



GST AUDIT



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GSTR 9C-

I.Part A- Reconciliation Statement

I.Part B- Certification

GST Audit Report : Certificate (Part B)

Specimen I

Format in cases where the reconciliation statement is drawn up by the person who had conducted the audit

Specimen II

Format in cases where the reconciliation statement is drawn up by a person other than the person who had conducted the audit

GST Audit Report : Certificate 1

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.

GST Audit Report : Certificate 1

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)

GST Audit Report : Certificate 2

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.

GST Audit Report : Certificate 2

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

Contents Of Specimen 1/2

1. Examined the B/sh, P&L & C.F.
2. Maintained/not maintained BOA, records and documents **required under the GST**
- 3(a) Report: observations/comments/discrepancies
- 3(b) Report that
Obtained all information necessary
Proper Books of Accounts are maintained
B/SH, P&L and CF in agreement with books
4. Financials and Reconciliation attached
5. Particulars in 9C are **true and correct** subject to observations

1. Enclose B/sh, P&L, C.F. & annexures
2. Maintained books of accounts, records and documents **required under the GST**
3. Financials and Reconciliation attached
4. Particulars in 9C are **true and correct** subject to observations

Comparison GST & Tax Audit Certificate

Format I	Form 3CB
1. Examined the B/sh, P&L and Cash Flow	1. Examined the balance sheet, P&L
2. Maintained/ not maintained books of accounts, records and documents required under the GST Law	2. BS PL and CF in agreement with books
3(a) Report observations/comments/discrepancies	3(a) Report observations/comments/discrepancies
3(b) Report that A. Obtained all information necessary B. Proper Books of Accounts are maintained C. BS PL and CF in agreement with books	3(b) Report that A. Obtained all information necessary B. Proper Books of Accounts are maintained C. True and Fair View
4. Financials and Reconciliation attached	4. Particulars enclosed
5. Particulars in 9C are true and correct subject to observations	5. Particulars in Form 3-CD are true and correct subject to observations

Content of Vat Audit Report

- Verification of correctness of the tax liability for the sales tax returns.
- Proper books of accounts and records are maintained
- Determination of Turnover and Gross turnover of sales & purchases
- Certify that all the transactions of sales and purchases are taken into consideration
- Taken into consideration all the cases from the website of the department
- The deduction claimed, classification of the sales, the tax rate applied, set off calculation are correct.
- Records relating to the dispatches are properly maintained. The transactions in the bank statement are reflecting in the books.

9C : Part A- Reconciliation Statement

Part	Description
I	Basic Details
II	Reconciliation of T/o declared in audited Annual Financial Statement with T/o declared in Annual Return (GSTR 9)
III	Reconciliation of Tax Paid
IV	Reconciliation of Input Tax Credit
V	Auditor's recommendation on additional tax liability due to non-reconciliation

GSTR 9-C PT. I - 1 TO 4

FORM GSTR-9C¹³²

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>>

GSTR 9-C PT. II – 5A to 5L

		(Amount in ₹ in all tables)	
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	(-)	

Clause 5A

Clause 5A:

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)

Instructions:

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 entities with presence over multiple States. Such 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.**

Clause 5A - Points

- If dealer has not provided method of deriving turnovers of the state under audit, the Auditor to suitably carryout this exercise. The information can be gathered from trial balance of every state.
- The full F.Y. T/O shall be taken from AFS for this clause. It is possible that the AFS are prepared by following AS for revenue recognition.
- Deemed supply under sch. I shall not be included as it is to be shown separately in adjustments, If included don't include it in adjustments.
- Include indirect income (Profit on sale of asset, dividend, F.E. rate adjust).
- If expenses are netted of don't add it to revenue e.g. Transportation.
- If there are mistakes not corrected in AFS don't correct them for t/o to be given e.g. sales returns added to purchases.
- The foreign office t/o shall be included in the state which controls that office and deducted afterwards.

Clause 5A - Points

- Auditor shall tally turnovers' declared by different Auditors & the total turnover of the entity as per the AFS. Auditor must communicate with the other Auditors to obtain details of turnover declared by them to ensure the various turnovers declared by them. Alternatively, a suitable MRL may be obtained from the entity, will be necessary drawing analogy from SA 299 on "Responsibility of Joint Auditors".
- Reconcile t/o of the state with t/o as per Audited Financial Statements, Books Of Accounts & master reconciliation of all states.
- When there is no audit done under statute or for the state proper precaution shall be taken by making suitable disclosures.
- If audit is done by another CA verify the completeness of t/o i.e. how the t/o is arrived at, t/o declared in wrong state, reconciliation of inter branch & inter h/o transactions etc.

5B & 5H Unbilled Revenue

5B UNBILLED REVENUE AT THE BEGINNING OF FINANCIAL YEAR - ADD

5H UNBILLED REVENUE AT THE END OF FINANCIAL YEAR - LESS

Instructions:

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. (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)

5B & 5H Unbilled Revenue

Unbilled revenue means the revenue which was accounted for in 16/17 in the Financial Statement but the bill for which are made in 17/18. The turnover as per GST will be more than the AFS.

