Technical Guide on GST Reconciliation Statement- Form GSTR-9C

(November 2026)

The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

New Delhi

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Foreword

The Goods and Services Tax (GST) regime in India has undergone continuous evolution since its inception, with successive legislative amendments, policy reforms and administrative measures aimed at strengthening the statutory framework and aligning it with the changing dynamics of trade and industry. The progressive refinement of GST law and procedures has led to significant developments in areas such as Input Tax Credit, classification and valuation of supplies, return filing, refunds, registration, assessment and adjudication, while addressing practical challenges and simplifying compliance requirements.

The GST Council has played a pivotal role in driving these reforms through recommendations on tax rate rationalisation, exemptions, procedural simplification and technology-driven compliance. The recent GST reforms envisage further transformation of the indirect tax framework through a broader tax base, simplified return filing and compliance mechanisms, technology-driven risk management, seamless flow of Input Tax Credit and expeditious digital dispute resolution.

These developments reflect the continuing endeavour to create a more streamlined, transparent and taxpayer-friendly GST regime and underscore the importance of keeping abreast of legislative changes, procedural refinements and evolving compliance requirements under the GST law.

The Institute of Chartered Accountants of India (ICAI), through its GST & Indirect Taxes Committee, has played a significant role in the evolution and effective implementation of the GST framework by providing constructive suggestions and technical inputs to the Government. The Committee has also consistently endeavoured to enhance the professional competence of its members through certificate courses, conferences, workshops, live webcasts and e-learning programmes. Further, its comprehensive range of technical publications has served as a valuable knowledge resource, enabling members and other stakeholders to understand the evolving GST provisions, address complex compliance issues and effectively discharge their professional responsibilities.

I am pleased to note that the GST & Indirect Taxes Committee of ICAI has brought out the November 2026 edition of the publication titled “Technical Guide on Annual Reconciliation Statement (Form GSTR-9C)”, duly

incorporating relevant legislative amendments and procedural updates. This revised Technical Guide offers comprehensive and structured guidance on each table of Form GSTR-9C, supported by clarifications, illustrations and practical insights, thereby facilitating a clearer understanding and effective application of the prescribed reporting requirements.

I acknowledge the dedicated efforts of CA. Umesh Sharma, Chairman, and CA. Rajendra Kumar P, Vice-Chairman, GST & Indirect Taxes Committee, along with all the members of the Committee who have contributed to the development of this publication.

I am confident that this revised publication will serve as a valuable reference for members, trade, industry and tax professionals, facilitating the accurate and efficient preparation and filing of the GST Annual Reconciliation Statement.

CA. Prasanna Kumar D.
President, ICAI

Date: 21.11.2026

Place: New Delhi

Preface

The Institute of Chartered Accountants of India (ICAI), through its GST & Indirect Taxes Committee of ICAI has been committed to supporting members in adapting to the complexities of the GST law through various capacity-building initiatives, knowledge-sharing webinars, publications and representations before policymakers. The Committee has served as a bridge between regulatory authorities and the profession, ensuring that practical concerns and professional perspectives are constructively addressed in policy formulation.

Form GSTR-9C is a key part of annual GST compliance. It reconciles the figures in the annual return (Form GSTR-9) with the taxpayer's audited financial statements and books of accounts, covering turnover, taxable supplies, tax liability, input tax credit (ITC) and tax payments, with explanations for any differences. Given the evolving legislative framework, changes in reporting requirements and continuing portal enhancements, a sound understanding of the reconciliation principles is essential for accurate and complete filing. Accordingly, an updated and comprehensive reference guide assumes particular significance for the Financial Year 2025-26.

The November 2026 Edition of the "Technical Guide on GST Reconciliation Statement (Form GSTR-9C)" incorporates the amendments, notifications, circulars and clarifications issued up to October 2026. It explains the statutory and procedural requirements for preparing and filing the statement, including reconciliation of turnover, taxable turnover, tax liability, ITC, and tax, interest and late fee paid, adjustments relating to earlier years, and additional liability arising from differences, where applicable.

We express our sincere gratitude to CA. Prasanna Kumar D, President, ICAI, and CA. Mangesh Kinare, Vice-President, ICAI, for their valuable encouragement and support to the initiatives of the GST & Indirect Taxes Committee. We also acknowledge the dedicated efforts of CA. Disha Khurana and CA. Shikha Maurya in providing the requisite technical and administrative support in releasing this publication. We extend our thanks to the members of the GST & Indirect Taxes Committee for their continued support and contribution to its endeavours.

While every effort has been made to ensure the accuracy, relevance, and practical utility of the contents, differing interpretations may exist due to

evolving legal and judicial developments. We welcome constructive feedback from readers to help us further improve and refine this publication. We are confident that this edition will serve as a valuable companion for professionals and taxpayers in ensuring accurate, efficient, and compliant filing of the annual GST return.

While meticulous care has been taken to ensure that this publication accurately reflects the latest statutory amendments, procedural updates and practical considerations, variations in interpretation may still arise. We welcome feedback from readers for further refinement and request that any inadvertent errors or omissions be brought to our notice.

Suggestions may be shared at gst@icai.in. We also encourage readers to visit our website https://idtc.icai.org to stay updated and contribute to our collective endeavour of making GST a truly efficient, transparent, and simplified tax system.

CA. Umesh Sharma
Chairman
GST & Indirect Taxes Committee

CA. Rajendra Kumar P
Vice-Chairman
GST & Indirect Taxes Committee

Date: 21.11.2026

Place: New Delhi

Foreword to the First Edition

Since the introduction of Goods and Service Tax (GST) regime in India, its evolving and dynamic nature has been marked by continuous amendments and improvements. The Government has actively responded to concerns raised by businesses, striving to simplify compliance procedures. Regular meetings of the GST Council have been convened to deliberate on adjustments to tax rates, exemptions, and other elements of the GST structure. The increasing GST revenues and expanding base of taxpayers stand as a testament to the success of this transformative indirect tax regime. ***Referring to the GST as the "Tryst with Modernity",*** the Hon'ble Vice-President of India Shri Jagdeep Dhankhar remarked at the Global Professional Accountants Convention organized by the ICAI at Ahmedabad ***that it stands as the largest tax reform since independence, completely transforming the country's indirect taxation landscape. He also praised the Chartered Accountants fraternity for their role in shaping Goods and Services Tax into the user-friendly 'Good and Simple Tax.'***

The Institute of Chartered Accountants of India (ICAI) through its GST & Indirect Taxes Committee, has been instrumental in contributing significantly to the implementation of GST in India. The Committee has consistently provided valuable suggestions to the Government at every stage of GST implementation. Through a proactive approach, ICAI has been actively supporting its members, fostering skill enhancement through the organization of diverse courses, conferences, programmes, live webcasts, e-learning etc. on GST. Additionally, the Committee regularly publishes informative technical publications that cover a broad spectrum of GST related topics.

I am delighted to acknowledge the efforts taken by the GST & Indirect Taxes Committee in developing the publication, **"Technical Guide on GST Reconciliation Statement (Form GSTR 9C)".** The Technical Guide offers comprehensive insights and guidance on filing of the reconciliation statement in Form GSTR-9C. The relevant provisions are presented in readily understandable language. Additionally, the publication presents a detailed discussion of Form GSTR-9C (Reconciliation Statement), delineating optional and mandatory fields, along with potential sources for acquiring information to complete each table.

I extend my compliments to CA. Sushil Kumar Goyal, Chairman, CA. Umesh Sharma, Vice Chairman, as well as all the members of the GST and Indirect Taxes Committee along with all those who have actively contributed in developing this valuable technical publication.

I am positive that members will find this publication very useful in discharging their statutory functions and responsibilities in an efficient and effective manner.

CA. Aniket Sunil Talati
President, ICAI

Date: 04.12.2023

Place: New Delhi

Preface to the First Edition

The Institute of Chartered Accountants of India (ICAI) through its GST & Indirect Taxes Committee supported the Government in ushering in the GST regime in India and has been assisting the Government in ironing out the post-implementation issues as well. The Committee has also been actively working to share GST knowledge and increase GST awareness by regularly bringing out new technical publications and revising the existing publications.

Taking another step in this direction, the Committee has developed another publication, **"Technical Guide on GST Reconciliation Statement (Form GSTR 9C)"** to provide in-depth understanding and practical guidance for reconciling the books of accounts with the GST Annual Return and filing the Reconciliation Statement. The publication explains the adjustments required to be made as also the reasons for non-reconciliation.

We are thankful to CA. Aniket Sunil Talati, President, ICAI and CA. Ranjeet Kumar Agarwal, Vice-President, ICAI for their unwavering encouragement and support in all the initiatives of the GST & Indirect Taxes Committee. We acknowledge with our deepest gratitude the contribution of the members of the Gujarat Study Group on GST in developing this publication. We are also grateful to the members of our Committee, who have provided valuable inputs for this publication. We acknowledge the technical and administrative assistance provided by CA. Smita Mishra, Secretary to the Committee, CA. Deepak Aggarwal and CA. Shiv Kumar.

Though every effort has been made to ensure the accuracy and legitimacy of the information presented in this publication, it is important to acknowledge that differing perspectives or opinions may exist on the subjects covered herein. We urge our readers to kindly inform us of any unintentional errors or oversights that they may come across in this publication.

We welcome suggestions at *gst@icai.in* and request the readers to visit our website *https://idtc.icai.org* and provide valuable inputs in our journey to make GST truly a good and simple tax.

CA. Umesh Sharma
Vice – Chairman
GST & Indirect Taxes Committee

CA. Sushil Kumar Goyal
Chairman
GST & Indirect Taxes Committee

Date: 04.12.2023
Place: New Delhi

Contents

1. Introduction to GST Reconciliation Statement 1
2. Important Aspects for GST Reconciliation Statement in case of Multi-Locational Entities 11
3. Analysis of FORM GSTR-9C 22

Appendix 1 157

Appendix 2 222

Appendix 3 246

Appendix 4 248

Appendix 5 250

Appendix 6 255

Appendix 7 254

Readers may make note of the following while reading the publication:

Reference to the Central Goods and Services Tax Act, 2017 ("**the CGST Act**"), wherever stated, must be understood to mean and include the respective State Goods and Services Tax Act, 2017/ Union Territory Goods and Services Tax Act, 2017 (**"the SGST Act/ UTGST Act"**) and relevant provisions, where required, of Integrated Goods and Services Tax Act, 2017("**the IGST Act**").

Unless otherwise specified, the section numbers and rules referred to in this publication pertain to Central Goods and Services Tax Act, 2017 and Central Goods and Services Tax Rules, 2017.

Chapter 1
Introduction to GST Reconciliation Statement

Introduction

The introduction of the Goods and Services Tax regime is a revolutionary step in the domain of commodity and services tax, which has brought about a paradigm shift in the methodology of levy and collection of taxes. It is an internationally recognized multipoint tax system, providing for levy of tax on goods as well as services on the value addition occurring at every stage of business activity. GST, being a self-assessment tax, requires reconciliation with books of accounts for ensuring its proper compliance.

Goods and Services Tax was introduced to consolidate most of the indirect taxes and also to increase the tax base with emphasis on compliance. At the same time, thrust was given to self-assessment processes whereby the taxpayers are required to assess their tax liability and pay taxes. While doing so and considering the challenges which the government may face in handling the volume of taxpayers and transactions, technology support has been taken right from the time of its introduction.

Considering the self-assessment regime, the provisions of the audit (section 35(5) read with section 44(2) of the CGST Act) were introduced under the GST regime since its inception. However, the Government has eliminated the requirement for GST Audit effective from 01.08.2021. Now, there is a requirement to furnish a self-certified reconciliation statement from FY 2020-21 onwards.

Objective of Reconciliation Statement under GST Law

From the format of FORM GSTR – 9C (Reconciliation Statement), the following can be deduced:

(a) The reconciliation statement aims to have reconciliation between details filed as per annual return in form GSTR 9 and details as per audited financial statement.

(b) It aims to have reconciliation of:

(i) Turnover declared,

(ii) Taxes paid

(iii) Input tax credit availed;

(c) The reconciliation statement also aims to assess registered person's compliance with the provisions of GST Acts and Rules.

All this makes it clear that the objective of GST Reconciliation Statement is to ensure the proper reconciliation between GST Returns and books of accounts for Turnover declared, Taxes paid and Input Tax Credit availed in addition to compliance of the GST Acts and Rules.

Legal Provisions related to GST Reconciliation Statement

In order to understand the gamut of the Reconciliation statement and its requirement, it is relevant for us to understand the legal provisions related to the GST Reconciliation. Section 44(1) of the CGST Act and Rule 80(3) of the CGST Rules cover legal provisions of Reconciliation Statement.

Section 44(1) of the CGST Act

(1) "Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52 , a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a ***self-certified reconciliation statement****, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed:*

Provided *that the Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section:*

Provided *further that nothing contained in this section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force".*

Rule 80(3) of the CGST Rules

"(3) Every registered person, other than those referred to in the second proviso to section 44 , an Input Service Distributor, a person paying tax under section 51 or section 52 , a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees, shall also furnish a ***self-certified reconciliation statement*** *as specified under section 44 in* ***FORM GSTR-9C*** *along with the annual return referred to in sub-rule (1), on or before the thirty-first day of December following the end of such financial year, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner".*

Comment: Rule 80(3) uses the expression "Every registered person, other than those referred to in the second proviso to section 44, an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees". It must be noted that the word "aggregate turnover" has been defined in the Act. In this backdrop the following understanding is relevant:

(a) Aggregate turnover is PAN based whereas turnover in a State/ UT, though similarly worded, is limited to turnover in a State/ UT. In other words, Aggregate turnover is the sum-total of turnover in a State/ UT of All GSTINs obtain under the PAN.

(b) It is, therefore, reasonable to interpret that reconciliation statement in FORM GSTR 9C would be applicable for all registration under the same PAN once the aggregate turnover crosses the limit of Rs. 5 Crore.

Misunderstanding: Taxpayers often exclude exempt supplies from aggregate turnover calculation, assuming only taxable supplies count toward thresholds.

Clarification: Section 2(6) explicitly includes exempt supplies in aggregate turnover. Examples include interest income on loans or deposits, and supplies of non-taxable goods like alcoholic beverages for human consumption.

It can be seen that section 44 of the CGST Act read with rule 80(3) of the CGST rules provides that the following documents shall be furnished electronically by the taxpayer:

(a) Annual Return;

(b) Copy of the audited annual accounts;

(c) Self-Certified Reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement in FORM GSTR-9C;

Vide rule 80(3), the reconciliation statement shall be furnished in the FORM GSTR-9C. The provisions of section 44 require reconciliation of the figures declared in '*return furnished for the financial year*' with the '*audited financial statement'*. It appears that the return furnished for the financial year refers to the annual return furnished in FORM GSTR-9.

In addition to the provisions as mentioned above, there are number of provisions that are relevant for carrying out reconciliation.

Applicability of GST Reconciliation Statement

Section 44 of the CGST Act read with the corresponding rule 80(3) of the CGST Rules relates to reconciliation statement. In terms of the said section / rule, every registered person whose ***aggregate turnover in a financial year exceeds Rs. 5 Crore*** has to furnish self-certified reconciliation statement in form GSTR 9C.

Misunderstanding: Computing turnover separately for each State registration under the belief that thresholds apply state-wise.

Clarification: Aggregate turnover is computed on an all-India basis for all registrations under the same PAN, not individual state-wise computation.

In the event that a taxpayer's total aggregate turnover across all their regular GST registrations surpasses ₹5 crore during a given financial year, they are obligated to submit both the annual return in Form GSTR-9 and the self-certified reconciliation statement in Form GSTR-9C for every single one of their registrations. This requirement applies universally, regardless of

whether a particular registration "state turnover" of the registration in that year.

Implications of GST Reconciliation

- Where a review is undertaken periodically, the discrepancies would be noticed and corrective measures would be taken promptly. Thus, it would lead to optimising credit availability as well as payment of tax/ refunds etc.
- A periodic review of information such as computation of total and taxable turnovers, review of rates of taxes, proper application of relevant notifications, circulars, orders etc., Government orders and adherence to the tax compliances.
- Incorrect claims for tax benefits/ exemptions would be filtered out, as tax professionals would be in a position to intimate the consequences of such practices and also bring out the systemic failures in their reports.
- It is customary to expect that the departmental audit is conducted long after the end of the financial year except in cases where investigations, inspections or special audits are taken up. Naturally, any levy of additional taxes either due to non-compliance or incorrect comprehension of the complex tax laws would result in taxes plus consequential interest and penalties.

Preparation for the GST Reconciliation Statement

The GST reconciliation statement requires deep understanding of the GST laws, IT infrastructure of the registered person, the method in which the GST portal operates, the applicability of the various notifications, circulars, orders etc., classification of goods and/ or services, the nature of supplies, the manner of availing credits together with its allowability or otherwise, maintenance of various records and documents specified therein, requirements of reporting and source of information, understanding of the business of the registered person, etc. The reconciliation of all these records and documents would need substantial amount of preparation and time.

To start with, the following (among others) are the various steps can be taken for GST reconciliation.

(a) Understand the nature of business, the products or services, requirements of records to be maintained, and advise the registered person to maintain accounts and records so required, beforehand;

(b) Prepare a questionnaire to focus on key areas of operations/ activities of the registered person, and specifically develop questions on those issues on which the GST law would have a bearing;

(c) Preparation of the detailed program and list of records to be reconciled;

(d) Obtain the relevant reconciliations.

Consequences of failure to submit the Annual Return and Reconciliation Statement

Sub-section (2) of section 47 of the Act provides for levying late fees to those registered persons who failed to furnish the annual return in FORM GSTR-9 by the due dates. The late fees for furnishing of annual return have been reduced vide *N.No. 07/2023-CT dated 31.03.2023* from FY 2022-23 onwards. The reduced late fees is as follows:

QUANTUM	CGST	SGST
For turnover upto Rs. 5 Crore		
Minimum	Rs. 25.00 for every day during which the failure continues.	Rs. 25.00 for every day during which the failure continues.
Maximum	0.02 percent of his turnover in the State or Union territory.	0.02 percent of his turnover in the State or Union territory.
For turnover of Rs. 5 Crore to Rs. 20 Crore		
Minimum	Rs. 50.00 for every day during which the failure continues.	Rs. 50.00 for every day during which the failure continues.
Maximum	0.02 percent of his turnover in the State or Union territory.	0.02 percent of his turnover in the State or Union territory.
For turnover above Rs. 20 Crore		

Minimum	Rs. 100.00 for every day during which the failure continues.	Rs. 100.00 for every day during which the failure continues.
Maximum	A quarter percent (0.25%) of his turnover in the State or Union territory.	A quarter percent (0.25%) of his turnover in the State or Union territory.

The registered person, who is required to furnish annual return in the terms of the provisions of section 44 read with rule 80, has to furnish the annual return in FORM GSTR-9 along with a copy of the audited annual accounts and a reconciliation statement in FORM GSTR-9C. Hence, one can infer that the annual return is to be accompanied with the reconciliation statement, if not done it may amount to non-filing of return and late fee may be levied. CBIC in Para 3.3 of *Circular No. 246/03/2025-GST dated 30.01.2025* has clarified the following:

3.3 .....clarified that late fee under sub-section (2) of section 47 of the CGST Act, is leviable for the delay in furnishing of complete annual return under section 44 of the CGST Act, i.e. both FORM GSTR-9 and FORM GSTR-9C (where FORM GSTR9C is also required to be furnished) and the late fee shall be payable for the period from the due date of furnishing of the said annual return upto the date of furnishing of the complete annual return i.e. FORM GSTR-9 and FORM GSTR-9C. It is also to be noted that late fee is not separately leviable for delayed furnishing of FORM GSTR-9 and delayed furnishing of FORM GSTR-9C, but has to be calculated for the period from the due date of furnishing of annual return under section 44 of the CGST Act till the date of furnishing of complete annual return i.e.:

i. in cases where FORM GSTR-9C is not required to be furnished, the date of furnishing of FORM GSTR-9;

ii. in cases where FORM GSTR-9C is required to be furnished along with FORM GSTR-9,

   a. the date of furnishing of FORM GSTR-9, if FORM GSTR-9C is furnished alongwith FORM GSTR-9; or

   b. the date of furnishing of FORM GSTR-9C, if FORM GSTR-9C is furnished subsequent to furnishing of FORM GSTR-9.

This clarification is further detailed in Query No. 23 of the FAQ on GSTR-9/9C for FY 2024-25, issued by GSTN. It states that late fees for GSTR-9 will

apply from the due date for filing the annual return up to the actual filing date of GSTR-9. For GSTR-9C, late fees will be computed from the later of (i) the filing date of GSTR-9 or (ii) the due date for the annual return, until the filing date of GSTR-9C.

Accordingly, a new Table - 17 titled "Late Fee Payable and Paid" has been inserted below Part V of GSTR-9C to capture such late fee payable under Section 47(2).

Positions in case of Non-filers and Un-registered Persons

1. The word or expression non-filer has not been defined in the GST laws. A non-filer is a registered person who is liable to file the return or statement periodically but has failed to do so. The heading in section 62 of the CGST Act reads Assessment of non-filers of returns. It must be understood that headings are words placed at the head of a Chapter, Paragraph etc., or at the front or top of anything. They do not have any legal significance.

2. A **non-filer** is a taxpayer who has not met his tax filing obligation by the due date of the return/ statement or the approved extended due date. Non-filers and un-registered non-compliant persons are normally misunderstood to be of the same class, but they are different. The differences are given below:

    - An un-registered non-compliant person under GST is the person liable to apply and obtain registration but has failed to do so.
    - Non-filer is a person who is already registered and is therefore liable to file the return/ statement but has failed to do so.

3. Under section 62 of the CGST Act, where a registered taxable person fails to furnish the return (non-filer), the proper officer may, after allowing a period of 15 days from the date of service of the notice under section 46 of the CGST Act, proceed to assess the tax liability of the person to his best judgment, taking into account all the relevant

material which is either available on records or which he has gathered.[1]

4. Under section 63 of the CGST Act, where a taxable person (i.e., a person liable to take registration) fails to obtain registration, the proper officer may decide to assess the tax liability of the said taxable person to his best judgement for the relevant tax periods and issue an assessment order within a period of five years from the due date for filing of the annual return for the year to which the tax not paid relates.

5. Whether reconciliation statement is applicable to non-filers or un-registered persons liable to take registration?

The filing of reconciliation statement is applicable only to a registered person. A non-filer is a registered person under section 25 of the CGST Act; the reconciliation statement is to be filed, if it satisfies the condition stated in the section.

However, an un-registered person who is liable to take registration under section 25 of the CGST Act is a person who has to pay tax. But the said un-registered person is not a registered person defined under section 2(94) of the CGST Act. Hence, in terms of section 44 of the Act, reconciliation statement is not required.

6. Whether a non-filer or an un-registered person can be subjected to any other audit under GST?

Under section 66 of the CGST Act, a registered person can be ordered to go for an audit by the department by nominating a CA or CWA in accordance with the conditions laid down in the said Act. Thus, a special audit cannot be conducted against an un-registered taxable person but can be ordered in respect of the non-filer.

Illustrations

(a) M/s. ABC has been holding the GST registration but has not filed the statement of returns in FORM GSTR-3B. Notice is issued under section 46 for failure to file returns. Even then, no returns are filed. In such a case, M/s. ABC becomes 'non-filer'.

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[1] *Such persons would pay the tax liable with interest & penalties. However, he may not file the return, therefore, GSTN needs to permit the future return filing process without filing the earlier return.*

(b) M/s. XYZ, on registration has been filing statements/ returns in FORM GSTR-1/ FORM GSTR-3B. However, annual return in FORM GSTR-9 has not been filed. Proper Officer issues a notice for failure to file annual return within 15 days. Even then, no annual return is filed within the time permitted. In such a case, M/s. XYZ becomes 'non-filer'.

(c) M/s. PQR's turnover during the financial year exceeds Rs.20 lacs and is liable to be registered under section 22. It failed to obtain registration. In such a case, M/s. PQR is not a 'non-filer' but one 'liable to get registered'.

A non-filer is a person who does not file returns or statements within due dates. But it is possible that his books and records reflect aggregate turnover beyond the threshold prescribed under the GST laws. In such situations, the non-filer is required to file his annual return in FORM GSTR-9 and the reconciliation statement in FORM GSTR-9C. A non-filer may also be subject to special audit under the provisions of section 66 of the CGST Act.

On the other hand, an un-registered person, even if his aggregate turnover exceeds the prescribed limit, is not required to submit reconciliation statement.

Conclusion

The GST reconciliation statement places a huge responsibility on the person preparing the reconciliation statement and they must be aware of the nature and complexity of the business/ operations of the registered person. It may be advisable that person preparing reconciliation statement, prepares a suitable standard questionnaire (depending on the nature of business and facts and circumstances of each case) to become familiar with the business, modus of operation etc. It is important to bear in mind that/ complicated questionnaire may not be effective, even if prepared for obtaining a comprehensive understanding of the business in question.

Chapter 2
Important Aspects for GST Reconciliation Statement in case of Multi-Locational Entities

I. Introduction

1. Registration, under the GST laws, is for an 'Entity' in respect of its supplies affected 'in' the State/ UT. An 'Entity' may have as many registrations as the States that it operates 'in'. Section 25(4) and section 25(5) of the CGST Act make it clear that each registrant is a 'distinct person' under the GST laws even with same PAN. Section 22 of the CGST Act also permits more than 'one registration' even within the same State/ UT.

2. It is possible that a transaction that takes place between two branches of the same 'Entity' becomes liable to tax incidence due to the operation of Schedule I of the CGST Act. That is, transactions between two distinct persons (both belonging to the same Entity) would be a 'supply' transaction when those transactions fall within the purview of Schedule- I,

   '2. supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business and

   …

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

3. It is interesting to note that there are more than one kind of multi-location units to be considered, namely (among others):

   (a) Registered branches in two different States/ UTs;

   (b) Registered branches within the same State/ UTs;

(c) Business locations outside India;

(d) Branches in a State that are found liable to register but are not registered.

II. Analysis

(a) When an 'Entity' has more than one, registration in one or more than one State/ UT, each registrant is treated as a distinct person in terms of section 25 of the CGST Act. Accordingly, each of these distinct persons is required to furnish self-certified reconciliation statement under the GST Laws. However, it is important to note that the following "Registrations" of the taxable person are not required to furnish self-certified reconciliation statement:

— Input Service Distributor;

— A person paying tax under section 51 or section 52;

— A casual taxable person; and

— A non-resident taxable person.

— Registered persons with aggregate turnover up to Rs. 5 crore.

(b) In respect of persons in sub-clauses (a) to (d) cited in clause 3 of Para I *(supra)*, the following key issues are to be borne in mind during the preparation of the Reconciliation Statement:

(i) Each registered person (GSTIN-wise) is required to maintain books, records, and other documents in accordance with section 35 of the CGST Act. A difficulty arises when the principal place of business holds or maintains all the books and records. In this situation, it would be extremely difficult to "derive" specific transactions and reflect such transactions in the returns/ statements to be filed. For instance, the books and records may not reflect stock transfer of goods between branches, whereas such data may be derived on the basis of delivery challans, e-way bills, or such other documents maintained.

(ii) Another situation could be where common costs are required to be allocated. This could be done based on the turnover of each distinct person, or based on manpower deployed, or any other suitable cost-driver relevant to each such cost to be allocated.

Manpower employed by the legal entity must also be allocated to a specific branch (GSTIN-wise allocation of staff cost) to which it belongs.

(iii) It is common knowledge that several enterprises use infrastructure available in a centralized location or back-office support whether in respect of Information Technology, Finance, Accounting, Human Resources or Personnel, Corporate Management, etc. These costs are required to be allocated based on 'end use' rather than on turnover. However, the registered person must bear in mind that such allocation could also be a subject matter of valuation under the GST law and also have a bearing on transfer pricing regulations in Income-tax and Special Valuation Branch (SVB) orders in Customs;

(iv) The method of valuation applicable under GST law for supplies between distinct persons is again a point of consideration in as per section 15(5) of the CGST Act confirms that the value of supplies between distinct persons or related persons shall be as per provisions of rule 28 of CGST Rules shall be as follows –

i. Open Market Value of such supply.

ii. If not available, then the value of goods or services of like kind or quality.

iii. If still unascertainable, cost of supply plus 10% markup.

iv. If not available, then on the basis of best judgment assessment.

Provided that where the goods are intended for further supply as such by the recipient, the value shall, at the option of the supplier, be an amount equivalent to ninety percent of the price charged for the supply of goods of like kind and quality by the recipient to his customer not being a related person.

Provided further that where the recipient is eligible for full input tax credit, the value declared in the invoice shall be deemed to be the open market value of the goods or services.

The valuation of distinct persons has always been a matter of dispute between the tax officers and the taxpayers as it involves reasonable measures of calculation and the relationship should

not affect the pricing. Interpretation of the rules described above needs to be understood in a harmonious manner and with the intent of the lawmakers to tax this transaction.

(v) The next issue which can be a point of contention could be the entitlement of input tax credit for the recipient of such supply where it fails to pay the value and tax amount to the supplier within 180 days from the date of issue of an invoice as per second proviso to section 16(2) and reversal of input tax credit would be required under rule 37 of the CGST Rules. However, proviso to rule 37 of CGST Rules states that the value of supplies made without consideration as specified in Schedule I of the CGST Act shall be deemed to have been paid for the purposes of the second proviso to sub-section (2) of section 16 of the CGST Act. The intra-company transactions – issues pertaining to valuation and availment of the input tax credit have been clearly identified in the law and have been provided with the mechanism to derive the solution to it.

(vi) In respect of transactions with a branch, while the head office is registered, the branch has failed to obtain registration. Registered person while preparing the reconciliation statement has to ensure this in his report to ensure completeness of the reporting by the registered head office without leaving any loose ends becomes onerous.

(c) Key checks and balances:

(i) Extracting GSTIN-wise trial balance (duly validated that all such GSTIN-level trial balances add up to the entity-level trial balance);

(ii) Review of audited financial statements, cash flow, etc. for the audit period;

(iii) Review if there are any adverse comments in the Internal Audit, Earlier GST reports, and in the IS audit if conducted;

(iv) Ensuring relevant FORM GSTR-1 and FORM GSTR-2A are matched, where applicable;

(v) Securing confirmation letters where FORM GSTR-1 and FORM GSTR-2A remain un-matched;

(vi) whether the turnover disclosed in the GSTR-1 & GSTR-3B is matching with books of accounts;

(vii) Check whether the ITC availed in the books of accounts is matching with Table 4 of GSTR-3B;

(viii) In respect of transactions relating to the import of services and when such transactions are subject to valuation by the GST authorities at a later date, a change in the cost component due to valuation review can adversely impact the reporting results of the registered person.

