

FY 17-18 GST Audit - Overall compliance view

- Form 9 & 9C were filed in a customized manner With/ without options, True & fair vis-à-vis True
 & Correct;
- Accounts and Records in respect of outward supply were fairly maintained at the end;
- Records in respect of ITC & RCM were comparatively weak Issue in the manner of accounting & customised reports from the accounting softwares;
- GSTR 2A reconciliation (Table 8) was perceived to have orchestral value;
- RCM liabilities were not discharged properly. Invariably taxes were paid on that front;
- Part V of Form 9C was used by the Auditor's wherever tax was agreed to be paid by auditee;
- Diversified opinions being formed in reporting of observations/ qualifications in Part B by the auditors Audit v/s Certification;
- Documentation of work done & working papers...???

Source of information for Annual Returns – Confusions Galore..?

- FORM GSTR-1, FORM GSTR-3B or books of accounts..?
- FORM GSTR-1 is a statement of outward supplies, FORM GSTR-3B is where the summaries of all transactions are declared and payments are made.
- If the same does not match, there can be broadly **two scenarios**, either tax was not paid to the Government or tax was paid in excess.
- In the first case, the same shall be declared in the annual return and tax should be paid and in the latter all information may be declared in the annual return and refund (if eligible) may be applied through FORM GST RFD-01A.
- Further, **no input tax credit can be reversed or availed through the annual return.** If taxpayers find themselves liable for reversing any input tax credit, they may do the same through **FORM GST DRC-03** separately.

Threshold limit for FY 18-19

N.N. 47/2019 CT read with N.N. 16/2020

Every Registered Person other than ISD, CTP, NRTP, Person deducting TDS or collecting TCS Whose aggregate
Turnover during FY does
not exceed Rs 2 cr

Whose aggregate turnover during FY exceeds Rs 2cr but does not exceeds Rs 5 cr

Whose aggregate turnover during FY exceeds Rs 5 cr

Optional to file Form GSTR-9 / 9A, else deemed to be filed

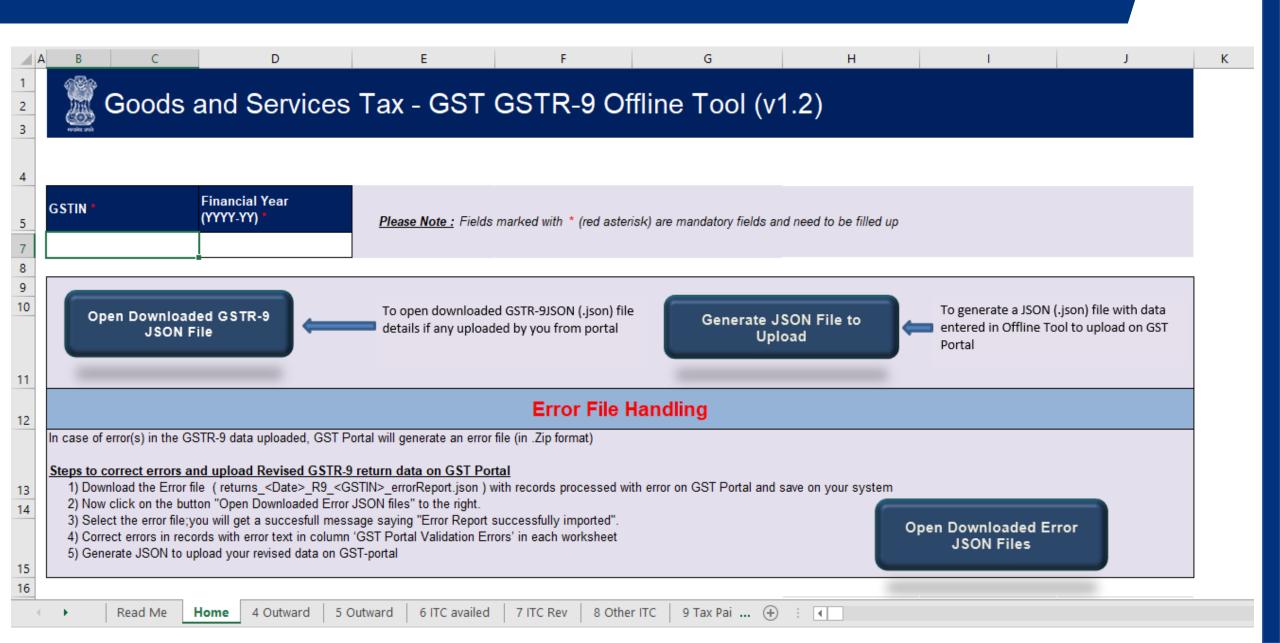
GSTR-9 filing is mandatory.
GST Audit in GSTR 9C not required

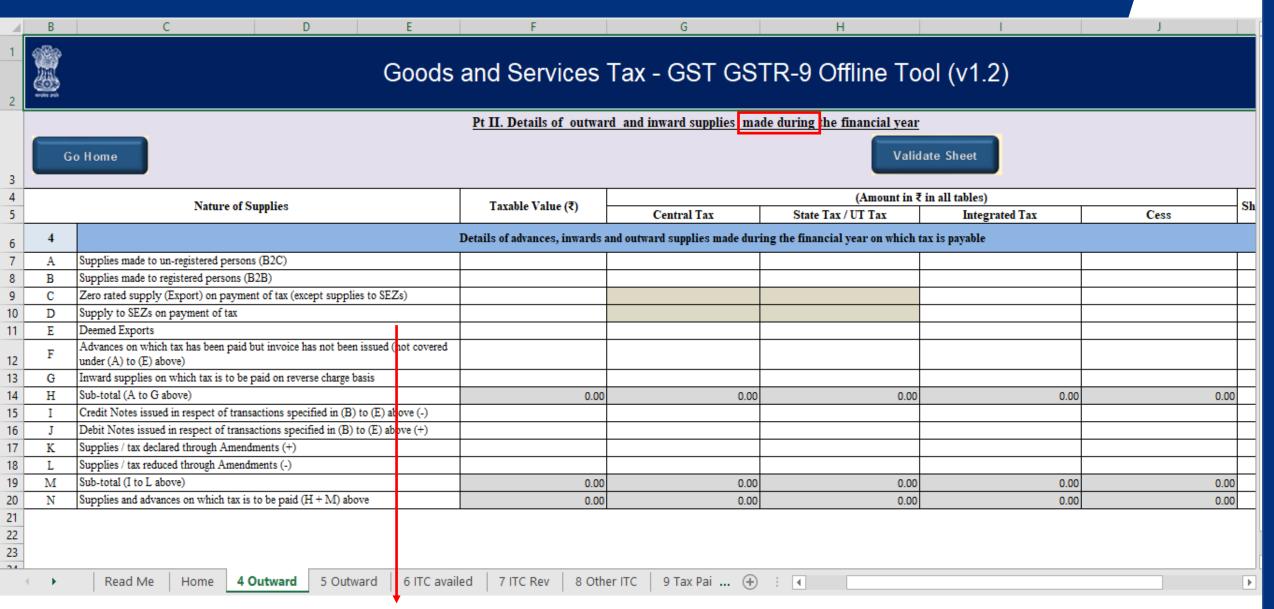
Both GSTR 9 and GSTR 9C are to be filed mandatory

Notification No. 15/2020- CT dated 23.03.2020

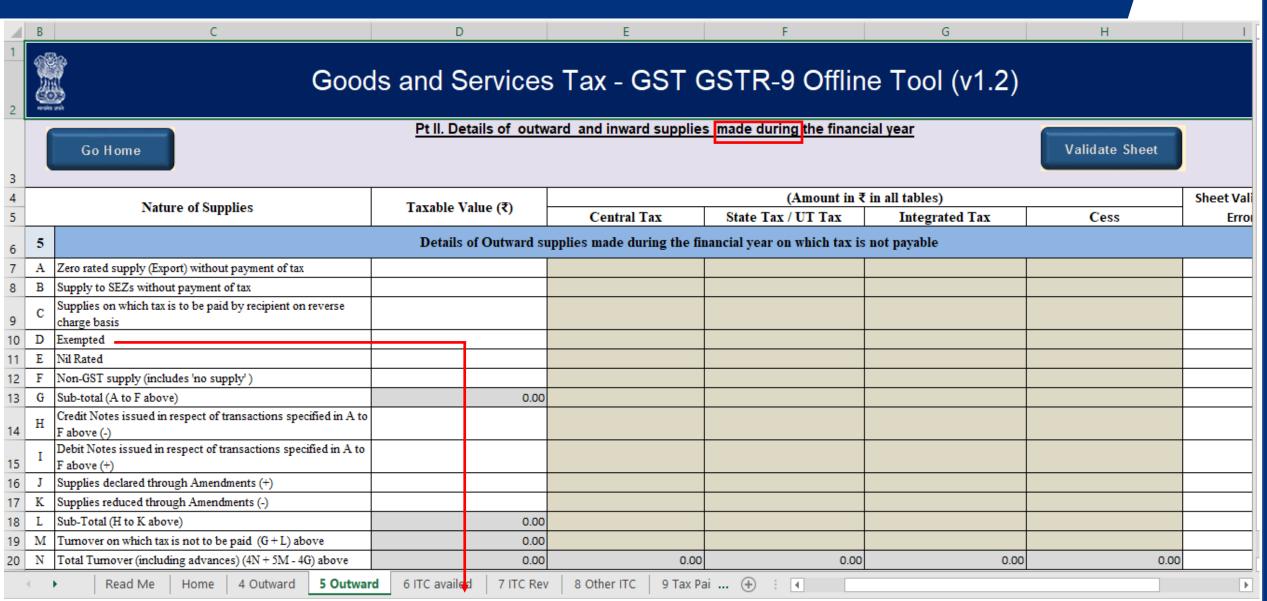
Time Limit for filing of Annual Return in Form-9 & time Limit for filing of Reconciliation Statement in Form-9C along with Audit Report extended up to 30.06.2020.