AS 9 recognition of revenue on full / partial completion of the services though the due date for issuing invoice as per the contract / GST will be on a later date.

Unbilled revenue is recorded in the BOA on the basis of accrual system of accounting in 16/17 for which the invoice is issued under GST law is required to be declared here.

Examples: Construction contracts, Hire purchase, Lease, Govt. grants, Warranty, A.M.C. etc.

5B & 5H Unbilled Revenue

Figure of Unbilled revenue can be found from 16/17 AFS. GST was introduced from 1st July 2017. We have to exclude invoices raised during the period April to June 2017. In case of multiple reg. obtain statement for each registration reconciling the total amount disclosed in AFS.

See Declaration made u/s 142(11) – TRAN 01 & Notes to account in 16/17 & 17/18
Cross link with form GSTR 9 Part III Sr. No. 6K

Example		Solution	
Unbilled revenue 01.04.17	500000	Turnover as per AFS	3000000
Billing in 1 st Qtr	200000	5B unbilled revenue at the beg of FY	+ 500000
Billing in GST regime	250000	5G turnover for April to June 2017	- 200000
Unbilled revenue 31.03.18	50000	5H unbilled revenue Closing	-50000
Turnover as per AFS	3000000	taxable turnover in GST regime	3250000

5C & I : Unadjusted Advances

5C Unadjusted advances at the end of the year

Add

Instructions: Value of all advances for which GST has been paid but the same has not been recognized as revenue in the AFS shall be declared here.

5I Unadjusted advances at the beginning of the year

Less

Instructions: Value of all advances for which GST has not been paid but the same has been recognized as revenue in the AFS shall be declared here

For Supply of Goods Sec 12(2): The time of supply of goods shall be the earlier of the following dates, namely: — (a) the date of issue of invoice by the supplier or the last date for issue of invoice as per Sec. 31(1), or the date on which the supplier receives the payment with respect to the supply:

From **13/10/2017** not payable by RTP having aggregate turnover less than Rs 1.5 cr. & From **15/11/2017** not payable any dealer of goods.

Check whether tax is paid on such advances as per above dates.

5C & I : Unadjusted Advances

As per Sec. 13(2) tax is payable by supplier of service on the advances received.

- (a) The advance received (if exclusive of tax) would be considered as cum-tax.
- (b) If tax rate cannot be determined during receipt of advance GST is @ 18%
- (c) If nature of supply (POS) cannot be ascertained the advance is considered IGST

Such advances received are shown as liability but GST is paid on said amount.

The advances for services not recognized as revenue & on goods received before 15/11/17 but no supply made till 31/3/18 will be added.

The advances not to be added:

- a) Recd. On exempted goods & services.
- b) Recd. On goods after 15/11/17
- c) Financial advances
- d) Deposits recd.

5C & I : Unadjusted Advances

It is difficult to find advances from AFS. We will have to refer to breakup of short term & long term liabilities and from receipts issued. The analysis of customers ledger account might become necessary if such amounts are credited to parties accounts directly, instead of advances received. It will be advisable to take suitable MRL for payment of taxes on advances.

From GSTR 1 to find unadjusted advances

(a) take sum of 11A. Advance amount received in the tax period for which invoice has not been issued (tax amount to be added to output tax liability) and from it deduct

(b) Sum of 11B. Advance amount received in earlier tax period and adjusted against the supplies being shown in this tax period in Table Nos. 4, 5, 6 and 7 (c)

The advances received as per AFS/BOA shall be added/ deducted over here even if it is not shown in GSTR 1 & 9

5D Deemed Supply under schedule I

5D Deemed supply under schedule I

ADD

Instructions: Aggregate value of deemed supplies under Schedule I of the CGST Act, shall be declared here. Any deemed supply which is already part of the turnover in the audited AFS is not required to be included here.

There is no direct evidence indicating the value of deemed supplies by way of return or statement. The information will have to be gathered from other sources.

1. Permeant transfer or disposal of business asset if ITC is taken:

Verify the fixed asset schedule. Assets donated, given as gift, decommissioning of any project & w/off, transfer of asset to employees shall be given attention.

2. Related Party Transactions:

a) Gifts to employees more than 50,000/-,

b) Inter company transactions, Consider the effect of AAR in respect of cross charge for employee cost, common accounting, cloud sharing etc.

5D Deemed Supply under schedule I

Give attention to a) valuation applicable if full ITC not available as per provisions of sec. 15., b) Transfer of capital goods by one br. /head office to other.

3. Supply of goods:

(a) by a **principal to his agent** where the agent undertakes to supply such goods on behalf of the principal; or (b) by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.

Precaution: consignment transactions. cases where net commission only will be shown as income by agent & expenses by principal

4. **Import of services** by a taxable person from a related person or from any of his other establishments outside India, in the course or furtherance of business.

See the process adopted by organization for identification of such transactions, and its taxation. See that there is consistency in such process. Take MRL regarding the same. Pay attention to valuation where ever applicable as per sec. 15.