(ix) Ensuring that credits and RCM liability are properly accounted for in special cases such as reversal of past credit.

III. GSTIN-wise Accounts for Reconciliation Statement

(i) As per section 35 of the Act, every registered person is required to keep and maintain, at his principal place of business, inward & outward supply of goods or services, stock of goods, input tax credit availed, etc., and where there is more than one place of business, the accounts relating to each place of business shall be kept at such places of business and has to be retained them until the expiry of seventy-two months from the due date of furnishing of annual return pertaining to such accounts and records.

(ii) At the outset, the reconciliation should be initiated by seeking a separate Trial Balance for the GSTIN for which the reconciliation statement is to be prepared. A separate Trial Balance ensures the identification of all transactions related to a particular GSTIN, of course, to the extent recorded in the books of accounts under GAAP. The Trial Balance can be generated by maintaining separate books of accounts for all locations, or it can also be generated from the specific marking for a Branch against every transaction. In the case of separate Trial Balance for branches under a single GSTIN, the same may be consolidated to eliminate inter-branch transactions within the same GSTIN. The relevant ledger accounts as per the Trial Balance should be reviewed with the records and documents maintained at the respective locations. The balances should be 'verified figures' declared in FORM GSTR-1 and FORM GSTR-3B of each GSTIN.

(iii) The best option would be to take an audited Trial Balance of each registered location. However, in case a GSTIN-wise audited Trial Balance is not available then a 'trial balance' of each registered location mapped with audited financials should be the base that ought to be considered for preparing the reconciliation statement. It may even be advantageous to append this trial balance along with the entity-level financials in Part B of FORM GSTR-9C.

IV. Importance of Registration-wise Transactions

There are many contracts that may be undertaken by a Legal Entity with a third party, whereas, its execution may require 'supply' from different locations. The interplay of supplies between branches is required to answer the correct tax payable or input tax credit availment/ available for a taxable person. Transactions between different GSTINs of the same Legal Entity should be analyzed very carefully. They may consist of-

- Stock transfer of goods; and/ or
- Cross utilization of services.

Stock transfer of goods may be easy to identify and can be cross-verified through stock records, records for movement of goods, etc., whereas, the cross utilization of services may not be clear from financial records. This needs analysis of each Trial Balance. Analysis of the purpose of expenditure incurred for each Trial Balance may provide indicative evidence for cross-utilization of services. Also, segmental reporting as per Accounting Standard (AS) 17/ Indian Accounting Standard (Ind AS) 108 Operating Segments may be a useful guide to identify such transactions. In case of inter-unit transfer of goods/ services the person preparing the reconciliation work is required to see that valuation has been carried out as per rule 28 of the CGST Rules. Further, as per a recent *Circular No. 199/11/2023-GST dated 17.07.2023* issued with regards to internally generated services specifically, in cases where full input tax credit is available or not available to the recipient. Where full input tax credit **is available** to the recipient, if a head office has issued a tax invoice then the value derived would be considered to be open market value as per rule 28, where tax invoice not issued, deemed to be considered as Nil and considered to be open market value as per rule 28. When input tax

credit pertaining to that **is not available** to the recipient, it has been clarified, that it is not mandatorily required to transfer the cost of salaries of employees of head office.

V. Cost Sharing / Cross Charge between Branches

(a) Section 7(1)(c) read with Schedule-I of the CGST Act considers transactions between distinct persons as supplies even when such transactions remain to self and maybe without consideration. Accordingly, the stock transfer of goods between branches being a transaction between distinct persons comes within the ambit of the GST laws. Similarly, services between branches would also attract GST liability.

(b) Preparation of reconciliation statement in case of multi-location entities would require examination (among others) of the following:

1. Costs incurred commonly at or by the Head Office, such as Marketing and Brand Building Costs;
2. The Head Office could be providing support to branches, such as Centralized Accounting Services; HR Services etc;
3. Billings for support services to own branches/units are done - Schedule I.
4. The present valuation mechanism adopted for regular sales to customers, supplies to related parties and distinct persons, and supplies without monetary consideration;
5. Branches without billings to third parties;
6. Branches with billings to third parties but all costs not met by branch;
7. Identification of software issues leading to non-compliance with GST law, E.g., Character limitation in software which hampers GSTR 2A vs. 3B matching.
8. Credit flowing to branches that do not carry corresponding invoices. Please note that there is an apparent incentive to claim CGST-SGST credit at branches in a given State even

though the invoice for the supply (to which this credit relates) may belong to another State;

9. The specific focus on transactions was taking credit in respect of goods or services that were not received or supplied.

10. Identification of branches that have not been registered;

11. Identify the 'location of employment of all employees and then map their costs and invoices in each branch;

12. E-Way bill to track supplies that have been marked as stock transfers;

13. The credit of 'State A' availed in 'State B', especially in cases where the place of supply is State B (E.g., Accommodation Services of the employee of 'State A' availed as credit in 'State B');

14. Whether the ITC on ISD invoices is availed and shown in the GSTR-3B;

15. The basis of the bifurcation of credits by ISD & the ISD invoices issued, if any, are as per rule 54 of CGST Rules.

16. Invoice level GSTR 2B vs. ITC as per books reconciliation is to be performed for Table 8 disclosure in GSTR-9.

17. Identify the credits availed in the books of account at an aggregate level (for each GSTIN) as well as separately for each of the expenses.

18. Legal opinions, if any obtained, by one location, similar issues or observations faced by the other location for GST supplies

19. Documentation in respect of transfer of cost through either ISD mechanism or cross charge and the basis on which it is made. Important to note, that cost is to be allocated only to such entities where services are availed or consumed.

VI. Cross Charge vs Input Service Distributor

(i) The cross charge is not defined under the GST Laws. It is a colloquially derived term in usage. It is a mere supply from one registered person to another where such entities have a common PAN.

Inter-company supply of goods (stock transfers) & supply of services by one branch of a company to another would qualify for cross charge vide Entry 2 of Schedule I read with section 25(4) of the CGST Act. However, Input Service Distributor is defined in section 2(61) of the CGST Act to mean an office of the supplier of goods or services or both that receives tax invoices issued under section 31 of the said Act towards the receipt of input services and issues a prescribed document as per rule 54 of the CGST Rules for the purposes of distributing the credit of GST on the said services to another branch of the same legal person.

(ii) Thus, while ISD is merely distributing the credit of invoice of input services relating to services received by another branch but invoice of which is received by the ISD, cross charge is a broader concept, where the location that received goods and services in its capacity uses such resources for provision of common support functions of the entity and thus, supply such support functions to other units. A choice of ISD or cross charge is material from the perspective of maintenance of books of accounts as well as reconciliation thereof. In summary, ISD is a mechanism within the GST framework in India that allows businesses to distribute input tax credits efficiently among their various branches or units. Cross-charging, on the other hand, is a broader accounting practice used in various industries and contexts to allocate costs or revenue between different departments or units within a single organization.

(iii) Recently, CBIC has clarified this issue through its *Circular No. 199/11/2023-GST, dated 17/07/2023* which was issued in line with the topic in discussion. Firstly, understanding circular is important to further dissect the same. The moot issue that the circular took in its radar was w.r.t. taxability of services performed by an office in a state of a PAN-based taxpayer to the office in a different state of the same PAN-based taxpayer.

(iv) Understanding the primary idea of 'internally generated services' and 'third party services' is important. Internally generated services are those services that an office in a state provides to an office in another state of the same PAN centrally. For e.g., Accounting services, IT services, HR services, etc. provided centrally from a single office for the organization as a whole. On the other hand, third-party services

are those services provided by an outsider to the organization as a whole. E.g., License services, Professional services, etc.

(v) With effect from 1st April, 2025, it is mandatory for the Head office (HO) to distribute ITC in respect of such common input services received from third party by following the ISD mechanism laid down in section 20 of the CGST Act read with rule 39 of the CGST Rules and can then avail ITC on the same subject to the provisions of section 16 and 17 of the CGST Act. The HO can issue ISD invoices to the concerned BOs, only if the said services have been provided to the concerned BOs.

(vi) In this case, HO will be required to get itself registered mandatorily as an ISD in accordance with section 24(viii) of the CGST Act. The distribution of such credit would be available to the recipient part only if such services or goods are consumed or availed by such recipient part.

(vii) In the case of internally generated services, where the BO is eligible for full ITC, any amount charged by the HO would be considered as the open market value. Even if HO has not issued a tax invoice to the BO, the value of such services may be deemed to be declared as Nil and may be deemed as open market value in terms of the second proviso to rule 28 of the CGST Rules. Further, in case ITC is not available with the recipient, the cost of salary of employees at HO need not be mandatorily included for the purpose of computing the value of the said supply.

VII. Conclusion

On the basis of the concepts stated above person preparing the reconciliation statement must bear in mind that a lot of issues may arise in a real-time business environment. Adequate checks and balances must be employed to exercise caution and care while reporting such transactions. The attention of the reader is also invited to the Advance Ruling in the case of *Columbia Asia Hospitals Private Limited vide KAR/ADRG/15/2018 dated 27th July 2018* where AAR has held that the activities performed by the employees at the corporate office in the course of or in relation to employment for the units located in the other states shall be treated as supply as per Entry 2 of Schedule I of the CGST Act. Further, it was elucidated that the valuation includes all the costs, the employee cost also needs to be included in the valuation of goods or services provided by one distinct person to the other distinct persons. This case was further affirmed

by Appellate Authority for Advance Ruling vide *KAR/AAAR/05/2018-19, dated 12-12-2018*. This information would be useful in making decisions, with the caveat that Advance Authority Rulings are not binding on any registered taxpayer other than the party in respect of which the Advance Ruling is given.

Chapter 3
Analysis of FORM GSTR-9C

Introduction

FORM GSTR-9C is the relevant form prescribed in terms of rule 80(3) of the "CGST Rules''. Upto FY 2019-2020, It had two parts: Part-A is the 'Reconciliation Statement' and Part-B is the 'Certificate'. However, from FY 2020-21 onwards, Part-B has been omitted. Now, it has only Part-A, which comprises the form of reconciliation statement. It has 5 Parts which contains various serially numbered tables. Part I captures the basic details of the registered person under Part-A (Reconciliation Statement) which has 4 Tables, each of the Table is significant in terms of the disclosure requirement.

Comparative view of FORM GSTR-9 and FORM GSTR-9C

Sl. No.	Return in FORM GSTR-9	Statement in FORM GSTR-9C
1	It is the report of a formal or official character giving information.	Means the formal statement to be made under the provisions of the Act, the veracity of which needs an enquiry as to its correctness.
2	Prescribed under the Statute.	Prescribed under the Statute.
3	To be filed by all registered persons. (**Optional** for small taxpayers having turnover upto Rs. 2 Crore for FY 2017-18, 2018-19 and 2019-20) (**Exemption** for small taxpayers having turnover upto Rs. 2 Crore for FY 2020-21, 2021-22,2022-23, 2023-24 and 2024-25 onwards)	To be filed only if the aggregate turnover in a financial year exceeds: • Rs. 2 Crore for the FY 2017-18 • Rs. 5 Crore for the FY 2018-19 and 2019-20. • Rs. 5 Crore (FY 2020-21 onwards vide *N.No. 30/2021-CT dated 30.07.2021*)
4	No threshold limit prescribed under CGST Act and CGST Rules. Option/Exemption to	Subject to threshold limit.

Sl. No.	Return in FORM GSTR-9	Statement in FORM GSTR-9C
	small taxpayers has been provided vide various notifications.	
5	Not required to be filed by a Casual Taxable Person, Non-Resident Taxable Person, Input Service Distributor, Unique Identification Number Holders, [2][Online Information and Database Access Retrieval Service], Composition Dealers, persons required to deduct taxes under section 51 and persons required to collect taxes under section 52.	Not required to be filed by a Casual Taxable Person, Non-Resident Taxable Person, Input Service Distributor, Unique Identification Number Holders, [2][Online Information and Database Access Retrieval Service], Composition Dealers, persons required to deduct tax under section 51 and persons required to collect tax under section 52.
6	No need to annex financials.	Financials are to be annexed.
7	A plain reading of the relevant provisions indicates that the said Annual Return in FORM GSTR-9 and the Reconciliation Statement in FORM GSTR-9C must be filed together. However, if one has to peruse FORM GSTR-9C there are certain tables which state that "turnover as declared in annual return" indicating thereby that FORM GSTR-9C is dependent on FORM GSTR-9. This anomaly can be addressed only on the basis of the finalized annual return initialled by the registered person.	

PART – A Reconciliation Statement

Part I Basic Details

	PART – A Reconciliation Statement	
Pt. I	Basic Details	
1	Financial Year	
2	GSTIN	
3A	Legal Name	<Auto>

[2] *Exemption from filing GSTR-9 & GSTR-9C vide N.No. 30/2019 - CT dated 28.06.2019.*

3B	Trade Name (if any)	<Auto>
4	Are you liable to audit under any Act? <<Please specify>>	

Instructions *(given along with the form in the relevant notification)*

1. *Terms used:*

   GSTIN: Goods and Services Tax Identification Number

2. *It is mandatory to file all your FORM GSTR-1, FORM GSTR-3B and FORM GSTR-9 for the current financial year before filing Reconciliation Statement in Form GSTR 9C. For the FY 2017-18, the details for the period between July, 2017 to March, 2018 are to be provided in this statement. The reconciliation statement is to be filed for every GSTIN separately.*
3. *The reference to current financial year in this statement is the financial year for which the reconciliation statement is being filed for.*

Analysis

PART-I - Sl. No. 1: Financial Year

This Sl.No. requires disclosure of the "financial year" to which the Reconciliation Statement in Part-A relates to. The expression financial year has not been defined under the GST laws. However, in terms of the General Clauses Act "financial year" shall mean the year commencing on the 1st day of April and closing on the 31st day of March.

It is important to understand the meaning of the expression "financial year" in the first year of the GST regime because the GST laws came into operation on the 1st day of July, 2017. For all intents and purposes, for the financial year 2017-18, the GST Laws was applicable only for nine months commencing from July, 2017 to March, 2018. So, in this Sl. No. one had mentioned "2017-18" (9 month commencing 1st July, 2017 and ending on 31st March, 2018).

Part I - Sl. No. 2: GSTIN

GSTIN means the "Goods and Services Tax Identification Number" of the taxpayer or the registered person. Each taxpayer, on his successful registration, would be assigned a State-wise PAN based 15-digit GSTIN.

The importance of verification of the GSTIN is paramount.

Part I - Sl. No. 3A and 3B: Legal Name and Trade Name

1. The word "trade" is used in Sl. No. 3B of Part-A, may not be limited to occupation or business. It could be a connotation. The word "trade" ought to be understood in its ordinary sense, without any reference to "business". For instance, "Indigo" could be a trade name while the legal name is "Inter Globe Aviation Limited". Likewise, "Chancery Pavilion" is a trade name and "Elixir Enterprises and Hotels (P) Ltd." is a legal name.
2. Therefore, as understood, trade name is used by trade and industry to identify their businesses symbolizing their reputation. Caution must be exercised in listing the trade name and legal name in Sl. Nos. 3A and 3B.
3. It is possible that some registered persons may not have a trade name. In such situations, Sl. No. 3B of Part-A would not be applicable. Therefore, NOT APPLICABLE may be stated in Part-A which could be verified from the <<auto populated>> data.
4. The legal name and trade name ought to be verified with the certificate of registration issued by the tax department in FORM GST REG-06. Similarly, if the registered person is a company registered under the Companies Act, 2013, the legal name can be verified with the certificate of incorporation and in case of partnership firm by the certificate issued by the registrar of firms. In any other case, the NAME mentioned in the PAN can be considered.

   Notes to consider

   (i) Legal name in the documents under other statute does not match the legal name on the registration certificate.

   (ii) Trade name is not disclosed on the registration certificate.
5. Any discrepancy in the "Trade Name" and "Legal Name" may necessitate an amendment under the appropriate law. E.g., the name of the company in the certificate of incorporation is "XYZ Advertising Private Limited" whereas in the certificate of registration under GST it could be "XYZ Advertising Limited" which would require an amendment bearing in mind the correct name, which is the certificate of incorporation in this case.

Part I - Sl. No. 4: Are you liable to audit under any Act?

It is possible that an entity could be subjected to audit under several statutes. For instance, a proprietary concern could be subject to audit under the Income-tax Act, 1961 and a private limited company could be subject to the statutory audit under the Companies Act, 2013 as well as under the Income-tax Act. Similarly, a society registered under the Societies Registration Act may be subject to audit under that Act as well as under the Income-tax Act. This fact must be specified in Sl. No. 4.

Conclusion

Therefore, the distinction between a trade name and a legal name must be clearly understood and borne out in Sl. No. 3A and 3B of Part-A and should not be used inter-changeably. The details sought at Sl. No. 1, 2, 3A and 3B are common for FORM GSTR-9, FORM GSTR-9A and FORM GSTR-9C and hence, the write-up would equally apply to these S. No's. trade name and legal name.

Part II: Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (FORM GSTR-9)

This part seeks to reconcile the gross turnover in terms of audited financial statements with the turnover declared in the annual return. Importantly, in this table in Part II, all the streams of the income need to be duly reconciled (reflected appropriately) in each of the Sl. Nos. Registered person is required to exercise due care while carrying out this reconciliation exercise.

Table No. 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)

Pt. II	Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (FORM GSTR-9)	
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).	

Table No.	*Instructions*
5A	*The turnover as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (State-wise) registrations exist on the same PAN. This is common for persons/ entities with presence over multiple States. Such persons/ entities will have to internally derive their GSTIN wise turnover and declare the same here. This shall include export turnover (if any). It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons/ entities having presence over multiple States.*

Introduction

Table No. 5A is intended to report the turnover as per the audited Annual Financial Statement for a GSTIN. There may be cases where multiple GSTINs (State-wise) registrations exist for the same PAN. This is common for persons/ entities with presence over multiple States or in respect of multiple registration in a single State/ UT. The Government vide instructions has indicated that such persons/ entities would have to internally derive their GSTIN wise turnover and declare in this Table.

Analysis

Turnover to be declared under this Table must flow from the 'audited financial statements'. In case of a registered taxpayer having single GSTIN, statement of profit and loss account (or income and expenditure account) read together with the corresponding notes and the Balance Sheet would form the primary basis for this Table. In cases where a registered taxpayer has multiple registrations, information must flow from trial balance of the respective GSTIN.

While considering the turnover from the audited financial statements, registered person is also required to include indirect income in the form of dividend, interest, forex fluctuation, profit on sale of assets, etc. if such income is attributable (based on underlying documents and contracts to relate to the said registered person).

Note: Any amount of purchase return should not be considered for the purpose of arriving at the turnover under Table No. 5A. Such adjustment has been dealt with under appropriate Table No.12 of FORM GSTR-9C.

This Table requires the registered person to declare '*turnover for the State/ UT*' (to be understood as 'turnover in State/ UT' as defined under section 2(112) of the Act) as per audited financial statements. Further, term '*audited financial statements*' has not been defined in the Act.

The turnover in State/ UT to be disclosed includes all (whether taxable, zero rated or not) supplies effected by the registered person from the State/ UT (GSTIN wise). Some experts are of the view that the turnover of the foreign branch/ office of the registered person, which controls those operations and maintains oversight, must be declared under this Table although the same will be excluded while computing taxable turnover of the registered person. In cases of multiple GSTINs, such turnover (of overseas branch/ office) may need to be reported in the GSTIN which controls the foreign office. This would suitably be reflected and reconciled with the gross turnover of the entity.

Since the information has to be in the context of each registrant, the registered person must carve out a trial balance for every State/ UT (viz. every registration) from the consolidated trial balance of the entity for which the financial statements are prepared and audited. If this is not possible, then the registered person must derive the transactions of every registration from the single trial balance for the entity which was the subject matter of audit.

Where the registered person has multiple registration across India then he needs be very careful while disclosing the turnover GSTIN wise. He should check consolidated turnover as per the financial statement and the turnover declared in FORM GSTR -9 GSTIN wise.

Turnover in State/ UT includes export of goods, services or both effected from that State/ UT. Care must be taken not to include the inward supplies received by the registered person on which tax has been paid under reverse charge (RCM). Like the tax paid under RCM cannot become output tax, inward supplies on which tax is paid under RCM cannot become outward supplies *viz.* turnover.

Checks and balances to validate correctness and completeness

To ensure completeness and correctness of the details of turnover to be declared under this Table, the following checks could be used:

1. Turnover in State/ UT (in case of single registration) must reconcile to the turnover disclosed in the audited financial statements;
2. Turnover in State/ UT (in case of multiple registration) must reconcile to the turnover as recorded in the books of accounts of each registration;
3. Master reconciliation to ensure that the details of turnover declared for different registrations (in case of multiple registrations either due to presence in multiple States/ UTs' or due to unit(s) in SEZ) with the total turnover of the entity.

Precautions

While declaring the turnover details, the following precautions could be adopted:

(1) Understanding how the accounts have been derived by the registered person and ensuring their correctness. In situations where, multiple registrations are obtained in the State/ UT due to different business verticals or unit(s) in SEZ, the accounts must be specifically examined as there could be errors/ mistakes/ accounting mis-matches (E.g. turnover of one registrant could be accounted as turnover of another registrant). Though the financial statements would not have any impact for the entity as they are mutually setting off each other, these mistakes must be rectified as they would affect the reported turnover of the respective registered person.

(2) The registered person has to ensure that the inter-unit/ branch accounts are reconciled at the end of the year for verifying their correctness and completeness. He also has to ensure that wherever revenue is transferred from branch accounts to the head office accounts or *vice-versa*, while computing the turnover of the head office, the same shall not be reckoned twice.

(3) Care must also be taken with respect to the inter-branch supply of services. It appears that the registered person issues Tax Invoice under cross – charge whereas there is a requirement for obtaining the ISD registration and apportioning the ITC among the branches.

(4) However, in case only one trial balance is maintained for the entity, even though it has multiple GSTINs, the registered person has to ensure that the data of turnover is extracted GSTIN-wise and at the consolidated level it matches with the audited financial statements.

(5) Ensure to communicate to the person responsible for furnishing the reconciliation statement for other State/UT's of the registered person to work out a thorough reconciliation of turnover to be declared.

List of documents

The following list of documents is required for the purpose of declaring the details of turnover under this Table:

(1) Audited financial statements for the FY to derive the total turnover of the registered person;

(2) Registration-wise trial balance to facilitate furnishing the FORM GSTR-9C for each registrant;

(3) Communication with person responsible for other State's /UT's for furnishing reconciliation statement, to obtain details of the turnover declared by them to ensure completeness and holistic reconciliation of turnover of the registered person;

(4) FORM GSTR-9 along with supporting FORM GSTR-3B and FORM GSTR-1 returns filed by the registered person to ensure that the turnover declared in the returns match the turnover captured in the audited financial statements;

(5) Income Tax Returns to ensure that the turnover details are reconciled with the turnover as per GST.

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

5B	Unbilled revenue at the beginning of Financial Year	**(+)**	

Table No.	***Instructions***
5B	*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 FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 2023-24, 2024- 25 and 2025-26 onwards, the*

	registered person shall have an option not to fill this table. If there are any adjustments required to be reported, then the same may be reported in Table 5O. *(For example, if Rs. 10 Crore 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 shall be declared here).*

Introduction

To comprehend the scope of this Table, there is need to understand the concept of 'Unbilled revenue'. In simple terms, unbilled revenue is the revenue recognized in the books of accounts before the issue of an invoice at the end of a particular period. AS-9 "Revenue Recognition" / IND-AS-115 "Revenue from Contracts with Customers" provides for recognition of revenue on full completion/ partial completion of the services though the due date for issuing invoice as per the contract would be on a later date. It is advisable to refer to AS-9 and IND-AS-115 for a better understanding of the concept.

Table 5B requires the addition of unbilled revenue at the beginning of a financial year. Unbilled revenue which was recorded in the books of accounts on the basis of accrual system of accounting in the earlier financial year for which the invoice is issued under the GST law is required to be declared here. In other words, when GST is payable during the financial year on such revenue (which was recognized as income in the earlier year), the value of such revenue is to be declared here.

Analysis

For information of unbilled revenue at the beginning of a financial year, reference may be made to previous year's audited financial statements.

In case of entities with multiple registration, a separate statement is to be obtained for each GSTIN reconciling the total with the amount disclosed in the financials.

Validation of information

Under the GST, the liability to pay tax arises upon supply of services as per section 9 of the CGST Act at the time specified under section 13 of the Act. As per this section, the time of supply of services shall generally be:

(a) The date of **issue of invoice** by the supplier, if the invoice is issued within the legally prescribed period under section 31 of the CGST Act or the date of receipt of payment, whichever is earlier.

(b) The date of **provision of service,** if the invoice is not issued within the legally prescribed period under section 31 of the CGST Act or the date of receipt of payment, whichever is earlier.

(c) The date on which the recipient shows the receipt of service in his books of account, in case the aforesaid two provisions do not apply.

As per section 31, an invoice for supply of services needs to be issued before or after the provision of service but not later than thirty days from the date of provision of service. From the above it is clear that, if the supplier does not receive money in advance, he gets 30 days' time from the date of provision of service to raise invoice and collect tax on the same. Therefore, there would be a timing difference in the recognition of revenue in the books of accounts and the GST provisions. Because of this, Table No. 5B is necessary to reconcile the revenue between the books and the GST returns.

Illustration

For FY 2025-26: value will be reported in Table 5B only for the transactions for which invoice is raised during April 2025 to March 2026. Fixed landline charges for the month of March, would be recognized as unbilled revenue to the extent of billing cycle in the subsequent month/ quarter.

1. Rental contract for which billing is done on 20th of every month, unbilled revenue would be recognized in the books of accounts as on 31st March to the extent of 11 days of services provided in March.

2. Maintenance contract for which billing is done on 5th of the subsequent month, unbilled revenue would be recognized in the books of accounts as on 31st March.

3. The cost incurred as on 31st March towards construction services for which billing would be done on reaching the milestone in September of the next financial year.

4. In the case of cost-plus companies, if any cost is excluded from billing cycle during the financial year and is identified at the time of audit, it would be booked as unbilled revenue in the books of accounts and invoice would be raised in the month in which it is identified i.e., September or October.

Notes to consider/ control checks

The following are the control checks that a person should perform for validation of the amounts reported under this head:

- Must be vouched/ checked with notes to accounts in the Balance Sheet (PY and CY);
- Notes to FORM GSTR-9C may be drafted for this Table as to the manner of its quantification from the books and records and correlated with returns filed in FORM GSTR-3B;
- Adequate attention of the reader must be drawn to "Notes on Accounts" and "Significant Accounting Policies" in cases of entities that need to adhere to statutory audit provisions under the allied laws.

Table No. 5C: Unadjusted advances at the end of the financial year

5C	Unadjusted advances at the end of the financial year	**(+)**	

Table No.	*Instructions*
5C	*Value of all advances for which GST has been paid but the same has not been recognized as revenue in the audited annual financial statement shall be declared here.* *For FY 2017-18, 2018-19,2019-20, 2020-21 and 2021-22 2023-24, 2024- 25 and 2025-26 onwards, the registered person shall have an option not to fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.*

Unadjusted Advances - Table 5C and 5I

Table 5C: Unadjusted advances at the end of the financial year

Table 5I: Unadjusted advances at the beginning of the Financial Year (-)

Introduction

The scope of Part II Table 5C and Table 5I is to make adjustments of unadjusted advances to audited financials for arriving at FORM GSTR-9 turnover.

Analysis

It is a business practice to collect advances from customers before effecting supplies. When an advance is received, since the goods and/ or services would not have been delivered/ rendered, the revenue is not yet earned, whereby this advance would be recorded as a liability (either as a current liability or long-term liability) in the balance sheet as at the end of the financial year.

For Supply of Goods

Section 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 on which he is required, under section 31, to issue the invoice with respect to the supply; or

(b) the date on which the supplier receives the payment with respect to the supply.

The Government issued *N.No. 40/2017-CT dated 13.10.2017* in terms of section 148 of the CGST Act to permit registered persons having aggregate turnover less than Rs. 1.5 Crores from paying tax on such advances. This facility was extended to all registered persons without threshold limit *vide N.No. 66/ 2017-CT dated 15.11.2017* but only in the case of the supply of goods.

In terms of the above notifications, registered person needs to examine whether tax on advances has been paid till 15th November 2017. However, this is applicable only for the FY 2017-18 as w.e.f. 15.11.2017, there is no tax on advances received for the supply of goods.

For Supply of services

Section 13(2): The time of supply of services shall be the earliest of the following dates, namely: —

(a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under section 31 or the date of receipt of payment, whichever is earlier; or

(b) the date of provision of service, if the invoice is not issued within the period prescribed under section 31 or the *date of receipt of payment*, whichever is earlier; or

(c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply:

Explanation—For the purposes of clauses (a) and (b)—

- the supply shall be deemed to have been made to the extent it is covered by the invoice or the payment, as the case may be;
- "the date of receipt of payment" shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.

Therefore, any advances received from customers before the date of supply of service, on receipt of advance, GST have to be discharged.

Reporting as per GST Law

(a) Calculate tax on the advance received:

One has calculated tax on advance and paid tax while filing the return for that month. The advance received (if exclusive of tax) would be considered as cum-tax. Two important points to note:

As per Proviso to rule 50 of the CGST Rules:

(a) Whenever the rate of tax cannot be determined during receipt of advance, GST @ 18% has to be charged.

(b) Whenever the nature of supply cannot be ascertained, the advance is considered as inter-State supply and IGST has to be paid.

For Example:

Mr. A owner of property entered into a contract on 01.04.2025 allowing M/s. BCD to use the same for commercial purposes with the condition that the rent for 15 months (amounting to Rs. 15,00,000 + GST) will be paid in advance. Further, the contract will be renewed on the mutual agreement at the end of the 15th month with a 10% increment of rent for 15 months to be paid in advance (amounting to Rs. 16,50,000 + GST).

Reporting in FORM GSTR-1

Rate	Gross Advance Received/adjusted	Place of supply	Amount			
			Integrated	Central	State/UT	Cess
1	2	3	4	5	6	7
I Information for the current tax period						
11A. Advance amount received in the tax period for which invoice has not been issued (tax amount to be added to output tax liability)						
11A (1). Intra-State supplies(Rate Wise)						
11A (2). Inter-State Supplies(Rate Wise)						
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						
11B (1). Intra-State Supplies (Rate Wise)						
11B (2). Inter-State Supplies(Rate Wise)						

From the accounting perspective, advances received would be considered income received in advance and would be carried as a liability in the balance sheet. This becomes revenue only after supply. Accordingly, the closing balance in the books for the FY 2025–26 and 2026–27 will be as follows:	FY 2025 – 26	FY 2026 – 27
Rent Advances Received (Current Liability)	3,00,000.00 (3 X 1,00,000)	6,60,000.00 (6 X 1,10,000)
Rent Income (Profit & Loss A/c.)	12,00,000.00 (12 X 1,00,000)	12,90,000.00 (3 X 1,00,000) + (9 X 1,10,000)

Hence, there would be an adjustment in FORM GSTR-9C 'unadjusted advances'.