Outward supplies in GST

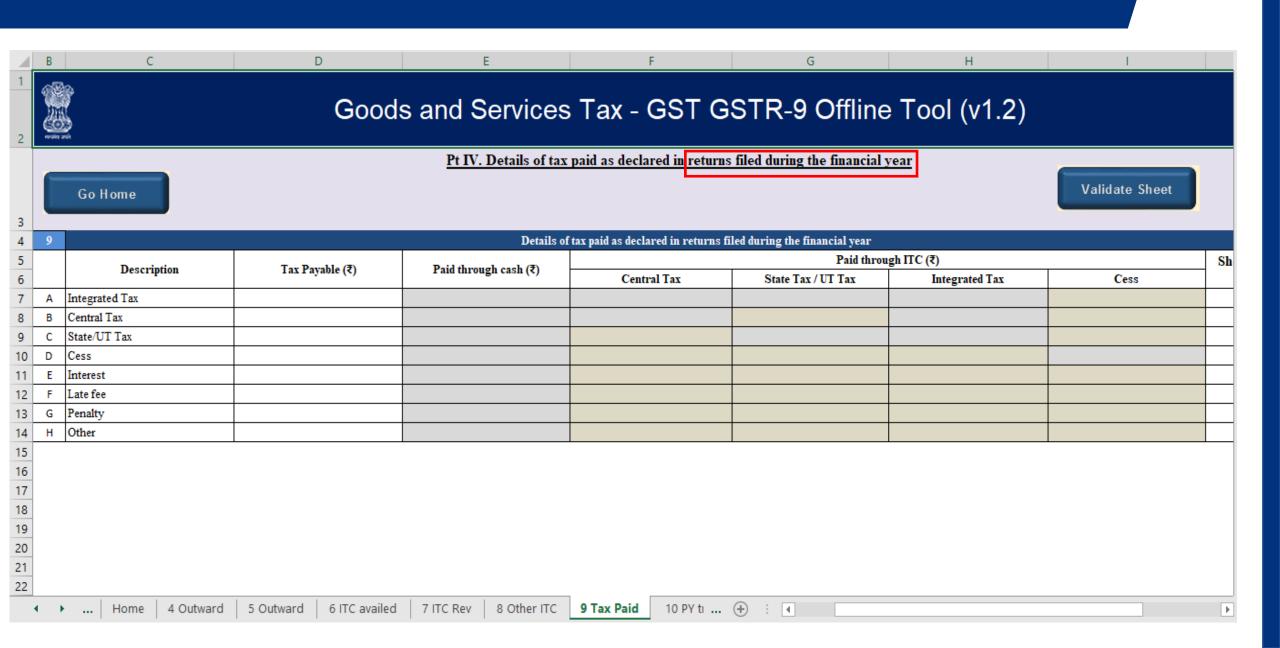


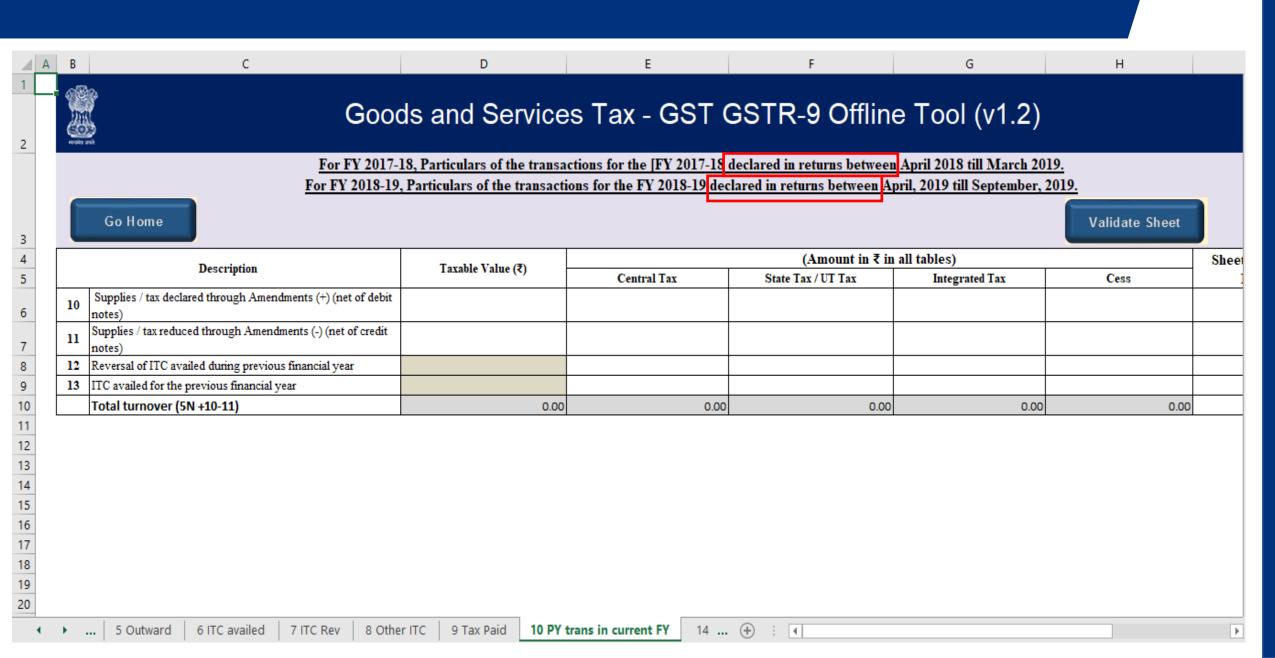


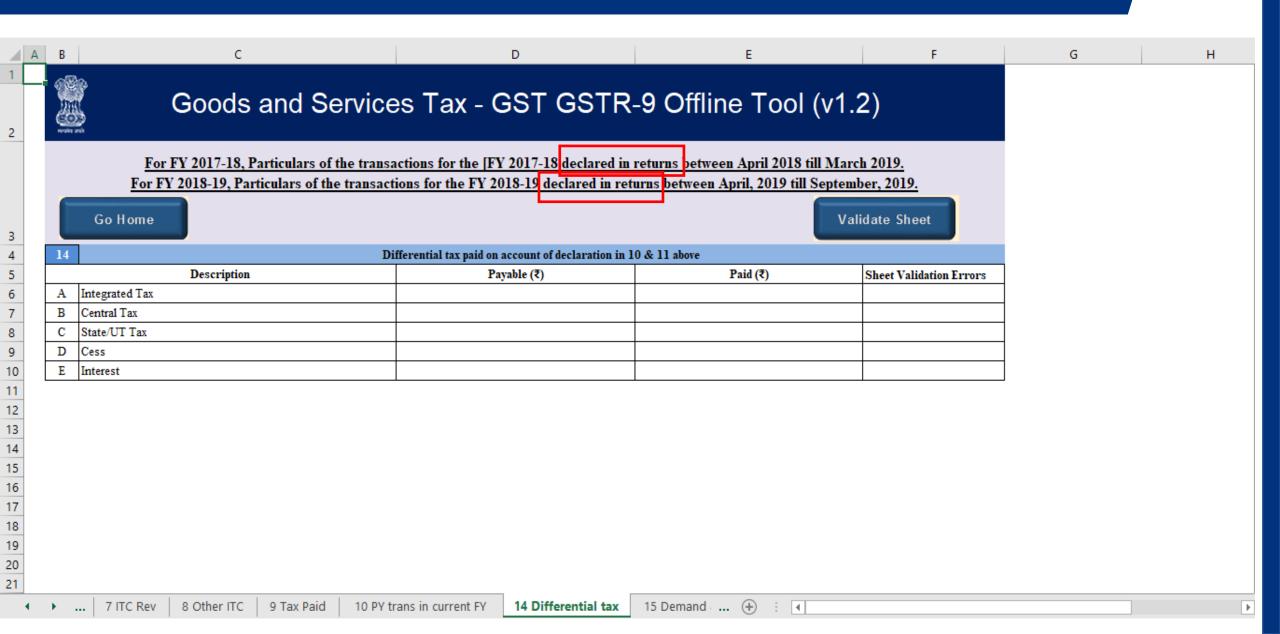
Reporting in 4B to 4E can be net of C/N & D/N & net of amendments. It can be reported in a consolidated manner.

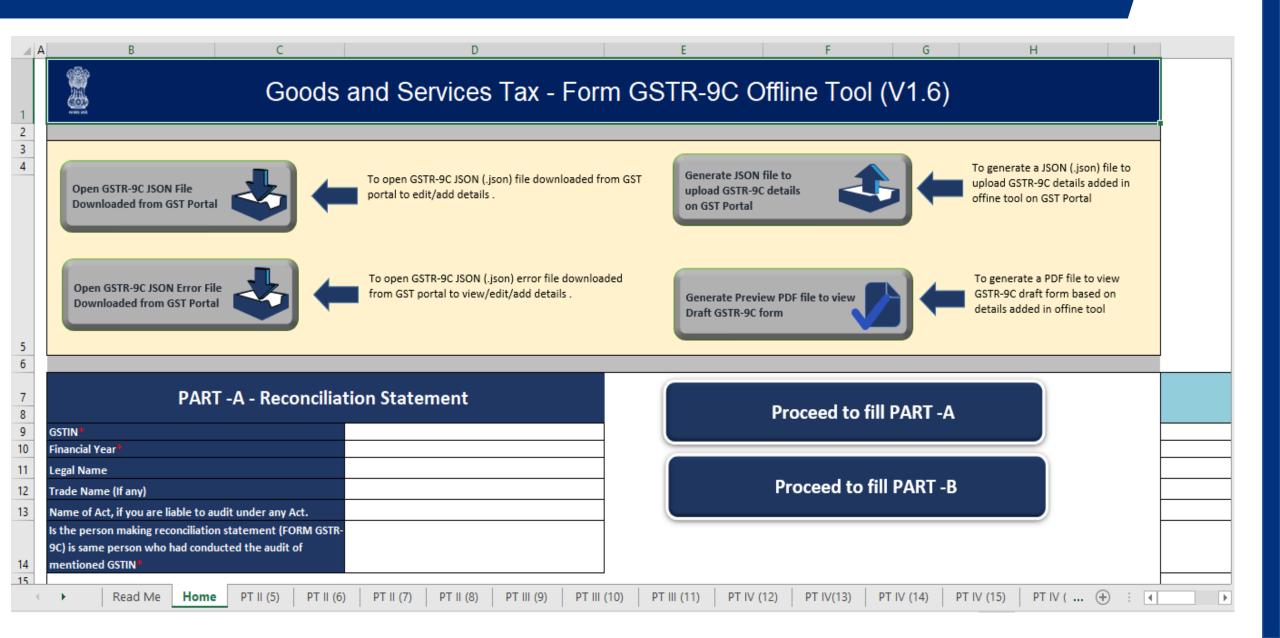


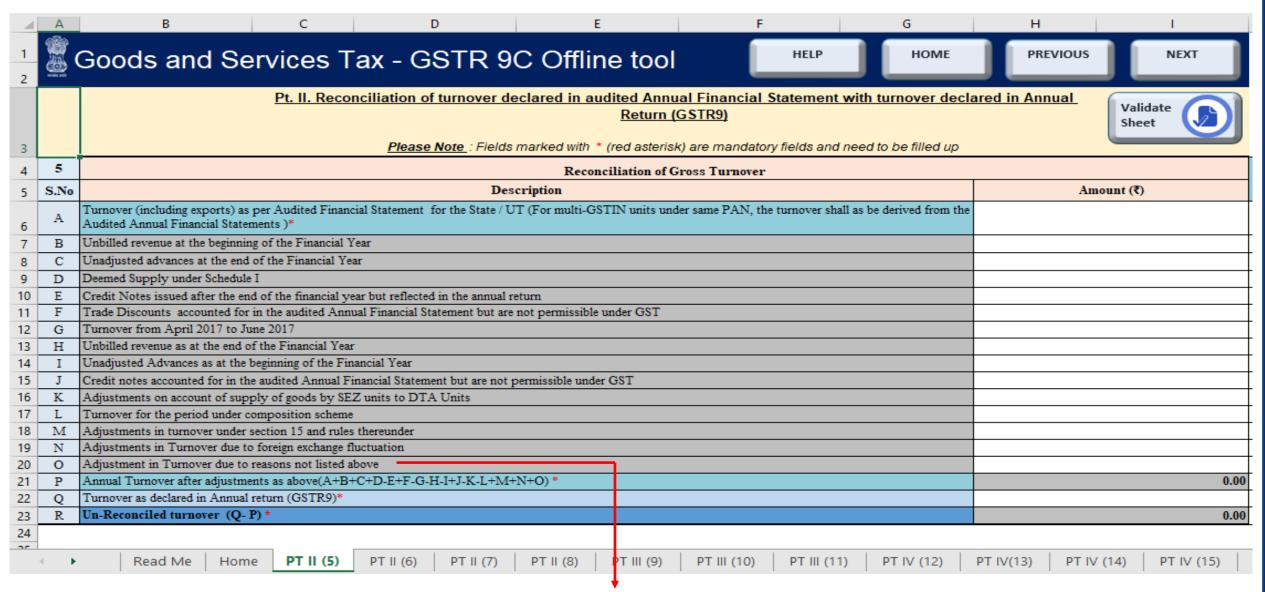
Dealers have an option of reporting the entire Exempted, Nil Rated, Non-GST Income in 5D i.e. exempted above instead of separate disclosures. Further, the details can be reported net of DN/CN.





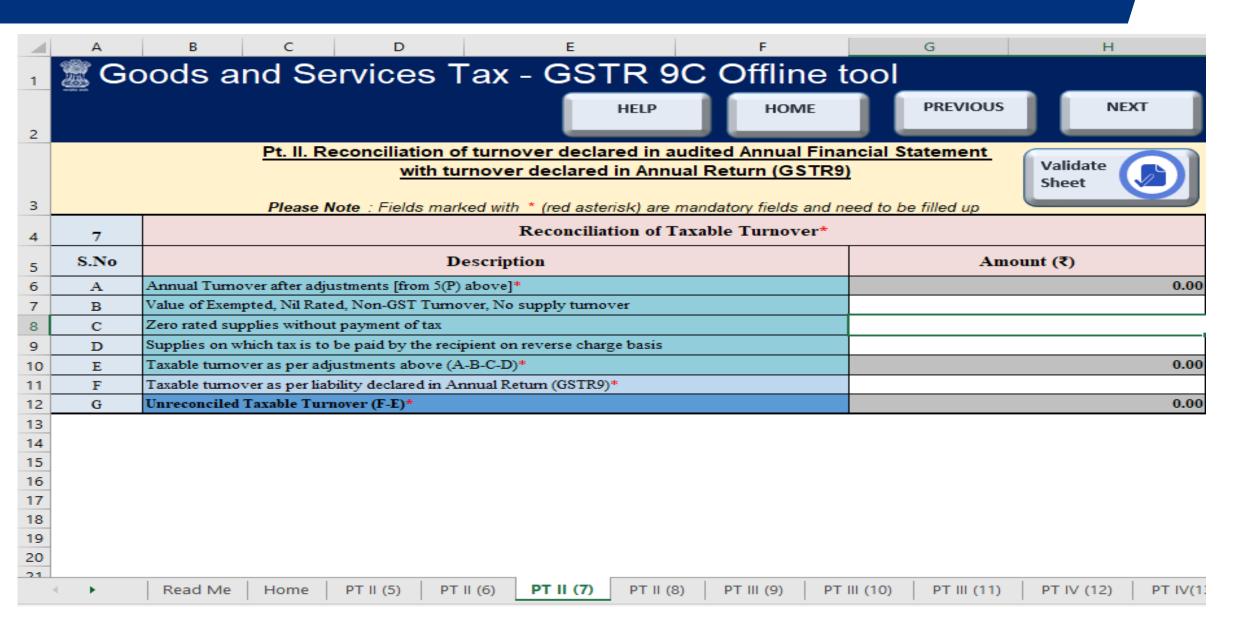






Consolidated reporting of all adjustments from 5B to 5N in Row 50 is allowed.