5E: C/N issued after F.Y.

5E C/N issued after the end of the F.Y. but reflected in the annual return **ADD**

Instructions: Aggregate value of credit notes which were issued after 31st 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

In my opinion these are C/N issued in 18/19 shown in GSTR 1 of 18/19(It is not possible to show them in 17/18) but reduced from t/o of 17/18 in AFS.

Example: C/N for Turnover discount @ 5% on t/o of Rs. 20 lk. made in 17/18 i.e. Rs.1,00,000/- was passed in May 2018 by A ltd. It was shown in the GSTR 1 of May 2018. The discount was deducted from the turnover of 2017/18 in AFS, as it relates to the t/o of that year. The t/o shown in AFS will be less than GSTR9 by 1,00,000/- and hence it needs to be added.

There seems to be some mistake in wording of this clause. It means C/N issued in 18/19 reduced from GSTR of 17/18 & AFS of 18/19. (It will not be possible) & if applicable amt. will be **LESS**

5F : Not permissible trade discount

5F Trade dis. accounted for in the AFS but are not permissible under GST **ADD**

Instructions : Trade discounts which are accounted for in the AFS but on which GST was leviable (being not permissible) shall be declared here.

Trade discount is generally given in the bill and not reflected in turnover.

It may cover following cases a) Discount is given post sale but not allowed as per provisions of sec. 15, but deducted from turnover of the F.Y.

b) Financial discounts shall be taken in to consideration only in AFS.

These will be the cases where the supplier has reduced the t/o and GST liability but the purchaser has not reduced his ITC.

These discounts can be take various forms in F.A. like quantity discount, bonus, incentive, compensation etc. Proper MRL should be taken regarding policy of giving discount and the circumstances when it triggers. Sample agreements entered in to for the same shall be taken on record.

5G : Turnover of first quarter

5G Turnover from April 2017 to June 2017

Less

Instructions: Turnover included in the audited Annual Financial Statement for April 2017 to June 2017 shall be declared here.

The returns filed under Excise, Service Tax & State Vat Laws shall be seen along with reconciliation with AFS for first quarter.

Precaution

- a) Accounts books are not closed FOR June 2017
- b) P.O.T. is different in every law
- c) cash basis of accounting & service tax provisions
- d) provisions of sec. 142 (11) (a,b,c)
- e) Services completed or advances received in FIRST Quarter
- f) Transitional provisions/ cut off of revenue & TRAN 1

5J : C/N issued in 17/18 not permissible in GST

5J Cr/N accounted for in the AFS but are not permitted under GST Less

Instructions: Aggregate value of credit notes which have been accounted for in the audited AFS but were not admissible u/S 34 shall be declared here.

These will cover following cases:

- a) C/n or D/n issued by purchaser.
- b) C/n not containing details as per rule 46 e.g. tax not shown separately.
- c) C/n issued for 17/18 after Sept. 2018.
- d) C/n issued where purchaser has not reduced the ITC availed.
- e) C/n issued for cash discount.
- f) Adjustment for reduction in receivable not adjusted in t/o shall not be considered.

C/N issue Sec. 34 (1&2)

(1) The supplier of G &/or S may issue to the recipient a c/n Where

a) the taxable value or tax charged in that tax invoice is found to **exceed the taxable value or tax** payable in respect of such supply, or

b) The goods supplied are **returned** by the recipient, or

c) Goods or services or both supplied are **found to be deficient.**

(2) A C/N shall be issued & details of such C/N shall be declared 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,

: 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.**

5K: Supply by SEZ to DTA Unit

5K Adj. on account of supply of goods by SEZ units to DTA Units **LESS**

Instructions: 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.

Supplies made by SEZ units against bill entry filed by purchaser are not reported by such unit in GSTR 1 and hence such data can not be retrieved from the returns filed. The SEZ units have maintain record of goods/ cap. Assets admitted in and disposed from such area. As such turnover is not taxable in the hands of SEZ but taxable as imports in hands of DTA unit, it has to be deducted from t/o of SEZ units.

Proper precaution has to be taken when SEZ unit has also a unit outside SEZ and there are transaction in between such two units as it will be treated as third party DTA transaction.

5L: Turnover under composition scheme

5L Turnover for the period under composition scheme LESS

Instructions: There may be cases where registered persons might have opted out of the composition scheme during the current F.Y. Their turnover as per the audited AFS 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.

A dealer might be comp. dealer in beginning as per sec. 10. See the GSTR 4 & 9A filed for such period. This period t/o does not require audit. See that comp. tax is paid on advances recd. in this period & supply is made afterwards tax is paid on balance amount only. The t/o shall be net off the returns and refunds. See COMP 4 filed for getting the ITC on the stock left. The dealer goes out of composition because of violation of conditions stipulated u/s 10. See the adjustments on cut off date.

