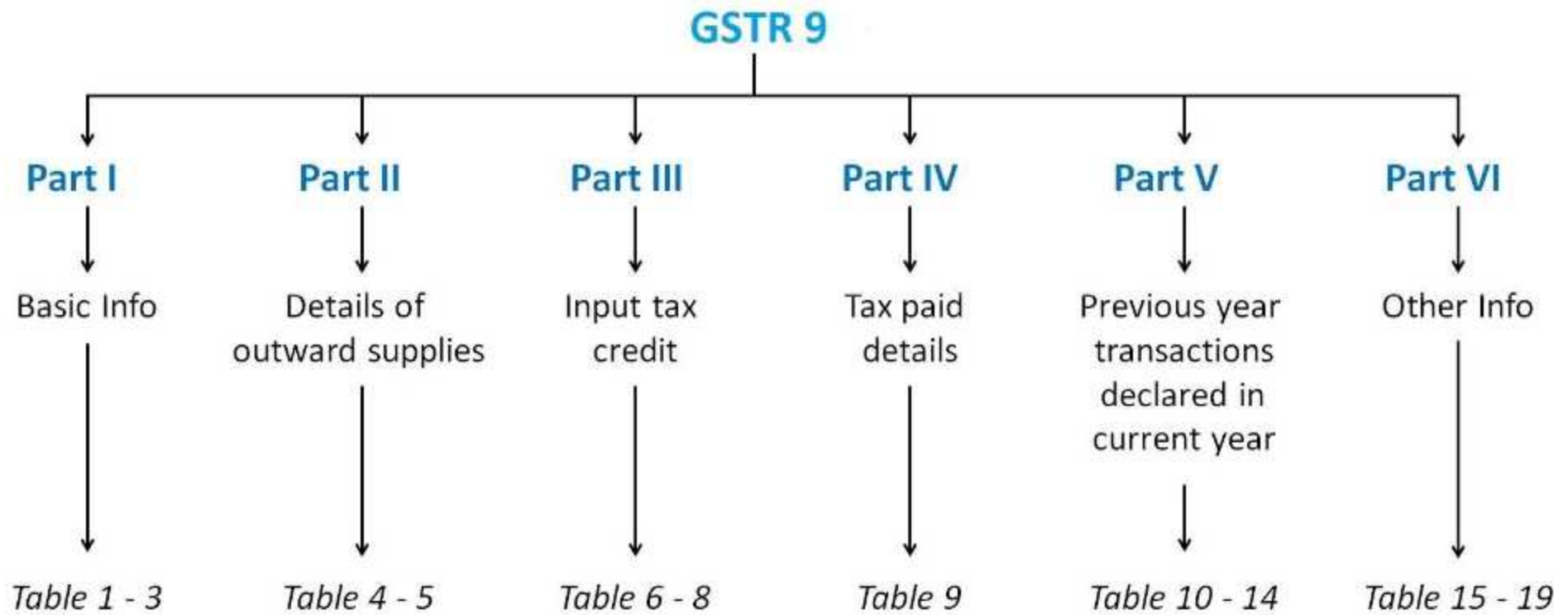


GST Annual Return Practical issues & Importance in Departmental Audit



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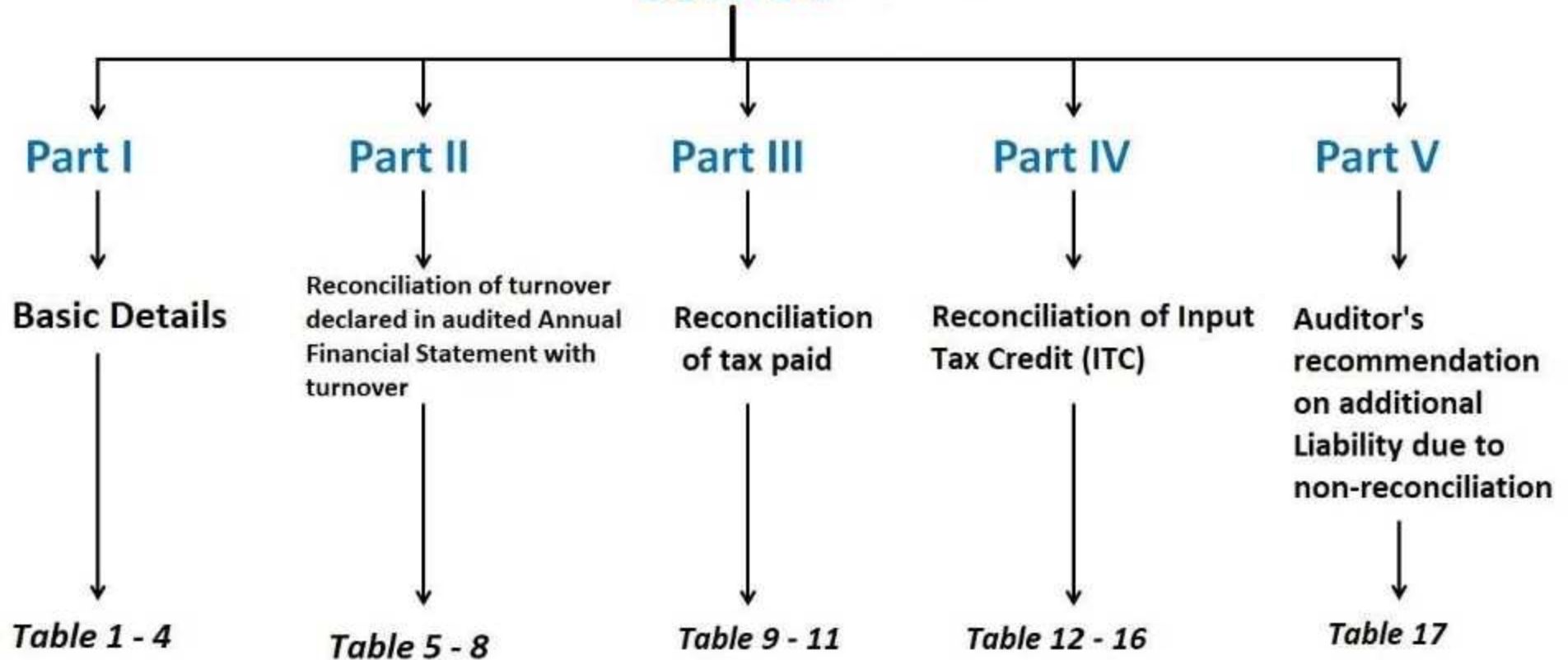
Analysis of Form GSTR-9



Analysis of Form GSTR-9C



GSTR 9C



Analysis of Form - GSTR-9/9C

GSTR9/9C Applicability

All RTP required to File Annual Return in GSTR9, other than:

- RTP having Annual Turnover upto 2 Crores
- an Input Service Distributor,
- a person paying tax under section 51 or section 52,
- a casual taxable person, and
- a non-resident taxable person

RTP having Annual turnover above 5 Crore is required to File GSTR9C

Analysis of Form GSTR9/9C

- Some apparent Limitations in GSTR9
 - ✓ Bifurcation of ITC in Inputs, Input services and Capital goods while filing annual return (GSTR 9), whereas no such bifurcation required while filing GSTR 3B.
 - ✓ We can't paste figures while online preparing GSTR9 in portal
 - ✓ RTP faces Technical Glitches while uploading and filing.
 - ✓ No Reporting for Output tax liability as per e-invoice
 - ✓ No Reporting for Output tax liability as per e-way bills

- GSTR9/9C vs VAT Audit Report

- GSTR9/9C vs Tax Audit Report

GST Departmental Scrutiny Parameters

- Supplies Declared through Amendments in GSTR9
- Difference in Output tax liability as per GSTR1 vs GSTR3B/GSTR9
- Difference in Output tax liability as per GSTR1/GSTR9 vs e-way bills
- Difference in OTL payable and paid as per Table 9 of GSTR9
- Excess ITC Claimed in GSTR3B/9 which is not confirmed in GSTR2A or 8A of GSTR9
- Ineligible ITC Claimed from GSTR3B Non-filers
- Ineligible ITC claimed from RC Cancelled Suppliers