(1) It must be acknowledged that the turnover of the financial year as per the audited financial statement would not include advances received.

(2) Whereas this amount would have been offered to tax and reflected in annual return under the head Table 4F of FORM GSTR-9.

(3) In order to reconcile these two, since the advances are included in the GST turnover, any unadjusted advances at the end of the financial

year shall be added to the turnover of the respective financial year as taken in Table No.5A to nullify the effect and to arrive at the turnover of GST.

(4) Further, in connection to unadjusted advances at the beginning of the FY (Table No. 5I), it is advised to check whether the invoices have been raised against the opening advance balances as on 31st March. In the above example though, there is opening advance (i.e., Rs. 3,00,000) however, the tax invoice has been raised against such advances and hence same will not be reported in FORM GSTR 9C. Advances received would be for various purposes. Therefore, only advances on which GST is liable should be considered for adjustment.

Include for adjustment

Sl. No.	Particular's	Reason
1.	Advance received for services as on 31st March, 2026	Revenue not recognized in books, but offered to tax for GST

Do not include for adjustment

Sl. No.	Particular's	Reason
1.	Advance received for exempted services as on 31st March 2026.	GST is not applicable.
2.	Advance received for goods after 15th November 2017.	GST is not applicable.
3.	Financial Advances received (loan).	Not a GST transaction.
4.	Deposits received.	GST is not applicable.

As per instructions, the value of all advances for which GST has been paid but has not been recognized as revenue in the audited annual financial statement shall be declared here.

The following are the control checks that registered person should perform for validation of the amounts reported under this head:

(1) For a clear demarcation of unadjusted balances i.e., Tables 11A-11B of FORM GSTR-1 may be referred.

(2) Balance as per the books of accounts to be arrived as per the methodology.

(3) If the amount mentioned in Sl. No. (1) above does not match with Sl. No. (2), the registered person should adopt advances received as per books.

(4) Generally, a Trial Balance is prepared of the entity and, thereafter, the financials are segregated for the profit and loss account and the balance sheet items GSTIN-wise.

Information reported in FORM GSTR-1 may not be required to be adopted at face value, whereas registered person has to cross-check the data which is available in the Balance Sheet

Source of information

(a) All information reported here must flow from FORM GSTR-1. As such, the working notes for the preparation of FORM GSTR-9 would involve summation of data from FORM GSTR-1 filed as well as any advances which were not reflected in returns filed during the financial year.

(b) Books of Accounts

  (i) Audited financial statements.

  (ii) Break up of short-term and long-term current liabilities.

  (iii) Breakup of credit balance of sundry Debtors (In case advance is reported in Sundry Debtor's A/c)

  (iv) Groupings which include income received as advances or advances from customers.

  (v) Documents underlying sourcing the nature of receipts as to Goods and/ or services.

  (vi) Advances register as prescribed under rule 56(3) of the CGST Rules. Where every registered person is required to maintain a separate account of advances received, paid and adjustments made thereto.

(c) GST Returns

  (i) The sum of Table 11A of FORM GSTR-1. Advance amount received in the tax period for which invoice has not been issued (tax amount to be added to output tax liability).

(ii) The sum of Table 11B of FORM GSTR-1. Advance amount received in an earlier tax period and adjusted against the supplies shown in this tax period in Tables 4, 5, 6 and 7 of the said FORM.

(iii) Net advances received but not adjusted for supply (i)–(ii).

Validation

(a) The value of all advances for which GST has been paid but the same has not been recognized as revenue in the audited annual financial statement shall be declared here.

(b) Even if not considered in the returns FORM GSTR-1 and FORM GSTR-9, the same shall be added as turnover here.

Sample transactions in the year of receipt of advance (figures are only for illustrative purpose only)

On receipt of advance

Bank Account A/c Dr.	5,00,000		Balance Sheet Current Asset
To Party A/c Cr. (or) To Advance from Customer		5,00,000	Balance Sheet Current Liability

On filing of FORM GSTR-1 Table-11A

GST on Advance A/c Dr.	76,271		Balance Sheet Current Asset
To GST Liability A/c Cr.		76,271	Balance Sheet Current Liability

Sample transactions in the year of adjustment of said advance

On provision of services (actual billing)

Party A/c Dr.	11,80,000		Balance Sheet Current Asset
To Revenue A/c Cr. To IGST Liability A/c Cr.		10,00,000 1,80,000	Profit and Loss Account Income Balance Sheet Current Liability

On filing of FORM GSTR-1 Table-11B – Reversal of liability

IGST Liability A/c Dr.	76,271		Balance Sheet Current Liability
GST on Advance A/c Cr.		76,271	Balance Sheet Current Asset

These reversal entries prevalent throughout the year, are reversed usually at the end of every month. Thus, the only entry which is to be given effect for reconciliation between audited financials and annual returns is the unadjusted entries that are lying at the end of the financial year.

Turnover of the State/ UT as per Table-5A xxxxx

.....

.....

Add: 5C Unadjusted advances at the end of the Financial Year 4,23,729

.....

.....

5P Annual turnover after adjustments as above xxxxx

Notes to consider

Some of the common errors might be:

(a) Considering the total advances irrespective of the fact that it is for exempted supply;

(b) Considering the total advances irrespective of the fact that it is for supply of goods.

Additional notes to consider

(a) Amendments made in Table 11 of FORM GSTR-1 in the subsequent financial years.

(b) Advances received from customer could be credited to sundry debtors account or separately under current liabilities.

(c) Advances where GST is not payable need to be identified and excluded (as illustrated (*supra)*, advance for goods, advances for exempted services).

(d) Advances which are in the nature of financial transactions (loan) are to be ignored.

Conclusion

Reporting of un-adjusted advances is an important aspect. The registered person have to examine the trial balance and financial statements in order to ascertain such advances.

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

5D	Deemed Supply under Schedule I	**(+)**	

Table No.	***Instructions***
5D	*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 annual financial statement is not required to be included here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 2023-24, 2024- 25 and 2025-26 onwards, the registered person shall have an option not to fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.*

Introduction

Table 5D seeks to cover the aggregate value of four classes of deemed supplies transactions specified under Schedule I of the CGST Act. Any deemed supply which is already reported as part of the turnover in the audited annual financial statements is not required to be included in this Table. But care is to be taken to identify from the nature of operations and the number of registrations obtained by the legal entity whether any of the four classes of deemed supplies would be attracted. And if so, the same is to be reported here.

Analysis

As the requirement of this Sl. No. is to report the transactions which were not reported in the financial statements, though the same are reported in the returns filed since they are treated as deemed supplies under the GST laws, there is no direct source which will indicate the value of deemed supplies

under any part of the returns or statements filed. Details regarding this have to be extracted from the books/ records.

E-Way bills raised would be a good guiding factor to identify such instances in respect of goods. For instance, transactions relating to stock transfer of goods may be extracted from delivery challans or on an analysis of e-way bills, whereas transactions of service transfers will be based on an understanding of the nature business.

Since this information may not be readily available from books, it might be relevant to design the verification program to include possible deemed supply transactions to ensure the proper reporting of this aspect.

The registered person should look beyond the books of accounts and look for alternative evidence and information for reporting in Sl. No. 5D.

1. Permanent transfer or disposal of business assets where input tax credit has been availed on such assets

The Permanent transfer or disposal of business assets, for which input tax credit has been availed, is considered as supply, even if made without any consideration. The term **'business assets'** has not been defined under the CGST Acts or Rules made thereunder. The application of the rule of literal construction comes into play in such instances. According to this rule, if the literal meaning of the language used is clear and unambiguous, and there is no indication that the words are employed in a specialized sense different from their ordinary grammatical meaning, interpretation should adhere to this literal construction. The term 'business assets' encompasses a broad spectrum, including all assets associated with the business, such as capital goods, finished goods, raw materials, tools, or equipment.
Among the 8 forms of supply, only 'transfer' or 'disposal' fall within the scope of supply under this category.

Some of the examples would be disposal of business assets to NGO without consideration, physician sample distributed by a pharmaceutical company to a physician for free, assets taken by proprietor on completion of their useful life etc. In each such cases, it has to be carefully examined whether input tax credits have been availed and if they have been, then such transactions would attract the levy of GST. Where such assets have been procured under the old law and have been discarded, destroyed, transferred or disposed of in the

GST regime, then the transaction would be deemed to be one of supply and attract levy.

Data for such transactions can be ascertained from inventory records, fixed assets schedule as well as expenses in the marketing/ sales promotion ledgers. In relation to Fixed Assets, all the discarded/ sale of assets would find mention in the disposal of assets column in the Fixed Assets Register/ Schedule and this would be a good indicator to ascertain, if tax has been calculated on such disposals.

The Central Board of Indirect Taxes and Customs "CBIC" has also clarified vide *Circular No. 92/11/2019-GST dated 07.03.2019* that "goods or services or both which are supplied free of cost (without any consideration) shall not be treated as 'supply' under GST (**except in case of activities mentioned in Schedule I of the said Act**).

2. **Supply of goods or services or both between related persons or between distinct persons as specified in section 25, when made in the course or furtherance of business**

Gifts not exceeding fifty thousand rupees in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.

Registered person must also remember to determine whether such a gift is a unilateral act of the employer to an employee. It should not be relatable to the terms of employment or supply. For example, a software engineer who has achieved a particular milestone, may be gifted a car (which is not relatable to the terms of employment). Such a transaction would be one of deemed supply and will attract the levy of GST.

Intra-company transactions

Intra-company transactions such as stock transfer, which are taxed in the GST regime in case of inter-State supplies or between different business locations within the same State where separate registration has been obtained under the GST law, are not taxable supplies of the company. But this Sl. No. in Schedule I deem such transactions as those which attract payment of taxes. The effect of these transactions gets nullified at the consolidated financial statement level and, therefore, identifying and reporting of such transactions for reconciliation purpose would require special attention. Valuation for

stock transfers would not be an issue so long as the tax paid by the supplier on such stock transfers qualify as input tax credit in the hands of the receiving branch. However, if the tax paid on such stock transfers do not qualify as input tax credit, valuation in terms section 15 of the CGST Act read with rule 27 to 35 of the CGST Rules would have to be factored.

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.

In case of consignment or agency transactions, the reporting in terms of this Table is to be reflected as outward supplies in the hands of the principal and as inward supplies in the hands of the consignee and not just commission earned by the agent.

An agent of the principal is one who carries on the business of supply or receipt of goods or services or both on behalf of the principal. The agent functions as an extended arm of the principal and, therefore, supplies (inward and outward) effected by an agent on behalf of the principal would be treated as supplies effected by the principal.

The principal shall recognise the transfer of goods to an agent as a supply, at the time of effecting such transfers. The agent who supplies such goods on behalf of the principal would have to issue the invoice to the third-party recipient in the name of the principal.

The reporting of the supply value to the customer would have to be reflected by the agent in his GSTIN. Although this is a commission transaction in books of account, it is required to be treated as trading transaction for GST purposes. Please note that rate of tax indirectly applicable to the commission (involved in the price differential earned by agent) will be taxed at the rate applicable to the underlying goods and not at the rate applicable to commission service.

The value of commission would have to be separately mentioned by the agent through a separate invoice.

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

Import of services may not get recorded in the books of accounts on accrual basis since such transactions are with related persons. But such an inference could be drawn on a perusal of the past transactions, wherein such expenses have been incurred on a regular basis.

Illustration

- Transfer of machinery from Agra branch to Bengaluru branch without consideration for indefinite usage in production activity is a supply although there is no consideration involved.
- An architect located in New Jersey, USA may provide services to say his brother who is a builder in India and is a taxable person.
- Foreign branch supplying manpower to the head office located at Hyderabad.
- Cloud servers and data storage facilities are commonly shared by a group of entities. Each region is allocated its share of cost. In such instances, it is possible that due to differences in the financial year closure in various other branches, the relevant cost of the Indian entity may not be recorded. It needs to be ensured that by the year end, these costs are also reckoned the GST has been paid and the relevant input tax credit claimed.

In the above illustrations, even though no consideration is involved, it would still be treated as supply of services without consideration and attract taxes.

Notes to consider

(i) Improper or incorrect valuation of the supplies made without consideration;

(ii) Not recognizing deemed supply of services between distinct persons;

(iii) Not recognizing transfer of capital goods to distinct persons.

Sl. No.5E. Credit notes issued after the end of the financial year but reflected in the annual return.

5E	Credit Notes issued after the end of the financial year but reflected in the annual	**(-)**	

	return		

Table No.	*Instructions*
5E	*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 (FORM GSTR-9) shall be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 2023-24, 2024- 25 and 2025-26 onwards, the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table 5O.*

Introduction

This Table mandates reporting of the aggregate value of credit notes which were issued and accounted in the next financial year in respect of any supply (original supply) accounted in the current financial year; however, the credit note is netted off in the **annual return** of the current financial year. But it is uncommon, although not impossible, for credit notes dated on or after 1st April, 2026 to be given effect in the annual return of the FY 2025-26. This Sl. No. applies only in such rare cases. For the most part, this Sl. No. may be 'nil'.

Analysis

- Step 1: Prepare a list of credit notes dated on or after 1st April of the subsequent financial year.
- Step 2: Prepare another list of credit note adjusted in Tables 9A, 9B and 9C of FORM GSTR-1 'for' the financial year whether filed on-time or belatedly.
- Step 3: Validate that these credit notes have not been 'given effect to' in the turnover derived in 5A.

The turnover derived from the audited annual financial statements does not contain the 'effect' of these credit notes, but FORM GSTR-9 already contains its 'effect'. In reconciling turnover in financial statements and FORM GSTR-9, it is important to 'reduce' the turnover in the financial statements (at 5A) to enable it to reconcile with turnover in FORM GSTR-9.

Additional notes to consider

- Information collated for Table 5E of FORM GSTR-9C should be thoroughly examined with necessary supporting documents furnished to trace back the transaction in the previous financial year.
- Reconcile duly the transactions reported in the returns filed during the previous financial year with corresponding books of accounts to check the accuracy of adjustments reported in the current financial year for the amendments/ credit notes reported as per Table 9 of FORM GSTR-1.

Conclusion

Therefore, Table-5E of FORM GSTR-9C contains information pertaining to 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 in FORM GSTR-9 of the current financial year.

Table-5F. Trade discounts accounted for in the audited annual financial statement but are not permissible under GST

5F	Trade Discounts accounted for in the audited annual financial statement but are not permissible under GST	**(+)**	

Table No.	***Instructions***
5F	*Trade discounts which are accounted for in the audited annual financial statement but on which GST was leviable (being not permissible) shall be declared here.* *For F.Y. 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, 2023-24, 2024- 25 and 2025-26 onwards, the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table-5O.*

Introduction

Table-5F requires disclosure of trade discounts which have been given effect to, in the audited financial statements but which are not permissible as part of deductions from the value of supply under the GST laws.

Analysis

This data/ information can generally be obtained from the credit side of the Profit and Loss account. It is also a business practice that trade discounts

would be netted off against the turnover of outward supplies. In the case of entities with multiple registration, a separate statement is to be obtained for each GSTIN reconciling the total with the amount disclosed in the financials.

Non-allowance of the same has to be identified on the basis of the documents maintained by looking into the conditions of allowance as deduction against the supply made as per section 15(3) of the CGST Act.

Since it may be difficult to verify all the cases of trade discounts to consider the eligibility for deduction while preparing reconciliation statement, the registered person may have to adopt some other technique to ascertain the same.

Validation

The concept of 'sale price' does not permit the inclusion of trade discount in the sale price. Wherever any credit notes are to be issued for discount or sales incentives by one dealer to another dealer after issuing the tax invoice, the selling dealer shall issue a credit note without disturbing the tax component on the price mentioned in the original tax invoice, so as to retain the quantum of input tax credit already claimed by the buying dealers as well as not to disturb the tax already paid by the selling dealer.

Trade discounts can be issued in various other ways, such as special discounts, rebates, remissions, compensations, bonus, etc. Some of these are discussed below:

(i) **Special discount or rebate:** It can be issued by a supplier to a recipient for maintaining the business relationship or for any extraordinary purchase made by the dealers. This discount is contingent upon future purchase by the dealer. Such discount is not established in terms of a prior agreement or before the time of such supply and not specifically linked to relevant invoices. So, if the special discount is not established according to any agreement, there would be no deduction from the sale price as per the provisions.

(ii) **Bonus discounts:** This discount is given only to those customers who purchase goods more than the stipulated numbers. However, this is not decided at the time of supply, but given subsequently, after discussions and negotiations. These are also considered as discount from the accounting perspective, whereas under the GST they would be allowed only if they have been pre-agreed before the supply.

Because of this, there would be mis-match between the financials and the GST turnover.

(iii) Incentive/ commission: It is a business practice that payments made to the distributors, dealers and other channel partners titled as incentive or commission which is generally accounted for in the financials as discount. However, under the GST this will not be considered discount because it is given in the form of incentive without reducing the sale price. This may well be a case of 'cross supply' which may involve invoice being issued with applicable GST by the channel partner (recipient of the said credit note). Care must be taken to look beyond the title of 'discount' and examine the 'nature' of the underlying transaction.

(iv) Remission: The reduction allowed from the sale price to the purchaser, to compensate him for the general fall in prices would not amount to a discount, because it happens subsequent to supply and would not have been a part of any agreement.

(v) Compensation: The dealer would get compensation in the form of rate difference or trade discount in case of a significant correction of prices. For example, a dealer has to sell 500 tyres to the final customer at Rs. 900, against the original purchase price of Rs. 1,000. The Rs. 100/- rate difference is to be compensated for the dealer by the manufacturer. In case it has been found that the taxable value of outward supplies has been disclosed in FORM GSTR-1 and FORM GSTR-3B has been derived by allowing the trade discounts then the following needs to be examined:

- Whether a discount is as per the provisions of the Act.
- If it does not satisfy the conditions under the GST law. The rectification (if any) by the registered person (supplier) would need to be done in FORM GSTR-3B returns filed in the subsequent financial year upto the specified date*.

> * Section 39(9) and first proviso to section 37(3) have been amended vide the Finance Act, 2022 and the same have been notified w.e.f. 1st October 2022 through *N.No. 18/2022-Central Tax dated 28.09.2022*. The outcome of the amendment is that from FY 2021-22 onwards, rectification of any omission or incorrect particulars made in Form GSTR-3B / GSTR-1 of the

financial year shall be allowed in the relevant return, or the statement furnished upto 30th November of the next financial year or the date of furnishing annual return for the said financial year, whichever is earlier.

— If it satisfies the conditions under the GST law; whether the input tax credit attributable to such discounts has not been reversed by the recipient.

Illustration

Q. Whether the following trade discounts would form part of reporting under '*Trade discounts accounted for in the audited annual financial statement but are not permissible under the GST*':

(a) Turnover discount of Rs. 50,000/- issued by way of credit notes issued by the supplier during August, 2025 wherein the receiver has not reduced the tax rates.

(b) Quantity discounts of Rs. 10,000/- issued by way of financial credit notes without tax impact.

Ans. Yes, both the above discounts shall form part of reporting under Table-5F of FORM GSTR-9C, since the discounts have been provided by way of credit notes issued by the supplier without any impact on tax.

Notes to consider

The following are the control checks that a person should perform for validation of the amounts reported under this head:

(a) The valuation of trade discounts for the purposes of disclosures under this head, has to be clearly documented.

(b) The input tax credit reflected in FORM GSTR-1 attributable to such trade discounts has to be maintained.

(c) The trade discount has to be demarcated between the supplies made in the erstwhile law and the GST regime.

(d) The customer agreements have to be scrutinised to determine the quantum of non-allowable discounts.

Additional notes to consider

(a) The taxable person has obtained confirmation from the customers that they have reversed ITC in relation to the credit note issued.

(b) In absence of online acceptance of the credit note by FORM GSTR-2, the supplier has to obtain such confirmation to ensure the compliance of section 43 of the CGST Act.

Conclusion

Therefore, Table-5F of FORM GSTR-9C contains the trade discounts which have not been allowed in relation to the supplies made during the financial year and accounted in the financial statements. The following discussion on "Financial Credit Notes" may be referred-

Analysis

In terms of section 34 of the CGST/ SGST/ UTGST Acts, the supplier of goods and/ or services is permitted to issue credit notes and debit notes in very specific situations which are summarized in the following manner:

Credit Notes	Debit Notes
Taxable value or tax charged in the tax invoice is found to exceed the taxable value or tax payable.	Taxable value or tax charged in the tax invoice is found to be less than the taxable value or tax payable
Goods supplied are returned by the recipient.	
Goods and/ or services or both supplied are found deficient.	
Pre-agreed discount given after the issue of invoice subject to conditions.	

It is pertinent to mention here that section 34 of the CGST Act, *inter alia* provides that where one or more tax invoices have been issued for supply of any goods or services or both, the supplier may issue to the recipient one or more credit notes/debit noted for supplies made in a financial year for the purposes stipulated above.

Some experts believe that, credit note can be issued by reducing the taxable value without affecting the tax involved in the amount of such reduction. In this regard, the attention to the proviso to section 34(2) where reduction in output tax liability of the supplier is not permitted, if the incidence of tax and interest on such supply has been passed on to any other person. Verification of this fact in the books of the counter party is admittedly too onerous but if such credit notes are correctly reported in FORM GSTR-1, it would leave a trail for verification and compliance in due course.

For these reasons, it is believed that a taxable person may issue a credit note reducing the value of original supply without tax attributable to the reduction claimed. Such credit notes are referred to as 'financial credit notes. When financial credit note is issued by a supplier, it would adjust turnover of the original supply and hence, the revenue recorded in the books of accounts. However, such credit notes would not be declared in the returns under the GST law.

Now, there would be difference in revenue as per the audited annual financial statements and the turnover reckoned for the purpose of GST returns. The value of such credit notes should be declared against Part II Table 5J of FORM GSTR-9C as 'credit notes accounted for in the audited annual financial statement but are not permissible under the GST'. Table 5J increases the revenues as appearing in the audited financial statements.

It is evident from the above that credit notes not admissible under the GST would attract incidence of GST. In other words, the registered person should not issue the credit note with GST except for the conditions prescribed under section 34 of the CGST Act. However, the return of goods (after October of the next year) may still warrant issuance of such financial credit notes but as the Government has clarified in *Circular no. No. 92/11/2019-GST dated 07.03.2019* ("***Circular No. 92***"), it may be more appropriate that such returns be against and 'invoice with GST' (return supply) rather than 'credit note without GST'.

It is relevant to note that credit notes issued under the provisions of section 34 viz., mentioning the value of taxable value and the tax payable thereon as well is not required to be declared in the reconciliation statement in FORM GSTR-9C for the reason that such credit note would have already been declared in the monthly returns/ annual returns. Also, some consideration is to be given to the implication under rule 37 in the hands of the recipient (of said credit note).

(i) Situations in which the financial credit notes are issued

Legally, any reduction in the taxable value would require a reduction in the tax payable on the relevant supply of goods and/ or services. However, there are certain situations in which issuance of credit notes mentioning the amount of GST would not be permitted. Some of such illustrative situations are given below:

(a) Discounts offered post supply: The discount issued by the supplier after effecting supply of goods and/ or services if not in terms of the

provisions as specified under section 15(3) of the CGST/ SGST/ UTGST Acts, the supplier cannot claim reduction in the output tax liability. And to adjust the value of supplies by way of offering discounts after affecting the supply of goods and/ or services, the supplier may issue a credit note without mentioning the corresponding amount of tax.

(b) **Credit notes issued in relation to exempt supplies, zero-rated supplies and non-GST outward supplies:** The supply of exempt, zero-rated and non-GST outward supply of goods and/ or services are not liable to GST. In such a scenario, the credit notes issued for claiming reduction in the taxable value shall be recorded in the audited annual financial statements. Such credit notes should be declared against Part II Table 5J of FORM GSTR-9C.

(c) **Credit notes issued after expiry of the time limit specified under the GST laws:** In terms of section 34 of the CGST/ SGST/ UTGST Acts, a supplier shall declare the details of credit note in the return for the month during which such credit note has been issued but not later than the following:

(i) Date of filing of Annual return for the F.Y. in which the original tax invoice was issued; or

(ii) 30th November of the F.Y. immediately succeeding the F.Y. in which the original tax invoice was issued (e.g., If a tax invoice is issued in April, 2025 as well as in March, 2026, the relevant credit notes cannot be declared after 30th November, 2026 (assuming annual return is not filed before 30th November)

(d) **Refund of the consideration where the tax is not refunded to the recipient:** The supplier of goods and/ or services may, in terms of the agreement, in a situation of unfructified supplies, refund only the amount received towards the value and not the taxes collected. In such a scenario, the supplier may issue financial credit notes without mentioning the amount of tax applicable thereon.

(e) **Other situations:** There could be certain situations where the supplier despite of issuing credit notes specified under section 34 of the CGST/ SGST/ UTGST Acts, may issue financial credit notes. This practice of issuance of financial credit notes is followed in the below given situations:

(i) Sales returns after 30th November of the next financial year - the supplier will be refuse to declare GST credit note for return of goods;

(ii) In automobile/ FMCG sector, the manufacturer generally instructs the dealer to supply vehicles at a discounted price and agrees to adjust such discount from the amount receivable from the vehicle dealer. Such adjustments are done, as per section 15, without adjusting the amount of GST collected at the time of effecting the supply of vehicles by the manufacturer to the dealer.

(iii) In the case of the pharma industry, the value of expired/ un-expired goods returned is adjusted out of amounts receivable from the super distributors, wholesale distributors, distributors etc., and the said adjustments are carried out by issuing any of the below document:

- by way of GST credit notes as per section 34 of the CGST Act on satisfaction of the below conditions:
  - the manufacturer has issued a credit note within permissible time limit for issuing credit note under GST law.
  - the super distributors, wholesale distributors, distributors etc., returning the expired medicines has also reduced his ITC to that extent.
- by way of Financial Credit Note when the conditions are not met.

It is clear from the above illustrations that while the GST credit notes in case of supply of goods and/ or services should be issued in terms of section 34, it may not always be practicable to do so. However, in the case of the illustrations listed under para (e) 'other situations' the question whether the practice of issuing them would be appropriate and in compliance with the GST law is still unanswered. And in the context of 'discount in kind' (goods given freely) *Circular No. 92/11/2019-GST dated 07.03.2019* does not categorically state the tax position regarding credit notes issued. It is very guarded in its language to state that 'if' there is no consideration, then credit reversal

will be adequate. But that is precisely the area of doubt 'if' there is any consideration when samples are issued.

(ii) **Compliances and treatment of financial credit notes:** The financial credit notes issued by a taxable person should not be declared either in the monthly returns filed in FORM GSTR-3B or outward supply statement filed in FORM GSTR-1, since it does not involve adjustment of output tax payable. Financial credit notes would also not be declared in the annual return filed in FORM GSTR-9. In as much as the reconciliation statement in FORM GSTR-9C is concerned such financial credit notes may be declared for the reason that the value of such notes is given effect in the revenue of the audited annual financial statements. Therefore, such credit notes whether issued in terms of section 34 or otherwise, should be declared against Part II Table 5J of FORM GSTR-9C.

(iii) **Implications upon issuance of financial credit notes:** With reference to the explanations given above, financial credit notes would not adjust the amount of GST involved in the original tax invoice issued at the time of supply of goods and/ or services. Accordingly, the transaction value of supply of goods and/ or services shall stand reduced although tax paid thereon remains the same. This may result in a higher amount of GST being paid considering the adjusted value of the original supply. In this regard, attention is invited to section 16(2) of the CGST/ SGST Act read with rule 37 of the CGST Rules, wherein it is stated that unless payment of consideration is not made within 180 days from the date of issuance of invoice, the recipient would not be entitled to input tax credit to the extent of the shortfall in payment. Some proponents of the permissibility of financial credit notes believe that 'payment' is intended to refer to 'settlement of invoice', and such settlement could arise by actual payment or through financial credit note. It is a matter to be carefully considered in the light of the effect that Part II Table 5J of FORM GSTR-9C has on the taxable value of outward supplies in the reconciliation statement.

Table-5G: Turnover from April, 2017 to June, 2017

5G	Turnover from April, 2017 to June, 2017	**(-)**	

Table No.	*Instructions*
5G	*Turnover included in the audited Annual Financial Statement for April, 2017 to June, 2017 shall be declared here.* *For FY 2017-18, the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table-5O.*

Introduction

In terms of this Sl. No., the turnover included in the audited financial statement for the period April, 2017 to June, 2017 shall be declared and deducted from the annual turnover to arrive at the turnover as per the GST laws.

Note: This table is only relevant for the FY 2017-18 after that the same is not relevant.

Table-5H. Unbilled revenue at the end of Financial Year

5H	Unbilled revenue at the end of Financial Year	**(-)**	

Table No.	*Instructions*
5H	*Unbilled revenue which was recorded in the books of accounts on the basis of accrual system of accounting during the current financial year but GST was not payable on such revenue in the same financial year shall be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, 2023-24, 2024- 25 and 2025-26 onwards the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table-5O.*

Note: The reader may refer to the discussion in Table-5B of Part II for more details on this.

Table-5I: Unadjusted Advances at the beginning of the Financial Year

5I	Unadjusted Advances at the beginning of the Financial Year	**(-)**	

Table No.	***Instructions***
5I	*Value of all advances for which GST has not been paid but the same has been recognized as revenue in the audited Annual Financial Statement shall be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, 2023-24, 2024- 25 and 2025-26 onwards the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table-5O.*

Note: The reader may refer to the discussion in Table-5C of Part II for more details on this.

Table-5J. Credit notes accounted for in the audited Annual Financial Statement but are not permissible under GST

5J	Credit Notes accounted for in the audited Annual Financial Statement but are not permissible under GST	**(+)**	

Table No.	***Instructions***
5J	*Aggregate value of credit notes which have been accounted for in the audited Annual Financial Statement but were not admissible under section 34 of the CGST Act shall be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, 2023-24, 2024- 25 and 2025-26 onwards the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be*

	reported in Table-5O.

Introduction

This Table-5J has to be filled up with the information available in the audited Financial Statements whereas such amounts have not been adjusted against the supplies in the GST returns. All the adjustments made to the turnover where there is an effect of reduction due to a credit note issued have to be quantified for the purpose of reconciliation between the books of accounts and the GST returns filed. There could be an adjustment made to the receivable and payable in the books of accounts. Care should be exercised to extract the information of credit note that only calls for reduction of the turnover. Also, a reference to the Accounting Standards issued by ICAI for revenue recognition may be referred to for knowing the information to be filled up in this area.