GSTR 9-C PT. II – 5M to 6

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>>	

5M: Adjustments in t/o because of sec. 15

5M **Adj. in turnover u/S 15 and rules thereunder** **ADD/LESS**

Instructions: There may be cases where the taxable value and the invoice value differ due to valuation principles u/s 15 and rules 27 to 35

Any difference between t/o reported in GSTR 9 and t/O reported in the audited AFS due to difference in valuation of supplies shall be declared here.

15 (1) Transaction value will be basis for tax calculation if a) it is not related party supply & b) price is sole consideration. The verification of customer a/c and find out the reason for such c/n and find whether rules of valuation are applicable.

15 (2) The value of supply shall include—

(a) any taxes, duties, fees and charges levied under any other law for the time being in force other than this Act, if charged separately by the supplier;

5M: Adjustments in t/o because of sec. 15

15 (b) any amt. the supplier is liable to pay in relation to such supply but incurred by the recipient of the supply and not included in the price.

15 (c) incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply and any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of, or before delivery of goods or supply of services;

15 (d) interest or late fee or penalty for delayed payment of any consideration for any supply; and

15 (e) subsidies directly linked to the price excluding subsidies provided by the C.G./ S.G.

Explanation.— The amount of subsidy shall be included in the value of supply of the supplier who receives the subsidy.

5M: Adjustments in t/o because of sec. 15

15 (3) The value of the supply shall **not include any dis.** which is given—
(a) before or at the time of the supply if such discount has been duly recorded in the invoice issued in respect of such supply; and
(b) after the supply has been effected, if— **(i)** such dis. is in terms of an agreement entered into at or before the time of such supply and specifically linked to relevant invoices; and **(ii)** ITC for such dis. attributable to the dis. on the basis of document issued by the supplier has been reversed by pur.

As per rules the **transaction value** for AFS **may be different** from value on which GST is to be levied. Some examples

- a) Air travel agent to pay 5% on basic fair, or 18% on comm.
- b) Pure agent transactions.
- c) valuation for sale of assets.
- d) valuation when consi. is not wholly in money.
- e) Related party transaction
- f) Lottery, gambling

5N: Adjustments in t/o for FE Fluctuations

5N Adj. in turnover due to foreign exchange Fluctuations **ADD/LESS**

Instructions: Any difference between the turnover reported in GSTR9 and turnover reported in the audited AFS due to foreign exchange fluctuations shall be declared here.

As per rule 34 value of taxable goods to be determined based on the exchange rate notified u/s 14 of the Customs Act;

The value of taxable services to be determined based on rate of exchange as per time of supply of such services in terms of Sec. 13 of the CGST Act Since the exchange rates applied to forex amounts for accounting purposes are different from the exchange rates applied for determining the value of taxable G & S, there could be difference between the turnover recorded in the books when compared to the turnover declared for GST returns.

50: Adjustments for any other reason

50 Adj. in turnover due to any other reason not listed above ADD/LESS

Instructions: Any difference between the turnover reported in GSTR9 and turnover reported in the audited AFS due to reasons not listed above shall be declared here.

Some of the examples would be amount of transport charges reduced from expenses of transportation.

Sales returns shown as purchases & V/V.

Gifts and samples distributed free of charge shown as expenses.

Notice pay recovered from employee by realizing bond.

Turnover of one state shown in other state.

GSTR 9 & 9C can not be used to correct the mistakes so they will be reported here. Such items are to found out by expenses analysis.

5&6 Total reconciliations & Reasons for Diff.

5P Annual turnover after adjustments as above Auto Populated

After all the adjustments to the turnover as per AFS in reconciliation statements in points 5B to 5O (including any other adjustments) the net turnover is shown in point 5P

5Q Turnover as declared in annual return Manual

Instructions: Annual turnover as declared in the AR GSTR 9 shall be declared here. This turnover may be derived from Sr. No. 5N, 10 and 11 of AR GSTR 9

5R Un-Reconciled turnover (Q - P) AT 1

The two figures 5P & 5Q should match. If they do not match the reasons for the same are to be given in Sr No 6

6 Reasons for un - reconciled difference in Annual Gross Turnover

Only 3 reasons - Can we add reason, amount and how many characters

5&6 Total reconciliations & Reasons for Diff.

The adjusted turnover at 5P can be Higher than Annual turnover at 5Q

This can happen if some turnover is not declared in AR. If such t/o is taxable it shall be declared in part III Sr. No. 11 and applicable taxes shall be paid. If it not taxable it shall be included in Part II 7B or 7C

The adjusted turnover at 5P can be Less than Annual turnover at 5Q

This the amount shown erroneously in GSTR 3B and GSTR 9. The Form 9C has no provision for claim Refund of taxes wrongly paid. We will have to wait for the actual templet to find whether Sr. No. 11 permits negative figures.

Reasons for un - reconciled difference in Annual Gross Turnover

Sale of fixed asset at a profit or loss.

Goods delivered on sale or return treated ass supply after six months.

Valuation difference because of sec 15 & valuation rules 27 to 35

GSTR 9-C PT. II – 7A to 8

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>>

Table 7: Reconciliation of Taxable Turnover

After the adjustments the turnover will get tallied with annual turnover as per AR GSTR 9

Instructions: 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).

