for filling up these details.
6B	Aggregate value of exempted, Nil Rated and Non-GST supplies shall be declared here.

7A	Aggregate value of all inward supplies received from registered persons on which tax is payable on reverse charge basis shall be declared here. Table 4B, Table 5 and Table 8A of FORM GSTR-4 may be used for filling up these details.
7B	Aggregate value of all inward supplies received from unregistered persons (other than import of services) on which tax is payable on reverse charge basis shall be declared here. Table 4C, Table 5 and Table 8A of FORM GSTR-4 may be used for filling up these details.
7C	Aggregate value of all services imported during the financial year shall be declared here. Table 4D and Table 5 of FORM GSTR-4 may be used for filling up these details.
8A	Aggregate value of all inward supplies received from registered persons on which tax is payable by the supplier shall be declared here. Table 4A and Table 5 of FORM GSTR-4 may be used for filling up these details.
8B	Aggregate value of all goods imported during the financial year shall be
	declared here.

4. Part IV consists of the details of amendments made for the supplies of the previous financial year in the returns of April to September of the current FY or date of filing of Annual Return for previous financial year (for example in the annual return for the FY 2017-18, the transactions declared in April to September 2018 for the FY 2017-18 shall be declared), whichever is earlier.

The instructions to fill Part V are as follows:

Table No.	Instructions
10,11,12,13 and 14	Details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 5 (relating to inward supplies) or Table 7 (relating to outward supplies) of FORM GSTR- 4 of April to September of the current financial year or upto the date of filing of Annual Return for the previous financial year, whichever is earlier shall be declared here.

5. Part V consists of details of other information. The instruction to fill Part V are as follows:

Table No.	Instructions
15A, 15B, 15C and 15D	Aggregate value of refunds claimed, sanctioned, rejected and pending for processing shall be declared here. Refund claimed will be the aggregate value of all the refund claims filed in the financial year and will include refunds which have been sanctioned, rejected or are pending for processing. Refund sanctioned means the aggregate value of all refund sanction orders. Refund pending will be the aggregate amount in all refund application for

	which acknowledgement has been received and will exclude provisional refunds received. These will not include details of non-GST refund claims.
15E, 15F and 15G	Aggregate value of demands of taxes for which an order confirming the demand has been issued by the adjudicating authority has been issued shall be declared here. Aggregate value of taxes paid out of the total value of confirmed demand in 15E above shall be declared here. Aggregate value of demands pending recovery out of 15E above shall be declared here.
16A	Aggregate value of all credit reversed when a person opts to pay tax under the composition scheme shall be declared here. The details furnished in FORM ITC-03 may be used for filling up these details.
16B	Aggregate value of all the credit availed when a registered person opts out of the composition scheme shall be declared here. The details furnished in
	FORM ITC-01 may be used for filling up these details.
17	Late fee will be payable if annual return is filed after the due date.”;

7.2 FORM GSTR-9C RECONCILIATION STATEMENT

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

Government of India

Ministry of Finance

92

(Department of Revenue)

Central Board of Indirect Taxes and Customs

Notification No. 49/2018 – Central Tax

New Delhi, the 13th September, 2018

G.S.R.....(E).- In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

1. (1) These rules may be called the Central Goods and Services Tax (Tenth Amendment) Rules, 2018.
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. In the FORMS to the Central Goods and Services Tax Rules, 2017, after **FORM GSTR9A**, the following shall be inserted, namely:-

“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>>		
Pt. II Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared					
5	Reconciliation of Gross Turnover				
A	Turnover (including exports) as per audited financial statements for the State / UT (For multi-GSTIN 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				
	Season 2	<Text>>			
	Season 3	<Text>>			
	Additional amount payable but not paid (due to reasons specified under Tables 8 and 10 above)				
			to be paid through Cash		
			Central tax		
	Description	Value			
	%				
	2%				
	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			
	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	(+/-)	
			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>>	
			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		
			F	Taxable turnover as per adjustments above (A-B-C-D)		<Auto>
				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>>			
			B	Reason 2	<<Text>>			
			C	Reason 3	<<Text>>			
			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
				1	2	3	4	5
			A B	5%				
				5% (RC)				
			C	12%				
			D	12% (RC)				
			E	18%				
			F	18% (RC)				
			G	28%				
			H	28% (RC)				
			I	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>			
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 B	Reason 1	<<Text>>
	18%				
	28%				
	3%				
	0.25%				
	0.10%				
	Interest				
	Late Fee				
	Penalty				
	Others (please specify)				
Pt.	Reconciliation of Input Tax Credit (ITC)				

12	Reconciliation of Net Input Tax Credit (ITC)		
	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)		
	ITC booked in earlier Financial Years claimed in current Financial Year	(+)	
	ITC booked in current Financial Year to be claimed in subsequent Financial Years	(-)	
	ITC availed as per audited financial statements or books of account		<Auto>
	ITC claimed in Annual Return (GSTR9)		
	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	4
A	Purchases			
B	Freight / Carriage			
C	Power and Fuel			
D	Imported goods			
E	(Including received from SEZs)			
F	Rent and Insurance			
G	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples			
	Royalties			
	Employees' Cost (Salaries, wages, Bonus etc.)			
	Conveyance charges			
H	Bank Charges			
I	Entertainment charges			
J	Stationery Expenses (including postage etc.)			
K				
L				
M	Repair and Maintenance			
N	Other Miscellaneous expenses			
O P	Capital goods			