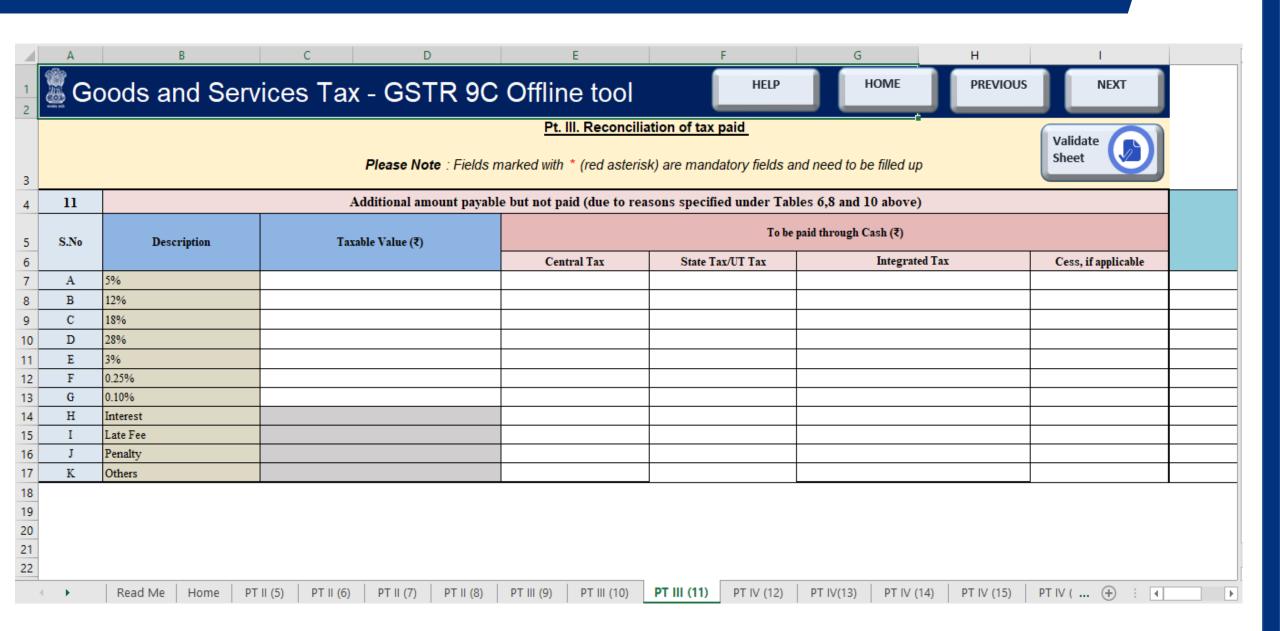






3 4 9 5 S.No 6 7 A 5% 8 B 5%(9 C 12% 10 D 12% 11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1	ods and Service									
5 S.No 6 7 A 5% 8 B 5% (9 C 12% 10 D 12% 11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota 23 Q Ann 24 R Un-1	Goods and Services Tax - GSTR 9C Offline tool									
5 S.No 6 7 A 5% 8 B 5% (9 C 12% 10 D 12% 11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota 23 Q Anno 24 R Un-1	Pt. III. Reconciliation of tax paid Validate Validate									
5 S.No 6 7 A 5% 8 B 5% (9 C 12% 10 D 12% 11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota 23 Q Anno 24 R Un-1		Please Note : Fields ma	arked with * (red asterisk) are mandatory fields a	and need to be filled up	Sheet				
6		Reconciliat	ion of rate wise liability a	nd amount payable there	on					
7 A 5% 8 B 5% (9 C 12% 10 D 12% 11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota 23 Q Ann 24 R Un-1	Description	Taxable Value (₹)			Tax payable (₹)					
8 B 5% (9 C 12% 10 D 12% 11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota 23 Q Anno 24 R Un-1			Central Tax	State Tax/UT Tax	Integrated Tax	Cess, if applicable				
9 C 12% 10 D 12% 11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1										
10 D 12% 11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1										
11 E 18% 12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Anno 24 R Un-1	12% (RC)									
12 F 18% 13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1										
13 G 28% 14 H 28% 15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1	8% (RC)									
15 I 3% 16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1										
16 J 0.25 17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1	28% (RC)									
17 K 0.10 18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1										
18 L Inter 19 M Late 20 N Pena 21 O Othe 22 P Tota table 23 Q Ann 24 R Un-1										
19 M Late 20 N Pena 21 O Othe 22 P Tota 23 Q Ann 24 R Un-1		4								
20 N Pena 21 O Othe 22 P Tota 22 P Tota 23 Q Anni 24 R Un-i										
21 O Othe 22 P Tota table 23 Q Tota Ann 24 R Un-1										
22 P Tota table 23 Q Tota Ann 24 R Un-1	Others									
23 Anni 24 R Un-i	Fotal amount to be paid as per ables above (A to O)*		0.00	0.00	0.00	0.00				
24 R Un-1	Fotal amount paid as declared in Annual Return (GSTR 9)*									
	In-reconciled payment (Q-P)*		0.00	0.00	0.00	0.00				
25	5.50									
26										
27										
	Read Me Home	PT II (5) PT II (6) PT II (7)	PT II (8) PT III (9)	PT III (10) PT	III (11) PT IV (12) PT IV(13	PT IV (14) PT				





Outward supplies - Spill over transactions

S. No.	Audited Financial statements	GSTR3B	Disclosure in GSTR-9 of FY 18-19	Disclosure in GSTR-9C of FY 18-19	Remarks
Scenari challan		s in FY 17-18	8, reported and	paid in GSTR 3	B of FY 18-19 or 19-20 or through DRC-03
1.	2017-18	2017-18	-	-	No disclosure is required in GSTR-9 & GSTR-9C of FY 18-19.
2.	2017-18	2018-19 or 2019-20		_	For FY 18-19 - Excess tax paid shown in table 9 of GSTR 9 must be given as reconciliation comments in GSTR 9C. For FY 19-20 - No disclosure is required in GSTR-9 & GSTR-9C of FY 18-19.
3.	2017-18	Not Disclosed	-	_	It should have been part of Table 4 of GSTR9 of FY 17-18. The payment along with applicable interest must have been paid through DRC-03. No impact in 9 & 9C of FY 18-19.

Outward supplies - Spill over transactions

S. No.	Audited Financial statements	GSTR3B	Disclosure in GSTR-9 of FY 18-19	Disclosure in GSTR-9C of FY 18-19	Remarks
Scenario challan	o 2 – Transaction	s in FY 17 -1	18, reported and	l paid in GSTR 3	B of FY 18-19 or 19-20 or through DRC-03
1.	2018-19	2017-18	-	(Table 5I)	Taxable advances received & billed in subsequent FY or milestone based billing Note: An adjustment in this regard may be brought in the format of Annual Returns for FY 18-19. However, direct reconciliation in Form GSTR 9C can also be done.
2.	2018-19	2018-19	(Table 4/5)	(Table 5Q)	-
3.	2018-19	2019-20	(Table 10/11)	(Table 5Q)	Payment details needs to be shown in Table 14 of GSTR-9 and shall also be part of Table 9Q of GSTR9C.
4.	2018-19	Not Disclosed	(Table 4/5)	(Table 5Q)	The same should be paid through DRC-03.

Outward supplies - Spill over transactions

S. No.	Audited Financial statements	GSTR3B	Disclosure in GSTR-9 of FY 18-19	Disclosure in GSTR-9C of FY 18-19	Remarks				
Scenario challan	Scenario 3 – Transactions in FY 17-18, reported and paid in GSTR 3B of FY 18-19 or 19-20 or through DRC-03 challan								
1.	2019-20	2018-19	Table 4F as advances	Table 5C as closing unadjusted advances	Taxable advances received & billed in subsequent FY or milestone based billing				

Note: Differences of reporting in Form GSTR 3B & GSTR 1 also needs to be given effect to in various above scenarios and any difference thereof must be appropriately reported/ amended;

Outward supplies – Spill over adjustment of Advances

S. No.	Advance Received	Invoice issued	Whether adjusted in GSTR 3B?	Disclosure in GSTR-9 of FY 18-19	Disclosure in GSTR-9C of FY 18-19	Remarks
Scenar	io 4 – Spill over	r adjustm	ent of advance	s over multiple	e financial yea	rs
1	FY 17-18	FY 17-18	(GSTR 3B of FY 18-19)	-	Table 9 & 10	Tax paid in table 9 of GSTR 9 would show less amount than tax payable. Need to give reconciliation comments in table 9 & 10 of 9C.
2.	FY 18-19	FY 18-19	(GSTR 3B of FY 18-19)	(Table 4 other than 4F)	(Table 5Q)	It will not be disclosed in Table 4F of GSTR-9 of FY 18-19 since invoice has already been issued.
3.	FY 18-19	FY 18-19	(GSTR 3B of FY 19-20)	(Table 4 other than 4F)	(Table 5Q)	1) Tax paid in table 9 of GSTR 9 would show more amount than tax payable. Need to give reconciliation comments in table 9 & 10 of 9C. 2) As the same is already adjusted in same FY but reflected/ disclosed in the GSTR 3B of subsequent FY. There is no requirement to claim any refund.

Outward supplies - Spill over adjustment of Advances

S. No.	Advance Received	Invoice issued	Whether adjusted in GSTR 3B?	Disclosure in GSTR-9 of FY 18-19	Disclosure in GSTR-9C of FY 18-19	Remarks				
Scenar	Scenario 4 - Spill over adjustment of advances over multiple financial years									
4.	FY 18-19	FY 18-19	•	(Table 4)	(Table 5Q)	1) Tax paid in table 9 of GSTR 9 would show more amount than tax payable. Need to give reconciliation comments in table 9 & 10 of 9C. 2) As it leads to double payment of tax. Disclosure of excess tax paid must be shown in GSTR 9 and the same can be claimed as a refund u/s 54 or adjusted in subsequent GSTR 3B??				
5.	FY 18-19	FY 19-20	(GSTR 3B of FY 19-20)	(Table 4F)	(Table 5C)	-				
6.	FY 18-19	FY 19-20	-	(Table 4F)	(Table 5C)	1) As it leads to double payment of tax. the same can be either be claimed as a refund u/s 54 or adjusted in subsequent GSTR 3B?				

Outward supplies - Spill over adjustment of Advances

- Tax is paid on the advance and later the advance is refunded back to the customer;
- Advances rightly adjusted in GSTR-1 but not considered in GSTR3B;
- Advances rightly adjusted in GSTR-3B workings but are not adjusted in GSTR-1;
- Advances that were taxable but not shown in GSTR 3B & GSTR 1 & directly tax paid on the invoicing;
- Advances which were taxable but never shown in the GSTR 3B & GSTR 1 & not invoiced till date.
- Amount mentioned in Table 5C of GSTR 9C of FY 2017-18 with Table 5I of FY 2018-19 GSTR 9C.
- Value of invoices adjusted in FY 18-19 (against advances recd in FY 17-18) must not exceed the value of advances disclosed in Table 4F of 17-18
- Amount mentioned in Table 5B of GSTR 9C of FY 2017-18 should match with Table 5H of FY 2018-19 GSTR 9C.