Now we have to calculate the taxable turnover by deducting the turnover on which tax is not leviable in table 7.

7A Annual turnover after adjustments (5P) Auto Populated

This figure as per 5P will be auto populated here from which the non taxable turnover is to be deducted. The non taxable turnover is divided in 7B, 7C & 7D which is to be deducted to arrive at taxable turnover

7 B Reconciliation of taxable t/o

7B Value of Exempted, Nil Rated, Non-GST supplies, No-Supply Turnover

Instructions: This turnover shall be reported net of credit notes, debit notes and amendments if any.

- This figure to be reported net of c/n, d/n and amendments if any.
- There are no goods / services under 'NIL' rate category
- (47)“**exempt supply**” means supply of any G &/or S which attracts nil rate of tax or which may be wholly exempt from tax u/s 11, or u/s 6 of the IGST Act, and includes non-taxable supply;
- Supplies that are wholly or partially exempted from tax by way of a notification; e.g.: water, electricity education/ health care services etc.
- u/s 2(78) – **Non Taxable supplies** that are not taxable under the Act (viz. alcoholic liquor for human consumption, petrol diesel etc.). Cont....

7B non GST, no supply t/o

- **No supply turnover** means the turnover which is not supply as per sec. 7 & will include out & out supply.
- No supplies include the activities covered under Sch. III which are neither a supply of goods or of services. Examples- Sale of land or completed building, actionable claims, other than lottery, betting, and gambling.
- Link with corresponding item in GSTR 9 – Part II Sr.No. 5D, 5E & 5F;
- See the manner of its quantification from the books and records and correlated with returns filed in GSTR Form 3-B;
- Check calculation for reduction of ITC with exempted turnover computation for the purpose of Section 17(2).

7C Zero rated supplies w/o tax

7C Zero rated supplies without payment of tax

LESS

Instructions: 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.**

Zero rated supplies means the export of G &/or S or supply to SEZ unit or developer. Total t/o of zero rated supplies shall be divided under with tax and w/o tax (LUT) and only t/o with LUT shall be shown.

If Export is FOB the revenue will be recognized when goods are boarded on conveyance. In case CIF the revenue is recognized when the goods are delivered to purchaser, and such amount is transferred to unearned revenue, but shown in monthly returns. So it shall be shown if treated as revenue. Ref.: (a) Table 6A and 6B and Table 9 A and 9C of **GSTR 1.**

(b) Table 5A and 5B and for Amendments in Table 5J and Table 5K in **GSTR 9**

7C Zero rated supplies w/o tax

- (a) The GSTIN wise bifurcation of zero-rated supplies without payment of tax effected has to be arrived at appropriately;
- (b) The tax remitted under Rule 96A (for non fulfillment of conditions) should be identified, & should not be declared here.
- (c) Goods exported in pre-GST regime, but recognized as revenue in GST regime in the audited AFS should be ascertained and such zero-rated supplies should be declared against Sr.No. 50.
- (d) The supplies effected under **merchant trade** would not qualify as an export under the GST law. & may not be declared here
- (e) **Deemed exports**, if any effected by the taxable person shall not be declared against Sr.No. 7C since, such supplies would not qualify as zero-rated supplies without payment of tax under the provisions of GST law.

7C Zero rated supplies w/o tax

Check the validity of LUT. The date when applied, condonation of delay shall be seen.

See whether conditions of export are fulfilled- for goods - invoice format, shipping bill details etc, & for services - foreign exchange realisations, intermediary services are not included. otherwise tax will be payable ur 96A

7D Supplies on which tax is to be paid by the recipient on RCM basis

Instructions: This shall be reported net of c/n, d/n and amendments if any.

- (a) Relating to goods: N.No.4/17 CT (R) dt.28.6.17, as amended.
- (b) Relating to services: N.No.13/17 CT(R) dt.28.6.17 and N.No.10/17 IT (R).
- (c) If supplier making supply under RCM but wrongly charges and pays the tax, is incorrect in law. Such supplies will have to be shown in 7D only.

7D Reconciliation of taxable t/o

(d) Such turnover is treated as exempt turnover u/s 17(3) and the provisions of the reversal of ITC u/r 42,43. The auditor should check the calculation of reversal u/s 17 r/w rule 39, 42 & 43

(e) See that invoice contains declaration that ' tax is payable under RCM'

(f) Data entered Table 4B of GSTR 1 by the supplier if he is registered.

This adjustment is not to be done by purchaser i.e. if he has to pay taxes on RCM on his purchases u/s 9(3) or (4)

(g) Table 3.1(c) (Other outward supplies – Nil rated, exempted) of GSTR 3B.

(h) Don't show the exp. & goods on which tax is paid under RCM u/s 9(4)

(i) The amount is net of d/n & c/n. Such d/n & c/n would have been accounted in Table 9B and 9C of GSTR 1.

(j) If tax is collected by wrongly but not deposited report the same.