Q R S T	Any other expense 1					
	Any other expense 2					
	Total amount of eligible ITC availed			<<Auto>>		
	ITC claimed in Annual Return (GSTR9)					
	Un-reconciled ITC			ITC 2		
15	Reasons for un - reconciled difference in ITC					
A	Reason 1	<<Text>>				
	Reason 2	<<Text>>				
	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					
	Integrated Tax					
	Cess					
	Interest					
	Penalty					
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

Instructions: –

1. Terms used:

(a) GSTIN: Goods and Services Tax Identification Number

2. The details for the period between July 2017 to March 2018 are to be provided in this statement for the financial year 2017-18. The reconciliation statement is to be filed for every GSTIN separately.
3. The reference to current financial year in this statement is the financial year for which the reconciliation statement is being filed for.
4. Part II consists of reconciliation of the annual turnover declared in the audited Annual Financial Statement with the turnover as declared in the Annual Return furnished in FORM GSTR-9 for this GSTIN. The instructions to fill this part are as follows :-

Table No.	Instructions
-----------	--------------

5A	<p>The turnover as per the audited Annual Financial Statement shall be declared here. 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. 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>
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>
5C	<p>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.</p>
5D	<p>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</p>

	turnover in the audited Annual Financial Statement is not required to be included here.
5E	Aggregate value of credit notes which were issued after 31 st of March for any

	supply accounted in the current financial year but such credit notes were reflected in the annual return (GSTR-9) shall be declared here.
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.
5G	Turnover included in the audited Annual Financial Statement for April 2017 to June 2017 shall be declared here.
5H	Unbilled revenue which was recorded in the books of accounts on the basis of accrual system of accounting during the current financial year but GST was not payable on such revenue in the same financial year shall be declared here.
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.
5J	Aggregate value of credit notes which have been accounted for in the audited Annual Financial Statement but were not admissible under Section 34 of the CGST Act shall be declared here.

5K	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.
5L	There may be cases where registered persons might have opted out of the composition scheme during the current financial year. Their turnover as per the audited Annual Financial Statement would include turnover both as composition taxpayer as well as normal taxpayer. Therefore, the turnover for which GST was paid under the composition scheme shall be declared here.
5M	There may be cases where the taxable value and the invoice value differ due to valuation principles under section 15 of the CGST Act, 2017 and rules thereunder. Therefore, any difference between the turnover reported in the Annual Return (GSTR 9) and turnover reported in the audited Annual Financial Statement due to difference in valuation of supplies shall be declared here.
5N	Any difference between the turnover reported in the Annual Return (GSTR9) and turnover reported in the audited Annual Financial Statement due to foreign exchange fluctuations shall be declared here.
5O	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.
5Q	Annual turnover as declared in the Annual Return (GSTR 9) shall be declared here. This turnover may be derived from Sr. No. 5N, 10 and 11 of Annual

	Return (GSTR 9).
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.
7	The table provides for reconciliation of taxable turnover from the audited annual turnover after adjustments with the taxable turnover declared in annual return (GSTR-9).
7A	Annual turnover as derived in Table 5P above would be auto-populated here.
7B	Value of exempted, nil rated, non-GST and no-supply turnover shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
7C	Value of zero rated supplies (including supplies to SEZs) on which tax is not paid shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
7D	Value of reverse charge supplies on which tax is to be paid by the recipient shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
7E	The taxable turnover is derived as the difference between the annual turnover after adjustments declared in Table 7A above and the sum of all supplies (exempted, non-GST, reverse charge etc.) declared in Table 7B, 7C and 7D above.

7F	Taxable turnover as declared in Table 4N of the Annual Return (GSTR9) shall be declared here.
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.

5. Part III consists of reconciliation of the tax payable as per declaration in the reconciliation statement and the actual tax paid as declared in Annual Return (GSTR9). The instructions to fill this part are as follows :-

Table No.	Instructions
9	The table provides for reconciliation of tax paid as per reconciliation statement and amount of tax paid as declared in Annual Return (GSTR 9). Under the head labelled —RC , supplies where tax was paid on reverse charge basis by the recipient (i.e. the person for whom reconciliation statement has been prepared) shall be declared.
9P	The total amount to be paid as per liability declared in Table 9A to 9O is auto populated here.
9Q	The amount payable as declared in Table 9 of the Annual Return (GSTR9) shall be declared here. It should also contain any differential tax paid on Table 10 or 11 of the Annual Return (GSTR9).

10	Reasons for non-reconciliation between payable / liability declared in Table 9P above and the amount payable in Table 9Q shall be specified here.
11	Any amount which is payable due to reasons specified under Table 6, 8 and 10 above shall be declared here.