Particulars	Taxable Value	Tax Payable	Tax Paid	Nature of error	Action Taken
Scenario 5	1000	100	110	Tax is wrongly paid in excess	Subsequently Adjusted in FY 18-19 GSTR 3B

Disclosure in GSTR 9 of FY 17-18

Table No	Taxable Value	Tax Payable	Tax Paid
T4	1000	100	N.A.
Т9	N.A.	100	110
T11			
Total	1000	100	110

 Reporting in GSTR-9 of 18-19 (Assuming CY Taxable Value is 1200, Tax Payable & Paid is 120

Table No	Taxable Value	Tax Payable	Tax Paid
T4	1200	120	N.A.
Т9	N.A.	120	110
T10			
Total	1200	120	110

3 Options of Reporting as under:

- Do not report transaction of tax of Rs 10 in Annual Return of 18-19 May not amount to a correct reporting
- Show in Table 14 (Tax paid) as amount of Rs 10 and mention in Note as Annexure to Audit Report Not in line with the instructions
- Do not Report anywhere and mention a note about it in Audit Report i.e. to read this with AR of 17-18 Most appropriate reporting

Particulars	Taxable Value	Tax Payable	Tax Paid	Nature of error	Action Taken
Scenario 6	1000	100	90	Tax is wrongly paid in short	Subsequently Paid in GSTR 3B of FY 18-19

Disclosure in GSTR 9 of FY 17-18

Table No	Taxable Value	Tax Payable	Tax Paid
T4	1000	100	N.A.
Т9	N.A.	100	90
T10			
T14			10

 Reporting in GSTR-9 of 18-19 (Assuming CY Taxable Value is 1200, Tax Payable & Paid is 120

Table No	Taxable Value	Tax Payable	Tax Paid
T4	1200	120	N.A.
Т9	N.A.	120	130
T11			
T12			

2 Options for Reporting:

- Increase the Tax Payable in T4 in AR of 2018-19 to match Tax Payable and Tax Paid Not a correct reporting.
- Let the data remain as it is and mention a note about it in Audit Report i.e. to read this with AR of 17-18.

S.No.	Particulars	Amount
1.	Total Tax paid through GSTR-3B in FY 18-19	XXXX (Reported in Table 9)
2.	Tax Short paid in FY 17-18, paid through GSTR-3B of FY 18-19	Reduce
3.	Extra Tax relating to 19-20, paid through GSTR-3B of FY 18-19	Reduce
4.	Excess Tax paid in 17-18, now adjusted for liability of 18-19	Add
5.	Tax of 18-19 paid in GSTR-3B of FY 19-20	Add
6.	Total	XXXXX
7.	Tax Payable for FY 18-19 (Reconciled with Books)	YYYYY (Should be reported in T9)
8.	Difference	Zero (0) Ideally

If Difference is not Zero (0), the possible reasons can be:

- Tax paid through DRC-03
- Additional Tax paid by mistake (to be claimed as refund)
- ITC reversed in cash

S. No.	Correct Type of Tax	Mentioned on Invoice	Disclosed in GST Returns	Whether rectification done in GST Returns?	Remarks				
Scenar	Scenario 7 - Correct taxes shown on the invoice but wrong type of tax is paid while filing GSTR 3B								
1.	CGST & SGST	CGST & SGST	IGST	(In the same FY)	Directly correct information must be disclosed in the GSTR 3B. As the error has already been rectified in GST Return there will no requirement for any additional payment or refund in this case.				
2.	CGST & SGST	CGST & SGST	IGST	(In the GSTR 3B of subsequent FY)	Adjustments directly on account of taxes can be made with positive & negative amounts in table 10, 11 & 14 of GSTR 9. However, another option is to keep the reconciliations open in GSTR 9 and appropriate comment can be given by the auditor in GSTR 9C.				
3.	CGST & SGST	CGST & SGST	IGST	No	Correct taxes (i.e. CGST & SGST) to be disclosed in table 4 of GSTR 9. Additional tax of CGST & SGST to be paid through DRC-03 and the wrongly paid IGST can be adjusted in subsequent GSTR3B or can be claimed as refund.				

S. No.	Correct Type of Tax	Mentioned on Invoice	Disclosed in GST Returns	Whether rectification done in GST Returns?	Remarks
Scenar	io 8 – Incorre	ect type of tax	kes shown o	n the invoice and also	paid while filing GSTR 3B
1.	CGST & SGST	IGST	CGST & SGST	Not applicable	Correct taxes (i.e. CGST & SGST) to be disclosed in table 4 of GSTR 9. Tax payable and paid would match in table 9 of GSTR 9. Amended invoice to be issued to the customer? or possibility of issuing Credit Note for IGST & D/N for CGST + SGST to the customer to be assessed?
2.	CGST & SGST	IGST	IGST	Not applicable	Opt 1 - Correct taxes (i.e. CGST & SGST) to be disclosed in table 4 of GSTR 9. Table 9 of GSTR 9 would show excess & short payment of respective taxes with comments in 9C. Thus, additional tax of CGST & SGST to be paid through DRC-03 and a revised invoice must be issued to customer for the same and wrongly paid IGST can be claimed as refund Opt 2 – Disclose IGST as per returns or wait for departmental audit/ assessment.

Outward supplies - Credit note reversals

S. No.	Original Invoice	Credit Note in AFS	Adjustment of credit note in GSTR3B	Disclosure in GSTR9 of FY 18- 19	Disclosure in GSTR9C of FY 18-19	Remarks
Scenar	io 9 – Revers	sal of outwa	ard supplies o	over multipl	e years by is	suance of a credit note
1.	2017-18	2017-18	2018-19	-	-	It would have been part of Table 11 of GSTR-9 of FY 17-18. No disclosure required in GSTR-9 and GSTR-9C of FY 18-19. However, it will be part of reconciliations summary between books vis-à-vis GST Returns as the same has been disclosed in Returns of FY 18-19.
2.	2018-19	2018-19	2018-19	Yes (Table 4H)	Yes (Table 5Q)	-
3.	2018-19	2018-19	2019-20 within Sep	Yes (Table 11)	Yes (Table 5Q)	It will be part of Table 11 of GSTR-9 of FY 18-19.
4.	2018-19	2018-19	2019-20 beyond Sept	-	Yes (Table 50)	Credit notes cannot be adjusted after Sep 2019 GSTR3B and therefore liability will not be reduced to that extent. GST liability needs to be recommended for the reconciliation difference.

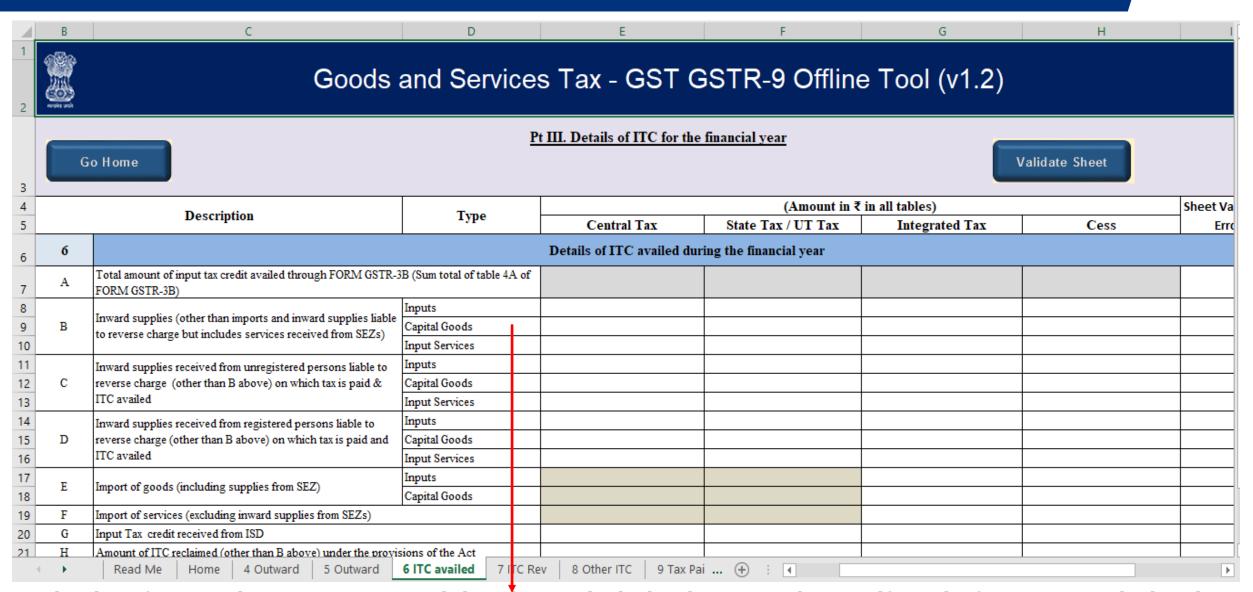
Interlinking between GST Audit of FY 2017-18 and FY 2018-19

	FY 20	17-18	FY 20	018-19				
Particulars	Disclosure in GSTR-9	Disclosure in GSTR9C	Disclosure in GSTR-9	Disclosure in GSTR9C	Remarks			
Scenario 10 - Tre	Scenario 10 - Treatment of items reflected in part V of GSTR 9 of the previous FY							
Transactions related to outward supplies, Debit & Credit Notes of FY 17-18 considered in GSTR 3B of FY 18-19	Part V (Table 10,11)	Considered in turnover & Annual Returns. Hence, difference in reco.	Form may be amended to report exclusions	If form not amended, then it would be reported as reconciliation difference	1. Workings for reporting done in GSTR 9 of FY 18-19 must match with the corresponding workings & reporting made in Part V of GSTR 9 for FY 17-18. 2. There must be an additional field in the present forms to exclude the transactions pertaining to the previous FY's.			
Credit Note issued in FY 18-19 against the provisional income disclosed in FY 17-18	Table 11	Table 5Q	-	-	Since, the adjustment of these credit notes (although issued in FY 18-19) is already considered in the annual returns of FY 17-18. Therefore, it must not be given effect to in table 5 of the Annual returns.			

Outward supplies - Credit note reversals

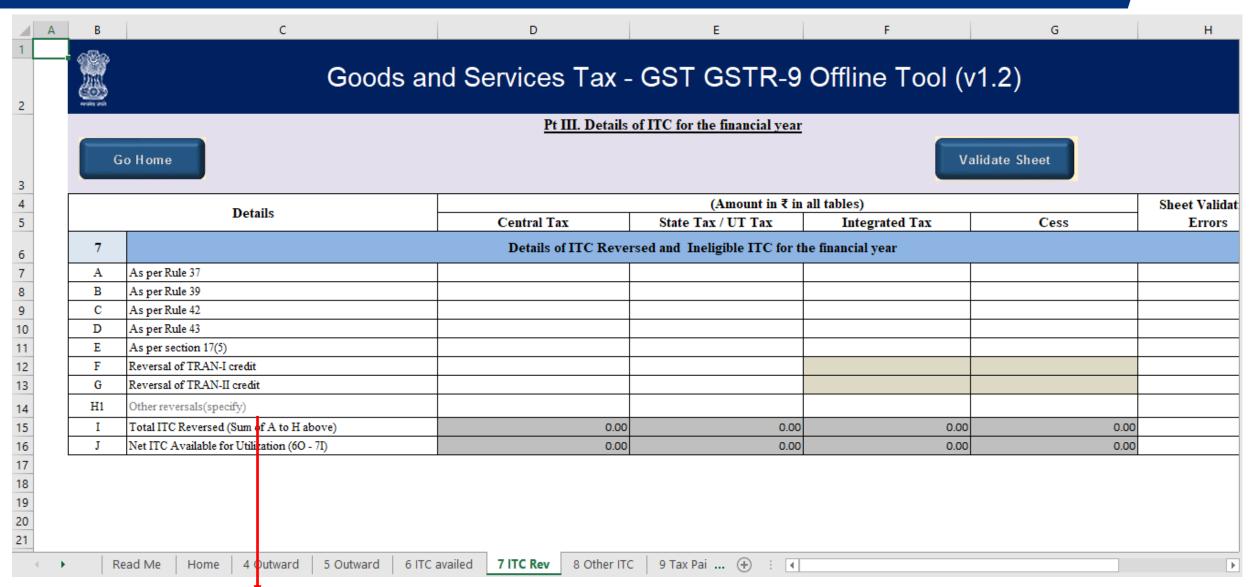
- Impact of financial credit note in GSTR3B, GSTR9 and GSTR9C;
- Credit note issued in FY 17-18 and it is shown as ITC taken in FY 18-19;
- Credit note issued in FY 18-19 and shown as ITC in GSTR 3B of FY 18-19;
- Credit note issued in FY 18-19 and shown as ITC in GSTR 3B of FY 19-20;