Analysis

All the adjustments made in the books of accounts by way of adjustment in the turnovers by issuing a credit note shall be reckoned for this purpose. All the information in the Credit Note Register without having a GST effect should be collated and provided. Please note that due to "+" sign, credit notes not conforming to section 34 will result in said amount of turnover being liable to output tax by addition to the turnover reported in books compared to that reported in FORM GSTR-9 which is the tax paid turnover.

Illustration

(i) M/s. ABC and Co. supplies goods on credit to the customer Mr. A for Rs. 100,000/- [applicable GST 18%]. Mr. A pays the supply value much before the credit period and in turn requests the supplier to extend a cash discount of 2%. Cash discount extended at 2% shall be a non-GST credit note which should be considered for disclosure in Part II at Table 5J.

(ii) Mr. A has supplied goods for Rs. 20,000/- [applicable GST 12%] along with transport charges for Rs. 2,000/- to M/s. ABC and Co., On receipt of the goods, the customer complains that the goods are damaged. Mr. A extends a discount of Rs. 2,500/- to the customer and issues a credit note without giving effect to the GST for the damage. This adjustment to the amount receivable from the customer shall be accommodated by way of a credit note and the same shall call for adjustment to the turnovers.

Notes to consider

- Segregation of adjustments to turnover on account of credit note with GST and without GST has to be done carefully and dealt with appropriately as discussed in the above illustrations.
- GST credit note subsequently amended as Financial credit note.
- Any adjustment on account of reduction in receivable not being adjusted to the turnover should not be considered for reconciliation.
- Please also refer to detailed discussion on credit notes in the context of Table-5F.

Table-5K. Adjustments on account of supply of goods by SEZ units to DTA Units

5K	Adjustments on account of supply of goods by SEZ units to DTA Units	**(-)**	

Table No.	***Instructions***
5K	*Aggregate value of all goods supplied by SEZs to DTA units for which the DTA units have filed bill of entry shall be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, 2023-24, 2024- 25 and 2025-26 onwards the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table-5O.*

Introduction

Aggregate value of all the goods supplied by SEZs to DTA units for which the DTA units have filed the bill of entry shall be declared here.

Analysis

Such outward supplies are not required to be reported by SEZ units in their GST Returns and hence the data cannot be retrieved from the returns filed by such SEZ units.

SEZ units are required to maintain records of the assets/ goods admitted into the SEZ unit and also the details of disposal of such goods. Such records can assist in identifying the outward supply made by the SEZ unit. Additionally, disposal of capital goods would be disclosed as deletion in the fixed asset registers.

Illustration

(a) XYZ Ltd., a SEZ unit, supplied goods to a DTA unit and the relevant bill of entry is filed by the DTA unit.

This transaction would be an outward supply or 'sale' for the purpose of financial statements of the SEZ unit but would not be considered as supply for GST purposes and hence needs to be deducted from the turnovers of financial statements for the purpose of arriving at the turnover as per FORM GSTR-9. In respect of the inward supply in the hands of the DTA, this transaction would be treated as import of goods.

(b) XYZ Ltd., a SEZ unit, supplied goods to a DTA unit and the bill of entry was filed by the SEZ unit based on authorization by the DTA unit.

This transaction would be outward supply or 'sale' for the purpose of financial statements of the SEZ unit and inward supply for GST purposes. Accordingly, it would not require any disclosure in the aforementioned Table.

Notes to consider

The following are the control checks for the validation of the turnovers reported under this head:

- Whether the SEZ unit also has units outside the SEZ area, and whether the entity was required to obtain two registrations–one for SEZ and other for non-SEZ;
- Check the treatment of transactions which involve transfer of goods from SEZ to
  non-SEZ. It has to be treated as transaction with the third party.

Table 5L. Turnover for the period under composition scheme

5L	Turnover for the period under composition scheme	**(-)**	

Table No.	*Instructions*
5L	*There may be cases where registered persons might have opted out of the composition scheme during the current financial year. Their turnover as per the audited Annual Financial Statement would include turnover both as composition taxpayer as well as normal taxpayer. Therefore, the turnover for which GST was paid under the composition scheme shall be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, 2023-24, 2024- 25 and 2025-26 onwards the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table-5O.*

Introduction

There may be cases where registered persons might have opted out of the composition scheme during the year. Their turnover as per the audited Annual Financial Statement would include turnover both as composition taxpayer as well as normal taxpayer. Therefore, the turnover for which GST was paid under the composition scheme shall be declared under this Table-5L.

A person registered under the composition scheme who has opted out of the scheme should file both FORM GSTR-9 and FORM GSTR-9A. It may be noted that even a person violating the conditions stipulated in section 10 of the CGST Act or rule 5 of the CGST Rules or *N.No. 8/2017-CT dated 27.06.2017* would stand to exit the scheme. In such cases, the composition person should file FORM GST COMP-4 and opt out of the scheme.

Analysis

Information reported here must flow from FORM GSTR-4. As such, the working notes for the preparation of FORM GSTR-9C would involve summation of data from FORM GSTR-4 filed for April till the date of opting out of the Composition scheme reported during the financial year. Information for Table No.5L of FORM GSTR-9C would include modifications and corrections made during the year 2017-18 till the date the person opts out of the composition scheme.

It is suggested that the following reconciliations be carried out for reporting correct values:

(a) values as declared in the bill of supply and those declared in the books of accounts;

(b) values declared as revenue in the books of accounts and in FORM GSTR-4;

(c) values of advances declared in the books of accounts and values as advances declared in FORM GSTR-4.

The turnovers that are to be reported can be directly derived from the Tables of FORM GSTR-4. The various components of this Table-5L would be as follows-

Category of supply	**Relevant Table of FORM GSTR-4**
Taxable outward	Table-6
Advances received	Table-6
Returns	Table-6
Exempted supplies of manufacturers and service providers	Table-6
Amendments to turnover reported in subsequent FORM GSTR-4	Table-7
Exempted supplies of traders	To be extracted from the books of accounts

Revision required, if any

During the course of preparation of FORM GSTR-9C, if any outward supply is omitted in any FORM GSTR-4 pertaining to the financial year, as aforesaid, a revision is warranted. Revision in the information cannot be passed through FORM GSTR-4 as the taxable person has opted out of the composition scheme. Besides above, revisions are related to the composition turnover hence should not be reported in FORM GSTR-1 and FORM GSTR-3B. However, the same has to be communicated by filing FORM GST DRC 03, where the tax is paid along with interest.

Illustration

Advance received during the composition scheme, but supplies effected after opting out.

Time of supply for the composition scheme includes advance received on supply of goods but under the regular scheme advance received is excluded from time of supply. e.g., advance received Rs. 50,000/- under the composition scheme and tax paid on advance @ 1% i.e.,
Rs. 500/- whereas the supply was made after he exits the composition scheme aggregates Rs. 1,00,000/-

In terms of section 12 of the CGST Act to the extent of the advance of Rs. 50,000/- supply is deemed to have been already effected. Hence, tax under the composition scheme is required to be paid only on Rs. 50,000/- and the balance of Rs. 50,000/- would be subject to tax at the applicable rates of a normal supply.

Notes to consider

A few control checks that must be performed for validation-

- The outward supplies register should be used as the basis for validating the turnovers disclosed in the GST returns.
- In case of any valuation differences between the books of accounts and the GST returns, the basis for such differences in valuation should be clearly documented.
- Turnovers covered under the composition scheme alone should be reported under this Table, including advance, exempt supplies, and all such amounts should be net of returns and refunds.
- Transactions relating to the outward supply of assets should be carefully verified from the perspective of reporting, as it is a Balance Sheet item, and the valuation exercise needs to be carried out separately as per section 18(6) of the CGST Act.
- Check all advances received during the migration period and the effect given.
- Cut-off date and transaction taken place during cut-off date should be verified.

Conclusion

Therefore, Table-5L of FORM GSTR-9C should match with the turnover declared in Table-6C of FORM GSTR-9A, which is the sum of Table 6 and 7 of FORM GSTR-4 of the relevant period.

Table-5M. Adjustments in turnover under section 15 and rules thereunder

5M	Adjustments in turnover under section 15 and rules thereunder	**(+/-)**	

Table No.	*Instructions*
5M	*There may be cases where the taxable value and the invoice value differ due to valuation principles under section 15 of the CGST Act and rules thereunder. Therefore, any difference between the turnover reported in the Annual Return (FORM GSTR-9) and turnover reported in the audited Annual Financial Statement due to difference in valuation of supplies shall be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, 2023-24, 2024- 25 and 2025-26 onwards the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table-5O.*

Introduction

In terms of section 9 of the CGST Act, GST is applicable on supplies of goods or services on the value of supply as determined under section 15. It provides that the transaction value (value at which the supply has been transacted) would be the basis for the computation of tax when two conditions are satisfied-

(1) The price actually paid or payable should be the sole consideration for the supply; and

(2) The supplier and the recipient are not related.

Even if the price for a supply is agreed to be the transaction value, few adjustments (provided for under section 15 itself) are required to be carried out to such price for the purpose of the computation of value on which GST is required to be paid.

Analysis

The following documents may be required to fulfil the requirements for this Table-

(1) Vendor contracts to understand the expectations from the supplier. Any free supplies by a recipient which was the responsibility of supplier would be required to be added to the turnover of supplier;

(2) Identify reasons for the issuance of credit notes and check for corroborative evidence in case the values are high;

(3) Outward supply invoices issued to customers;

(4) Customer ledger statement to identify various debits and credits and reasons for the same;

(5) Contracts for pure agency; and

(6) List of related parties and details of transactions with them.

Illustrations

Various adjustments that need to be carried out and their implications for the required reconciliation have been tabulated below-

Adjustment	Explanation	Illustration
Add: Any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the State Goods and Services tax Act, the Union Territory Goods and Services tax Act and the Goods and Services tax (Compensation to States) Act, if charged separately by the supplier.	This provision provides for the exclusion of GST from the value and, therefore, all other taxes charged must be included in the value before quantifying GST. Taxes other than the GST would cause cascading and this is deliberate.	In an industrial park, the maintenance company is required to provide power back up by generating power using DG Sets. On captive generation of power, CEIG tax is required to be paid to the local Electricity Board in certain States. **Treatment in Books** CEIG tax is debited to the expense account and recoveries are credited to the same account. **Treatment under GST** CEIG tax is required to be added to the maintenance income for

		computation of the GST.
Add: Any amount that the supplier is liable to pay in relation to such supply, but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods or services or both.	This provision requires computation of values that are directly paid by the recipient although the supplier is required to incur such costs typically, cases–Free of Cost Supplies.	In the case of construction contracts the contractor was given a contract for construction of a building and was responsible for the procurement of all the materials required for such construction. However, the developer issues cement free of cost to this contractor. **Treatment in Books** Contractor– No Entry. Developer-Procurement of cement would be treated as inward supply of cement and cement to the contractor would form a part of the cost of goods supplied. **Treatment for GST** Contractor–Add the value of cement so received for the computation of GST. Developer–Consider the supply of cement as outward supply. The contractor's invoice (including cement) is expense for construction.
Add: Incidental expenses, including	Costs that the supplier incurs 'at'	Supply of water by maintenance company

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.	the time of or 'before' supply is liable to be included in the value of supply.	to industrial parks. **Treatment in Books** Charges paid to the vendor who gets the water in tanker is debited to expense account and the amount recovered from the Industrial Park/ individual companies is credited to such expense account. **Treatment for GST** Such recovery is required to be included in the value of supply and tax computed on the same.
Add: Interest or late fee or penalty for delayed payment of any consideration for any supply.	Amounts charged for delay in the remittance of consideration would be considered as value of supply and tax payable on the same, though it could be argued that these are not supplies but financial transactions.	These charges are generally recorded as other incomes and may not require any reconciliation.
Add: Subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments. Subsidy is any form of 'intervention'	This provision expressly provides for the limited exclusion of subsidy from the value of supply, that is, subsidy given by	E-Commerce operator compensating vendors who participate in their shopping festival sales by offering additional discounts. This could be in the form of reduction

that lowers the transacted-price of a supply. Also, 'grant-with-condition' can be consideration for supply.	the Government alone is excluded from the value of supply. This provision makes an interesting requirement that any transaction where there is any form of price-intervention that behaves like a 'subsidy' is liable to be included in the value of supply.	in the regular sales by the ecommerce operator through the issuance of a financial credit note.

In addition to the above, valuation rules also provide instances where the value of a transaction as per the financial records can be significantly different from the value to be considered for discharge of taxes under the GST. A detailed reading of the background material issued by the ICAI would help the reader to identify cases where such valuation rules would come into play and any difference between the valuation as per financial records and GST records would have to be reported.

Typically, reasons for difference would be the alternate value considered for a transaction for the discharge of GST:

1. Open Market value
2. Value of supply of goods/ services of like kind and quality
3. Cost + 10%
4. In case of sale to a related party which further sells the same product at 90% of the resale price.
5. Any price, so long as the related party/ distinct person can avail credit of the same.

In this context, it would also be relevant to note that rule 31, rule 32 and rule 35 provide for a special mechanism for payment of taxes in certain cases. E.g., an Air Travel Agent is required to discharge GST on 5% of the basic fare at the rate of 18% in case of domestic bookings instead of the commission actually earned by him. The commission earned by him can be

more/ less same than the deemed value assigned to the transaction, thereby requiring reconciliation of sales values.

Further, rule 33 allows for non-inclusion of cost/ expenses incurred by the supplier on behalf of the recipient for the purpose of arriving at the transaction value. These transactions are considered as incurred as a "pure agent". It should be ensured that all the conditions of pure agency are satisfied by the supplier who claims benefit for non-charging of GST on such charges.

Conclusion

There may be cases where the taxable value and the invoice value differ due to valuation principles under section 15 of the CGST Act and rules thereunder. Therefore, any difference between the turnover reported in the annual return (FORM GSTR-9) and turnover reported in the audited annual financial statement due to differences in the valuation of supplies shall be declared here.

Table-5N. Adjustments in turnover due to foreign exchange fluctuations

5N	Adjustments in turnover due to foreign exchange fluctuations	**(+/-)**	

Table No.	***Instructions***
5N	*Any difference between the turnover reported in the Annual Return (FORM GSTR-9) and turnover reported in the audited Annual Financial Statement due to foreign exchange fluctuations shall be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22, 2023-24, 2024- 25 and 2025-26 onwards the registered person shall have an option not to fill this Table. If there are any adjustments required to be reported then the same may be reported in Table-5O.*

Introduction

Forex transactions are accounted in the books of accounts based on AS 11 "Effects of Changes in Foreign Exchange Rates" / Ind AS 21 "The Effects of

Changes in Foreign Exchange Rates" whereas rule 34 of the CGST Rules requires-

(1) The value of taxable goods to be determined on the basis of the exchange rate notified under section 14 of the Customs Act,1962.

(2) The value of taxable services is to be determined on the basis of the applicable rate of exchange determined as per generally accepted accounting principles for the date of time of supply of such services in terms of section 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 goods and services, there could be a difference between the turnover recorded in the books when compared with the turnover declared for the purpose of GST returns.

Analysis

Source of information

Export of goods are stated in Table 6 of FORM GSTR-1 and its amendment are given effect in Table 9 of the FORM GSTR-1 and at Table 3.1(b) in FORM GSTR-3B. The forex gain/ loss arising due to the difference in the amount booked in accounts and actual amount received forms part of the Profit and Loss Account.

Validation of information

The "Activities in Foreign Currency" are reported as part of the notes of accounts to the financial statements of companies.

Revision required

Foreign exchange fluctuation is purely an accounting concept and does not form part of the GST returns and hence revision of return is not required.

Illustration

(a) PQR Ltd. has exported goods to a company located in USA. The value of goods is $100,000. The exchange rate (Rs./ $) on the date of filing shipping bill is-

CBIC Notified rate	RBI Reference rate
Rs. 65	Rs. 68

At the time of receiving money, the bank exchanged the foreign currency at Rs. 70.

Solution: For the purpose of GST returns, the exchange rate would be Rs. 65 and the exports to be disclosed in the GST returns would be Rs. 65,00,000. For the purpose of accounting records, the exchange rate would be Rs. 68 and the exports recorded in the books would be Rs. 68,00,000. The difference in revenue being Rs. 300,000 would have to be reduced from the annual turnover as per the financials to arrive at the revenue as per FORM GSTR-9.

Additionally, difference in the amount booked in the accounts and actual amount received being Rs. 70 – Rs. 68 = Rs. 2 x $1,00,000 = Rs. 2,00,000 would be credited to the Profit and Loss Account as Forex Gain which again needs to be reduced from the Annual turnover as per the financials to arrive at the revenue as per FORM GSTR-9.

(b) PQR Ltd. has exported goods to a company located in USA. The value of goods is $1,00,000. The exchange rate (Rs. / $) on the date of filing Shipping Bill is-

CBIC Notified rate	RBI Reference rate
Rs. 65	Rs. 68

At the time of receiving money, the bank exchanged the foreign currency at Rs. 66.

Solution: For the purpose of GST returns, the exchange rate would be Rs. 65 and the exports to be disclosed in the GST returns would be Rs. 65,00,000. For the purpose of accounting records, the exchange rate would be Rs. 68 and the exports recorded in the books would be Rs. 68,00,000. The difference in revenue being Rs. 300,000 would have to be reduced from the annual turnover as per the financials to arrive at the revenue as per FORM GSTR-9.

Additionally, the difference in the amount booked in the accounts and actual amount received being Rs. 66 – Rs. 68 = (-) Rs. 2 x $1,00,000 = (-) Rs. 2,00,000 would be debited to the Profit and Loss Account as forex loss which again needs to be added in the annual turnover as per the financials to arrive at the revenue as per FORM GSTR-9.

Notes to Consider

FORM GSTR-9C should contain notes disclosing the limitations inherent in this exercise:

Conclusion

This Table would enable the reconciliation relating to foreign exchange differences between the value adopted for accounting in the financials vis-à-vis the value adopted for the payment of GST.

Table-5O. Adjustments in turnover due to reasons not listed above

5O	Adjustments in turnover due to reasons not listed above	**(+/-)**	

Instructions
Any difference between the turnover reported in the Annual Return (FORM GSTR-9) and turnover reported in the audited Annual Financial Statement due to reasons not listed above shall be declared here.

Introduction

Table 5O is a residuary Table which requires disclosure of reconciliation details relating to adjustments for which specific column is not provided under any other sub-Table under
Table No.5 of Part-II. This Table may contain an option to insert multiple line items to add/ reduce the amount from the gross turnover declared in the audited annual financial statements so as to reconcile the same with the turnover declared in FORM GSTR-9.

Analysis

The following broad head of adjustments can be reported under this Table-

(a) Turnover considered as 'supply' under GST but not considered as income in the audited annual financial statements.

(b) Turnover discovered as 'supply' during preparation of reconciliation statement, but not considered in the books of accounts and in FORM GSTR-9.

(c) The registered person has an option not to fill the adjustment entries given in Table 5B to 5N and the same may be reported in Table-5O.

However, it is recommended to provide the detailed break-up of the values reported in Table 5O for better clarity.

Turnover considered as 'supply' under GST but not considered as income in the audited Annual Financial Statements.

There could be instances where the transaction undertaken by the taxable person satisfies the definition of 'supply' but is not recognized as income in the books of accounts. Further, in certain cases, the transaction though considered 'supply' under the GST, may not be disclosed as turnover in the books of accounts as it would lead to the inflation of turnover, leading to incorrect figures. The following illustrations would help in understanding the adjustments which can be done under this Table-

(1) Gifts given to customers/ vendors/ distributors

If it is established that there is a non-monetary consideration flowing to the taxable person distributing the gifts, such transactions would be liable to GST. The gifts purchased and distributed by the taxable person are normally charged as expense in the Profit and Loss account. However, if the taxable person has disclosed the same in FORM GSTR-9, then adjustment has to be made in this Table to add it to the gross turnover declared under the audited annual financial statement for reconciling with turnover in FORM GSTR-9.

Data for such transactions can be ascertained from inventory records as well as expenses in the marketing/ sales promotion ledgers.

(2) Stocks issued to discharge CSR obligations

Where the taxable person has considered stocks issued for discharge of CSR obligation as taxable supply, then the amount of such taxable value has to be added under this Table to reconcile with the turnover declared in FORM GSTR-9.

Data for such transactions can be ascertained from inventory records as well as expenses in the CSR expenditure ledger.

(3) Incentives/ rebate received from supplier and considered as supply under GST

Incentives/ rebate received from the supplier could amount to taxable supply under the GST. Where the taxable person has reduced the incentive/ rebate received from the cost of purchase in the books of accounts, the said amount would be added under this Table so as to reconcile with value declared in FORM GSTR-9.

Data for such transactions can be ascertained from credit entries in the purchase ledgers.

(4) Sales promotion/ advertisement reimbursement received and considered as supply

Taxable persons may receive a portion of the advertisement cost/ sales promotion expenses as reimbursement from the supplier. Such reimbursements received could be considered a taxable supply from the taxable person to the supplier and accordingly could be liable to GST. Such reimbursements received are normally deducted from the advertisement/ sales promotion expenses in the profit and loss account. In such a situation, the amount of reimbursement received is to be added to the gross turnover declared in the audited annual financial statements.

Data for such transactions can be ascertained from credit entries in the sales promotion/ marketing expense ledgers.

(5) Out of pocket expenses considered in the value of supply

Where the taxable person has received some out-of-pocket expenses and has considered the same as the value of supply of goods & /or services, such amount should be added under this Table to reconcile with the amount disclosed in FORM GSTR-9. This is on the presumption that the out-of-pocket expenses received have not been considered income in the profit and loss account.

Data for such transactions can be ascertained from credit entries in the expense ledgers.

(6) Sale of capital goods

In respect of sale of capital goods, only the profit/ loss arising on the sale of such capital goods is disclosed in the profit and loss account. However, the GST on the supply of capital goods is leviable on the transaction value or input tax credit is reversed as per the formula prescribed in section 18(6) of the CGST Act. In order to reconcile the difference, the profit/ loss arising from the sale of such capital goods has to be deducted from the gross turnover of the audited annual financial statements and the value on which GST has been paid has to be added under this Table to reconcile with the amount disclosed in FORM GSTR-9.

Data for such transactions can be ascertained from deletions disclosed in the Fixed Asset Schedule.

(7) Inward supply returns considered as outward supply

Taxable persons may have adopted the practice of raising a tax invoice for the purpose of inward supply returns. However, for the purpose of accounts, the same would be considered inward supply return and reduced from the total purchase value instead of disclosing as revenue in books of accounts. In such a situation, the aggregate value of inward supply returns which have been considered outward supply under the GST have to be added to the gross turnover as per the audited annual financial statements to reconcile with the amount disclosed in FORM GSTR-9.

Data for such transactions can be ascertained from credit entries in the purchase ledgers.

(8) Outward supply returns considered as inward supply

Where taxable persons have adopted the practice of treating outward supply returns as inward supply but have reduced such outward supply return from the revenue, then the aggregate value of such turnover has to be reduced from the gross turnover declared in the audited annual financial statements to reconcile with the turnover declared in FORM GSTR-9.

Data for such transactions can be ascertained from credit entries in the sales ledgers.

(9) Income in profit and loss account recognized based on special circumstances

In respect of taxable persons engaged in construction services, the revenue in profit and loss account is recognized based on percentage of completion method, and the turnover under the GST would be based on the advances received towards such construction services. In such a situation, the turnover recognized in the profit and loss account should be reduced and the value of advances on which GST is paid has to be added to reconcile with the turnover declared in FORM GSTR-9.

Data for such transactions can be ascertained from the amount disclosed in the profit and loss Account and the notes to accounts forming part of the audited annual financial statements.

(10) Inputs and capital goods sent to job worker but not returned within the prescribed period of one year or three years, respectively

As per section 143(3) and 143(4) of the CGST Act, where inputs and capital goods are sent to a job worker and are not received back within the prescribed period of one year or three years respectively, it would be deemed to be a supply as on the date on which such goods were sent to the job worker. However, such supply may not be treated as income in the audited annual financial statements. In such a situation, the value on which GST is paid on the goods sent to the job worker is liable to be added under this point.

Data for such transactions can be ascertained from the inventory records and FORM GST ITC-04.

(11) Goods sent on approval basis, but not approved and received back within the prescribed period

Goods supplied on approval basis, but not approved within a period of six months from the date of goods sent, is deemed to be supply under the GST. Where the taxable person has disclosed such supply in FORM GSTR-9, but not considered as income in audited annual financial statements, adjustment should be made under this Table.

Data for such transaction can be ascertained from the inventory records, delivery challans and e-way bills raised.

(12) Other situations

Invoice for taxable turnover of Rs. 50,000/- has not been considered in FORM GSTR-3B, FORM GSTR-1 and FORM GSTR-9. However, such invoice has been considered in the audited annual financial statements. In such a situation, the invoice of Rs. 50,000/- should not be reduced as an adjustment under this Table This un-reconciled difference should appear in Table 5R and suitable explanation should
be provided in Table 6 of FORM GSTR-9C and offered for tax in Table 11 of FORM GSTR-9C.

It may be noted that the above transactions are only inclusive and illustrative.

Turnover discovered as 'supply' during preparation of reconciliation statement, but neither considered in books of account nor in FORM GSTR-9

In respect of transactions which were neither reported in the audited annual financial statements nor in FORM GSTR-9 but are considered as 'supply' by the registered person while finalizing reconciliation statement, have to be reported under this Table. This is for the reason that any adjustment made under this Table would be reflected in Table-5P and subsequently in Table-7A.

Amounts not disclosed in the audited Annual Financial Statements and in FORM GSTR-9

Where any transaction has not been reported in the audited annual financial statements and also in FORM GSTR-9, it has to be disclosed in Table 5O and Table 6 of FORM GSTR-9C. The requirement in Table 5 of FORM GSTR-9C is to reconcile turnover which has either been reported in FORM GSTR-9 or the audited annual financial statements. However, in case of any transaction that is apparently visible, the registered person is required to disclose the same in Table 5O and explain the same in Table 6 of FORM GSTR-9C.

Source of information

All the information reported here can flow from the profit and loss account, Notes forming part of the audited annual financial statements, Fixed Asset Schedule, credit entries in expenses ledgers, inventory records and FORM GST ITC-04.

Notes to consider

The following are the control checks that a person should perform for validation of the amounts reported under this head-

- Only adjustments permitted under the framework of the law should be adjusted under this Table.
- All transactions which have an implication under GST, but not considered as income in the audited annual financial statements, should be added under this Table. This is for the reason that any adjustment made in this Table, would be reflected in Table 5P and subsequently in Table 7A.

- Only those adjustments which are permissible under the framework of law should be considered here. In other words, adjustments should not be made under this Table merely to bring Table 5R to 'Nil'.
- Nil rated supply, non-GST supply and exempt supply should not be reduced as an adjustment under this Table.

Conclusion

Table 5O is an important Table and due attention has to be paid for the adjustments made under this Table. This would be a key area for scrutiny by the department during audit and assessment. An inclusive list is as under -

Sl No.	Particulars	Action	Amount
1	Gifts given to customers/ vendors/ distributors.	(+)	
2	Stocks issued to discharge CSR obligation.	(+)	
3	Incentives/ rebate received and considered as supply under GST.	(+)	
4	Sales promotion/ advertisement reimbursement received and considered as supply.	(+)	
5	Out of pocket expenses considered in the value of supply.	(+)	
6	Value on which GST paid on sale of capital goods.	(+)	
7	Profit on the sale of capital goods disclosed in the audited annual financial statements.	(-)	
8	Loss on the sale of capital goods disclosed in the audited annual financial statements.	(+)	
9	Inward supply returns considered as outward supply.	(+)	
10	Outward supply returns considered as inward supply.	(-)	
11	Income in profit and loss account recognized based on special circumstances.	(-)	

Sl No.	Particulars	Action	Amount
12	Value on which GST is liable to be paid in respect of transactions where income is recognized based on special circumstances.	(+)	
13	Discounts which are not to be excluded from the value of supply as per section 15.	(+)	
14	Any other amount.	(+) / (-)	

Table-5P: Annual turnover after adjustments as above

5P	Annual turnover after adjustments as above	<Auto>

Introduction

The reconciliation statement in Table 5P is auto populated and based on the values declared against Table 5B to 5O.

Analysis

The notified format provides for various adjustments to the revenue declared in the audited financial statements to arrive at the turnover under the provisions of the GST laws. The result of all such adjustments to the revenue as per the audited annual financial statements is termed 'Annual turnover after adjustments as above', which would be auto populated in accordance with the pre-determined formula viz., revenue as per the audited annual financial statements add/ less various adjustments to be declared against Table 5B to 5O. The turnover arrived at this Table shall comprise the following:

(a) Taxable turnover of outward supply of goods and/ or services;

(b) Exempt turnover of outward supply of goods and/ or services;

(c) Non-GST outward supplies turnover;

(d) Exports of goods and/ or services turnover;

(e) Outward supplies liable to GST under reverse charge mechanism.

Notes to consider

Since Table-5P is auto-populated common errors enumerated under Table 5A to 5O would be relevant.

Conclusion

The auto-populated turnover arrived at Table-5P should ideally be the turnover to be declared in Table-5Q if the turnover is reckoned in terms of the provisions of the GST law and is declared appropriately in the outward supply statement in FORM GSTR-1 and annual return in FORM GSTR-9. In the event of any difference, the same should be reconciled and the reasons should be mentioned in Table-6 of Part-II.

Table 5Q: Turnover as declared in Annual Return (FORM GSTR-9)

5Q	Turnover as declared in Annual Return (FORM GSTR-9)	

Table No.	*Instructions*
5Q	*Annual turnover as declared in the Annual Return (FORM GSTR-9) shall be declared here. This turnover may be derived from Sr. No. 5N, 10 and 11 of Annual Return (FORM GSTR-9).*

Introduction

Table 5Q requires a taxable person to disclose his turnover as per the annual return (FORM GSTR-9) filed for the relevant financial year. Therefore, the turnover arrived at Table-5N as per the annual return (FORM GSTR-9) should be declared under Table-5Q. Accordingly, the annual return (FORM GSTR-9) should be filed along with or before filing the reconciliation statement in FORM GSTR-9C.

Analysis

Source of information

The turnover arrived at in Table-5P of FORM GSTR-9C as stated earlier, should match with the turnover as declared in the annual return if the turnover is reckoned appropriately as per the GST law and declared in the returns filed in FORM GSTR-3B and the annual return in FORM GSTR-9. The turnover as arrived at in Table 5N of the annual return in FORM GSTR-9 shall be the turnover to be declared against Table 5Q of FORM GSTR 9C.