7 E,F & G : Comparison of Annual taxable T/O & 8

7 E Taxable turnover as per adjustments above [A-(B-C-D)] <Auto>

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.) in 7B, C & D.

7 F Taxable turnover as per liability declared in A.R. GSTR 9

Taxable turnover as declared in Table (4N – 4G) + (10-11) of the Annual Return (GSTR9) shall be declared here

7 G Unreconciled taxable turnover (F-E) AT 2

No difference shall be in fig. of 7 E & F. If it is there it will appear here

8 Reasons for Un - Reconciled difference in taxable turnover

Specify reasons for non-reconciliation of adjusted annual taxable turnover.

8 Reasons for unreconciled difference

Instructions: 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.

The taxable turnover differences between the GST Returns and the Audited AFS. Generally GST returns has to flow from the Books of Accounts. The un-reconciled turnover will be on account of disclosure norms as per Accounting Standard or other statutory provisions.

Examples: the sale price of capital as per AFS may be different from that disclosed in GST.

Sale on approval treated as t/o in GST after expiry of stipulated period.

Exempt/ Zero rated supply treated as taxable as conditions are not fulfilled.

Pt. III- 9- Reconciliation of rate wise liability

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	

10 - A, B,C – Reasons for un-reconciled payment of amount – (Text)

Part III: Table 9 Reconciliation of Taxes Paid

Part III consists of reconciliation of the tax payable as per declaration in the reconciliation statement and the actual tax paid as declared in A.R. GSTR 9.

Table 9 provides for reconciliation of tax paid as per reconciliation statement and amount of tax paid as declared in A.R. GSTR 9.

Under the head labelled “RC”, supplies where tax was paid on RCM 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.

Table 9 Reconciliation : Instructions

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 (GSTR 9).

9 –L,M,N Interest, Late Fees and Penalty Payable to be disclosed separately, as per provisions of CGST, SGST, IGST & UTGST ACT.

The details of any liability of Interest u/s 50 accounted for in the books of accounts or any Late Fees for Late filing of GSTR 3B or penalty leviable under any relevant sections of the Act needs to be reported here after taking in to consideration various notifications for waiver.

Before giving int. payable prepare rate wise taxable value month wise.

Compare monthly tax liability calculated with details of tax paid in monthly GSTR 3B, the correct amount of int. shall be calculated and reported.

Table 9 Reconciliation

The purpose of this table is to quantify the tax Payable on amounts recorded in books of accounts with amounts disclosed in GSTR 9. This will help the Auditor to ultimately recommend in Part V of the GSTR 9C, the additional tax Liability to be paid by the Registered Person due to Non-Reconciliation of taxable value or any other reason whatsoever with Books of Accounts and GSTR 9.

Auditor is required to report the GST payable rate wise by dividing total taxable turnover calculated in Table 7E under Part II of GSTR 9C. Once the taxable value is reported under various rates as specified the relevant amount of tax shall be calculated by the system.

adjustments made in Part II of GSTR 9C having no impact in the BOA of RTP should also be considered rate wise for finding the taxable value.

Table 9 Tax under RCM & late fee

Taxable value of inward supplies on which RTP is required to pay tax under RCM should be disclosed. The details for same needs to be taken from the books of accounts.

Tax payable under RCM in two cases. — u/s 9(3) where tax is to be paid by RCM as per law on G & S. The details for the period 17/18 shall be given.

u/s 9(4) on supplies received from unregistered suppliers. The details should be taken for a period up to 12th October 2017 only. Give the taxable value and the amount of tax shall be derived accordingly.

Amounts not to be reported in the GST returns (like penalty u/s 129 for movement of goods in contravention of rule 138) but accounted for in the BOA and relating to GST should also be reported in given columns, after comparing respective accounts of expenses in the Profit and Loss Account.

Table 9 Q Total amount paid

9Q - The amounts shall be total of amounts shown in **Table 9 Part IV and** i.e. details of amount paid through Cash and ITC i.e. gross liability during 17/18 in GSTR 3B and **Table 14 under Part V of the Form GSTR 9** i.e. differential tax liability declared in GSTR 1 filed in 18/19 paid in GSTR 3B for that period.

It has to be ensured that details of tax paid are taken but not the details of tax Payable.

9R Un-reconciled payment of tax shall be auto calculated by system Tally this difference by taking in to consideration **difference in turnover** given in 5R (difference between Clause 5P & 5Q of table 5) & **difference in taxes paid** given in 9R (difference between clause 9P & 9Q of Table 9).

Pt. III- 11- Additional amount payable but not paid Reasons in 6,8,10 above

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)					

Part III: Table 10 & 11 Reconciliation of Taxes

Table 10 Reasons for non-reconciliation between tax payable / liability declared in Table 9P above and the amount payable in Table 9Q shall be specified here.