Input Tax Credit under GST

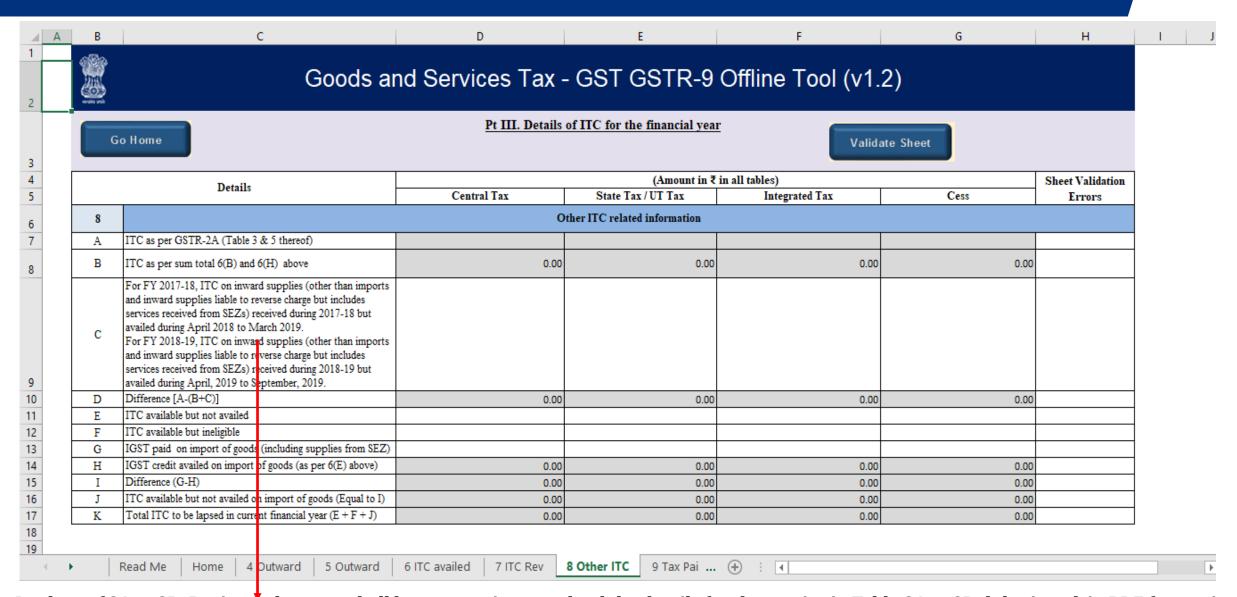


ITC breakup of inputs and input services not needed, total ITC can be disclosed in Inputs column itself. Details of ITC on RCM can be directly mentioned in 6D instead of break up between 6C & 6D

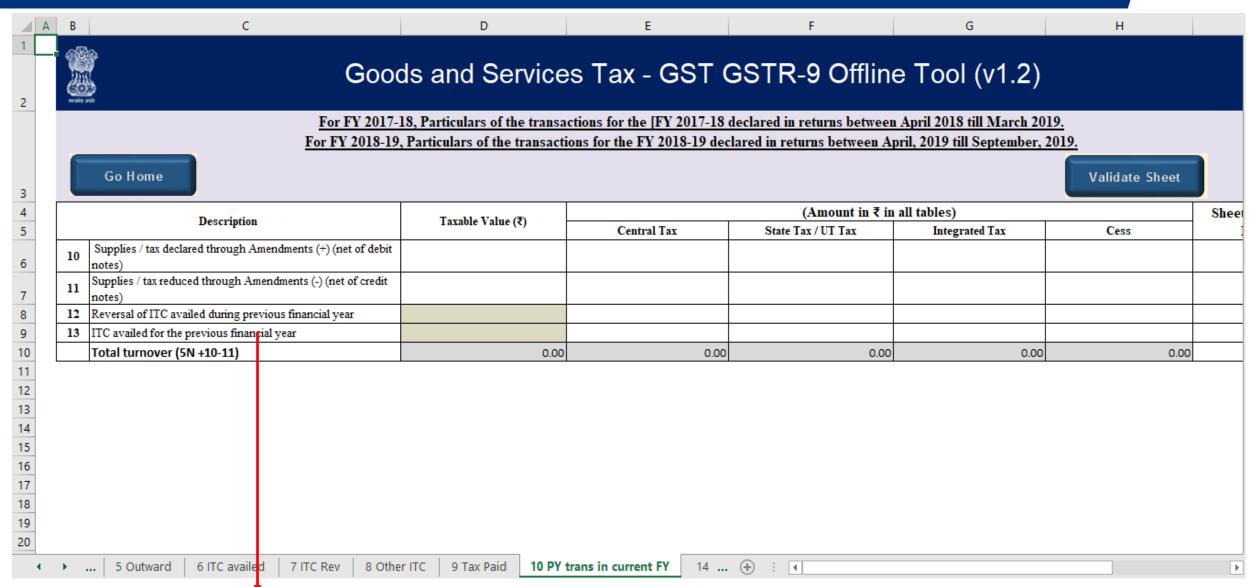
В	C	D	E	F	G	Н	
6			Details of ITC availed dur	ing the financial year			
A	Total amount of input tax credit availed through FORM GSTR-FORM GSTR-3B)	BB (Sum total of table 4A of					
		Inputs					T
В		Capital Goods					
	to reverse charge but includes services received from 5223)	Input Services					
	Inward supplies received from unregistered persons liable to	Inputs					
C	reverse charge (other than B above) on which tax is paid &	Capital Goods					
	ITC availed	Input Services					
	Inward supplies received from registered persons liable to	Inputs					
D	reverse charge (other than B above) on which tax is paid and	Capital Goods					
	ITC availed	Input Services					
Е	Impact of goods (including symplies from SE7)	Inputs					
E	import of goods (including supplies from SEZ)	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 provi	sions of the Act					
I	Sub-total (B to H above)		0.00	0.00	0.00	0.00	5
J	Difference (I - A) above		0.00	0.00	0.00	0.00	5
K	Transition Credit through TRAN-1 (including revisions if any)						
L	Transition Credit through TRAN-2						
M	Any other ITC availed but not specified above						
N	Sub-total (K to M above)	0.00	0.00	0.00	0.00	כ	
0	Total ITC availed (I + N) above	0.00	0.00	0.00	0.00	כ	
	_						
	A B C D E F G H I J K L M N	A Total amount of input tax credit availed through FORM GSTR-FORM GSTR-3B) Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed E Import of goods (including supplies from SEZ) 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 proviction of ITC availed (other than B above) under the proviction of ITC availed (other than B above) J Difference (I - A) above K Transition Credit through TRAN-1 (including revisions if any) L Transition Credit through TRAN-2 M Any other ITC availed but not specified above N Sub-total (K to M above) O Total ITC availed (I + N) above	Total amount of input tax credit availed through FORM GSTR-3B (Sum total of table 4A of FORM GSTR-3B) Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & Input Services Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed Import of goods (including supplies from SEZ) Import of services (excluding inward supplies from SEZs) Import of services (excluding inward supplies from SEZs) Imput Tax credit received from ISD H Amount of ITC reclaimed (other than B above) under the provisions of the Act Sub-total (B to H above) J Difference (I - A) above K Transition Credit through TRAN-1 (including revisions if any) I Transition Credit through TRAN-2 M Any other ITC availed but not specified above N Sub-total (K to M above) O Total ITC availed (I + N) above	Total amount of input tax credit availed through FORM GSTR-3B (Sum total of table 4A of FORM GSTR-3B) Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & Input Services Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed Inmard supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed E Import of goods (including supplies from SEZ) Input Services Inputs Capital Goods Inp	Total amount of input tax credit availed through FORM GSTR-3B (Sum total of table 4A of FORM GSTR-3B) Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & Input Services Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed Imput Services Imput Ser	Details of ITC availed during the financial year	Details of ITC availed during the financial year Total amount of input tax credit availed through FORM GSTR-3B. (Sum total of table 4A of FORM GSTR-3B). Inward supplies (other than imports and inward supplies lable to reverse charge but includes services received from SEZ-5). Inward supplies received from sex part of the foreverse charge (other than B above) on which tax is paid & (TIC availed (ITC ava



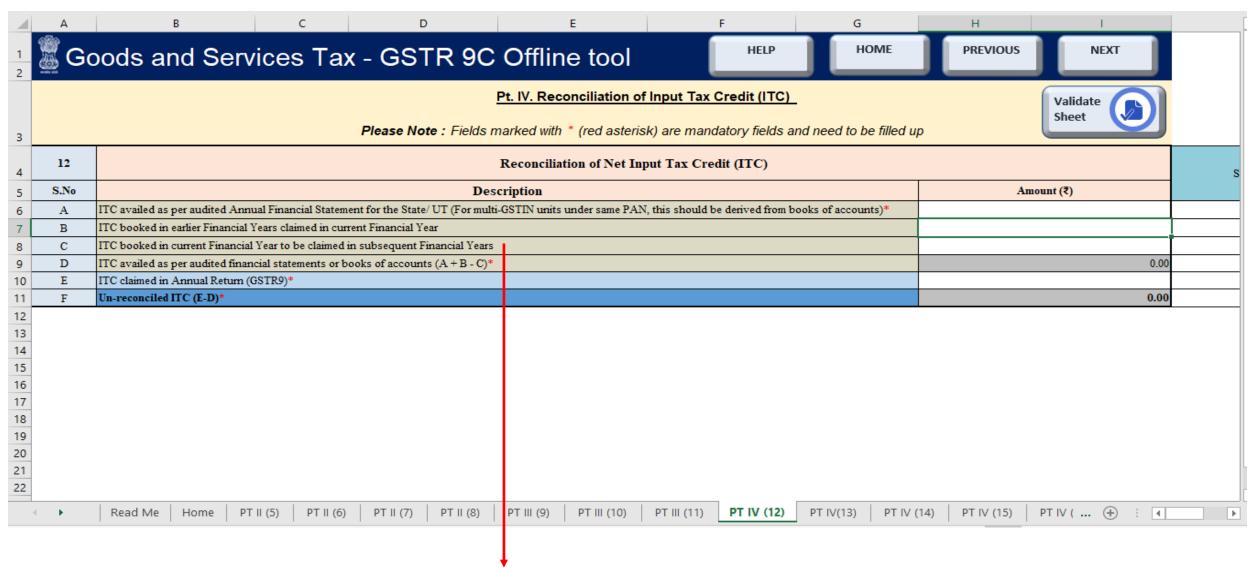
Reversals can be reported in consolidated manner in other reversal i.e. 7H field. Reversal details of TRAN 1 & TRAN 2 must be given in the respective field only.



In place of 8A to 8D, Registered person shall have an option to upload the details for the entries in Table 8A to 8D duly signed, in PDF format in FORM GSTR-9C (without the CA certification)



For FY 2017-18 and 2018-19, the registered person shall have an option to not to fill the details in table 12 & 13



For FY 17-18 & FY 18-19, details to be filled in table 12B and 12C above are optional.