Validation of information

The turnover as arrived at in Table-5N of the annual return in FORM GSTR-9 would comprise the sum of the following and accordingly, the source information may be validated by adopting the appropriate techniques:

(i) Details of advances, inward and outward supplies on which tax is payable as declared in the returns filed during the financial year (as per Table 4 of FORM GSTR-9)

(a) Supplies made to un-registered persons (B2C);

(b) Supplies made to registered persons (B2B);

(c) Zero rated supply (Export) on payment of tax (excluding supplies to SEZ);

(d) Supplies to SEZ on payment of tax;

(e) Deemed exports;

(f) Advances on which tax has been paid but invoice has not been issued.

The above shall be adjusted by the value of:

(a) Credit notes and debit notes issued during the year in respect of transactions specified in (b) to (e) above and declared in the monthly return in FORM GSTR-9/ and annual return in FORM GSTR-9C;

(b) *Supplies declared or reduced through amendments.*

(ii) Details of outward supplies on which tax is not payable as declared in returns filed during the financial year (as per Table 5 of FORM GSTR-9)

(a) Zero-rated supply (export) without payment of tax;

(b) Supply to SEZ without payment of tax;

(c) Supplies on which tax is to be paid by the recipient on reverse charge basis;

(d) Exempted supplies (excluding nil-rated and non-GST supply);

(e) Nil-rated supplies;

(f) Non-GST supplies.

The above shall be adjusted by the value of:

a) *Credit notes and debit notes issued during the year in respect of transactions specified in (b) to (e) above and declared in the monthly return in FORM GSTR-9/ and annual return in FORM GSTR-9C;*

b) *Supplies declared or reduced through amendments.*

The aggregate of the turnovers declared under (i) and (ii) sums up the entire gamut of outward supplies affected by a taxable person under the GST regime. It is important to note that the sum determined above shall not include inward supplies liable to tax under reverse charge basis. In other words, this amount may be regarded as the "turnover in State" or "turnover in Union territory" as defined in section 2(112) of the CGST Act/ SGST Act/ UTGST Act.

Notes to consider

The turnover as declared in the monthly return in FORM GSTR-1 by virtue of which the same is declared in the annual return in FORM GSTR-9 may not include all the taxable outward supplies on account of omissions or errors. Such differences in the turnover should not be adjusted under Table No.5O for the purpose of matching the turnover between the annual return and the audited annual financial statements. The turnover as arrived in Table No.5N of the annual return in FORM GSTR-9 shall be declared against Table No. 5Q of FORM GSTR-9C. The differences in turnover as per the audited annual financial statement and the turnover as per the annual return in FORM GSTR-9 should be reconciled and the reasons thereof should be mentioned in Table 6 of Part-II.

Additional notes to consider

The annual return in FORM GSTR-9 would be furnished by a taxable person. Therefore, the turnover, taxes paid/ payable, input tax credit etc., as declared therein should be validated with the returns filed in FORM GSTR-3B and other statements like FORM GSTR-1, FORM GSTR-2 (if filed), etc.

Table-5R: Un-reconciled turnover (Q-P)

5R	Un-Reconciled turnover (Q - P)	**AT1**

Introduction

The un-reconciled turnover in Table No. 5R is the difference between the 'Annual turnover after adjustments as above' Table No. 5P from 'turnover as declared in the annual returns in FORM GSTR-9' as declared at in Table No.5Q. The difference would be auto generated.

Analysis

Source of information

This is the auto generated value.

Validation of information

The value of supplies either taxable, exempted or non-GST outward supplies not declared in the monthly returns and annual returns would form part of the auto-generated value in Table 5R. The reasons for such un-reconciled turnover should be given under Table 6 of Part-II of the reconciliation statement in FORM GSTR-9C. This could lead to any one of the following two situations-

(i) The 'Annual turnover after adjustments as above' at in Table 5P is higher than the turnover at Table 5Q [Turnover as declared in the Annual Return in FORM GSTR-9]

This situation arises if a taxable person has not declared some taxable outward supplies, exempted supplies and non-GST outward supplies in the monthly returns as well as in the annual return. The value of taxable supplies forming part of the differences should be declared under Table-11 of Part III of FORM GSTR-9C and the applicable taxes thereon shall be paid appropriately by cash. The differences in exempt supplies and non-GST outward supplies shall be declared against Tables 7B or 7C of Part II as the case may be and reduction from the total turnover may be sought.

(ii) The 'Annual turnover after adjustments as above' in Table 5P is lower than the turnover at Table 5Q [Turnover as declared in the Annual Return in FORM GSTR-9]: This situation may arise if a taxable person has erroneously declared a higher turnover in the monthly return in FORM GSTR-3B and the annual return in FORM GSTR-9. The reconciliation statement in FORM GSTR-9C does not specifically provide to claim the benefit of tax paid erroneously. The statement which would be made available on the GST portal should be checked to verify whether the taxable value at Table-11 may be declared in the negative so that refund of tax remitted on such turnover can be claimed. Clarification on this issue is awaited.

Notes to consider

(i) The turnover arrived at in Table-5P may be higher than the turnover as per the annual return to be declared at Table-5Q on account of not declaring certain turnovers which could be either taxable outward supplies, exempted outward supplies or non-GST outward supplies in the monthly returns and annual returns. If certain taxable outward

supplies are not declared in the monthly/ annual returns and exempted supply/ non-GST outward supplies are declared appropriately in the monthly return and annual return, the un-reconciled turnover arrived at Table 5R of Part II should match with the un-reconciled taxable turnover arrived at Table-7G of Part II.

(ii) If the taxable person has not declared the exempt supplies and non-GST outward supplies in the monthly/ annual return, the un-reconciled turnover at Table 7G of Part II should be lower than the un-reconciled turnover arrived at in Table 5R of Part II to the extent of the value of exempt supply and non-GST outward supply not declared in the relevant return. This check would also hold good where the zero-rated supply and supply liable to tax under reverse charge mechanism is not declared in the relevant return.

Table 6: Reasons for Un-Reconciled difference in Annual Gross Turnover

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

Table No.	***Instructions***
6	*Reasons for non-reconciliation between the annual turnover declared in the audited Annual Financial Statement and turnover as declared in the Annual Return (FORM GSTR-9) shall be specified here.*

Introduction

This portion of FORM GSTR-9C identifies the turnover differences to be placed on record for explaining the differences between the GST returns and the audited financials. All the information filled up in the GST returns has to be flown from the books of accounts. However, the un-reconciled turnover on account of disclosure norms as per the Accounting Standard issued by the ICAI or other statutory provisions or practices adopted by the registered

person on special approval basis, which are not reconciled at a turnover level should be disclosed in this Table.

For instance, the mechanism for the determination of revenue in case of sale of a capital asset shall differ for the value to be disclosed in the GST returns compared with that of the practice adopted in the book of accounts.

Analysis

Source of information

The data which has to be filled up in this Table is a conclusion drawn up on account of a reconciliation for the turnover as per the books of accounts compared with the annual return.

Further, review of the transactions effected through the E-way bills gives the exceptional transactions, if any, to be reported through the above reconciliation.

Relevant document/ books/ records

Examine the turnover available as per the audited financial statements with that of the annual turnover determined as per FORM GSTR-9. Information available in notes to accounts as per the audited financial statements gives the additional information for the exceptions, if any, to the regular practice of maintenance of the books of accounts.

Validation of information

Information has to be compared on equitable basis for clarity on what is to be compared as turnover considered in the financial statements with that of the turnover compared in the GST returns. For instance, turnover on the sale of fixed assets should be considered for the whole consideration value in the GST returns. However, only profit/ loss on such sale shall be considered in the books of accounts. For having an equitable basis for both the turnovers, we need to gross up the profit/ loss in the books of accounts for a matching comparison with the GST returns.

Illustrations

The following illustrations can be considered for reporting the reconciliation differences:

- Capital gain/ loss on sale of a fixed asset recorded in the books for turnover purpose compared with the total consideration available in GST returns.

- Government grant received on account of capital/ revenue commitment needs a special disclosure in the books based on the conditions to be complied with. However, disclosure of the total sum in the GST returns in the period of its receipt shall call for the reconciliation as per above.
- Transaction reported in a delivery challan during the financial year for supply on sale on approval basis beyond a period of six months shall be deemed to be a supply under GST. However, that may not be a sale for revenue recognition in the books for such transactions. Assuming GST returns carry the supply details and no revenue recognition has been done in the books of accounts, this shall call for the reconciliation.

Notes to consider

Possible errors in the preparation of the above reconciliation are given below:

- Discrepancy on account of transactions recorded on the expense's allocation shall not be cast in this para for the purpose of reconciliation.
- Turnover as per the books is not explained duly for the purpose of this reconciliation. Head of the revenue applicable as per the books may not be the same as per the supply in GST returns filed. Extra caution is required for identification and segregation in this regard.

Table 7. Reconciliation of Taxable Turnover

Table 7A & 7B

7	**Reconciliation of Taxable Turnover**	
7A	Annual turnover after adjustments (from 5P above).	**<Auto>**
7B	Value of Exempted, Nil Rated, Non-GST supplies, No-Supply Turnover.	

Table No.	***Instructions***
7	*The table provides for reconciliation of taxable turnover from the audited annual turnover after adjustments with the taxable turnover declared in annual return (FORM GSTR-9).*

7A	*Annual turnover as derived in Table 5P above would be auto-populated here.*
7B	*Value of exempted, nil rated, non-GST and no-supply turnover shall be declared here. This shall be reported net of credit notes, debit notes and amendments, if any.*

Introduction

Table 7B requires reduction of value of exempted, nil rated, non-taxable supplies, no-supply turnover from the annual turnover after adjustments to arrive at taxable turnover. In order to comprehend the scope of this Table, we need to understand the terms "exempted, nil rated, non-taxable supplies, no-supply". This shall be reported net of credit notes, debit notes and amendments, if any.

Analysis

All the supplies on which tax has not been charged except for exports and reverse charge supplies should be reported under Table 7B. The information can generally be obtained from the credit side of the profit and loss account. In case of a barter transaction, the sale of fixed assets at loss etc. would not appear in the profit and loss account. Therefore, that information shall be obtained from the fixed assets schedule or the stock register. The value of no-supply can be taken as reported in the books.

Validation of information

Table-7B essentially comprises the following 4 classes/ types of supplies-

(a) Supplies taxable at a 'Nil' rate of tax; please refer to *N.No. 11/2017-Central Tax (Rate), dated 28-6-2017* contains Sl. No. 16 and 24 where the prescribed rate is 'nil';

(b) Supplies that are wholly or partially exempted from CGST, SGST or IGST, by way of a notification, E.g.: milk, water, education service, health care services, etc.

(c) Non-taxable supplies as defined under section 2(78) of the CGST Act– supplies that are not taxable under the Act (viz. alcoholic liquor for human consumption, un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor for human consumption, petroleum products etc.).

(d) No supplies include the activities covered under Schedule III which are neither a supply of goods nor a supply of services. Examples-sale of land or completed building, actionable claims, other than lottery, betting, and gambling.

The definition of exempt supply under section 2(47) of the CGST Act covers three out of four terms used in Table-7B and is also a part of disclosures in FORM GSTR-1, FORM GSTR-3B and FORM GSTR-9. Further, common instruction to Tables 5D, 5E and 5F of FORM GSTR-9 specifically includes the value of 'no supply'. Therefore, the turnover disclosed as 'no supply' would appear only in FORM GSTR-9 and FORM GSTR-9C. With this instruction, the registered person needs to disclose data relating to each sub-group within the definition of 'exempt supply', whether or not they were reported in FORM GSTR-1 and FORM GSTR-3B.

Illustrations

The following supplies would form part of the reporting under value of exempted, nil rated, non-taxable supplies, no-supply turnover in the case of a hospital-

(a) Consultation fees received by the hospital Rs. 2,50,00,000/- (exempted supply)

(b) Diagnostic services provided by the hospital Rs. 40,00,000/- (exempted supply)

(c) Excess petrol available in the hospital sold to a related party Rs.10,000/- (non-taxable supply)

(d) Land sold by the hospital Rs.5,00,00,000/- (no-supply)

Common errors/ control checks

The following are the control checks that a person should perform for validation of the amounts reported under this head-

- Cross link with corresponding items in FORM GSTR-9-Part II Tables 5D, 5E and 5F;
- Notes to FORM GSTR-9C may be drafted for this Table as to the manner of its quantification from the books and records and correlated with returns filed in FORM GSTR-3B;
- To be cross checked with exempted turnover computation for the purpose of section 17(2) of the CGST Act.

Conclusion

Therefore, Table 7B of Part II to FORM GSTR-9C would contain the value of exempted, nil rated, non-taxable supplies, no-supply turnover.

Table 7C. Zero rated supplies without payment of tax

7C	Zero rated supplies without payment of tax	

Table No.	*Instructions*
7C	*Value of zero-rated supplies (including supplies to SEZs) on which tax is not paid shall be declared here. This shall be reported net of credit notes, debit notes and amendments, if any.*

Introduction

Table 7C of FORM GSTR-9C requires disclosure of value of zero-rated supplies without the payment of tax which forms part of the 'Annual turnover after adjustments' from Table 5P. This should also consist of the value of zero-rated supplies which have not been declared in the monthly return/ annual return erroneously for the reason that the adjusted turnover at Table No. 5P contains even such zero-rated supplies. Therefore, such value of zero-rated supplies should be deducted from the adjusted annual turnover arrived at Table 5P so as to claim exemption. In short, the zero-rated supplies as recorded in the audited annual financial statements should be declared against Table 7C.

Analysis

Zero rated supply under the provisions of GST law means:

(a) Exports of goods or services or both.

(b) Supply of goods or services or both to SEZ developer/ SEZ unit for authorized operations.

The zero-rated supplies can be effected either by payment of tax or without payment of tax upon filing a letter of undertaking (LUT). Since, under Table 7 the taxable turnover as arrived from the revenue recorded in the audited annual financial statement should be reconciled with the taxable turnover as declared in the monthly returns/ annual returns, only zero-rated supplies without payment of tax should be declared against Table 7C.

In case of export of goods, the tax invoices are issued prior to the issuing of shipping bill for entering goods into the customs area or in inland container

depot. The recognition of revenue in the financial statement would depend upon the terms of agreements with the buyer. The terms of contract can be free on-board basis (FOB) or cost insurance freight basis (CIF).

In case of FOB contract the revenue is recognized on the date of actual shipment or filing of bill of lading as the risk of title and ownership is transferred to the foreign buyer when the goods are boarded on the conveyance.

In the case of CIF contract, the revenue is recognized on the date of receipt of delivery by the foreign buyer. In such instances the insurance and freight are borne by the supplier and the risk of title and ownership is transferred to the buyer on delivery to the foreign buyer.

Revenue cannot be recognized based on the invoice date and hence, such revenue may be classified as un-earned revenue till the actual shipment when bill of lading is filed and goods are handed over to the person in charge of the conveyance. Therefore, in the case of CIF contract, such un-earned revenue shall be recognized as revenue from the sale of goods on the date of actual shipment/ filing bill of lading.

Therefore, in such instance the foreign buyer account would be debited with un-earned revenue on the date of issue of tax invoice and in case of recognition of revenue, the sales entry would be passed by deducting the un-earned revenue.

Illustrations

(a) Foreign buyer A/c – Dr

To Unearned revenue A/c

(On the date of issue of tax invoice)

(b) Unearned Revenue A/c- Dr

To Sales A/c

(On the date of recognition of revenue)

Therefore, where the tax invoice is issued prior to 31st March, 2026 and shipping bill/ delivery of goods takes place after 31st March, 2026, it is relevant to understand the manner in which the transactions are recorded in the financial statements. If the exports are recognised as revenue for the financial year 2025-2026, such value of exports should be declared against Table 7C. However, if the exports are recorded as un-earned revenue in the

annual audited financial statement as on 31st March, 2026, this would not form part of the revenue at Table No. 5A for 2025-2026.

The export transactions effected without the payment of IGST (under bond/ letter of undertaking (LUT) are reported on invoice basis-

(a) Table 6A and 6B and Table-9A and 9C of FORM GSTR-1.

(b) Table 5A and 5B and for Amendments in Table 5J and Table 5K in FORM GSTR-9.

(c) Table-7C of FORM GSTR-9C.

Therefore, the exports turnover as recognized as per the audited financials has to be reconciled with the-

(a) Exports with payment of taxes.

(b) Exports without payment of taxes.

(c) Un-earned revenue.

(d) Any other items

Source of information

The source of information for zero-rated supplies shall be obtained from the outward supply statement in FORM GSTR-1 and revenue register forming part of books of accounts. The outward supply statement filed in FORM GSTR-1 shall be correlated with the zero-rated supplies declared in the monthly returns in FORM GSTR-3B.

Validation of information

In respect of export of goods without payment of duty, the data may be verified in the following manner-

(a) invoices along with packing list issued for export of goods;

(b) shipping bill / bill of lading;

(c) application seeking refund of input tax credit, if any, along with the details/ documents filed therewith;

(d) verification of shipping bills from ICEGATE portal on a sample basis;

(e) letter of undertaking in FORM GST RFD-11 filed–since, the services cannot be exported without payment of taxes only if the letter of undertaking is filed prior to export;

(f) foreign inward remittance may be verified for goods and services (now with substitution of sub-section (3) of section 16 of IGST Act with effect from 01.10.2023 foreign remittance certificate is required for export of goods also)

(g) In respect of supply of goods to SEZ for authorized operations without payment of taxes, the data may be verified in the following manner-

(a) Invoices by the supplier. The invoice would contain the endorsement of the SEZ officer;

(b) purchase order issued by the SEZ recipient;

(c) agreement for supply of goods, if any, between the supplier and the SEZ-recipient;

(d) letter of undertaking in FORM GST RFD-11 filed– since the services cannot be exported without payment of taxes only if the letter of undertaking is filed prior to export;

In respect of export of services, the data can be validated in the following manner-

(a) the invoices issued for export of services;

(b) purchase order, if any, issued by the recipient of services;

(c) the agreement between the supplier of services and the recipient of services;

(d) bank statement or the certificate issued by the bank for inward remittance of foreign exchange;

(e) letter of undertaking in FORM GST RFD-11 filed – since the services cannot be exported without payment of taxes only if the letter of undertaking is filed prior to export;

(f) application seeking refund of input tax credit, if any, along with the relevant documents;

In the case of supply of services to SEZ for authorized operations without payment of taxes, the outward supplies can be validated in the following manner:

(a) verification of the copy of invoice. As a practice, the SEZ-recipient issues a copy of the invoice endorsed by the specified officer of the concerned SEZ;

(b) purchase order issued by the SEZ-recipient;

(c) agreement between the supplier of services and the recipient of services;

(d) the default list of the authorised operations list of the SEZ-recipient if available with the supplier may be verified;

(e) letter of undertaking in FORM GST RFD-11 filed – since the services cannot be exported without payment of taxes only if the letter of undertaking is filed prior to export;

Notes to consider

Possibilities of errors while disclosing the zero-rated supplies without payment of taxes in FORM GSTR-1 and FORM GSTR-3B are-

(a) Zero-rated supplies with payment of tax should not be declared against Table 7C. Such exports would form part of the taxable turnover to be arrived at Table 7F;

(b) The option to export or supply to SEZ for authorized operations without payment of tax is available only if the letter of undertaking is filed. Due caution should be exercised if the letter of undertaking is not filed and the tax is also not remitted. In such a scenario, exemption claimed should not be disallowed on the grounds that the letter of undertaking is not filed in case of the export supplies or SEZ supplies are fructified. In this regard, attention is drawn to *Circular No. 125/ 44/ 2019–GST dated 18.11.2019* wherein it is clarified that substantial benefits of zero-rated supplies should not be denied if it is established that the goods or services have been exported.

(c) Rule 96A of the CGST Rules, specifies that a taxable person would be liable to pay applicable tax along with interest within fifteen days from the following date-

— In case of goods–after the expiry of three months or such further period as may be allowed by the Commissioner from the date of issue of the invoice for export, if the goods are not exported out of India;

— In case of services–after the expiry of one year or such further period as may be allowed by the Commissioner from the date of issue of export invoice, if the payment is not received by the exporter in convertible foreign exchange.

(d) If the tax is remitted in terms of rule 96A of the CGST Rules, the relevant zero-rated supplies should not be declared against Table-7C

since the tax on such supplies have been remitted. Where a taxable person is effecting zero-rated supplies without payment of tax and certain zero-rated supplies with payment of tax, due caution should be exercised to bifurcate the same and accordingly, declared them against Table 7C.

(e) Rule 96B of the CGST Rules, specifies that a taxable person would be liable to pay the following amount along with interest when the sale proceeds in respect of export goods have not been realised, in full or in part, in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period.

- refund of the unutilised input tax credit on account of export of goods.
- refund of the IGST paid on export of goods,

The payment is restricted to the extent of non-realisation of sale proceeds, along with applicable interest within thirty days of the expiry of the said period or, as the case may be, the extended period.

If the registered person fails to pay the amount, then it is recovered in accordance with the provisions of section 73 or 74 of the Act along with interest under section 50.

Additional notes to consider

The following has to be ensured while validating the value of zero-rated supplies without payment of tax reported under this head-

(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 of the CGST/ SGST Rules, if any, should be identified. The zero-rated supplies relating to such remittance should not be declared against Table-7C.

(c) Goods exported in pre-GST regime, but recognised as revenue in GST regime in the audited annual financial statements, should be ascertained and such zero-rated supplies should be declared against Table-5O. Such zero-rated supplies may not qualify as turnover for the purpose of the GST law but would be accounted as revenue as per the audited financial statements.

(d) The supplies effected under merchanting trade would not qualify as an export under the GST law. Accordingly, such supplies may not be declared under the reconciliation statement in FORM GSTR-9C.

(e) Deemed exports, if any, effected by the taxable person shall not be declared against Table-7C since, such supplies would not qualify as zero-rated supplies without payment of tax under the provisions of the GST laws.

Conclusion

Zero-rated supplies without payment of tax effected by a registered person for the period April, 2025 to March, 2026 should be declared against Table-7C. Zero-rated supplies on payment of tax shall form part of the turnover to be arrived at Table-7F.

Table 7D. Supplies on which tax is to be paid by the recipient on reverse charge basis

7D	Supplies on which tax is to be paid by the recipient on reverse charge basis.	

Table No.	***Instructions***
7D	*Value of reverse charge supplies on which tax is to be paid by the recipient shall be declared here. This shall be reported net of credit notes, debit notes and amendments, if any.*

Introduction

Section 2(98) defines reverse charge to mean a case where liability to pay tax is on recipient of supply of goods or service instead of the supplier under section 9(3) and 9(4) of the CGST/ SGST Act or section 5(3) or 5(4) of the IGST Act.

Analysis

Relevant provisions

(a) Relating to goods: *N.No.- 4/2017-CT(R) and 4/2017-IT(R) both dated 28th June, 2017*, as amended.

(b) Relating to services: *N.No.-13/2017-CT(R) and N.No.-10/ 2017-IT (R) both dated 28th June*, 2017 as amended.

(c) As per section 17(3) of the CGST Act, exempt supply shall include supplies on which the recipient is liable to pay tax under reverse charge basis. The meaning of this provision is that where a supplier is supplying goods / services, the tax on which is liable to be paid by the recipient then such supply of goods / services would be treated as exempt supply in the hands of such supplier.

(d) As per section 9(4) all registered persons, in respect of the supply of goods or services or both received from an un-registered supplier, pay the tax on a reverse charge basis. However, CBIC vide. *N.No.-08/2017-CT(R), dated 28th June, 2017* (as amended) provided an exemption to the registered persons from paying CGST under reverse charge on the supply of goods or services from un-registered person to registered person from 13th October, 2017 till 30th September, 2019.

(e) Section 9(4) has been substituted vide N.No.-02/2019 dated 29.01.2019, w.e.f. 1st February, 2019. Accordingly, the Government has been empowered to notify a class of registered persons who shall, in respect of the supply of specified categories of goods or services or both received from an un-registered supplier, pay the tax on a reverse charge basis. Further, in this connection, CBIC issued *N.No.-07/ 2019-CT(R), dated 29th March, 2019* (as amended) where the promoter has to pay the taxes for the procurement of supplies from an un-registered person.

Source of information

The following documents may be verified for information-

(1) If the supplier has more than one vertical. One of the vertical is on forward charge and one on reverse charge. The vertical on reverse charge should be taken under '*supplies on which tax is to be paid by the recipient on reverse charge basis*'.

(2) Data entered Table-4B of FORM GSTR-1 (Supplies attracting tax on reverse charge) should be taken as the source for this information. The data would have been entered in Table-4B providing invoice level details.

(3) The aforesaid information should be also entered in Table-3.1(c) (Other outward supplies-nil rated, exempted) of FORM GSTR-3B.

(4) It is to be noted that expenses on which tax is paid by registered person as recipient of service should not be inserted in this column and reduced from annual adjusted turnover since Table-7 is seeking to

reduce items from annual turnover after adjustments to arrive at turnover of registered person which is liable to tax.

Validation of information

(i) The first level of validation would be cross verification between the ledger account of the outward supply which is liable to reverse charge, with the values entered in Table-4B of FORM GSTR-1. The verification should be conducted month wise.

(ii) The second level of validation is cross referencing the data in Table-4B of FORM GSTR-1 with data in Table-3.1(c) of FORM GSTR-3B. While cross referencing the data, only exempted supply on account of reverse charge should be extracted from Table-3.1(c). For the purpose of extraction, refer working paper for filing FORM GSTR-3B. After such extraction, any difference in Table-3.1(c) and Table-4B would point to a *prima facie* mistake.

(iii) The aforesaid outward supply subject to reverse charge to be entered in Table-7D of FORM GSTR-9C is net of the debit and credit notes because these notes on account of the aforesaid outward supplies would have been accounted in Table 9B and 9C of FORM GSTR-1.

Common errors, checks and balances to validate correctness and completeness

(a) The value on which tax is paid under reverse charge under section 9(3) and 9(4) may be wrongly entered here. What is to be entered in Table-7D is the supplier's/ registered person's outward supply, on which tax is to be paid by the recipient and not by the supplier/ registered person.

(b) It is to be noted that if the GTA is opting to pay tax under forward charge then the said turnover would fall within the meaning of taxable turnover and not be declared under this entry.

(c) There could be cases where the supplier has paid tax on his outward supplies, which are liable to reverse charge. In such cases, though the supplier has paid tax, it is not legally correct. Such supplies on which tax has been paid wrongly on forward charge, though liable to tax under reverse charge, will still have to be entered in Table-7D and deducted from the adjusted turnover to arrive at the taxable turnover.

For example: Advocate Mr. X has provided legal services and charged GST of Rs. 18 on his invoice of Rs. 100. The advocate's client has paid Rs. 118 to the advocate. The advocate has remitted Rs. 18 to Government and is of the opinion that the aforesaid transaction should

not be mentioned in Table-7D. Is the stand taken by the advocate correct?

Ans: Supplies by a registered person, whose suppliers are liable for reverse charge, are to be inserted in Table No.7D. Legal service provided by the advocate to his client is liable for reverse charge (assuming all other conditions in reverse charge notification stand satisfied). Hence, the impugned transaction should be inserted in Table No.7D. GST wrongly collected and paid by the advocate under forward charge will not change the fact that the aforesaid service is liable to reverse charge and hence merits insertion in Table-7D.

(d) Once the aforesaid turnover is treated as 'exempted turnover' for the supplier, the credit reversals under rules 39, 42 and 43 of the CGST Rules should be computed and reversed.

(e) The credit reversals under rules 42 and 43 of the CGST Rules find a specific mention in Table-4B(1) of FORM GSTR-3B. Thus, the credit reversals should also be computed. Though data relating to reversal of credit need not be uploaded in this entry i.e., Table-7D, however, the registered person needs to verify whether credit reversals have been made under section 17 read with rules 42 and 43 under the respective entries.

(f) Where a person provides services to a body corporate as director and also provides services to other persons not in the capacity of a director, then the services provided in the capacity of the director to the body corporate would fall under Table-7D whereas all other services provided by him would form part of the Taxable turnover.

(g) Similarly, where a person provides services as a recovery agent/ insurance agent and also provides services to bank/ insurance company in addition to his other services, then the consideration received from the bank/ insurance company should be entered in Table-7D and other services liable to forward charge should form part of taxable turnover as per Table-7E.

(h) Temporary transfer of copyright by an author or music composer, photographer, artist, or the like, relating to original literary, dramatic, musical or artistic works to a publisher, music company, producer or the like under section 13(1)(a) of the Copyright Act, 1957 ought to be mentioned in Table-7D. All other considerations received by them, including consideration received for temporary transfer of copyright

under section 13(1)(b) and 13(1)(c) of the Copyright Act, 1957 would be liable to tax under forward charge and included in Table-7E.

(i) Table-3.1(c) of FORM GSTR-3B relating to other outward supplies includes nil-rated supplies and exempted supplies. As per section 17(3), outward supplies which are liable to reverse charge shall be treated as exempted turnover for the supplier. Thus, the outward supplies liable to reverse charge would be included in this Table. The aggregate of this turnover disclosed in FORM GSTR-3B for April, 2025 to March, 2026 must be extracted and matched with invoice level details in the books of accounts and invoice level details entered in FORM GSTR-1 (Table-4B). Data must be entered in Table-7D only after the aforesaid reconciliation.

Conclusion

It must be ensured that if the supplier has turnover which is liable to both forward charge and reverse charge then the turnover liable to reverse charge should be accounted for in Table No.7D. It may be ensured for purposes of control that the aggregate of turnover under forward charge and reverse charge is the total turnover.

Table 7D1. Supplies on which tax is to be paid by ECO

7D1	Supplies on which tax is to be paid by ecommerce operators as per section 9(5) [Supplier to report]	

Table No.	***Instructions***
7D1	*Supplies on which tax is to be paid by e-commerce operators as per sub-section (5) of section 9 shall be declared here by the supplier.*

Introduction

Section 9(5) of the CGST Act, 2017, introduces a deeming provision that shifts the tax liability for specific notified services supplied through an electronic commerce operator (ECO) from the actual supplier to the ECO itself. This mechanism ensures centralized compliance and simplifies tax collection in the e-commerce ecosystem, treating the ECO as the deemed

supplier for GST purposes. In this Entry the supplier has to report the transaction made through ECO where such ECO had paid the taxes.

Analysis

Relevant provisions

(a) *N. No.-17/2017-CT(R) dated 17th September 2017*, as amended.

(b) N. *No. 14/2022-CT dated 05th July 2022* introduced reporting in GSTR-3B Table 3.1.1. The supplier reports the value in Table 3.1.1(ii) of GSTR-3B to indicate the portion where tax is paid by ECO, ensuring no double taxation. ECOs report the taxable value and tax paid in Table 3.1.1(i). Failure to report here may lead to system validations flagging mismatches during return filing.