GST Departmental Scrutiny Parameters

- Ineligible ITC based on HSN Reported by Supplier
- ITC from ab-initio RC cancelled Suppliers – NGTP
- Excess Claim of ISD ITC in GSTR3B
- Non-reversal of ITC in GSTR3B compared to GSTR9
- Less RCM Liability disclosed in GSTR9/3B than shown by supplier in GSTR1
- Excess RCM Credit in GSTR9 Table 6C+6D vs Liability in Table 4G
- Interest on delayed payment made with GSTR3B

Analysis of Form GSTR9/9C

Details of Outward Supplies

Part II and Part V of GSTR9 requires reporting about outward supplies

- **Table 4** - Details of advances, inward and outward supplies made during the financial year on which tax is payable
- **Table 5** - Details of Outward supplies made during the financial year on which tax is not payable
- **Table 10** - Supplies / tax declared through Amendments (+) (net of debit notes)
- **Table 11** - Supplies / tax reduced through Amendments (-) (net of credit notes)

Part II of GSTR9C stipulates tables for outward supplies reconciliation

- **Table 5** - Reconciliation of Gross Turnover
- **Table 6** - Reasons for Un - Reconciled difference in Annual Gross Turnover
- **Table 7** - Reconciliation of Taxable Turnover
- **Table 8** - Reasons for Un - Reconciled difference in taxable turnover

Analysis of Form GSTR9/9C



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

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Analysis of Form GSTR9/9C

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)					

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Analysis of Form GSTR9/9C



Pt. V	10,11,12&13 Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period					
	Description	Taxable Value (₹)	(Amount in ₹ in all tables)			
Central Tax			State Tax / UT Tax	Integrated Tax	Cess	
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					
	Total turnover (5N+10-11)					

Analysis of Form GSTR9/9C



List of Optional Entries related to Output Supplies in Form GSTR-9

Sr. No.	Table No.	Description
1	4.I to 4.L	Credit Notes / Debit Notes issued or Amendment made in respect of transactions specified in Table 4B to 4E
2	5.H to 5.K	Credit Notes / Debit Notes issued or amendment made respect of transactions specified in Table 5A to 5F
3	5.D	Exempted Supplies

Analysis of Form GSTR9/9C



Pt. II	Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR9)	
5	Reconciliation of Gross Turnover	
A	Turnover (including exports) as per audited financial statements for the State / UT (For multi-GSTIN units under same PAN the turnover shall be derived from the audited Annual Financial Statement)	
B	Unbilled revenue at the beginning of Financial Year	(+)
C	Unadjusted advances at the end of the Financial Year	(+)
D	Deemed Supply under Schedule I	(+)
E	Credit Notes issued after the end of the financial year but reflected in the annual return	(+)
F	Trade Discounts accounted for in the audited Annual Financial Statement but are not permissible under GST	(+)
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

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Analysis of Form GSTR9/9C

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	
E	Taxable turnover as per adjustments above (A-B-C-D)	<Auto>
F	Taxable turnover as per liability declared in Annual Return (GSTR9)	
G	Unreconciled taxable turnover (F-E)	AT 2
8	Reasons for Un - Reconciled difference in taxable turnover	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

GSTR-9/9C – Practical Aspects



Details of Input Tax Credit

Part III and Part V of GSTR9 requires reporting about Input Tax Credit

- **Table 6** - Details of ITC availed during the financial year
- **Table 7** - Details of ITC Reversed and Ineligible ITC for the financial year
- **Table 8** - Other ITC related information
- **Table 12** - Reversal of ITC availed during previous financial year
- **Table 13** - ITC availed for the previous financial year

Part IV of GSTR9C stipulates tables for reconciliation of Input Tax Credit

- **Table 12** - Reconciliation of Net Input Tax Credit (ITC)
- **Table 13** - Reasons for un-reconciled difference in ITC
- **Table 14** - Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account
- **Table 15** - Reasons for un-reconciled difference in ITC
- **Table 16** - Tax payable on un-reconciled difference in ITC (due to reasons specified in 13 and 15 above)