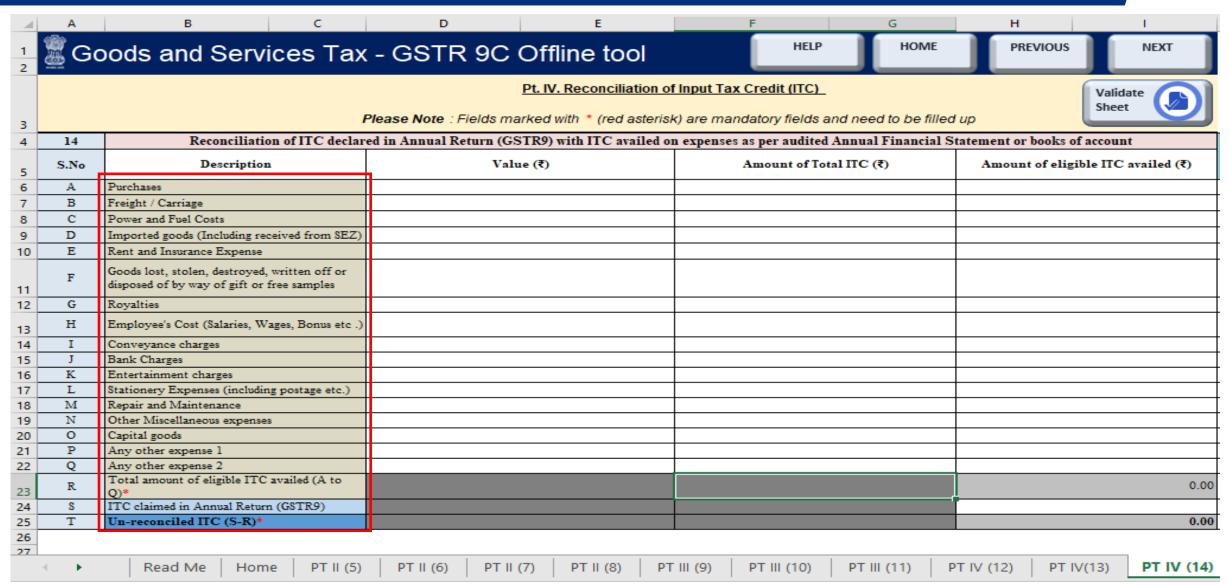
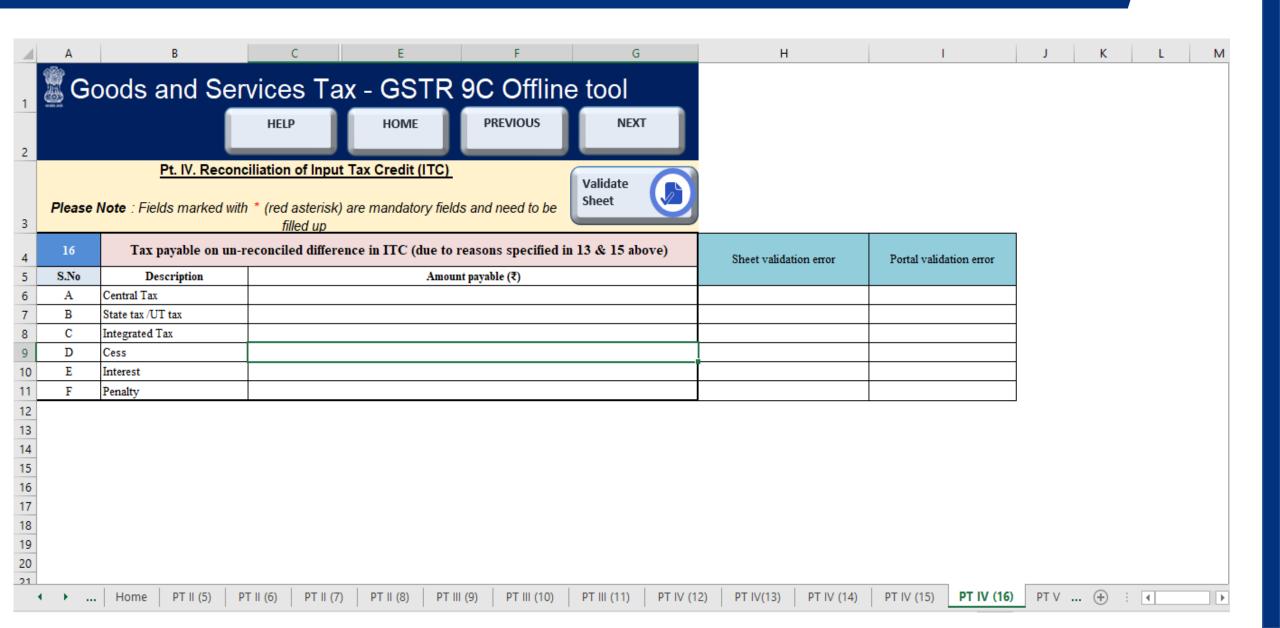


Table 14 above is entirely optional.





Input Tax credit - Spill over transactions

S.No.	Audited Financial statements	GSTR 3B	Disclosure in GSTR-9 of FY 18-19	Disclosure in GSTR-9C of FY 18-19	Remarks
Scenar	io 11 - ITC tal	ken over mi	ultiple financia	al years	
1.	2017-18	2018-19	(Table 6)	(Table 12 B, 12 E & 14)	Although it has been disclosed in Table 8C & Table 13 of GSTR 9 of FY 2017-18. It was merely a disclosure and had no monetary impact. Further, in case of GSTR 9C, it was reflected in Table 12C of GSTR 9 filed for FY 2017-18.
2.	2018-19	2018-19	(Table 6)	(Table 12B, 12E & 14)	-
3.	2018-19	2019-20	(Table 8C & 13)	(Table 12 C)	Although it would be part of Table 8C and Table 13 of GSTR 9 for FY 2018-19, however it is merely a disclosure and has no monetary impact.
4.	Not disclosed	2018-19	(Table 6)	(Table 12 E & 14)	-
5.	2018-19	Not availed	No	No	Time-limit to avail credit for FY 18-19 is elapsed and the same amounts to cost. Reconciliation needs to be explained in table 13 of GSTR 9C.

Interlinking between GST Audit of FY 2017-18 and FY 2018-19

	FY 2017-18		FY 2018-19			
Particulars	Disclosure in GSTR-9	Disclosure in GSTR9-C	Disclosure in GSTR-9	Disclosure in GSTR9-C	Remarks	
Scenario 12 - Repo	rting in case	e of ITC disclo	sed in GSTR	9 of FY 17-18	3	
Transactions related to inward supply of FY 17-18 considered in GSTR3B of FY 18-19	Table 8 & Part V (Table 12,13)	Difference in reco is reported in table 12	Table 6	Table 12 & 14	Workings for reporting done in table 6 must match with the corresponding workings & reporting made in FY 17-18.	
ITC booked in previous/ subsequent years.	-	Table 12 C	-	Table 12 B	Amount mentioned in Table 12C of FY 2017-18 should match with amount in Table 12B of FY 2018-19.	

Input Tax credit - Reversals over multiple financial years

ITC Availed	Reversed in AFS	Reversed in GSTR3B	Disclosure in GSTR9 of FY 18-19	Disclosure in GSTR9C of FY 18-19	Remarks
Scenario	13 - Revers	al of ITC ove	er multiple fin	ancial years	
2017-18	2018-19	2018-19	(Table 7)	(Table 12E & 14)	It would have been a part of Table 12 of FY 2017-18 GSTR 9. However, the same was merely a disclosure requirement having no monetary impact.
2017-18	2017-18	2018-19	(Table 7)	(Table 12E & 14)	It was part of Table 12 of GSTR 9 for FY 2017-18 which was merely a disclosure requirement having no monetary impact. Further, it would result in difference between ITC as per books and GSTR 3B & appropriate reason must be given in Table 13 of GSTR 9C.
2018-19	2018-19	2019-20	(Table 12)	-	The amount mentioned in Table 12 will be only for disclosure purpose and does not have any monetary impact. As the same is been reversed in subsequent year it may lead to Interest liability.
2018-19	2018-19	Not yet	(Table 7)	(Table 12E)	The reversal shall be done in GSTR 9 of FY 2018-19 and any resultant payment on account of such reversal shall be done through DRC 03.

Input Tax Credit - Incorrect claim

Mentioned on Invoice	Disclosed in GST Returns	Whether rectification done in GST Returns?	Remarks
Scenario 14 - I	ncorrect type	of ITC claimed and its rect	ification thereof over multiple financial years
IGST	CGST & SGST	No	Assessee must rectify the error in 3B of the current period and disclose the details of such rectification in Part V (table 12 & 13). Further, the details of ITC taken as per 3B of FY 18-19 must be disclosed in table 6 of GSTR 9. Ideally, the entire situation becomes revenue neutral. The correction of credit may be possibly disputed by the department.
IGST	CGST & SGST	Yes (Same FY)	Since the issued is already corrected in the same FY, the numbers reflected in 3B show the correct details and therefore no further adjustment would be needed.
IGST	CGST & SGST	Yes (Subsequent FY)	Since the issue is resolved in the subsequent FY, therefore it can be disclosed in table 12 & 13 of GSTR 9 as ITC availed & reversed. Further, the details of ITC taken as per 3B of FY 18-19 must be disclosed in table 6 of GSTR 9.

ITC - Other critical Issues

- Availed ITC of CGST & SGST and reversed IGST or vice-versa;
- Segregation of ITC into inputs/input services and capital goods.
- Reversal made as per rule 42, however turnover computations changed. whether additional reversal to be made?
- IGST Credit claimed by a company located in Maharashtra in which the invoice issued by Supplier had mentioned POS as Rajasthan? Should ITC be reversed?
 - Table 8A of GSTR-9 does not auto populates it?
 - Legal Backing?

ITC - Other critical Issues

- Disclosure of disputed credit availed and reversed under protest;
- TRAN filed in FY 18-19 (special category, technical glitches, Writ in HC) Disclosure in GSTR 9 & 9C...?
- Transitional credit availed in GSTR 3B of FY 18-19;
- Credit availed through TRAN 1, reversed in FY 18-19 through GSTR 3B;

Reconciliation with GSTR-2A - Relevance

- Clarified to be an informational Table;
- Can be used to issue scrutiny notices u/s 61;
- Insertion of Rule 36(4), the relevance of 2A matching is diluted for 18-19;
- Option to upload PDF with Audit Report has been given;
- In case the figures of Table 6B and 6H are complicated, it is better to put your own table figures need not be punched in 8E and 8F;
- Figures in 8C should match with Table 13 except for ITC of RCM which can be mentioned in Table 13 but not in Table 8C.

Reverse Charge Mechanism under GST

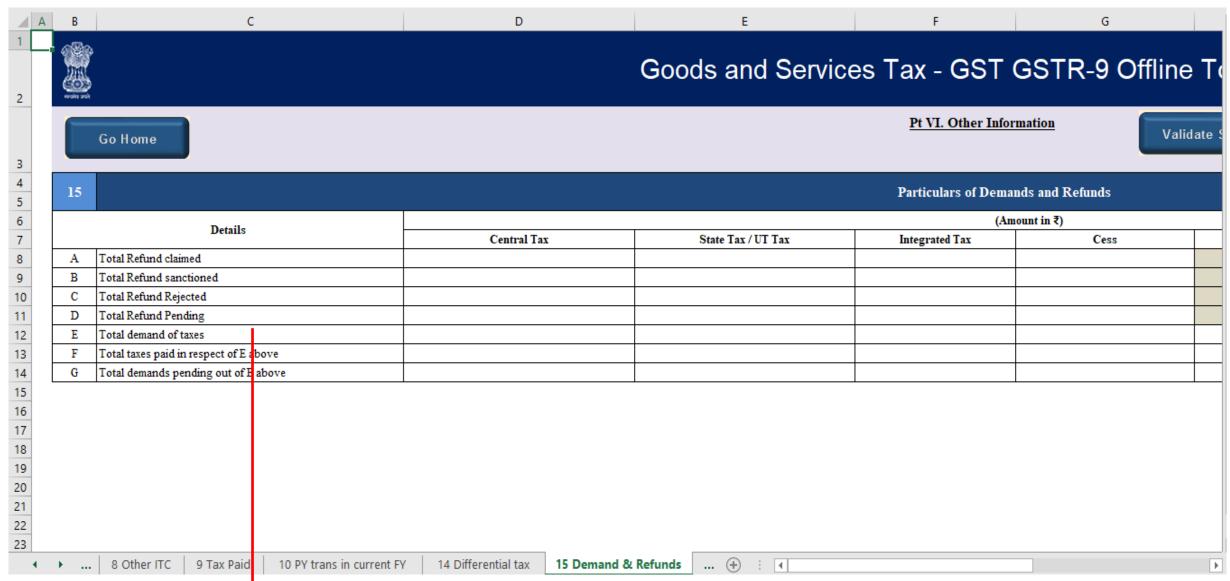
RCM - Spill over transactions

S. No.	Audited Financial statements	GSTR3B	Disclosure in GSTR-9 of FY 18- 19	Disclosur e in GSTR-9C of FY 18- 19	Remarks
	Scenario	15 - Payment	of tax under	reverse cha	rge over multiple financial years
1.	2017-18	2018-19	Yes (Table 4G)	Yes (Table 9)	Clarification vide press release has been received stating that since the payment was made during FY 2018-19, the input tax credit on such payment of tax would have been availed in FY 2018-19 only. Therefore, such details will be declared in the annual return for the FY 2018-19.
2.	2018-19	2018-19	(Table 4G)	(Table 9)	-
3.	2018-19	2019-20	No	No	Details will not be declared in the annual return for the FY 2018-19 and will be declared in the annual return for FY 2019-20.
4.	2018-19	Not paid	(Table 4G)	(Table 9)	Payment to be made through DRC 03