(c) As per Section 9 (5), the ECO is liable to pay the entire GST (CGST + SGST/UTGST or IGST, as applicable) on the notified services, irrespective of whether the supplier is registered or unregistered. The implications include:

- ☼ the supplier is not required to charge or collect GST on such supplies;
- ☼ the ECO must deposit the tax in cash (no utilization of input tax credit (ITC) for this liability); and
- ☼ the supplier treats these supplies as exempt for their compliance obligations, potentially affecting ITC reversals under Rules 42 and 43 of the CGST Rules, 2017.

This provision overrides the general forward charge mechanism, promoting ease of doing business for small suppliers while placing the onus on platforms like Uber, Ola, or Zomato.

(d) As per *Notification No. 17/2017-Central Tax (Rate) dated 28.06.2017* (as amended), the following services are notified:

- Services by way of transportation of passengers by a radio-taxi, motor cab, maxi-cab, or motor cycle (e.g., cab aggregators).
- Services by way of providing accommodation in hotels, inns, guest houses, clubs, campsites, or other commercial places meant for residential or lodging purposes.
- Services by way of house-keeping, such as plumbing, carpentering, or electrical work (e.g., urban services platforms).
- Restaurant services involving supply of food or beverages, including outdoor catering (e.g., food delivery apps).

Source of information

The ECO transactions are expected to be reported in the below given Tables:

Form & Table	Who Reports?	What It Captures	Purpose / Why Required	Tax Impact
GSTR-1 – Table 14(a)	Supplier	Supplies through ECO not covered under 9(5)	Report taxable outward supplies; supplier liable for GST	Supplier pays GST
GSTR-1 – Table 14(b)	Supplier	Supplies through ECO covered under 9(5)	Show supplier turnover routed via ECO; no GST liability	No GST by supplier (exempt reporting)
GSTR-1 – Table 15	ECO	All services covered under Section 9(5)	Declare taxable outward supplies where ECO pays GST	ECO pays GST
GSTR-3B – Table 3.1.1(i)	ECO	Taxable value + GST for Section 9(5) services	Identify GST liability for 9(5); ECO pays via cash	ECO pays; no ITC allowed
GSTR-3B – Table 3.1.1(ii)	Supplier	Value of 9(5) supplies made through ECO	Ensure supplier turnover matches books; avoid	No tax liability for supplier

			double tax	

Validation of information

a. Review supplier's invoice formats: Ensure no GST charged on notified supplies; cross-check with ECO payment statements for value matching.

b. Validate ECO notifications: Confirm the platform's status via GSTIN search and review contract terms for 9(5) applicability.

c. Assess supplier registration: Unregistered suppliers below threshold (e.g., restaurants < Rs. 20 lakh) need not register solely for these supplies.

d. Compare supplier's GSTR-3B Table 3.1.1(ii) (value reported) with ECO's Table 3.1.1(i) (tax paid) via GST Portal's return comparison tool.

   Example: If a cab driver reports Rs. 1 lakh in exempt supplies via Uber in GSTR-3B, Uber's corresponding tax deposit of 5% GST (Rs. 5,000) must align in value terms.

e. Turnover Reconciliation: Reconcile total outward supplies in GSTR-1 with books of accounts; segregate 9(5) portion using ECO transaction logs (e.g., API extracts from platforms).

f. Exempt Supplies Matching: Use Excel pivot tables to match GSTR-3B Table 3.1.1 (ii) (exempt) against ECO-provided statements; variance > 5% triggers inquiry.

Common errors, checks and balances to validate correctness and completeness

Misreporting under Section 9(5) often stems from incomplete platform integration or misunderstanding exempt treatment, leading to cascading compliance issues.

a. Reporting 9(5) supplies as taxable in GSTR-3B Table 3.1(a), resulting in self-assessed liability and double taxation.

b. Treating all ECO-facilitated supplies as exempt, including non-notified ones (e.g., goods sales), attracting TCS under Section 52.

c. Omitting Table 3.1.1(ii) reporting, causing GSTR-3B blocking during validation.

d. Supplier files in wrong month vs. ECO's collection date.

Conclusion

In a typical transaction, a customer pays the app the total including GST, the ECO remits the tax to the government, and the supplier receives the net payout, reporting the value in GSTR-3B Table 3.1.1(ii) as supplies where tax is paid by ECO. The accountants must prioritize monthly reconciliations between supplier and ECO data to catch mismatches early, emphasizing correct Table 3.1.1 disclosures to safeguard against penalties. Best practices include automating platform integrations for real-time sync, conducting quarterly audits to avoid misclassification of notified vs. non-notified supplies. Overall, meticulous observance turns potential compliance headaches into efficient, scrutiny-proof operations.

Table 7E. Taxable turnover as per adjustments above (A-B-C-D)

7E	Taxable turnover as per adjustments above (A-B-C-D-D1)	<Auto>

Table No.	*Instructions*
7E	*The taxable turnover is derived as the difference between the annual turnover after adjustments declared in Table 7A above and the sum of all supplies (exempted, non-GST,[reverse charge, supplies made sub-under section (5) of section 9 etc.) declared in Table 7B, 7C, and 7D and 7D1 above].*

The details of adjusted total turnover needs to be broken down in accordance with the GST rates based on the reports generated from the books of accounts and necessary adjustments made in Part II of FORM GSTR-9C which have not impacted the books of accounts of the registered person.

Table-7F: Taxable turnover as per liability declared in Annual Return (FORM GSTR-9)

7F	Taxable turnover as per liability declared in Annual Return (FORM GSTR-9)	

Table No.	*Instructions*
7F	*Taxable turnover as declared in Table (4N – 4G-4G1) + (10 - 11) of the Annual Return (FORM GSTR-9) shall be declared here.*

Introduction

Table-7F of FORM GSTR-9C requires that the taxable turnover as per the liability declared in the Annual Return (FORM GSTR-9).

Analysis

Source of information

As per instructions of FORM GSTR-9C

The value of taxable turnover which shall flow from FORM GSTR-9 shall be declared here. The taxable turnover from FORM GSTR-9 for Table-7F shall be as under-.

4N. Supplies and advances on which tax is to be paid (H + M) above	xxx
Less 4G. Inward supplies on which tax is to be paid on reverse charge Basis	xxx
Less 4G1. Supplies on which e-commerce operator is required to pay tax as per section 9(5) (in-cluding amendments, if any) [E-commerce operator to report]	xxx
Add 10. Supplies/ tax declared through Amendments (+) (net of debit notes)	xxx
Less: 11. Supplies/ tax reduced through Amendments (-) (net of credit notes)	xxx
Taxable turnover to be declared in Table-7F	xxxx

The information must flow from FORM GSTR-9 which contains supplies and advances on which tax is paid as per Table-4N deducting therefrom the inward supplies on which tax is to be paid under reverse charge and adjustment on account of supplies made in current FY declared in returns filed upto 30th November of the next FY (For FY 2025-2026, returns filed upto 30th November of FY 2026-27) as declared in Table No. 10 & 11. The turnover arrived at Table-7F of Part-II of FORM GSTR-9C should match the turnover as declared in the Annual Return.

Validation of information

The taxable turnover arrived at in Table-4N of the annual return in FORM GSTR-9 will comprise the sum of the following and accordingly, the source of information may be validated adopting the appropriate audit techniques-

Details of advances, inward and outward supplies on which tax is payable as declared in the returns filed during the financial year (as per Table-4 of FORM GSTR-9)

(a) Supplies made to un-registered persons (B2C);

(b) Supplies made to registered persons (B2B);

(c) Zero rated supply (Export) on payment of tax (excluding supplies to SEZ);

(d) Supplies to SEZ on payment of tax;

(e) Deemed exports;

(f) Advances on which tax has been paid but invoice has not been issued for the period of audit;

(g) Inward supplies on which tax is paid under reverse charge mechanism.

The above shall be adjusted by the value of:

(a) *Credit notes and debit notes issued during the year in respect of transactions specified in (b) to (e) above and declared in the monthly return in FORM GSTR-1 and the annual return in FORM GSTR-9;*

(b) *Supplies / tax declared or reduced through amendments;*

The taxable turnover also includes adjustment of current FY made in the next FY as disclosed in Table-10 and Table-11 of the FORM GSTR-9.

For the detailed process of validation refer to Technical Guide on GST Annual Return (FORM GSTR 9).

Conclusion

Therefore, in Table-7F of FORM GSTR-9C taxable turnover as declared in the Annual Return in FORM GSTR-9 Tables (4N – 4G) + (10 – 11) would have to be disclosed.

Table-8: Reasons for Un-Reconciled difference in Taxable Turnover

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

Table No.	*Instructions*
8	*Reasons for non-reconciliation between adjusted annual taxable turnover as derived from Table-7E above and the taxable turnover declared in Table-7F shall be specified here.*

Introduction

This part of FORM GSTR-9C explains the reason for difference in taxable turnover as derived as per FORM GSTR-9C i.e., audited financials and as per FORM GSTR-9 i.e., GST annual return. All the information filled up in the GST returns has to flow from the books of accounts. However, the un-reconciled turnover on account of disclosure norms as per Accounting Standard issued by the ICAI or other statutory provisions or practices adopted by the registered person on special approval basis, which are not reconciled at turnover level should be disclosed in this Table.

For instance, the mechanism for the determination of revenue in case of sale of a capital asset shall differ for the value to be disclosed in the GST returns compared with that of the practice adopted in the book of accounts.

Analysis

Source of information

The data which has to be filled up in this Table is drawn out of Tables-5, 6, 7. Further, review of the transactions effected through the E-way bill gives details about the exceptional transactions, if any, to be reported through the above reconciliation.

Relevant document/ books/ records

Examine the agreements, work order, purchase order etc., to check the tax applicability. If any exemption benefits have been availed, check if the conditions for availing them have been met. Examine the existence and validity of LUT obtained for the Zero-rated supplies made.

Validation of information

Reconciliation difference derived in Table-5 and Table-6 of Part-II of FORM GSTR-9C shall be considered.

Illustration

The following illustrations can be considered for reporting the reconciliation differences-

(a) Zero-rated supply made by the registered person during the previous year. If the conditions relevant for the supply have not been complied by the registered person, then the supplies can be construed to be regular supplies.

(b) Transaction reported in a delivery challan during the financial year for supply on sale or approval basis beyond a period of six months shall be deemed to be supply under the GST. However, that may not be a sale for revenue recognition in the books of accounts for such a transaction. Assuming the GST returns carry the supply details, and no revenue recognition has been done in the books of accounts, this shall call for reconciliation.

(c) Exemption conditions not fulfilled by the registered person while exercising the option to supply either a nil-rated or exemption, shall be reported as regular supply.

Common errors

Possible errors in the preparation of the above reconciliation are given below:

- Exempted turnover that is not in compliance with the conditions shall be construed as a regular supply in the books unless discovered.
- Supply made without payment of tax is grouped under zero-rated by mistake.

Part III: Reconciliation of tax paid

Scope

After reconciling the turnover declared and reported in the audited financial statement with turnover declared in annual return along with reasons for reconciliation, if any, the relevant Part-III of FORM GSTR-9C requires reconciliation of rate-wise liability of tax, total amount payable thereon with tax actually paid as declared in the annual return and recommendation of additional tax payable due to non-reconciliation of the taxable value.

The relevant Part III of FORM GSTR-9C is bifurcated into 3 Tables i.e., Tables-9, 10 and 11. Table-wise details to be disclosed in Part-III are as under-

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

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)					
[3][B-1	6%					
C	12%					
D	12% (RC)					
E	18%					
F	18% (RC)					
G	28%					
H	28% (RC)					
I	3%					
J	0.25%					

[3] *Inserted vide Notification No. 38/2023-CT dated 04.08.2023. Brought into force w.e.f. 04.08.2023.*

K	0.10%					
[4][K-1	Others					]
K-2	Supplies on which ecommerce operator is required to pay tax as per section 9(5) (including amendments, if any) [Ecommerce operator to report]					
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 payable as declared in annual return (FORM GSTR-9)					
R	Un-					

[4] *Inserted vide Notification No. 30/2021-CT dated 30.07.2021. Brought into force w.e.f. 01.08.2021.*

	reconciled payment of amount (**PT1**)					

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

Scope

The relevant Table-9 requires details of taxable value along with the gross tax liability of the registered person. The said tax liability needs to be reported rate-wise in Table-9. Further, the taxable value and liability of tax on which the given registered person is required to pay tax under reverse charge mechanism are also required to be reported rate-wise separately. After reporting of the same, the details of total tax payable (including any differential tax paid on Table 10 or 11 of FORM GSTR-9) for the financial year 2025-26 as declared in FORM GSTR-9 i.e., under the annual return is also required to be disclosed. The given Table also requires the disclosure of interest, late fee and penalty payable.

Purpose

The purpose of this Table is to quantify the un-reconciled tax payable and other amounts recorded in the books of accounts with amounts disclosed in FORM GSTR-9. It will help the registered person in disclosing details in Part V of the FORM GSTR-9C, the additional tax liability to be paid by the

registered person due to non-reconciliation of taxable value in the books of accounts and FORM GSTR-9.

Analysis

Sources of information

- **Rate-wise details of tax liability**

Various rates of tax have been notified on the supply of goods and services affecting the tax liability during the year 2025-26. The said rate of taxes are 0%, 0.10%, 0.25%,1%, 3%,5%,12%,18%,28% and 40%. The rate-wise details of tax liability to be entered in Table-9 first. Then it is to be bifurcated in two parts for-

(a) Outward supply

(b) Inward supply

- **For rate-wise tax liability on outward supply**

From the scheme of Table-9, it is clear that the registered person is required to report the GST payable rate-wise bifurcating the total taxable turnover calculated in Table-7E under Part II of FORM GSTR-9C. Once the taxable value is reported under various rates as specified in sub-parts A, B-1, C, E, G, I, J, K and K-1, the relevant amount of tax shall be calculated by the system.

The values that are to be reported in Table-9 should be taxable value as reported under Table-7E of FORM GSTR-9C, i.e., adjusted total turnover for the FY 2025-26 under the GST and the amount of tax (rate-wise) should be derived mathematically.

- **For rate-wise tax liability on inward supply liable for reverse charge**

Just like the GST rate-wise details of taxable value for outward supply are disclosed in the given Table, the details of taxable value of inward supplies on which the registered person is required to pay tax under reverse charge should also be disclosed. The details for this have to be taken from the books of accounts. In case of tax payable under RCM, the following points needs to be considered-

— The tax was payable under section 9(3) and 5(3) of the CGST Act / SGST Acts and IGST Act respectively.

— The tax was payable under section 9(4) and 5(4) of the CGST Act / SGST Acts and IGST Act respectively on supplies of specified categories of goods or services received from un-registered suppliers by the Specified registered persons.

— Reverse charge in respect of financial year 2025-26 paid during financial year 2026-27 and the ITC on such payment would have been taken in the year of payment. In such case, CBIC had clarified vide para (g) of press release dated 03.07.2019 that such details will not be declared in annual return for the financial year 2025-26 and will be declared in the year of payment made for such liability. If there are any variations in the calculation of turnover on account of this adjustment, the same may be reported with reasons in the reconciliation statement.

Para (g) of the Press Release dated 03.07.2019

"(g) **Reverse charge in respect of Financial Year 2017-18 paid during Financial Year 2018- 19:** Many taxpayers have requested for clarification on the appropriate column or table in which tax which was to be paid on reverse charge basis for the FY 2017-18 but was paid during FY 2018-19. It may be noted 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 not be declared in the annual return for the FY 2017-18 and will be declared in the annual return for FY 2018-19. If there are any variations in the calculation of turnover on account of this adjustment, the same may be reported with reasons in the reconciliation statement (FORM GSTR-9C)".

The base in given case should be taxable value only and the amount of tax shall be sub-set and would be derived accordingly.

➢ **E-Commerce Operator (ECO) Tax Liability under Section 9(5)**

Section 9(5) of the CGST Act, 2017, imposes tax liability on an Electronic Commerce Operator (ECO) for certain notified services supplied through its digital platform, treating the ECO as the deemed supplier. The following services, when facilitated through an ECO attract liability under Section 9(5) Notification No. 17/2017 – CT (R) dated 28.06.2017-

a. Passenger transportation services.

b. Accommodation services.

c. Housekeeping services.

d. Restaurant services, including food delivery from cloud kitchens.

The ECO is liable to collect and pay GST on the full value of these supplies, regardless of the actual supplier's registration status. The tax rate is the applicable GST rate. Payment must be made exclusively through the electronic cash ledger—no utilization of Input Tax Credit (ITC) is allowed for discharging this liability. The ECO issues the invoice to the recipient. ECO reports these supplies in Table 3.1.1(i) of GSTR-3B and pays the taxes; the actual supplier reports in Table 3.1.1(ii) but does not pay tax.

In Table 9.K-2 the Tax Payout of the current financial year need to be reported by the ECO. This can also be cross verified from the Entry No. 4.G1 reported in the Annual Return.

- **For interest, late fee, penalty and other payables**

The details of any liability of interest under section 50 of the GST Acts accounted for in the books of accounts or any late fees for late filing of FORM GSTR-3B or penalty leviable under any relevant sections of the Act needs to be reported here.

For the calculation of interest under any given column, the rate-wise taxable value as reported under Column-2 of Table-9 should be further bifurcated month-wise. Only after comparing the monthly tax liability calculated on the basis of details of tax paid reported in the monthly FORM GSTR-3B, the correct amount of interest be calculated and reported.

Checking needs to be done to see if there is any amount which should not have been reported in the monthly GST returns (like penalty under section 129 of the GST Acts for movement of goods without compliance of rule 138 of the GST Rules) but accounted for in the books of accounts and relating to GST should also be reported in given columns. The respective accounts of expenses in the profit and loss account needs to be referred to get information in this regard.

- **For total amount paid as declared in the Annual Return (FORM GSTR-9)**

The amounts in the given row shall be the summation of amounts entered in Table-9 under Part IV and Table-14 under Part V of the FORM GSTR-9 i.e.,

details of amount paid through Cash and ITC during the financial year in FORM GSTR-3B and amount paid in FORM GSTR-3B return filed upto 30th November of the subsequent financial year for the current year's liability. It has to be ensured that only details of tax paid are taken and not the details of tax payable.

- **For non-reconciled payment of tax**

The same shall be auto calculated by the system based on difference between Tables 5P and 5Q of Table-9.

Validation of information

(A) For tax payable

(a) In relation to outward supply

As mentioned above, the amount of adjusted total turnover in Table-7E is the base from which the details of tax paid on the basis of the reconciliation statement are reported in Table-9P. But the details in Table-9P are auto-populated based on the details entered in the rate-wise GST tax liability and the values of taxable service thereon.

For information to be fed in Table-9, the data should be extracted in four parts tabulated as following-

S. No.	Particulars	To be compiled Yearly/ Monthly	Relevant Table of FORM GSTR-9C
1.	Total turnover as per the audited financial statements	Monthly	5A
2.	Add/ (less) Adjustments for		
	• Un-billed Revenue (+/-)	Yearly	5B and 5H
	• Credit Notes issued after the FY (-)	Yearly	5E
	• Un-adjusted Advances (+/-)	Yearly	5C and 5I
3	Add/ (less) Adjustments for		
	• Trade Discount (+)	Monthly	5F
	• Financial Credit Note (+)	Monthly	5J

S. No.	Particulars	To be compiled Yearly/ Monthly	Relevant Table of FORM GSTR-9C
	• SEZ to DTA Supply (-)	Monthly	5K
	• Composition Turnover (-)	Monthly	5L
	• Foreign Exchange Adjustment (+/-)	Monthly	5N
	• Exempted, NIL rated, Non-GST Supply and No supply turnover (-)	Monthly	7B
	• Zero rated Supply without tax (-)	Monthly	7C
	• Outward Supply liable for RCM (-)	Monthly	7D
4	Add/ (less) Adjustments to be made where there is no impact of the following on turnover in the books of accounts		
	• Deemed Supplies (+)	Monthly	5D
	• Adjustment in taxable value (+/-)	Monthly	5M
	• Other adjustments (+/-)	Monthly	5O
5.	Total of (1) + (2) + (3) + (4) = Adjusted total turnover or ideal GST turnover or taxable value for FY 2025-26 in the books of accounts	Yearly	7E

Now, on perusal of the given Table, it is suggested that data of gross values required to be entered in Tables-5 and 7 under PART II of FORM GSTR-9C should be compiled either on a monthly basis or on a yearly basis as specified above from the books of accounts. Further, for particulars mentioned in Table-4, no details shall be mentioned in the books of accounts since no adjustments in relation to same could

have been done in books of accounts. Since their taxable value is a part of adjusted turnover under Table-7E, it is suggested that a separate working sheet for the same should be prepared on a monthly basis.

Once the frequency with which the data has to be fetched for the adjusted turnover is decided, for purposes of Table-9, through the books of accounts and other related reports to be generated, each of the said details should be further broken down under the various GST rates to which it is mapped in the books of accounts on monthly or yearly basis, as the case maybe.

Lastly, the total of adjusted turnover as deduced in Table-5 shall be bifurcated as per the GST rates.

How to validate the details of gross turnover as per the books of accounts?

Ideally the ledger accounts for outward tax liability in the books of accounts should be maintained GST rate-wise. It will minimize the chances of errors in classification due to over-sight in the books of accounts and shall ensure that data generated from the books of accounts is correct and consistent. The rate of tax should also be mapped with HSN to ensure that errors of HSN classification are also minimized.

Generally, in various accounting software and ERPs, the facility to generate the report of GST rate-wise outward tax liability along with taxable value or transaction value is available. The same can be relied upon as a document. The total of the said report should be matched with the total turnover declared in the books of accounts. Further, the amount of tax should also be matched with total credits in the GST liability register in the books of accounts.

How to validate details of deemed supplies and adjustments of valuations

In case of deemed supplies under Schedule-I, there can be a situation that tax amount in relation to said deemed supplies becomes part of the tax liability register but might not be a part of the overall turnover of the registered person in the books of accounts. In such cases, if possible, after tracking of such specific instances, the rate-wise taxable value of the said transactions should be calculated either on

the basis of invoice issued under section 31 of the CGST Act, or by the reverse method. (i.e., calculating the value of taxable supply from the rate of tax). The same shall be applicable where the adjustments of section 15 or valuation rules is made for tax purpose.

(b) In relation to inward supply

Since the value of inward supply liable for reverse charge needs to be taken from the books of accounts maintained by the registered person, details need to be extracted from specific ledger accounts and head of expenses which have been identified as supplies liable for RCM.

In case of supplies attracting reverse charge, the time of supply is decided at the earliest of following events-

(a) The date of receipts of goods by the receiver;

(b) The date on which payment is entered in the books of accounts;

(c) The date on which payment is debited from the bank account;

(d) In case of goods, 31st day from the date of issue of invoice by the supplier;

(e) In case of services, 61st day from the date of issue of invoice by the supplier.

Thus, before finding the rate-wise taxable value of inward supply during the FY in which tax has been paid under RCM, it needs to be made sure whether liability of RCM has been booked in the books of accounts on the basis of methods listed above or not.

In cases where the liability has not been booked in accordance with the happening of the aforesaid events, then reliance can be placed on the proviso to section 12(3) and 13(3) of the CGST Act and the date on which the entry of the given inward supplies is made in the books of accounts, the liability to pay RCM can be assumed to have arrived and thus the value of taxable supply along with the rate-wise tax liability will be decided accordingly.

If the impact is not material, in view of consistency, some experts opine that the amounts may be entered in Table-9. Reports or workings of the dates on which entries of inward supplies are made in the books of accounts liable for RCM may be referred. The bifurcation of the same GST rate-wise should be done accordingly.

Since no reconciliation of the value of taxable inward supply is being made with entries in the books of accounts, it is suggested that a separate working for the reconciliation of the same should be prepared and kept as part of documentation so as to deduce the rate-wise GST liability under RCM.

Once the expense-wise value of inward supply is identified then it should be bifurcated according to the rate of GST and then summation of each such expense rate-wise can be entered in Tables-9B, 9D, 9F, 9H as applicable.

(c) In relation to interest payable

Since in Table-9L, the amounts of interest ought to have been payable is required to be reported, the value of taxable supply of both inward and outward supply as deduced monthly should be considered. It shall provide a clear picture of the tax required to be paid by the registered person on monthly basis in the FORM GSTR-3B. The amount of interest on GST, if any, booked in the books of accounts during the year, whether actually paid or not, may be considered only for reference and cross checking.

(B) For total amount paid as declared in annual return (FORM GSTR-9)

The details of the same are to be taken from FORM GSTR-9 based on the tax paid shown in the FORM GSTR-3B filed and any additional tax paid thereon in the subsequent returns. The cross reference to the same can be checked from necessary debit entries in the Electronic Cash Ledger and Electronic Credit Ledger maintained on the GST Portal. No values in the given Table should be entered from the books of accounts.

Contentious issues with illustrations

Classification of supply- reporting under Table-9

In respect of tax payable to be disclosed in Table-9 under Part III of FORM GSTR-9C, an issue shall arise as to how to deal with the classification and place of supply disputes. The classification issues while punching data in Table-9 can be as under-

(1) HSN disputes;

(2) GST rate disputes;

(3) Nature of supply disputes-inter-State or intra-State;

(4) Place of supply disputes;

(5) Type of supply disputes-taxable, exempt, nil-rated.

Some illustrations for the same with the possible course of action are-

(a) The registered person has initially classified EPC contract of solar power plants as supply of goods classifiable under Chapter 85 and has reflected it under 5% GST rate. However, throughout the country in various advance rulings, the EPC of solar power plant has been treated as supply of works contract service leviable to GST at the rate of 18%. Now, the registered person is also of the same view that it is a works contract service. What should he do?

Ans. The EPC of solar power plant should be shown as works contract service under 18% rate. It shall lead to non-reconciliation and disclosure for payment of additional tax.

(b) The registered person has wrongly classified an inward supply of receipt of GTA service on which tax is payable under RCM as exempt GTO service under *N.No.-2/ 2017-CT(Rate), dated 28th June, 2017*. He identifies the same while preparing GSTR-9C? How should he report the same?

Ans. He should always report the taxable value at the correct GST rate Tab and make additional payment of tax, if the same has been short paid.

Notes to consider

The following are the controls checks that a person should perform for validation of the amounts reported under this head-

- The turnover ledgers, tax liability ledgers and expenses ledgers should either be created GST rate-wise or their masters should be mapped with a report which can generate rate-wise classification.
- The reconciliation statement should be prepared monthly and, in some cases, yearly so that difference in the tax payable and tax paid can be drilled down to the invoice level. Only then can the interest be calculated correctly.
- During the FY 2025-26, the rate of tax on the supply of goods and services has changed many times. To keep a track of the same, the updated consolidated rate notification should be referred. The same tracks down the dates on which the changes were brought in various serial numbers of the rate notifications. The same should be referred to for identifying the tax rate changes and their effect given by the registered person in the books of accounts.

- Due to tax rate changes, the time of supply during the transition period also changes. Due care should be taken to ensure that tax liability has been discharged in accordance with section 14 of the CGST Act. In this context it has to be ensured that if a registered person has collected GST at a higher rate but due to operation of section 14, it was required to discharge tax at a lower rate, then, it should have either issued a credit note in the same month in which higher tax was collected or it should have actually deposited the higher tax collected and then have issued a credit note in the subsequent month and then adjusted the same.
- The register of debit note and credit note should be checked to identify that the rate of tax on supply of its goods or services was changed during the financial year, the effect of tax change was duly recorded, and the benefit of lower tax was passed on to the receiver.

Conclusion

Once all the details are entered, and the difference in tax payable as per the books with actual tax payable is identified, the amounts of non-reconciliation shall be raised as per CGST, SGST/ IGST and cess-wise. On these amounts the registered person shall be required to disclose the reasons in Table-10.

Table 10: Reasons for un-reconciled payment of amount

10	**Reasons for un-reconciled payment of amount**	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

Table No.	***Instructions***
10	*Reasons for non-reconciliation between payable/ liability declared in Table-9P above and the amount payable in Table-9Q shall be specified here.*

Scope

The given Table mandates the registered person to identify and disclose the reasons for un-reconciled payment of amount of tax, interest, penalty, cess

and others. Reasons, amounts along with description of reason needs to be disclosed.

Source of information

The registered person needs to identify the reasons due to which some amount is reflected in Table-9R. The various reasons can be as under-

(A) FORM GSTR-3B shows less/ more tax paid

— FORM GSTR-1 matches with the audited financials with regard to the tax payable.

— FORM GSTR-3B shows the tax paid differently from the books of accounts.

In this situation, even though Tables-6 and 8 may not show any differences as given in point (i) above, Table-10 would show a difference of the amount of tax to be paid and tax actually paid. So, any tax payable occurring due to this would automatically form part of Table-11 and the additional liability due to non-reconciliation in Part V.

In case any excess tax has been paid, there will be no reporting in Table-11. There is also no provision of negative reporting in Table-11.

(B) FORM GSTR-1 and FORM GSTR-3B *inter se* matching but not with the audited financials.

— FORM GSTR-3B and FORM GSTR-1 match with each other.

— Matched FORM GSTR-1 and FORM GSTR-3B are different with regard to the audited financial statements.

Such differences would be depicted in Tables-6, 8 and 10. If the turnover is lesser than what it is in the audited financials, they could indicate a short payment of tax if differences thereof are not explained. The cause of the differences needs to be clearly identified. Taking the values after considering the audited financial statements Table-10 will be compared with the actual tax paid as per FORM GSTR-3B. As there is a difference between the audited financial statements and FORM GSTR-3B, an un-reconciled difference would be shown in Table-10.

(C) Taxable turnover as per the books matching in FORM GSTR-1 and FORM GSTR-3B but tax is not matching.

— The value of taxable supply in FORM GSTR-3B matches with that in FORM GSTR-1.

— Tax payable as self-assessed in FORM GSTR-3B is different from what is shown in FORM GSTR-1.

The possible reason for the same can be because of the difference in the classification of supply in FORM GSTR-1 and FORM GSTR-3B. The reporting shall be required in Table-10 only in such cases where an error has occurred in FORM GSTR-3B due to reasons of classification like the following:

- HSN disputes;
- GST rate disputes;
- Inter-State v. intra-State supply disputes;
- Place of supply disputes;
- Type of supply disputes-taxable, exempt, nil rated.

As the amount of tax in Table-9P shall be calculated on the basis of turnover reported and shall be treated as correct. Any deviation from the same shall be disclosed in Table-10.