6. Part IV consists of reconciliation of Input Tax Credit (ITC). The instructions to fill Part IV are as under:-

Table No.	Instructions
12A	ITC availed (after reversals) as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (Statewise) 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 ITC for each individual GSTIN 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.
12B	Any ITC which was booked in the audited Annual Financial Statement of earlier financial year(s) but availed in the ITC ledger in the financial year for which the reconciliation statement is being filed for shall be declared here. This shall include transitional credit which was booked in earlier years but availed during Financial Year 2017-18.

12C	Any ITC which has been booked in the audited Annual Financial Statement of the current financial year but the same has not been credited to the ITC ledger for the said financial year shall be declared here.
12D	ITC availed as per audited Annual Financial Statement or books of accounts as derived from values declared in Table 12A, 12B and 12C above will be auto-populated here.
12E	Net ITC available for utilization as declared in Table 7J of Annual Return (GSTR9) shall be declared here.
13	Reasons for non-reconciliation of ITC as per audited Annual Financial Statement or books of account (Table 12D) and the net ITC (Table 12E)
	availed in the Annual Return (GSTR9) shall be specified here.
14	This table is for reconciliation of ITC declared in the Annual Return (GSTR9) against the expenses booked in the audited Annual Financial Statement or books of account. The various sub-heads specified under this table are general expenses in the audited Annual Financial Statement or books of account on which ITC may or may not be available. Further, this is only an indicative list of heads under which expenses are generally booked. Taxpayers may add or delete any of these heads but all heads of expenses on which GST has been paid / was payable are to be declared here.
14R	Total ITC declared in Table 14A to 14Q above shall be auto populated here.
14S	Net ITC availed as declared in the Annual Return (GSTR9) shall be declared here. Table 7J of the Annual Return (GSTR9) may be used for filing this Table.

15	Reasons for non-reconciliation between ITC availed on the various expenses declared in Table 14R and ITC declared in Table 14S shall be specified here.
16	Any amount which is payable due to reasons specified in Table 13 and 15 above shall be declared here.

7. Part V consists of the auditor's recommendation on the additional liability to be discharged by the taxpayer due to non-reconciliation of turnover or non-reconciliation of input tax credit. The auditor shall also recommend if there is any other amount to be paid for supplies not included in the Annual Return. Any refund which has been erroneously taken and shall be paid back to the Government shall also be declared in this table. Lastly, any other outstanding demands which is recommended to be settled by the auditor shall be declared in this Table.
8. Towards, the end of the reconciliation statement taxpayers shall be given an option to pay their taxes as recommended by the auditor.

PART – B- CERTIFICATION

I. Certification in cases where the reconciliation statement (FORM GSTR-9C) is drawn up by the person who had conducted the audit:

* I/we have examined the—

- (a) balance sheet as on

(b) the *profit and loss account/income and expenditure account for the period beginning fromto ending on, and

(c) the cash flow statement for the period beginning fromto ending on, — attached herewith, of M/s (Name), (Address),(GSTIN).

2. Based on our audit 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. (a) *I/we report the following observations/ comments / discrepancies / inconsistencies; if any:

.....

.....

3. (b) *I/we further report that, -

(A) *I/we have obtained all the information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit/ information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit were not provided/partially provided to us.

(B) In *my/our opinion, proper books of account *have/have not been kept by the registered person so far as appears from*my/ our examination of the books.

(C) I/we certify that the balance sheet, the *profit and loss/income and expenditure account and the cash flow Statement are *in agreement/not in agreement with the books of account maintained at the Principal place of business atand **

.....additional place of business within the State.

4. 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.

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)

(c)

.....

.....

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

Place:

Name of the signatory

Membership No.....

Date:

Full address

II. Certification in cases where the reconciliation statement (FORM GSTR-9C) is drawn up by a person other than the person who had conducted the audit of the accounts:

*I/we report that the audit of the books of accounts and the financial statements of M/s.

..... (Name and address of the assessee with GSTIN) was conducted by M/s.

..... (full name and address of auditor along with status), bearing membership number in pursuance of the provisions of theAct, and *I/we annex hereto a copy of their audit report dated along with a copy of each of :-

- (a) balance sheet as on
- (b) the *profit and loss account/income and expenditure account for the period beginning fromto ending on,
- (c) the cash flow statement for the period beginning fromto ending on, and
- (d) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/income and expenditure account and balance sheet.

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:

(a)

(b)

(c)

.....

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

Place:

Name of the signatory

Membership No.....

Date:

Full address||.

[F. No. 349/58/2017-GST (Pt.)]

(Gunjan Kumar Verma)

Under Secretary to the Government of India

Note:- The principal rules were published in the Gazette of India, Extraordinary, Part II,

Section 3, Sub-section (i) vide notification No. 3/2017-Central Tax, dated the 19th June, 2017, published vide number G.S.R 610 (E), dated the 19th June, 2017 and last amended vide notification No. 48/2018-Central Tax, dated the 10th September, 2018, published vide number G.S.R 859 (E), dated the 10th September, 2018.