Table 11 Any amount (Tax, interest, penalty or fee) which is payable due to reasons specified above shall be declared here, which are
Table 6 **un - reconciled difference in Annual Gross Turnover** ,
Table 8 **Un - Reconciled difference in taxable turnover** and
Table 10 **un-reconciled payment of amount**

Provisions Relating to Input Tax Credit

Description	Sec. Applicable	Rule Applicable
Eligibility & conditions for taking ITC	16	36 & 37
Apportionment of credit & blocked credits	17	38,42 & 43
Availability of credit in special circumstances	18	40, 41 & 44
Taking ITC in respect of inputs & capital goods sent for job work	19	45
Manner of distribution of credit by ISD	20	39
Manner of recovery of credit distributed in excess	21	N.A.

Part IV: Reconciliation of Input Tax Credit

ITC BOOKED means amount shown as ITC in books of accounts after making the entry of purchases/expenses or capital asset purchases.

ITC AVAILED (As per Books) means amount shown on Dr. side of ITC ledger. This amount is total ITC. On Cr side we show blocked credits & reversals u/r 37(Non payment) 42 (Reversal of input & input services ITC) 43 (ITC reversal for capital goods), 44 (Reversal in special circumstances). The opening balance c/f from previous year will be add & Closing balance trf. to next year will be deducted. The balance this a/c will be trf. to output tax liability for offsetting to make net payment. (**ITC UTILIZED**)

There is provisions regarding the date up to which the ITC can be availed sec. 16(4), i.e. up to earlier of filing of annual return or due date for return of Sept. of subsequent year. The ITC can be utilized any time for payment.

Example of Input Tax Credit

Date	Description	Remarks	Amount
1-7-2017	Opening Balance	No GST Bal B/f from June	0
17-18	ITC on Expenses	Total amt. Dr. in 17/18	12,50,000
17/18	ITC on Capital Assets	Total amt. Dr. in 17/18	4,50,000
17/18	ITC on input/ input services	Total amt. Dr. in 17/18	50,00,000
17/18	ITC on input/ input services	Total amt. Dr. in 18/19	2,50,000
17/18	Trans 1 Credit	Transitional credit claimed	1,50,000
	Total Of Debits		71,00,000
17/18	Blocked credits	Amt. cr.	75,000
17/18	Credit reversed	Amt. cr. u/r 37,42,43,44	1,25,000
17/18	Amount Trf.	Amt. Cr. To output lia a/c	65,00,000
	Closing Balance c/f	Amt. booked late + Bal. of Mar	4,00,000
	Total Of Credits		71,00,000

GSTR 9-C PT. IV – 12 & 13

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	
E	ITC claimed in Annual Return (GSTR9)	
F	Un-reconciled ITC	
13	Reasons for un-reconciled difference in ITC	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

Part IV: Reconciliation of Input Tax Credit

12A ITC availed as per the audited AFS shall be declared here.

There may be cases where multiple GSTINs (State-wise) reg. exist on the same PAN. This is common for 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. The ITC after all reversals for 2017-18 (July 17 to March 18) as per audited AFS shall be reported here.

Give total figure of ITC without bifurcation of CGST, SGST, IGST etc.

Tally ITC availed as per books, with ITC claimed in A.R. GSTR- 9, which will be the figure of ITC shown in 3B.

Part IV: Reconciliation of Input Tax Credit

12 B ITC booked in earlier Financial Years claimed in current F. Y. Add

Instructions: Any ITC which was booked in the Audited AFS of earlier F.Y. but availed in the ITC ledger in the Current F.Y. for which the reconciliation statement is being filed for shall be declared here. Include transitional credit which was booked in earlier years but availed during F. Y. 2017-18. If the ITC recorded in the books of earlier period/s including transitional credit is claimed in current year it will increase the figure of ITC claimed than in the books and hence such figure shall be **added**.

For the period July 17 to March 18 there will not be any ITC of earlier year as this is the first year but it will have figures of transitional credit shown in Tran 1. e.g. C/f of excise, service tax cr. will come here. But ITC on a/c of opening stock will not be considered. See prov. of Sec. 139 to 142

Part IV: Reconciliation of Input Tax Credit

12 C ITC booked in current F.Y. to be claimed in next F.Y. Less

Instructions: Any ITC which has been booked in the audited A.F.S. of the current F.Y. but the same has not been credited to the ITC ledger for the said financial year shall be declared here.

GSTR 9 captures ITC availed in 3B. Audited AFS capture ITC booked and availed in current F.Y.

If ITC is availed as per audited AFS but not claimed in 3B of current F.Y. but claimed in subsequent F.Y. the ITC claimed will be less and hence is required to be reduced for matching.

12D ITC availed as per audited AFS or books of accounts as derived from values declared in Table 12A, 12B and 12C above will be auto populated

Part IV: Reconciliation of Input Tax Credit

12 E ITC claimed in Annual Return (GSTR9)

Instructions: Net ITC available for utilization as declared in **Table 7J** of Annual Return (GSTR9) shall be declared here.

12 F Un-reconciled ITC

ITC 1

The difference in ITC claimed as per books (12 D) and ITC claimed in Annual return (12 E) if any will be shown here.