Illustration

In the case of a registered person, after filing of FORM GSTR-9 and filing Table-9 of FORM GSTR-9C, the following situation arises-

Reconciliation of rate wise liability and amount payable thereon					
		Tax Details			
Description	Taxable Value	Central tax	State tax / UT tax	Integrated Tax	Total
1	2	3	4	5	
Total amount paid as declared in Annual Return (GSTR 9)		10	10	20	40
Intra State Tunrover of Rs 100 lesser declared in GSTR-3B (Turnover matching in Books and GSTR-1) and less tax paid accordingly		2.5	2.5		5
Tax on Inter State Supply shown as Tax on Intra State Supply in GSTR 3B		-1	-1	2	0
Higher Turnover delclared in GSTR-3B for Inter State Supply of Rs 84 with GST Rate 12%				-10	-10
Exempt Supply correctly reported in Books and GSTR-1 but wrongly reported as Taxable in GSTR 3B with IGST Rs 2				-2	-2
Total amount to be paid as per tables above		11.5	11.5	10	33
Net Effect					
Gross Value of Additional Tax to be paid		2.5	2.5	2	7
Gross Value of Excess Tax Already paid		-1	-1	-12	-14
Net Tax to be paid / (excess) paid		1.5	1.5	-10	-7

Suggested format in which the reasons for reconciliation should be recorded as given in Table-10.

Conclusion

It has to be ensured that for the whole amount of non-reconciliation reported in Table-9, the reason wise quantification of the same is done in Table-10.

Table-11: Additional amount payable but not paid (due to reasons specified under Tables-6, 8 and 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 or iTC			
	Description	Taxable Value	Central tax	State tax/ UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	6%					
	12%					
	18%					
	28%					
	40%					
	3%					
	0.25%					
	0.10%					
	[2] Others					]
	Supplies on which ecommerce operator is required to pay tax as per section 9(5) (including amendments, if any) [Ecommerce operator to report]					

	Interest					
	Late Fee					
	Penalty					
	Others					
	(please specify)					

Table No.	Instructions
11	Any amount which is payable due to reasons specified under Tables-6, 8 and 10 above shall be declared here.

Scope

In Table-11 under Part III of the FORM GSTR-9C, the amount of tax, interest, penalty, late fees and other dues which are payable in accordance with the non-reconciliation reported under Tables-6, 8 and 10 but not actually paid as declared in annual return in FORM GSTR-9 are to be reported with rate-wise bifurcation.

Source of Information

A) For additional tax payable

After due verification and analysis of the amounts along with reasons reported in Tables 6, 8 and 10 in the FORM GSTR-9C pertaining to non-reconciliation of annual gross turnover, taxable turnover and tax payable, the details of taxable value need to be identified GST rate-wise which should be reported in Table 11 on which appropriate tax has not been paid as declared in the annual return i.e., FORM GSTR-9.

There may be several reasons due to which amounts may be reported in Tables 6 and 8 of the FORM -9C.

However, in the case of amounts reported in Table 6, reasons for non-reconciliation may be due to difference in timing or due to a permanent difference in turnover as per the books of accounts and the GST returns. However, every non-reconciliation might not lead to a situation where there is a requirement to pay GST on the said difference.

Some examples where non-reconciliation is reported in Table 6 in FORM GSTR-9C but shall not require any additional tax payment are illustrated as under-

— Difference in turnover where the time of supply is postponed but revenue is recognized in books of accounts [Supply between developer and landlord in light of *N.No. 04/2018-Central Tax (Rate) dt. 25-01-2018*.

— Difference in the value of export turnover reported in the books of accounts on the basis of invoice value shown in the shipping bill whereas turnover reported in FORM GSTR-1 on the basis of invoice prepared in INR on the basis of exchange rate applicable on the date of preparation of invoice.

— Difference in turnover of services due to tax paid on advances and shown in FORM GSTR-1 but not required to be disclosed as turnover in the audited financial statements.

— Difference in turnover due to disclosure of profit/ loss on sale of fixed assets in the audited financial statements and disclosure of wholesale proceeds in GST returns.

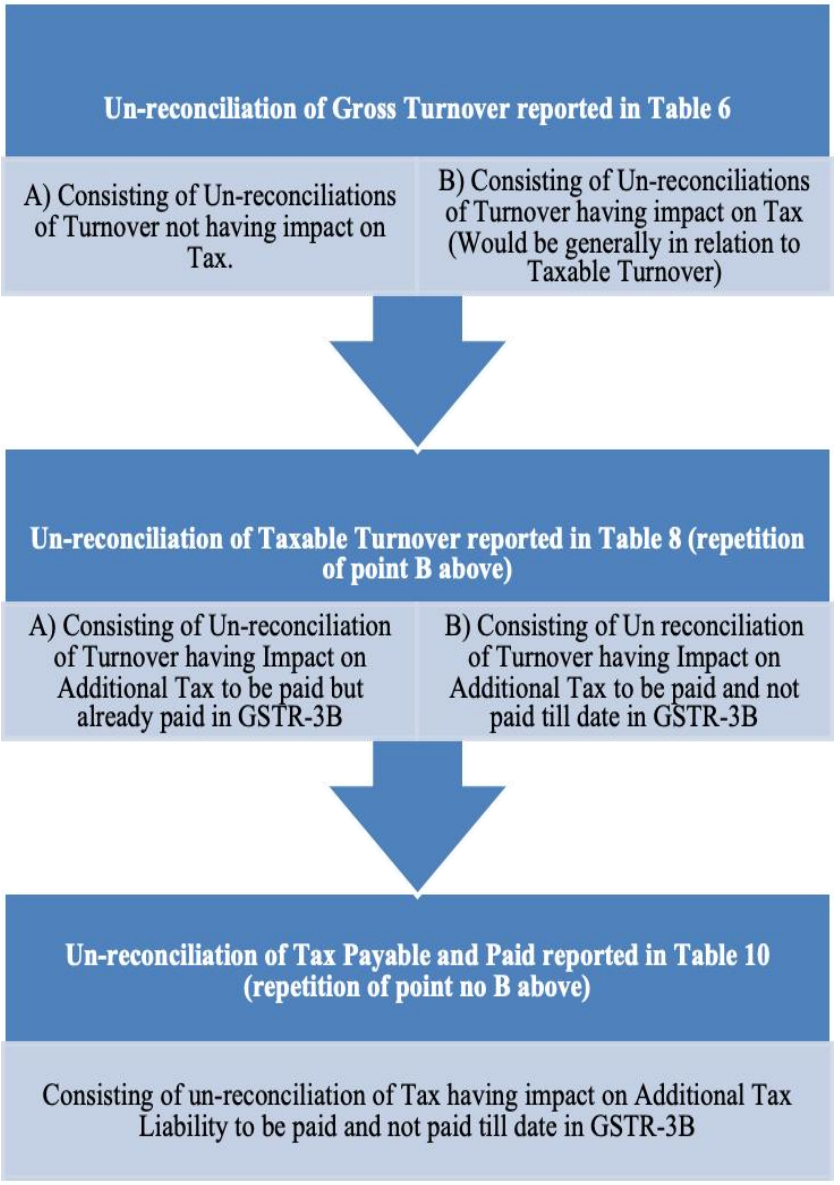
In the given cases, no reporting is required to be done in Table-11.

Further, in other types of non-reconciliations reported in Table-6, there can be an impact on the tax liability to be paid. The instances for the same shall principally cover such cases where there is difference in taxable turnover in GST returns and the adjusted total turnover. These set of differences which shall have impact on tax liability shall actually be a part of Table-8 again.

However, out of such non-reconciliation filtered out and reported in Table-8, a further filter of non-reconciliation shall be reported in Table-10 regarding tax liability which should have been paid on un-reconciled turnover reported in Table-8, but the same was not paid as declared in FORM GSTR-9, i.e., the annual return.

Since Table-11 requires the disclosure of additional tax liability payable and not paid on non-reconciliations, it is evident that such details shall be reported in Table-10 also.

Thus, it should be understood that flow of non-reconciliations to be reported in Tables-6, 8 and 10 shall be as under-.


Un-reconciliation of Gross Turnover reported in Table 6
A) Consisting of Un-reconciliations of Turnover not having impact on Tax.
B) Consisting of Un-reconciliations of Turnover having impact on Tax (Would be generally in relation to Taxable Turnover)
Un-reconciliation of Taxable Turnover reported in Table 8 (repetition of point B above)
A) Consisting of Un-reconciliation of Turnover having Impact on Additional Tax to be paid but already paid in GSTR-3B
B) Consisting of Un reconciliation of Turnover having Impact on Additional Tax to be paid and not paid till date in GSTR-3B
Un-reconciliation of Tax Payable and Paid reported in Table 10 (repetition of point no B above)
Consisting of un-reconciliation of Tax having impact on Additional Tax Liability to be paid and not paid till date in GSTR-3B

Common errors with illustration

The illustration shown above is used here again for reference.

Reconciliation of rate wise liability and amount payable thereon					
		Tax Details			
Description	Taxable Value	Central tax	State tax / UT tax	Integrated Tax	Total
1	2	3	4	5	
Total amount paid as declared in Annual Return (GSTR 9)		10	10	20	40
Intra State Tunrover of Rs 100 lesser declared in GSTR-3B (Turnover matching in Books and GSTR-1) and less tax paid accordingly		2.5	2.5		5
Tax on Inter State Supply shown as Tax on Intra State Supply in GSTR 3B		-1	-1	2	0
Higher Turnover delclared in GSTR-3B for Inter State Supply of Rs 84 with GST Rate 12%				-10	-10
Exempt Supply correctly reported in Books and GSTR-1 but wrongly reported as Taxable in GSTR 3B with IGST Rs 2				-2	-2
Total amount to be paid as per tables above		11.5	11.5	10	33
Net Effect					
Gross Value of Additional Tax to be paid		2.5	2.5	2	7
Gross Value of Excess Tax Already paid		-1	-1	-12	-14
Net Tax to be paid / (excess) paid		1.5	1.5	-10	-7

In the given case, though the total amount of non-reconciliation is in the negative, there are instances where for a unique reason the tax liability is either payable or has been paid in excess. It is suggested that under Table-11, the reasons due to which the tax liability should have been additionally paid but was not paid should be disclosed rate-wise.

Legally, in the given case, the registered person is required to pay additional tax of Rs. 7 (Rs. 2.5 as CGST, Rs. 2.5 as SGST and Rs. 2 as IGST). Further, he is entitled to claim refund of Rs. 7 additionally paid in case the same has not been subsequently adjusted in FORM GSTR-3B filed upto 30th November of the next financial year, on the basis of the Circular issued by CBIC in December, 2017.

B) For interest, penalty and late fees payable

The method suggested for calculating interest, late fees and penalty shall be employed to find the gross amounts and difference of amounts not reported in FORM GSTR-9 shall be required to be disclosed in the given Table.

Conclusion

Thus, the amounts mentioned in the Table-10 above, should only be reported in Table-11. The method of calculating the data for the same has been dealt in detail above (in Table-10).

PART IV : Reconciliation of Input Tax Credit (ITC)

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**

Table-12: Reconciliation of Net ITC

Table 12A. 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)

Pt. IV	Reconciliation of Input Tax Credit (ITC)	
12	**Reconciliation of Net Input Tax Credit (ITC)**	
12A	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)	

Table No.	*Instructions*
12A	*ITC availed (after reversals) as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (State- wise) registrations exist on the same PAN. This is common for persons/ entities with presence over multiple States. Such persons/ entities will have to internally derive their 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.*

Introduction

Table-12A of FORM GSTR-9C is the detail of ITC availed in the audited financial statements. This Table aims to collect information on the ITC availed in the books of accounts by the registered person, be it on inputs, input services and capital goods.

Analysis

Source of information

Right in the beginning, information of all the tax account codes/ ledger names should be obtained from the registered person in which he enters the ITC availed. ITC availed (after reversals) as per the audited annual financial statement shall be declared here. There may be cases where multiple GSTINs (state-wise) registrations exist on the same PAN. This is common for persons/ entities with presence in multiple States. Such persons/ entities would have to internally derive their ITC for each individual GSTIN and declare the same here. It may be noted that reference to the audited annual financial statement includes reference to books of accounts in case of persons/ entities having presence in multiple States. Further, it is important to understand that whether separate ledgers for availing ITC for different States has been maintained or a common one.

In case there are separate ledgers, the amounts are directly relatable to the GSTIN, the information shall be collated from the net of debits and credits (other than payments) of such account codes/ ledger names in the accounting software. However, in case single accounting ledger is maintained for all the States, it will be a challenge for the registered person to identify the amount of ITC availed for any of the particular registration.

Validation of information

The total of these columns should be reconciled with the balance of such accounts as they appear in trial balance of the particular GSTIN.

Revision required

The column is derived from the books of accounts and thus there is no need to revise the same.

Illustration:

M/s. ABC Ltd. maintains in his books of account Madhya Pradesh GSTIN, three accounts for availment of ITC-CGST receivable, SGST receivable and IGST receivable, the amount for this column can be taken from such ledgers.

Notes to consider

The registered person might find it difficult to report the details in case where he maintains a single account for all the tax payable and ITC receivable. Thus, there is no clear balance for either. In such cases, a detailed examination of such an account is required and a reconciliation of the entire account prepared in the following manner-

S.No.	Particular	Dr.	Cr.
1.	Opening Balance		X X X X
2.	Tax Payable		X X X X
2A.	Tax Payable reversed (credit notes)	X X X X	
3.	ITC availed	X X X X	
4.	ITC reversed	X X X X	
5.	ITC reclaimed		X X X X
6.	Tax paid by Cash Ledger	X X X X	
7.	Closing Balance		X X X X

Conclusion

Therefore, Table-12A of FORM GSTR-9C shall provide the amount of input tax credit availed during the year by the registered person as per his financial statement as being audited.

Table-12B. ITC booked in earlier financial years claimed in current financial year

12B	ITC booked in earlier financial years claimed in current financial year	**(+)**	

Table No.	*Instructions*
12B	*Any ITC which was booked in the audited annual financial statement of earlier financial year(s) but availed in the ITC ledger in the financial year for which the reconciliation statement is being filed for shall be declared here. This shall include transitional credit which was booked in earlier years but availed during financial year 2017-18.* *For FY 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall have an option not to fill this Table.*

Introduction

Any ITC which was booked in the audited annual financial statement of the earlier financial year(s) but availed in the ITC ledger in the financial year for which the reconciliation statement is being filed shall be declared here.

For the FY 2017-18, which is the first year of the GST, this column should ideally be zero. However, as per the instruction related to the form, transitional credit which was booked in earlier years but availed during financial year 2017-18, the same would be required to be reported here. This would leave the registered person with ITC which are carry forward balances of the earlier taxes.

However, from next year onwards, this Table would have the same amount as is reported in Table-12C of FORM GSTR-9C of the previous financial year.

Further, there can be a scenario also where an input tax credit which related to FY 2025-26 was not booked in the books in FY 2025-26 inadvertently and was also not claimed in FORM GSTR-3B of FY 2017-18. However, during reconciliation of returns during FY 2026-27 the claim was taken in both the books of accounts as well as FORM GSTR-3B filed during FY 2026-27, such cases would not be reported in this column, since this should be reported in Table-12A.

Analysis

Source of information

The details shall be drawn from the claims of FORM GST TRAN-I which were booked in the earlier periods and not availed during the year.

E.g., Closing balance of Cenvat Credit in Excise

From FY 2018-19 and onwards, this Table would have the same amount as reported in Table-12C of FORM GSTR-9C of the previous financial year. Hopefully, the same should be auto populated by the system.

Validation of information

1. Closing balances of credits appearing in the GST returns.
2. Details filed in FORM GST TRAN-1.
3. Transfer entries for carry over of pre-GST credits into GST credit ledgers.

Illustration:

The input tax credit in FORM GST TRAN-I includes the following:

(a) Carry forward balance of Cenvat Credit of Excise Duty: Rs. 15,00,000/-

(b) Input tax credit on opening stock availed in FORM GST TRAN-I: Rs. 4,00,000/-

Ans. The reporting which shall be made in this Table is as under-.

- Carry forward balance of Cenvat Credit of Excise Duty: Rs. 15,00,000/-
- FORM GST TRAN-1 credit on stock not recorded in books and hence would not form part of this Table but the credit would be required to be disclosed at Table-12A.

Notes to consider

- One should be cautious of not adding all transitional amounts as filed in FORM GST TRAN-1 of this Table.
- FORM GST TRAN-1 may include certain transactions impacting output tax which are also not required to be considered here.

Conclusion

Therefore, Table-12B of FORM GSTR-9 contains credits availed in the previous year in books of accounts but is availed in GST in the current year.

The addition would increase the amount so as to reach the input tax credit as availed in FORM GSTR-3B during the year.

Table-12C: ITC booked in current financial year to be claimed in subsequent financial years.

12C	ITC booked in current Financial Year to be claimed in subsequent Financial Years	**(-)**	

Table No.	*Instructions*
12C	*Any ITC which has been booked in the audited annual financial statement of the current financial year but the same has not been credited to the ITC ledger for the said financial year shall be declared here.* *For FY 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall have an option not to fill this Table.*

Introduction

Table-12C of FORM GSTR-9C is the input tax credit which is booked in the current financial year but availed in the returns of FORM GSTR-3B of next financial year (i.e., upto 30th November of the next financial year).

Analysis

Source of information

All amounts which are debited in the books of accounts but not claimed as credit should be reported here. The registered person must run a check to arrive at input tax credits which appear in the GST receivable ledgers but do not find place in the input tax register providing amounts as reported in FORM GSTR-3B. The difference of such unclaimed balance shall be reported here provided the credit has been taken in FORM GSTR-3B filed during eligible tax period (i.e., upto 30th November of the next financial year)

Validation of information

Value in this Table should be equal to the amount reported in Table-13 of FORM GSTR-9.

Illustrations

The input tax credit as booked in the GST receivable ledger for the month of August, 2025 includes the following-

(a) Input tax credit on purchase of inputs claimed in FORM GSTR-3B of August, 2025: Rs. 3,00,000/-

(b) Input tax credit on purchase of inputs claimed in FORM GSTR-3B of December, 2025: Rs. 150,000/-

(c) Input tax credit on purchase of inputs claimed in FORM GSTR-3B of May, 2026: Rs. 2,00,000/-

Ans. The reporting of the following transactions shall be made in Table-12C of FORM GSTR-9C-

- Input tax credit on purchase of inputs claimed in FORM GSTR-3B of May, 2026: Rs. 2,00,000/-

Note to consider

- Un-reconciled transactions appearing in FORM GSTR-2A should not be directly disclosed here. The amounts appearing in FORM GSTR-2A could be for various reasons including vendor uploading transactions with the wrong GSTIN. This credit cannot be availed by the recipient since the purchase does not belong to him though it appears in his FORM GSTR-2A.

Conclusion

Table-12C depicts the total input tax credit which is not availed during the current financial year in the returns but is duly booked in the books of accounts. The amount depicts the eligible claim of input tax credit which the registered person failed to take in FORM GSTR-3B of the year under audit.

Table-12D: ITC availed as per audited financial statements or books of account

12D	ITC availed as per audited Annual Financial Statement or books of accounts as derived from values declared in Table 12A, 12B and 12C above will be auto-populated here.	<Auto>

Table-12E: ITC claimed in annual return (FORM GSTR 9)

12E	ITC claimed in Annual Return (FORM GSTR-9)	

Table No.	***Instructions***
12E	*Net ITC available for utilization as declared in Table-7J of annual return (FORM GSTR-9) shall be declared here.*

Introduction

Table-12E of FORM GSTR-9C, net ITC available for utilization as declared in Table-7J of annual return (FORM GSTR-9) shall be declared here.

Analysis

Source of information

This should be auto populated from Table-7J of FORM GSTR-9.

Table-12F: Unreconciled ITC

12F	Un-reconciled ITC	**ITC 1**

Introduction

Table-12F of FORM GSTR-9C provides for the difference between the ITC as computed from the books of account in Table-12D and ITC as claimed for the financial year in Table-7J of annual return.

Owing to the updated requirements in Table 6 of Form GSTR-9—which now mandate reporting only the transactions pertaining to the current financial year—the Net ITC value in Table 7J does not gross up the full amount of ITC claimed as per Table 6.1A, even if that amount is already recorded in the taxpayer's books of accounts. Instead, any such discrepancy arising from this exclusion will be captured and reconciled as a difference in Table 12F of Form GSTR 9C.

Table-13: Reasons for un-reconciled difference in ITC

13	**Reasons for un-reconciled difference in ITC**	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

Table No.	***Instructions***
13	*Reasons for non-reconciliation of ITC as per audited annual financial statement or books of account (Table-12D) and the net ITC (Table-12E) availed in the annual return (FORM GSTR-9) shall be specified here.*

Analysis

Source of information

While Table-12F is the differential value and has no source. Table-13 seeks reasons from the books of accounts and claims in FORM GSTR-9 for the difference. In case the difference is positive, possible reasons of difference should primarily include-

— the amount of ITC for the financial year claimed in Table-13 of the annual return form which is the amount of ITC claimed in returns of the subsequent year for the financial year in consideration.

— the amount of ITC available but not availed which can be divided in two further categories:

  - Ineligible ITC not availed in the return.
  - ITC which has lapsed as not availed.

  In case the difference is negative, the matter is of concern as it is a clear indication of more than available ITC claimed. This could be on account of the following reasons-

— ITC of another GSTIN claimed in returns of other GSTIN.

— IGST on imported goods used as FOC replacement warranty (customs duty + IGST paid by Exporter of original equipment.

— Duplicate ITC availed

— ITC of subsequent year where goods/services were received later but their invoice was received prior was availed.

Validation of information

This Table does not have a parallel validation.

Conclusion

Therefore, Table-13 of FORM GSTR-9C looks out for the reason of difference between ITC claimed in the books of accounts and the annual return. This should keep a check on unwarranted ITC being availed by the registered person.

Table-14: Reconciliation of ITC declared in annual return (FORM GSTR-9) with ITC availed on expenses as per audited annual financial statement or books of account.

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)		

Table No.	*Instructions*
14	*This table is for reconciliation of ITC declared in the annual return (FORM GSTR-9) against the expenses booked in the audited annual financial statement or books of account. The various sub-heads specified under this Table are general expenses in the audited annual financial statement or books of account on which ITC may or may not be available. Further, this is only an indicative list of heads under which expenses are generally booked. Taxpayers may add or delete any of these heads but all heads of expenses on which GST has been paid/ was payable are to be declared here.* *For FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23, 2023-24, 2024-25,2025-26 the registered person shall have an option not to fill this Table.*
14R	*Total ITC declared in Tables-14A to 14Q above shall be auto populated here.*
14S	*Net ITC availed as declared in the annual return (FORM GSTR-9) shall be declared here. Table-7J of the annual return (FORM GSTR-9) may be used for filing this Table.*

Introduction

This Table is for reconciliation of ITC declared in the annual return (FORM GSTR-9) against the expenses booked in the audited annual financial statements or books of account. This point calls for examination of ITC detailed to determine the available ITC as booked in ledgers of various expenses and in the books of accounts vis-a-vis the ITC availed by the registered person.

Analysis

Source of information

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. The balances shall be available only on the detailed

examination of such ledgers. The nomenclature of the ledgers may be different as per the books of accounts of the registered person. Further, this is only an indicative list of heads under which expenses are generally booked. Taxpayers may add or delete any of these heads but all heads of expenses on which GST has been paid/ was payable are to be declared here.

Net ITC availed as declared in the annual return (FORM GSTR-9) shall be declared in Table 14S. Table 7J of the annual return (FORM GSTR-9) may be used for filing this Table.

Validation of information

This is another way of representing the detail of Tables 12 and 13 of the same form. In Table-14, instead of examining the ITC on a global level, the point requires the registered person to provide expense ledger wise details of ITC claimed. The total of this Table in Column 3 of Table 14 should be equal to Table 12A of FORM GSTR-9C.

The Column-4 of Table 14 of FORM GSTR- 9 uses two words 'eligible' and 'availed'. Thus, it seems that the registered person has to include ITC which has been availed and the eligible one out of these (Table 14 of FORM GSTR-9C). Thus, the Government would get to know the in-eligible amounts of ITC.

Illustration

The input tax credit as booked in purchase account is as follows-

(a) ITC on purchase of raw material: Rs. 1,50,000/- (Purchase value: Rs. 20,00,000/-)

(b) ITC on purchase of consumable: Rs. 60,000/- (Purchase value: Rs. 4,00,000/-)

(c) ITC on purchase of food items for staff: Rs. 12,000/- (Purchase value: Rs. 1,20,000/-)

(d) ITC availed by the registered person from the purchase account: Rs. 2,22,000/-

Ans. The reporting of the following transactions shall be made in this Table-

- Value of Purchases: Rs. 25,20,000/-
- Amount of Total ITC: Rs. 2,22,000/-
- Amount of eligible ITC availed: Rs. 2,10,000/-

Notes to consider

The registered person has to undertake the detailed examination of all expense in the asset ledger to ensure that the above values have been correctly filled. It is possible that in the absence of a detailed examination of each expense, such reporting of eligible ITC may not be reported correctly.

Conclusion

This point requires detailed examination of the books of accounts to establish that registered person has taken only eligible ITC. This requires a sound accounting system so that this exercise can be completed in given time frames. The eligible ITC shall then be compared with the ITC availed in FORM GSTR-9 and differences thereof have to be explained by the registered person.

Table 15: Reasons for un-reconciled difference in ITC

15	Reasons for un - reconciled difference in ITC	
A	Reason 1	<<Text>>
B	Reason 2	<<Text>>
C	Reason 3	<<Text>>

Table No.	*Instructions*
15	*Reasons for non-reconciliation between ITC availed on the various expenses declared in Table-14R and ITC declared in Table-14S shall be specified here.*

Introduction

Reasons for non-reconciliation between ITC availed on the various expenses declared in Table 14R and ITC declared in Table 14S shall be specified here.

Analysis

Source of information

This Table is auto populated as it is a calculation of difference between Table-14R and 14S. This is the differential amount between the eligible availed ITC and the availed ITC. Difference can arise on any of the following counts-

— Ineligible ITC availed by the registered person.

— ITC booked in the books of accounts but not availed including ineligible ITC not availed (lapsed).

In case of a negative amount, such difference can arise on account of ITC booked in the books of accounts but availed in return FORM GSTR-3B of the subsequent year. This can be correlated with Table 13 of FORM GSTR-9.

Validation of information

This column cannot be validated separately. The reason for such differences has to be explained.

Conclusion

This Table would bring the reasons for all differences in ITC availed and eligible ITC as per the books of accounts.

Table-16: Tax payable on un-reconciled difference in ITC (due to reasons specified in 13 and 15 above)

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	

Table No.	***Instructions***
16	*Any amount which is payable due to reasons specified in Tables-13 and 15 above shall be declared here.*

Introduction

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

Analysis

This column captures tax which is to be paid on account of differences identified in Tables-13 and 15 above. Taxes paid in this Table should ideally

be equal to the total of the differences of the two Tables (when positive). It is important to note that the Table also demand computation of interest and penalty on such ITC differential.

Part V: Additional liability due to non-reconciliation

Pt. V	Additional Liability due to non-reconciliation					
			To be paid through Cash or ITC			
	Description	Value	Central tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	[5][6%					]
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	[6][Others					]
	Supplies on which e-commerce operator is required to pay tax as per sub-sec-tion (5) of section 9 [E-commerce operator to report]					
	Input Tax Credit					

[5] *Inserted vide Notification No. 38/2023-CT dated 04.08.2023, Brought into force w.e.f. 04.08.2023.*
[6] *Inserted vide Notification No. 30/2021-CT dated 30.07.2021, Brought into force w.e.f. 01.08.2021.*

	Interest					
	Late Fee					
	Penalty					
	Any other amount paid for supplies not included in Annual Return (FORM GSTR-9)					
	Erroneous refund to be paid back					
	Outstanding demands to be settled					
	Other (pl. specify)					

Instructions

Part V consists of the additional liability to be discharged by the taxpayer due to non-reconciliation of turnover or non-reconciliation of input tax credit. Any refund which has been erroneously taken and shall be paid back to the Government shall also be declared in this table. Lastly, any other outstanding demand which is to be settled by the taxpayer shall be declared in this Table.

- *Towards the end of the return, taxpayers shall be given an option to pay any additional liability declared in this form, through FORM DRC-03. Taxpayers shall select "Reconciliation Statement" in the drop down provided in FORM DRC-03. It may be noted that such liability shall be paid through electronic cash ledger only.*

(a) Reasons for additional tax liability

✓ Non-reconciliation between the books of accounts and the annual return can either occur (among other reasons) in respect of the turnover, tax paid or availment of the input tax credit. Any additional tax liability that may arise due to non-reconciliation between the turnovers or the tax payable on such turnovers would be reported in Table-11 of FORM GSTR-9C. Further, any additional tax liability arising due to non-reconciliation of the

input tax credit are to be disclosed in Table-16 of FORM GSTR-9C. The amount reported in these two Tables would be summarized and reported in Part-V of the FORM GSTR-9C.

- ✓ Additional tax liability may arise on account of any other amount paid for supplies not included in the annual return, erroneous refund to be paid back, outstanding demands to be settled, etc., (if any).
- ✓ To sum up, some of the issues that are to be reported as part of the additional liability due to non-reconciliation etc., may arise on account of the following issues:

(a) Additional tax liability due to non-reconciliation of turnover or tax liability (including reverse charge) between the audited financial statements and annual returns (as per Table-11 of FORM GSTR-9C)

This additional tax amount to be paid but not paid due to non-reconciliation is reported in Table No.11 of FORM GSTR-9C. For instance, this may occur due to the following reasons, among others-

(i) Non-reconciliation of the turnover and taxable turnover between the audited financial statements and the annual return (as per Table No. 6 and 8 of FORM GSTR-9C) - This situation arises because the audited financial statements and FORM GSTR-1 may not match. This is because the turnovers of outward supply in the annual return is advised to be borrowed from FORM GSTR-1 within the instructions of the annual return.

(ii) Non-reconciliation of the tax paid (both under forward and reverse charge) between the audited financial statements and the annual return (as per Table No.10 of FORM GSTR-9C). This situation arises on account of the fact that the audited financial statements and FORM GSTR-3B may not reconcile. This is because the actual tax paid is only given in FORM GSTR-3B which is used as the basis for reflecting the amount of tax paid in the annual return. Further, the mismatch can arise on account of difference of tax rate as earlier applied and rate as determined while finalizing reconciliation statement by the registered person to be applicable on outward supply turnovers.

(iii) Situations containing non-reconciliation between FORM GSTR-3B, FORM GSTR-1 and audited financial statements.