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GSTR-9/9C – Practical Aspects

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

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GSTR-9/9C – Practical Aspects



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 (6O - 7I)			

GSTR-9/9C – Practical Aspects

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>

GSTR-9/9C – Practical Aspects



12	Reversal of ITC availed during previous financial year					
13	ITC availed for the previous financial year					

Analysis of Form GSTR9/9C



List of Optional Entries related to Input Tax Credit in Form GSTR-9

Sr. No.	Table No.	Description
1	6.C	Inward supplies received from unregistered person liable to reverse charge
2	6.B & 6.E	Break-up of Input Services
3	7.A to 7.H	Accumulated amount of reversal from Table 7A to 7E can be filed in Table 7H i.e. in 'Other reversal', however reversal of transitional credit fields [Table 7F & 7G] are mandatory
4	12	Reversal of ITC availed during previous financial year
5	13	ITC availed for the previous financial year

GSTR-9/9C – Practical Aspects



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

GSTR-9/9C – Practical Aspects

14 Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account				
	Description	Value	Amount of Total ITC	Amount of eligible ITC availed
	1	2	3	4
A	Purchases			
B	Freight / Carriage			
C	Power and Fuel			
D	Imported goods (Including received from SEZs)			
E	Rent and Insurance			
F	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples			
G	Royalties			
H	Employees' Cost (Salaries, wages, Bonus etc.)			
I	Conveyance charges			
J	Bank Charges			
K	Entertainment charges			
L	Stationery Expenses (including postage etc.)			
M	Repair and Maintenance			
N	Other Miscellaneous expenses			
O	Capital goods			
P	Any other expense 1			
Q	Any other expense 2			
R	Total amount of eligible ITC availed			<<Auto>>
S	ITC claimed in Annual Return (GSTR9)			
T	Un-reconciled ITC			ITC 2

GSTR-9/9C – Practical Aspects

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

GSTR-9/9C – Practical Aspects



Taxes Payable & Paid

Part IV of GSTR9 requires reporting about Taxes Payable & Paid

- **Table 9** - Details of tax paid as declared in returns filed during the financial year
- **Table 14** - Differential tax paid on account of declaration in 10 & 11 above

Part III of GSTR9C stipules tales for reconciliation of Taxes Paid & Payable

- **Table 9** - Reconciliation of rate wise liability and amount payable thereon
- **Table 10** - Reasons for un-reconciled payment of amount
- **Table 11** - Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)

GSTR-9/9C – Practical Aspects



Pt. IV	Details of tax paid as declared in returns filed during the financial year						
	Description	Tax Payable	Paid through cash	Paid through ITC			
				Central Tax	State Tax / UT Tax	Integrated Tax	Cess
9	1	2	3	4	5	6	7
	Integrated Tax						
	Central Tax						
	State/UT Tax						
	Cess						
	Interest						
	Late fee						
	Penalty						
	Other						

GSTR-9/9C – Practical Aspects



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		

GSTR-9/9C – Practical Aspects

Pt. III	Reconciliation of tax paid					
9	Reconciliation of rate wise liability and amount payable thereon					
			Tax payable			
	Description	Taxable Value	Central tax	State tax / UT tax	Integrated Tax	Cess, if applicable
	1	2	3	4	5	6
A	5%					
B	5% (RC)					
C	12%					
D	12% (RC)					
E	18%					
F	18% (RC)					
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>	<Auto>
Q	Total amount paid as declared in Annual Return (GSTR 9)					
R	Un-reconciled payment of amount				PT 1	

GSTR-9/9C – Practical Aspects

10	Reasons for un-reconciled payment of amount					
A	Reason 1					<<Text>>
B	Reason 2					<<Text>>
C	Reason 3					<<Text>>
11	Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)					
		To be paid through Cash				
	Description	Taxable Value	Central tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	Interest					
	Late Fee					
	Penalty					
	Others (please specify)					

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