Table 13 Reasons for un-reconciled difference in ITC

A Reason 1 <<Text>> B Reason 2 <<Text>> C Reason 3 <<Text>>

Instructions: Reasons for non-reconciliation of ITC as per audited AFS or books of account (Table 12D) and the net ITC (Table 12E) available in A.R. GSTR 9 shall be given. The reasons can be ITC which has lapsed not availed, mistakes committed while calculating/ writing figures while preparing 3B

Pt. IV- 14- Reconciliation of Eligible ITC

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			

Pt. IV- 14- Reconciliation of Eligible ITC

L	Stationery Expenses (including postage etc.)			
M	Repair and Maintenance			
N	Other Miscellaneous expenses			
O	Capital goods			
P	Any other expense 1			
Q	Any other expense 2			
R	Total amount of eligible ITC availed			<<Auto>>
S	ITC claimed in Annual Return (GSTR9)			
T	Un-reconciled ITC			ITC 2

15 Reasons for un reconciled difference in ITC -

- | | | |
|---|----------|------|
| A | Reason 1 | Text |
| B | Reason 2 | Text |
| C | Reason 3 | Text |

Instruction for table 14

This table is for reconciliation of ITC declared in the Annual Return (GSTR9) against the expenses booked in the audited AFS 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 exp. on which GST has been paid / payable are to be declared here.

14R Here ITC declared in Table 14A to 14Q shall be auto populated

14S Net ITC availed as declared in the AR (GSTR9) shall be declared here Table 7J of the AR (GSTR9) may be used for filing this Table.

Questions Arising out of Table 14

Whether it requires reconciliation with P&L?

There are three columns for figures.

First column we have to give value of expenses. Shall this total match with total expenses in P&L plus addition to capital asset. According to me it is not necessary. Give the expenses on which ITC is available and shown in ITC ledger in books.

Second column the total ITC for that expense is given. As a control tally this figure with the total of ITC ledger. The total is not generated.

Third column the ITC availed after reversals and blocked credits and claimed as ITC in the books. The total will be auto generated in 14 R

This will be the total ITC availed in current F.Y.

Questions Arising out of Table 14

Whether all cases to be included or only to tally figure of Table 12 A/D?

It is possible that **a)** ITC is available on many items but it is not availed or claimed **b)** ITC is recorded in books after filing of 3B and hence not claimed in 3B of that month **c)** There will be opening & closing balance etc. Because of this the total of 14R will not match with 12D (ITC availed as per AFS) but it will match with 12A (ITC availed as per audited AFS)

Whether ITC 1 (Table 12F) and ITC 2 (Table 14T) overlap with each other?

The figures of **12D** (ITC availed as per AFS) and **14R** (Total amount of eligible ITC availed) are different figures But figure of ITC claimed in A.R. GSTR 9 which is compared with these at 12E & 14S are same i.e. figure of 7J of GSTR 9 and hence ITC 1 & ITC 2 WILL NOT BE SAME

Questions Arising out of Table 14

What will the reasons for the difference in Table 15?

Figure arrived at 14 R does not take in to consideration following figures:

- a) Opening balance of last yr. b/f
- b) Closing balance of current yr. C/f
- c) Transitional credits from Tran 1 & Tran 2
- d) Mistakes committed while calculating & writing figures of 3B

Whether reconciliation with GSTR 2A required?

2A is there for guidance only. Notification 39/2018 dated 4/9/18 changed rule 36(2) Which specifies the documents shall contain following particulars to claim a) the details of the amount of tax charged, b) description of goods or services, c) total value of supply of goods or services or both, d) **GSTIN of the supplier and recipient** and e) place of supply in case of inter-State supply,

Tax payable on un reconciled difference

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	

Any amount which is payable due to reasons specified in Table 13 and 15 above shall be declared here.

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)					

Part V : Auditors recommendation

The auditor's recommendation on the additional liability to be discharged by the taxpayer due to non-reconciliation of turnover or non-reco. of ITC.

The auditor shall also recommend:

- a) Tax Liabilities because of outward supply and ITC will flow from earlier cl.
- b) Interest, late fee, penalty
- c) Any other amount paid for supplies not included in annual return (Taxes paid through DRC 03)
- d) Erroneous Refunds to be paid back
- e) Outstanding Demands to be settled
- f) Others

Towards, the end of the reconciliation statement taxpayers shall be given an option to pay their taxes as recommended by the auditor.

Verification By Auditor

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

Issues

- 1) Whether the dealer has to pay the liability determined by auditor as payable?
- 2) Whether auditors recommendations can be sufficient reason to issue show cause notice by dept.?
- 3) Where the difference will be reflected table 6,8 or 10 in following cases?
 - a) The GSTR1 matches with AFS but not with GSTR 3B
 - b) GSTR 3B matches with AFS but not with GSTR 1
 - c) GSTR 1 & 3B match but not with AFS



Thank
you!

**ANY QUESTIONS
ASK
CA DILIP PHADKE
9322231414**

Presentation by CA Dilip Phadke