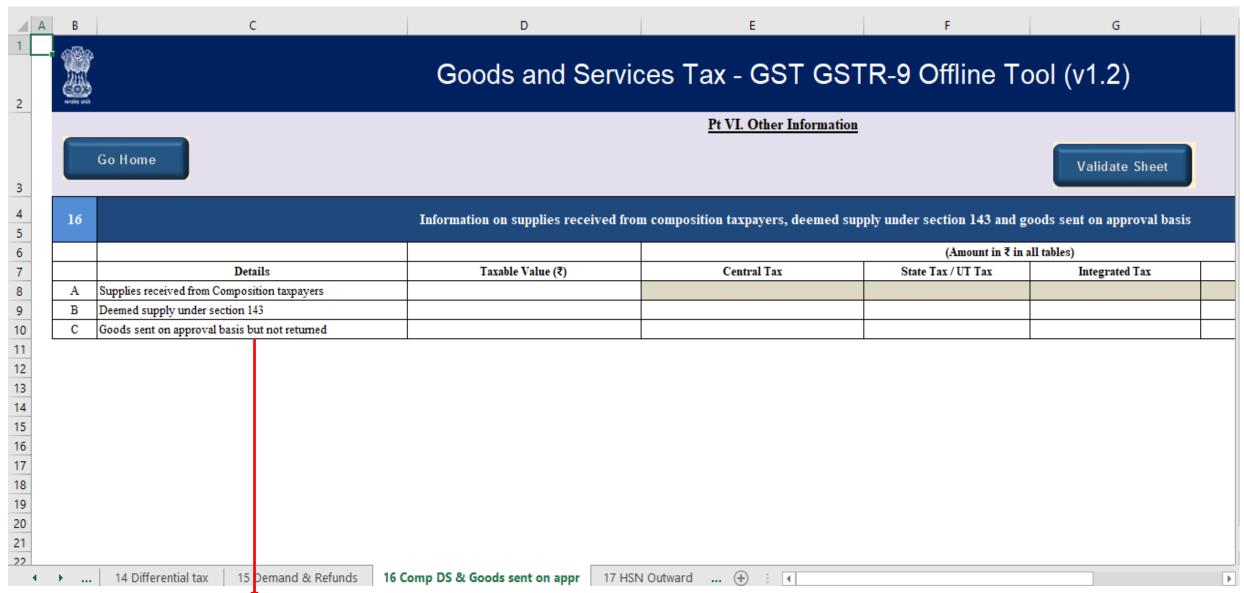
RCM - Other issues

- CGST & SGST wrong paid for inter-state GTA services instead of paying IGST Tax treatment & disclosure in GSTR 9 & 9C;
- RCM on remuneration paid to directors;
- RCM on Ocean freight paid on CIF import transactions.

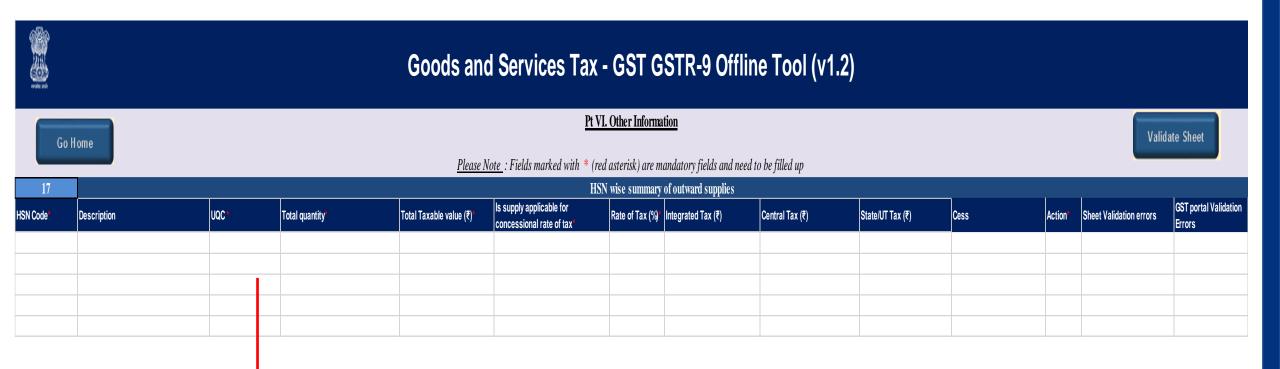
Other Reporting Requirements



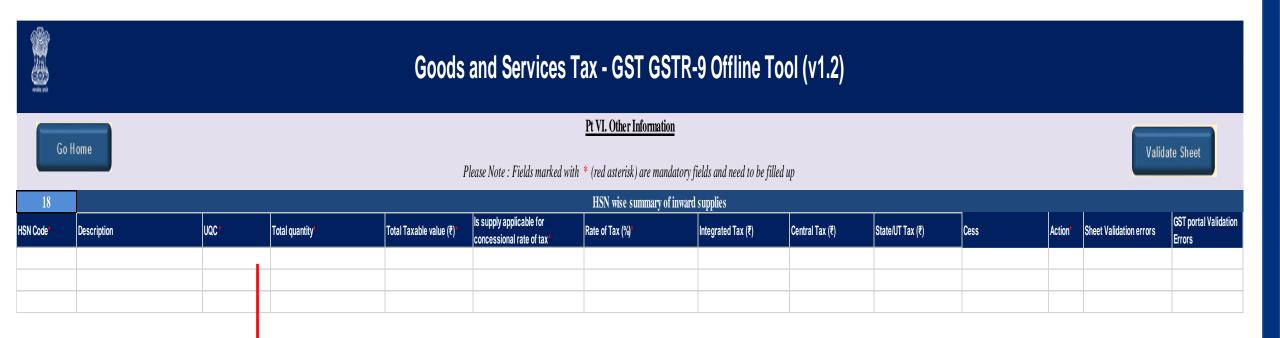
For FY 2017-18 and 2018-19, the registered person shall have an option to not to fill the details in table 12 & 13



For FY 2017-18 and 2018-19, the registered person shall have an option to not to fill the details in table 12 & 13



For FY 2017-18 and 2018-19, the registered person shall have an option to not to fill the details in table 12 & 13



For FY 2017-18 and 2018-19, the registered person shall have an option to not to fill the details in table 12 & 13

Key
Amendments
in FY 18-19
relevant for
GST Audit

Key Amendments in FY 18-19

- ITC availability on Motor Vehicles: ITC is allowed for Motor vehicles which are used for transportation of persons if seating capacity of the vehicle is more than 13 persons (incl the driver). [w.e.f. 01.02.2019]
- ITC is specifically disallowed on services of general insurance, servicing, repair and maintenance in so far as they relate to motor vehicles having seating capacity of less than 13 persons. [w.e.f. 01.02.2019]
- ITC in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force. [w.e.f. 01.02.2019]
- Liability under reverse charge on security services provided by any person other than a body corporate. [w.e.f. 01.01.2019]

Key issues faced in GST Audit

- Retrospective amendment on the transitional credit availed on education cess/SHE cess, KKC etc.
- Waiver of late fees for delay in filing of GSTR 1, GSTR 3B;
- Non-reversal of ITC if payment not made within 180 days Rule 37 of CGST Rules
- Job work Non-receipt of input within the time-limit specified i.e. 1 year
- **TDS/TCS:** The TDS and TCS were made applicable from 01.10.2018.
- Implementation of Nation-wide e-way bill w.e.f. 01.04.2018

Impact of E-Way Bill in GST Audit of F.Y. 2018-19

- E-Way Bill was made applicable with effect from 01-04-2018.
- To be prepared by person causing the movement.
- Not mandatory for movement of goods having consignment value less than Rs 50,000/-.
- States had their own variations for requirement of E-Way Bill on Types of Movement
- Reconciliation of E-Way Bill data with GST Inward and Outward details helps to understand
 - Outward Supply Pattern
 - Time Lag between Invoice made and Goods Dispatched
 - Data reported in GST Returns and Data reported on E-Way Bill Portal

Possible Reasons for Non-Reconciliation of E-Way Bill Data

Particulars	E-Way Bill	GST Returns & Records
Who prepares?	Person who causes Movement	Person who makes supplies
Monetary Value?	Rs 50000/- with exception	Starting from Rs 1
Not required	When No Movement	When no Supply
Documents	Invoice, DC, Credit Note	Invoice
From	Ship From	Bill From
Bill to Ship To	1 E-Way Bill	2 Invoices
Supply of Services	Not applicable generally	Applicable
Invoice No	Multiple Times E-Way Bill	1 Invoice for 1 Supply
Type of Transaction	Supply, Non Supply, Job Work	Only Supply

E-Way Bill Report- 5 days to 1 year

Outward Supplies

EWB No	Supply	Doc No	Other	Transp	No of	HSN	Descript	Value	Valid Till
& Date	Туре	& Date	Party	o rter	Items	Code	ion		
			GSTIN	Details					

Assigned to Transporter

EWB No	Supply	Doc No	Other	Transp	No of	HSN	Descript	Value	Validity
& Date	Type	& Date	Party	o rter	Items	Code	ion		
			GSTIN	Details					

Generated by others

EWB No	Supply	Doc No	Other	Transp	No of	HSN	Descrip	Value	Validity
& Date	Type	& Date	Party	o rter	Items	Code	t ion		
			GSTIN	Details					

What E-Way Bill Report does not reflects?

- Rate Credit Notes / Debit Notes
- Supplies not involving movement
- Bill to Ship to Supplies
- Valuation Issues
- Wrong Punching of Data on E-Way Bill Poral since it does not affects tax liability

E-Way Bill and Inward Supplies?

- Receipt of Goods under Section 16(2) not linked with E-Way Bill
- Receipt can be proved through other documents
 - Material Receipt Note (MRN / GRN)
 - Transport Bilty
 - Stock Records
- If variation in Transport Details are explained, Credit should be allowed-
 - Mittal Appliances Limited 2018 (12) GSTL 297 (M.P.)
- However if data of E-Way Bill is not matching, then auditor should deep dive to get reasonable assurance (apply SA -200)

Role of Professionals in GST Audit

Pt. V. Auditor's recommendation on due to non-reconciliation

Validate Sheet

Please Note: Fields marked with: * (red asterisk) are mandatory fields and need to be filled up

			To be paid through Cash (₹)							
S.No	Description	¥alue (₹)								
010		(7	Central Taz	State Tax / Union territory Tax	Integrated Taz	Cess				
Α	5%									
В	12%									
С	18%									
D	28%									
Е	3%									
F	0.25%									
G	0.10%									
Н	Input tax credit									
- 1	Interest									
J	Late Fee									
K	Penalty									
	Any other amount paid for									
L	supplies not included in									
	annual return (GSTR9) Erroneous refund to be paid									
М	back)									
	Outstanding demands to be									
N	settled									
0	Other									
_										

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.

Relevant Statutory Provisions

• 2(13) "Audit" means the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder;

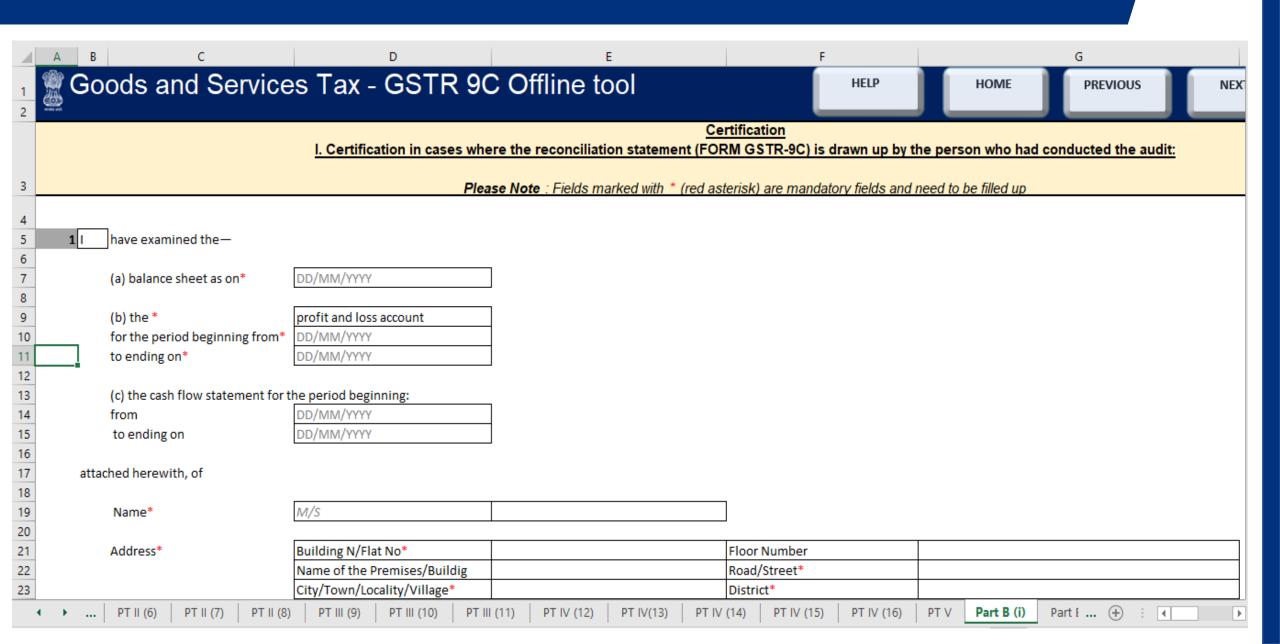
• 35(5) Every registered person whose turnover during a financial year exceeds the prescribed limit shall get his <u>accounts audited</u> by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.

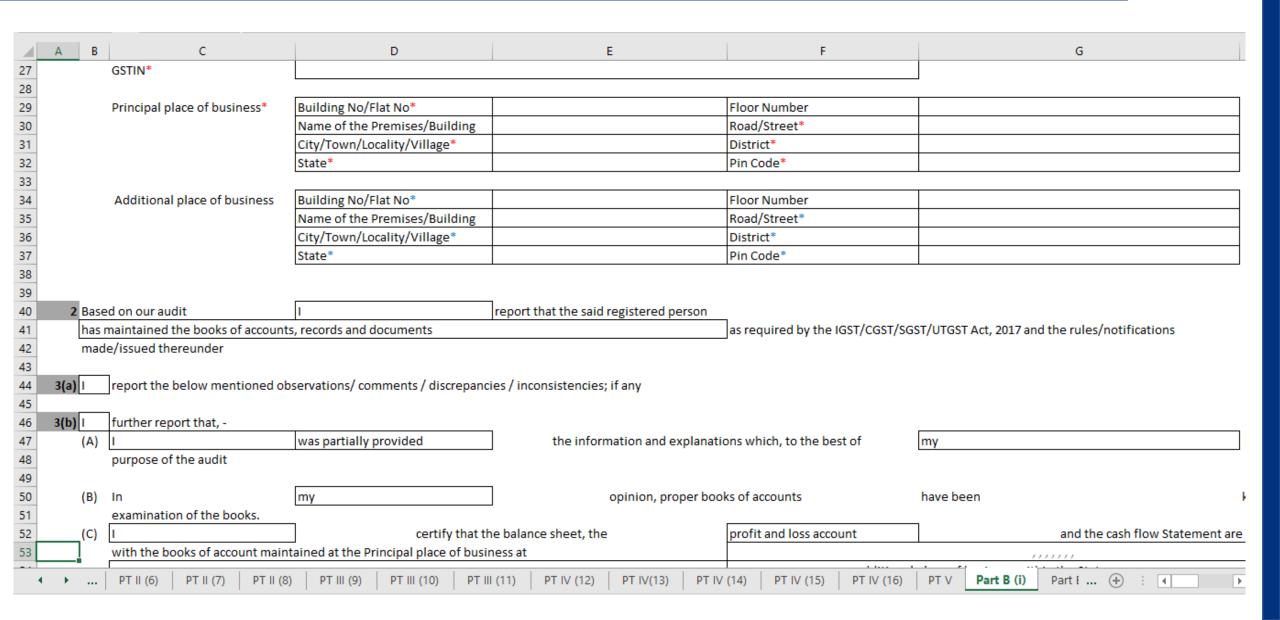
Relevant Statutory Provisions

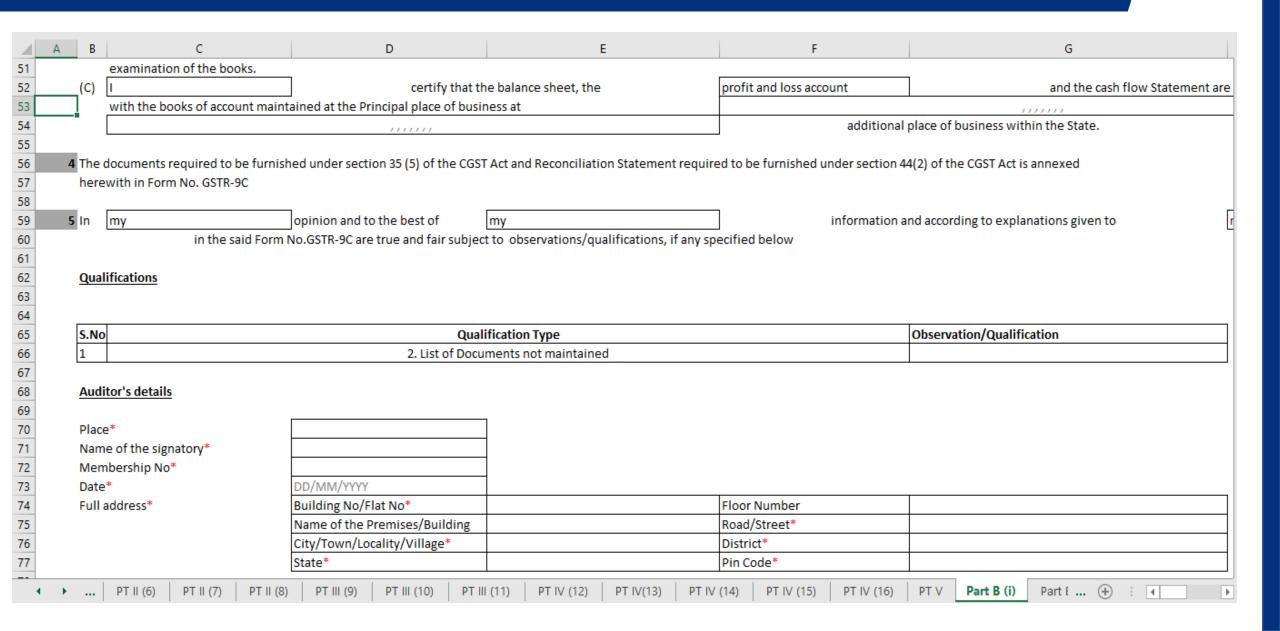
• 44(2) Every registered person who is required to get his accounts audited in accordance with the provisions of sub-section (5) of section 35 shall furnish, electronically, the annual return under sub-section (1) along with a copy of the audited annual accounts and a reconciliation statement, reconciling 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.

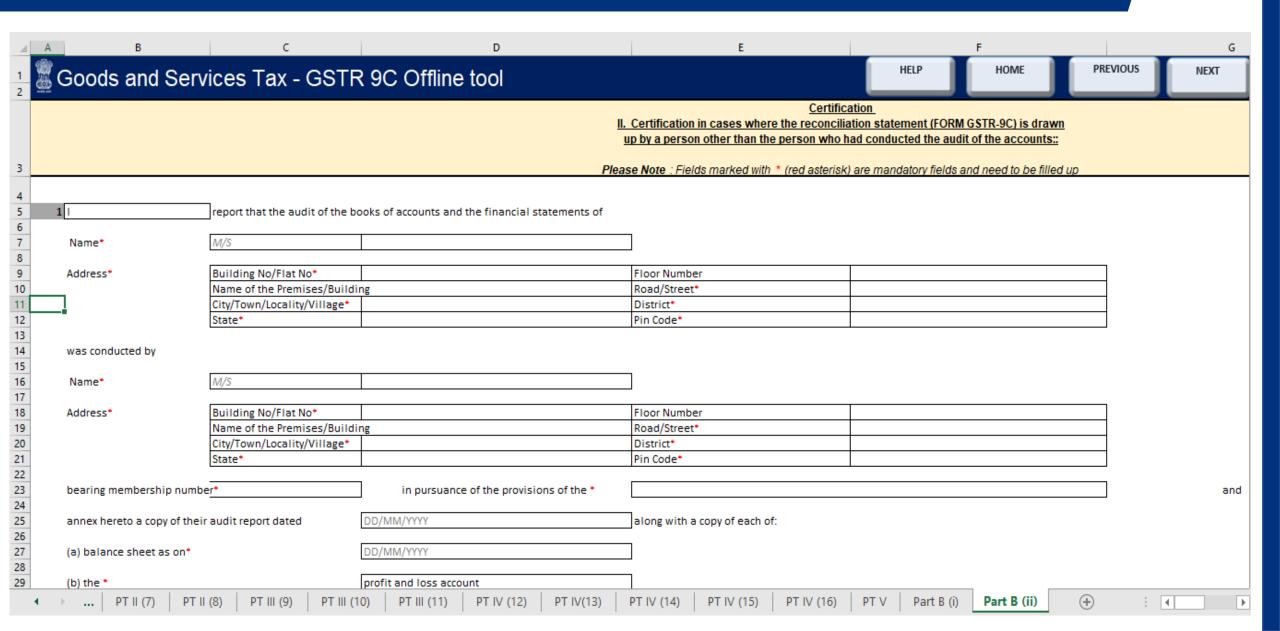
CBIC Press Release dated 03.07.2019

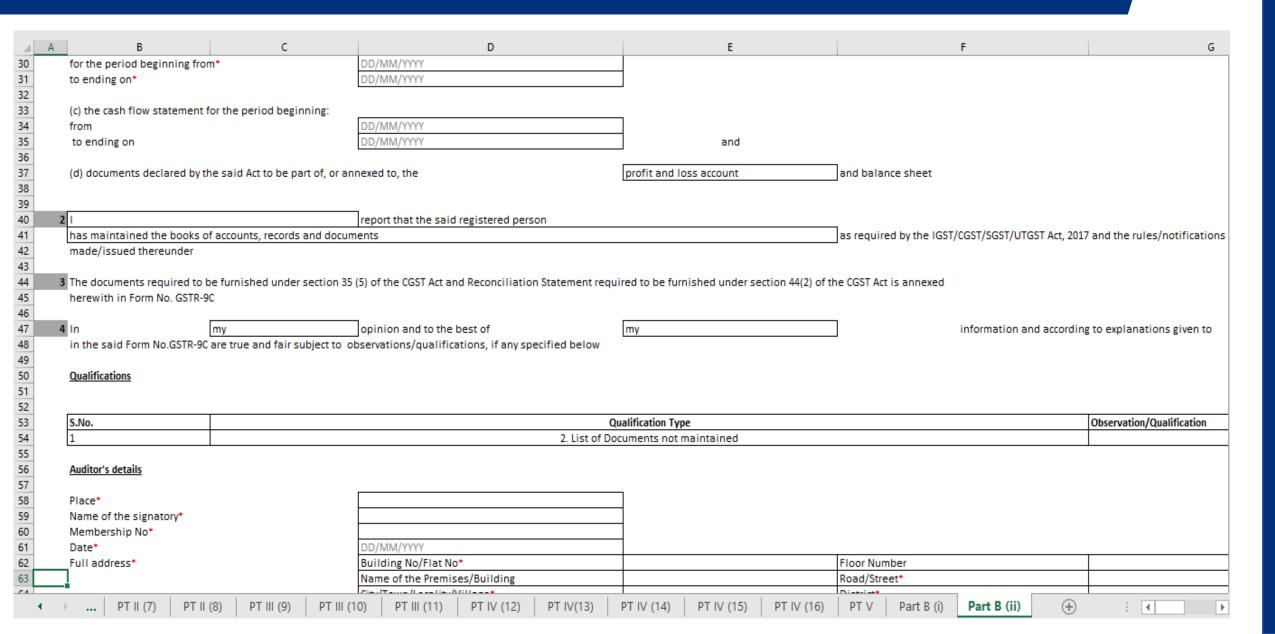
• h) Role of chartered accountant or a cost accountant in certifying reconciliation statement: There are apprehensions that the chartered accountant or cost accountant may go beyond the books of account in their recommendations under FORM GSTR-9C. The GST Act is clear in this regard. With respect to the reconciliation statement, their role is limited to reconciling the values declared in annual return (FORM GSTR-9) with the audited annual accounts of the taxpayer.











Other Aspects

- Combination of "True & Correct" & "True & fair";
- Submission of Cash flow statement made optional;
- Consequences of failure to file the annual returns in Form GSTR 9;
- Consequences of failure to file the reconciliation statement in Form GSTR 9C;
- May amount to "Suppression" of information and other penal consequences.

THANK YOU



- ravikumar@hiregange.com