In an ideal scenario, the differential tax payable on account of reconciliation should be nil. However, various situations can cause the differences in Tables-6, 8 and 10. It needs to be analysed which of these differences are required to be reported as part of the additional liability due to non-reconciliation. These situations are given below-

- **Situation 1: FORM GSTR-1 matches with the audited financials but differs with FORM GSTR-3B**

  It is possible that FORM GSTR-1 matches with the audited financials as regards the tax payable, but the turnovers reflected in FORM GSTR-3B may differ when compared to the books of accounts as regards the tax paid. In this situation, even though Table No.6 and 8 may not reflect any differences as given in point (i) above, Table No. 10 would reflect a difference of the amount of tax to be paid and tax actually paid. Therefore, any tax payable occurring due to this reconciliation issue would automatically form part of Table No.11 and thereby additional liability due to non-reconciliation in Part-V would have to be made. The registered person would do so only after taking a judgement call that the amounts reported in FORM GSTR-1 and the audited financial statements were correct and that the reporting in FORM GSTR-3B was incorrect.

- **Situation 2: FORM GSTR-3B matches with the audited financial statements but differs with FORM GSTR-1**

  There can also arise a situation that the turnover and tax payable in FORM GSTR-3B matches with the audited financial statements but there is a difference between FORM GSTR-1 and the audited financial statements with regard to the same. In this case, the differences would most clearly be evident from Tables-6 and 8 which effectively compares the turnover between FORM GSTR-1 and the audited financial statements. This difference would be reported as part of Table 10 which derives the tax payable from Tables-6 and 8 which effectively takes into account FORM GSTR-1. Therefore, this should form part of the additional amount of tax payable and the additional liability due to non-reconciliation. The registered person would do so only after taking a judgement call that the amounts reported in FORM GSTR-3B were incorrect as compared to that reported in FORM GSTR-1 was correct. Of course, if the reverse is true, then even though there is a difference between the two, the additional liability in

Part-V of the FORM GSTR-9C would not contain the said amount as the additional tax liability.

- **Situation 3: FORM GSTR-1 and FORM GSTR-3B *inter se* matching but not with the audited financials.**

  There can be a situation that the FORM GSTR-3B and FORM GSTR-1 match with each other but there is a difference when they are compared to the audited financial statements. Such differences would figure in all the Tables-6, 8 and 10 as such turnover if lower than the audited financials, will result in short payment of tax (if differences thereof are not explained). The cause of the differences needs to be clearly identified and understood. Table-10 while taking the values after considering the audited financial statements would be compared with the actual tax paid as per FORM GSTR-3B. As there is a difference between the audited financial statements and FORM GSTR-3B, an un-reconciled difference would be shown in Table-10. Therefore, this should form part of additional amount of tax payable as per Part-V of the FORM GSTR-9C.

(iv) Separate calculation for tax under both forward and reverse charge. It must be noted that in this context, the reconciliation would be made with regard to the following-

  (a) Total turnover and taxable turnover.

  (b) Output tax liability.

  (c) Liability under reverse charge.

  The amount paid as output tax liability computed for both points (a) and (b) cited above and tax under reverse charge as per point (c) are required to be disclosed and reconciled separately between FORM GSTR-3B and the audited financial statements in Table-9. Any additional amount that is liable to be paid on account of the fact that such amounts would be disclosed together in Table No.11 and in Part-V of the FORM GSTR-9C.

(v) Rate-wise break up

  Any additional tax liability that occurs either under forward charge or reverse charge needs to be shown on rate-wise basis. In fact, the tax payable in Table No.9 which is the source of the reconciliation also demands that tax payable be disclosed on a rate-wise basis. This rate-

wise breakup of additional tax payable would be shown in Table No.11 and in Part-V of the FORM GSTR-9C.

(b) Additional tax liability because of non-reconciliation of input tax credit between the audited financial statements and annual returns (as per Table No. 16 of FORM GSTR-9C)

The additional tax to be paid due to non-reconciliation is reported in Table No.16 of FORM GSTR-9C. The non-reconciliation difference in this Table can occur due to the following reasons-

(i) Non-reconciliation of the credits which are booked in one financial year and claimed in the subsequent financial year with regard to the audited financial statements and the annual return (as per Table-13 of FORM GSTR-9C);

(ii) Non-reconciliation of the credits between the head-wise expenses reported in the audited financial statements and that in the annual return (as per Table-15 of FORM GSTR-9C)

It can be noted here that the amount reported in the annual return is only a summation of the amounts reported in the FORM GSTR-3B.

Difference of input tax credit in FORM GSTR-3B and the books of accounts

There can be a situation where FORM GSTR-3B does not match with the audited financial statements or books of accounts with regard to the input tax credit. Such differences can be depicted under Tables-13 and 15. The cause of such differences need to be clearly identified. These Tables while taking the values after considering the audited financial statements would be compared with the actual tax paid as per FORM GSTR-3B. As there is a difference between the audited financial statements and FORM GSTR-3B, an un-reconciled difference would be shown in both Tables-13 and 15. If the input tax credit claimed is higher in FORM GSTR-3B than the books of accounts, then there may be an additional liability of making the payment of extra credit availed. Then, this should form part of the additional amount of tax payable as per Table-16 of FORM GSTR-9C and in Part-V of the FORM GSTR-9C. The registered person would do so only after taking a judgement that the amounts reported in FORM GSTR-3B are incorrect and that the amounts reported in the financial statements are correct. Of course, if the reverse is true, then even though there is a

difference between the two, the additional liability in Part-V would not show the said amount as additional tax liability.

No rate-wise breakup

No rate-wise breakup is required in Table-16 with regard to the additional tax payable due to the non-reconciliation of the input tax credit as per Tables-13 and 15.

(c) Any other amount to be paid for supplies not included in the annual return

There can arise situations wherein certain other supplies can result in the payment of additional tax liability even though they were not flagged as reconciliation differences as discussed above. These pertain to supplies which are not disclosed in the annual return and which may not have been the part of turnover as per the audited financial statements. For instance-

(1) If supplies which are part of Schedule-I, i.e., supplies without consideration are not disclosed in the annual return, then they may not create any reconciliation differences as they are not reflected in the financial statements.

(2) As regards receipt of taxable advances which form part of the balance sheet of a registered person but are not a part of his turnover. If a registered person is liable to pay taxes on the advances received during the year does not disclose the same in his monthly return and thereby his annual return, then he can fall within this reporting Table. This is because the advances not disclosed would neither be part of the turnover which is the starting point of the reconciliation nor the supplies as disclosed in the annual return. Therefore, they would not cause a reconciliation difference.

The above illustrative cases would not have been reported in the books or in returns and would not cause any reconciliation differences. However, paying taxes on these supplies is mandatory even though they have been missed out in the annual return. Thereby, they would be reported as supplies not included in the annual return. Any interest and penalty which may have to be paid on them would also be disclosed separately. Therefore, all such supplies which are not part of

the turnover of the registered Person as per the audited financial statements and are missed out in the annual return will be reported here.

(d) Erroneous refund to be paid back

Any refund that has been obtained but ideally it should not have been obtained is reported here. It may arise due to refund of the electronic credit ledger or of the cash ledger. This erroneous refund could have been obtained because of some situation, which are:

(a) The department had paid the registered person provisional refund of 90% based on the *prima facie* scrutiny of the application for refund in case of zero-rated supply or inverted duty structure. But upon complete scrutiny of the application, a defect may be noticed in the given application which may have let to the rejection of the refund. In this case, the refund already granted provisionally is liable to be refunded back to the department, if it is not already raised as an outstanding demand to be settled as discussed in point (e) below.

(b) A registered person may happen to avail input tax credit in a particular month which is liable to be reversed at the end of the year in terms of rule 42 and rule 43 upon making the complete true-up calculation. It may also be possible that the input credit was blocked on any inward supply on which the input tax credit was taken by the registered person. In this situation, if the registered person had obtained complete refund of the input tax credit taken earlier, then he is liable to refund the amount to the extent the input tax credit was not admissible to him.

The above are only illustrative situations wherein a registered person is required to pay the amount which was erroneously refunded to him. In these cases, if the registered person is liable to pay any interest or penalty on the same, then the said amount would also be required to be shown as part of the additional liability in Part-V of the FORM GSTR-9C.

(e) Outstanding demands to be settled

Any amount which is liable to be paid to the Government which had been raised as a demand is required to be disclosed. Any adjudication order passed against the registered person which had not been appealed against and which entails payment of tax liability by the

registered person is to be reported here. Further, any appellate order passed which requires the registered person to make payment of tax liability would also be disclosed here. However, any order passed which entails requirement of payment of taxes, but which forms a subject matter of appeal before any higher authority cannot be considered as an outstanding demand. These would not be reported as part of additional tax liability.

(f) Interest, penalty and late fees

Interest

Interest is not automatically calculated for the purpose of payment in FORM GSTR-3B. The registered person is required to compute such additional interest liability that may arise due to any of the above situations. This would-be part of Table 11 and additional liability in Part-V of the FORM GSTR-9C as well.

Penalty

Penalty can be imposed on a registered person if he contravenes any of the provisions of the CGST Act. For instance, as per section 122, if the taxable person collects any amount, but fails to pay the same to the Government beyond a period of three months from the date on which the payment becomes due would be liable to penalty of Rs. 10,000/- per Act or the amount of tax evaded, whichever is higher. However, if the same was done for any reason other than fraud or any wilful misstatement or suppression of facts to evade tax, the penalty would reduce to Rs. 10,000/- per Act or 10% of the tax, whichever is higher. In such a situation, the registered person is under an obligation to disclose such liabilities, if payable, in both Table-11 and the additional liability in Part-V.

Late Fees

This includes the fee for delayed filing of FORM GSTR-3B and FORM GSTR-1. FORM GSTR-3B automatically calculates such amount of late fees based on the due date and actual date of filing the return. As regards FORM GSTR-1, the due dates were extended from time to time. Therefore, no late fees would be calculated if FORM GSTR-1 is furnished by such extended dates.

(g) Other *(Please specify)*

If registered person is liable to pay additional tax liability due to any other reasons, which have not been covered above and which comes to his notice would be disclosed in this field. Rather than merely showing the tax amount, the exact reason why the additional tax liability is liable to be paid would also have to be specified.

Mechanism of payment

There are no provisions under the law which prescribes the mechanism of payment of the additional tax liability that may arise out of reconciliation. However, upon the analysis of the form it can be seen that it requires mandatory payment of the differential tax liability in cash. It does not permit utilization of the balance in electronic credit ledger for such payments.

Where the tax paid is incorrectly shown on the lower side in FORM GSTR-3B, then Table-9 of FORM GSTR-9 would show a higher tax payable (which would be as per the consolidated figures of outward supplies in FORM GSTR-1 and inward reverse charge supplies in FORM GSTR-3B) than total tax paid in cash and ITC (actual tax paid in FORM GSTR-3B). In this situation, the differential tax payable can be paid through FORM GST DRC-03.

In FORM GSTR-9C, the tax payable after reconciliation with the books of accounts are to be disclosed in Table-9 of FORM GSTR-9C. This tax payable is to be compared with the tax paid as per FORM GSTR-3B. Assuming the books of accounts to be in line with FORM GSTR-1 and FORM GSTR-3B incorrectly showing a lower tax amount, the tax payable in Table-9 of FORM GSTR-9C will be the same as the tax payable in Table 9 of FORM GSTR-9. In this case, the un-reconciled tax difference in Table-10 of FORM GSTR-9C will show the same amount as the differential tax payable in Table-9 of FORM GSTR-9. One should be careful here that if such differential tax is already paid through FORM GST DRC-03 while reconciling FORM GSTR-9, the same difference arising in FORM GSTR-9C should not be subjected to additional liability as per Part-V of FORM GSTR-9C.

LATE FEES FOR FILING FORM GSTR 9C

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

Form GSTR-9C is a reconciliation statement that businesses with annual turnover over ₹5 crore must file with their yearly GST summary return (GSTR-9). It compares the company's financial records with GST returns to identify discrepancies and ensure correct tax reporting. The due date is December 31 of the following financial year. Filing late may trigger a late fee to promote timely compliance and accurate government records. However, late fees are tied to rules for annual returns, and ongoing legal views question their direct application to reconciliation statements like GSTR-9C, especially post-amendments to Section 44.

Section 47(2) applies only to “returns” filed under Sections 44. For FY 2017–18 to FY 2019–20, Form GSTR-9C was notified as a reconciliation statement under Section 35(5). Therefore, it was not treated as a “return,” and consequently, no late fee could be levied for delayed filing of GSTR-9C during those years.

However, this position changes after the 2023 amendment to Section 44 (effective from October 1, 2023), which merged GSTR-9 and GSTR-9C into a unified annual return under Section 44. As a result, late fees are now applicable for belated filing. The method for computing such late fees is detailed in the FAQ on GSTR-9/9C for FY 2024-25, issued by GSTN.

Section 47(2) of the CGST Act provides that a registered person failing to file the annual return under Section 44 by the due date pays a late fee of ₹100 per day of delay (CGST portion), capped at 0.5% of turnover in the State or Union Territory. The SGST Act mirrors this, potentially totaling ₹200 per day with a 1% turnover cap. This applies to returns, not reconciliation statements.

The late fee structure for delayed annual returns (extended to GSTR-9C via notifications) from FY 2022-23 onward, per latest amendments:

QUANTUM	CGST	SGST
For turnover upto Rs. 5 Crore		
Minimum	Rs. 25.00 for every day during which the failure continues.	Rs. 25.00 for every day during which the failure continues.
Maximum	0.02 percent of his turnover in the State or Union territory.	0.02 percent of his turnover in the State or Union territory.
For turnover of Rs. 5 Crore to Rs. 20 Crore		
Minimum	Rs. 50.00 for every day during which the failure continues.	Rs. 50.00 for every day during which the failure continues.
Maximum	0.02 percent of his turnover in the State or Union territory.	0.02 percent of his turnover in the State or Union territory.
For turnover above Rs. 20 Crore		
Minimum	Rs. 100.00 for every day during which the failure continues.	Rs. 100.00 for every day during which the failure continues.
Maximum	A quarter percent (0.25%) of his turnover in the State or Union territory.	A quarter percent (0.25%) of his turnover in the State or Union territory.

Understanding "Verification" under FORM GSTR-9C

I. In terms of rule 80(3) of the CGST Rules the relevant "verification" portion to the Reconciliation Statement in FORM GSTR-9C reads as under-

> **Verification:**
>
> I hereby solemnly affirm and declare that the information given herein above is true and correct and nothing has been concealed there from. I am uploading this self-certified reconciliation statement in FORM GSTR-9C. I am also uploading other statements, as

applicable, including financial statement, profit and loss account and balance sheet, etc.]

Signature

Place:

Date:

Name of Authorized Signatory

Designation/ status

II. The verification part of the said FORM GSTR-9C is quite crucial. Several important words and phrases are used in this part, such as **"solemnly affirm, declare, true and correct, conceal etc."** An understanding of the true import of these words is crucial.

III. According to the Random House Dictionary the word **solemn** means "serious or earnest" and the word **affirm** means "confirm, establish or ratify". A solemn affirmation is ratification under a statute.

IV. In the case of ***Dilip N. Shroff V. Joint Commissioner of Income tax, 2007 (219) ELT 15 (SC)*** their lordships extracted the meaning of the word "conceal" from the Law Lexicon which reads-

> *"to hide or keep secret. The word "conceal" is con+celare which implies to hide. It means to hide or withdraw from observation; to cover or keep from sight; to prevent the discovery of; to withhold knowledge of. The offence of concealment is, thus, a direct attempt to hide an item of income or a portion thereof from the knowledge of the income tax authorities."*

In the very same judgement in para 67 and 68 the Hon'ble Supreme Court goes on to analyse certain phrases, which are relevant and reproduced below-

> *'Concealment of income' and 'furnishing of inaccurate particulars' are different. Both concealment and furnishing inaccurate particulars refer to deliberate act on the part of the registered person. A mere omission or negligence would not constitute a deliberate act of suppressio veri or suggestio falsi. Although it may not be very accurate or apt but suppressio veri would amount to concealment, suggestio falsi would amount to furnishing of inaccurate particulars.*

> *The authorities did not arrive at a finding that the consideration amount fixed for the sale of property was wholly inadequate. The authorities also do not show the inaccurate particulars furnished by the appellant. They also do not state what should have been the accepted principles of valuation. We, therefore, do not accept the submissions of the learned Additional Solicitor General that concealment or furnishing of inaccurate particulars would overlap each other, the same would not mean that they do not represent different concepts. Had they not been so, the parliament would not have used the different terminologies.*

To conclude, *malafide* or *dolus molus* becomes a pre-requisite to prove an act of concealment. While every action is not *malafide*- negligence, carelessness, recklessness coupled with intention to withhold information tantamount to *malafide*. It is reiterated that mere failure to provide information or providing inaccurate information also would not amount to concealment.

Appendix 1

Form No. GSTR - 9C - Reconciliation Statement

2[FORM GSTR-9C

See rule 80(3)

PART – A - Reconciliation Statement

Pt. I	Basic Details		
1	Financial Year		
2	GSTIN		
3A	Legal Name	< Auto>	
3B	Trade Name (if any)	< Auto>	
4	Are you liable to audit under any Act? << Please specify >>		
		(Amount in Rs.in all tables)	
Pt. II	**Reconciliation of turnover declared in audited Annual Financial Statement with turnover declared in Annual Return (GSTR 9)**		
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
6	**Reasons for Un - Reconciled difference in Annual Gross Turnover**		
A	Reason 1	<>	
B	Reason 2	<>	
C	Reason 3	<>	
7	**Reconciliation of Taxable Turnover**		

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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	
[35][D1	Supplies on which tax is to be paid by ecommerce operators as per sub-section (5) of section 9 [Supplier to report]	]
E	Taxable turnover as per adjustments above [36][(A-B-C-D-D1)]	< 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 >>

TaxTMI

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)					
27[B-1	6%]					
C	12%					
D	12% (RC)					
E	18%					
F	18% (RC)					

TaxTMI

G	28%					
H	28% (RC)					
I	3%					
J	0.25%					
K	0.10%					
16[K-1	Others					]
[37][K-2	Supplies on which ecommerce operator is required to pay tax as per sub-section (5) of section 9 [Ecommerce operator to report]	NA				]
L	Interest					
M	Late Fee					
N	Penalty					
O	Others					

TaxTMI

P	Total amount to be paid as per tables above					
Q	Total amount [38][payable] as declared in Annual Return (GSTR 9)					
R	Un- reconciled payment of amount (PT1)					
10	**Reasons for un-reconciled payment of amount**					
A	Reason 1	<>				
B	Reason 2	<>				
C	Reason 3	<>				
11	**Additional amount payable but not paid (due to reasons specified under Tables 6,8 and 10 above)**					
			To be paid through [39][cash or ITC]			
	Description	Taxable Value	Central tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6

	5%					
	28[6%]					
	12%					
	18%					
	28%					
	3%					
	0.25%					
	0.10%					
	17[Others					]
	[40][Supplies on which e-commerce operator is required to pay tax as per sub-section (5) of section 9 [E-commerce operator to report]	NA				]
	Interest					
	Late Fee					

TaxTMI

	Penalty					
	Others (please specify)					
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 (GSTR 9)					
F	Un-reconciled ITC					ITC 1
13	**Reasons for un-reconciled difference in ITC**					

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

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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			

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Q	Any other expense 2			
R	Total amount of eligible ITC availed			<>
S	ITC claimed in Annual Return (GSTR9)			
T	Un-reconciled ITC (ITC 2)			
15	**Reasons for un - reconciled difference in ITC**			
A	Reason 1	<>		
B	Reason 2	<>		
C	Reason 3	<>		
16	**Tax payable on un-reconciled difference in ITC (due to reasons specified in 13 and 15 above)**			

Description	Amount Payable
Central Tax	
State/UT Tax	
Integrated Tax	

	Cess	
	Interest	
	Penalty	
Pt. V	18[Additional Liability due to non-reconciliation]	

			To be paid through [41][cash or ITC]			
	Description	Value	Central tax	State tax / UT tax	Integrated tax	Cess, if applicable
	1	2	3	4	5	6
	5%					
	29[6%]					
	12%					
	18%					

TaxTMI

28%					
3%					
0.25%					
0.10%					
19[Others					]
[42][Supplies on which e- commerce operator is required to pay tax as per sub-section (5) of section 9 [E-commerce operator to report]					]
Input Tax Credit					
Interest					
Late Fee					
Penalty					
Any other amount paid for supplies not included in Annual Return (GSTR 9)					

TaxTMI

	Erroneous refund to be paid back					
	Outstanding demands to be settled					
	Other (Pl. specify)					
[43][17	Late fee payable and paid					

	Description	Payable	Paid
	1	2	3
A	Integrated Tax		
B	Central Tax		
C	State Tax/UT Tax		]

[20][Verification of registered person:

I hereby solemnly affirm and declare that the information given herein above is true and correct and nothing has been concealed there from. I am uploading this self-certified reconciliation statement in FORM GSTR-9C. I am also uploading other statements, as applicable, including financial statement, profit and loss account and balance sheet, etc.]

Signature

TaxTMI

Place:

Date:

Name of Authorized Signatory

Designation/status

Instructions: –

1. Terms used:

(a) GSTIN: Goods and Services Tax Identification Number

2. It is mandatory to file all your FORM GSTR-1, FORM GSTR-3B and FORM GSTR -9 for the [3][current financial year] before filing this return. [4][For FY 2017-18,] the details for the period between July 2017 to March 2018 are to be provided in this statement for the financial year 2017-18. The reconciliation statement is to be filed for every GSTIN separately.

3. The reference to current financial year in this statement is the financial year for which the reconciliation statement is being filed for.

4. Part II consists of reconciliation of the annual turnover declared in the audited Annual Financial Statement with the turnover as declared in the Annual Return furnished in FORM GSTR-9 for this GSTIN. The instructions to fill this part are as follows :-

Table No.	Instructions
5A	The turnover as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (State-wise) registrations exist on the same PAN. This is common for persons / entities with presence over multiple States. Such persons / entities, will have to internally derive their GSTIN wise turnover and declare the same here. This shall include export turnover (if any). It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons / entities having presence over multiple States.
5B	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. [5][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [30][2020-21, [32][2021-22, [44][2022-23, [62][2023-24, 2024- 25 and 2025-26 onwards,]]]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.] 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)
5C	Value of all advances for which GST has been paid but the same has not been recognized as revenue in the audited Annual Financial Statement shall be declared here. [5][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [45][2022-23, [63][2023-24, 2024- 25 and 2025-26 onwards,]]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5D	Aggregate value of deemed supplies under Schedule I of the CGST Act, 2017 shall be declared here. Any deemed supply which is already part of the turnover in the audited Annual Financial Statement is not required to be included here. [6][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [46][2022-23, [64][2023-24, 2024- 25 and 2025-26 onwards,]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5E	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. [7][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [47][2022-23, [65][2023-24, 2024- 25 and 2025-26 onwards,]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5F	Trade discounts which are accounted for in the audited Annual Financial Statement but on which GST was leviable (being not permissible) shall be declared here. [7][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [48][2022-23, [66][2023-24, 2024- 25 and 2025-26 onwards,]]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5G	Turnover included in the audited Annual Financial Statement for April 2017 to June 2017 shall be declared here. [8][For FY 2017-18, the registered person shall have an option to not fill this

	table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5H	Unbilled revenue which was recorded in the books of accounts on the basis of accrual system of accounting during the current financial year but GST was not payable on such revenue in the same financial year shall be declared here. [9][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [49][2022-23, [67][2023-24, 2024- 25 and 2025-26 onwards,]]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5I	Value of all advances for which GST has not been paid but the same has been recognized as revenue in the audited Annual Financial Statement shall be declared here. [9][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [50][2022-23, [68][2023-24, 2024- 25 and 2025-26 onwards,]]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5J	Aggregate value of credit notes which have been accounted for in the audited Annual Financial Statement but were not admissible under Section 34 of the CGST Act shall be declared here. [9][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [51][2022-23, [69][2023-24, 2024- 25 and 2025-26 onwards,]]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5K	Aggregate value of all goods supplied by SEZs to DTA units for which the DTA units have filed bill of entry shall be declared here. [9][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [52][2022-23, [70][2023-24, 2024- 25 and 2025-26 onwards,]]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5L	There may be cases where registered persons might have opted out of the composition scheme during the current financial year. Their turnover as per the audited Annual Financial Statement would include turnover both as composition taxpayer as well as normal taxpayer. Therefore, the turnover for which GST was paid under the composition scheme shall be declared here. [9][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [53][2022-23, [71][2023-24, 2024- 25 and 2025-26 onwards,]]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]

5M	There may be cases where the taxable value and the invoice value differ due to valuation principles under section 15 of the CGST Act, 2017 and rules thereunder. Therefore, any difference between the turnover reported in the Annual Return (GSTR 9) and turnover reported in the audited Annual Financial Statement due to difference in valuation of supplies shall be declared here. [9][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [54][2022-23, [72][2023-24, 2024- 25 and 2025-26 onwards,]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5N	Any difference between the turnover reported in the Annual Return (GSTR 9) and turnover reported in the audited Annual Financial Statement due to foreign exchange fluctuations shall be declared here. [9][For [14][FY 2017-18, [21][2018-19, [25][2019-20, [33][2020-21, 2021-22, [55][2022-23, [73][2023-24, 2024- 25 and 2025-26 onwards,]]]]], the registered person shall have an option to not fill this table. If there are any adjustments required to be reported then the same may be reported in Table 5O.]
5O	Any difference between the turnover reported in the Annual Return (GSTR 9) and turnover reported in the audited Annual Financial Statement due to reasons not listed above shall be declared here.
5Q	Annual turnover as declared in the Annual Return (GSTR 9) shall be declared here. This turnover may be derived from Sr. No. 5N, 10 and 11 of Annual Return (GSTR 9).
6	Reasons for non-reconciliation between the annual turnover declared in the audited Annual Financial Statement and turnover as declared in the Annual Return (GSTR 9) shall be specified here.
7	The table provides for reconciliation of taxable turnover from the audited annual turnover after adjustments with the taxable turnover declared in annual return (GSTR-9).
7A	Annual turnover as derived in Table 5P above would be auto-populated here.
7B	Value of exempted, nil rated, non-GST and no-supply turnover shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.

7C	Value of zero rated supplies (including supplies to SEZs) on which tax is not paid shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
7D	Value of reverse charge supplies on which tax is to be paid by the recipient shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
[56][7D1	Supplies on which tax is to be paid by e-commerce operators as per sub-section (5) of section 9 shall be declared here by the supplier.]
7E	The taxable turnover is derived as the difference between the annual turnover after adjustments declared in Table 7A above and the sum of all supplies (exempted, non-GST, [57][reverse charge, supplies made sub-under section (5) of section 9 etc.) declared in Table 7B, 7C, and 7D and 7D1 above.]
7F	Taxable turnover as declared in Table [58][(4N – 4G- 4G1)] + (10-11) of the Annual Return (GSTR 9) shall be declared here.
8	Reasons for non-reconciliation between adjusted annual taxable turnover as derived from Table 7E above and the taxable turnover declared in Table 7F shall be specified here.

5. Part III consists of reconciliation of the tax payable as per declaration in the reconciliation statement and the actual tax paid as declared in Annual Return (GSTR 9). The instructions to fill this part are as follows :-

Table No.	Instructions
9	The table provides for reconciliation of tax paid as per reconciliation statement and amount of

	tax paid as declared in Annual Return (GSTR 9). Under the head labelled –RC supplies where tax was paid on reverse charge basis by the recipient (i.e. the person for whom reconciliation statement has been prepared) shall be declared.
9P	The total amount to be paid as per liability declared in Table 9A to 9O is auto populated here.
9Q	The amount payable as declared in Table 9 of the Annual Return (GSTR 9) shall be declared here. It should also contain any differential tax paid on Table 10 or 11 of the Annual Return (GSTR 9).
10	Reasons for non-reconciliation between payable / liability declared in Table 9P above and the amount payable in Table 9Q shall be specified here.
11	Any amount which is payable due to reasons specified under Table 6, 8 and 10 above shall be declared here.

TaxTMI

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

Table No.	Instructions
12A	ITC availed (after reversals) as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (State-wise) registrations exist on the same PAN. This is common for persons / entities with presence over multiple States. Such persons / entities, will have to internally derive their ITC for each individual GSTIN and declare the same here. It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons / entities having presence over multiple States.
12B	Any ITC which was booked in the audited Annual Financial Statement of earlier financial year(s) but availed in the ITC ledger in the financial year for which the reconciliation statement is being

	filed for shall be declared here. This shall include transitional credit which was booked in earlier years but availed during Financial Year 2017-18. [10][For [15][FY 2017-18, [22][2018-19, 2019-20 and 2020-21]], the registered person shall have an option to not fill this Table.]
12C	Any ITC which has been booked in the audited Annual Financial Statement of the current financial year but the same has not been credited to the ITC ledger for the said financial year shall be declared here. [11][For [15][FY 2017-18, [22][2018-19, 2019-20 and 2020-21]], the registered person shall have an option to not fill this Table.]
12D	ITC availed as per audited Annual Financial Statement or books of accounts as derived from values declared in Table 12A, 12B and 12C above will be auto-populated here.
12E	Net ITC available for utilization as declared in Table 7J of Annual Return (GSTR9) shall be declared here.
13	Reasons for non-reconciliation of ITC as per audited Annual Financial Statement or books of account (Table 12D) and the net ITC (Table12E) availed in the Annual Return (GSTR 9) shall be specified here.
14	This table is for reconciliation of ITC declared in the Annual Return (GSTR 9) against the expenses booked in the audited Annual Financial Statement or books of account. The various sub-heads specified under this table are general expenses in the audited Annual Financial Statement or books of account on which ITC may or may not be available. Further, this is only an indicative list of heads under which expenses are generally booked. Taxpayers may add or delete any of these heads but all heads of expenses on which GST has been paid / was payable are to be declared here. [12][For [15][FY 2017-18, [22][2018-19, [26][2019-20, [31][2020-21, [34][2021-22, [59][2022-23, [74][2023-24, 2024-25 and 2025-26 onwards,]]]]]]], the registered person shall have an option to not fill this Table.]
14R	Total ITC declared in Table 14A to 14Q above shall be auto populated here.
14S	Net ITC availed as declared in the Annual Return (GSTR9) shall be declared here. Table 7J of the Annual Return (GSTR9) may be used for filing this Table.

15	Reasons for non-reconciliation between ITC availed on the various expenses declared in Table 14R and ITC declared in Table 14S shall be specified here.
16	Any amount which is payable due to reasons specified in Table 13 and 15 above shall be declared here.
[60][17	Late fee will be payable as per section 47(2).]

[23][7. Part V consists of the additional liability to be discharged by the taxpayer due to non-reconciliation of turnover or non-reconciliation of input tax credit. Any refund which has been erroneously taken and shall be paid back to the Government shall also be declared in this table. Lastly, any other outstanding demand which is to be settled by the taxpayer shall be declared in this Table.]

8. Towards the end of the return, taxpayers shall be given an option to pay any additional liability declared in this form, through FORM DRC-03. Taxpayers shall select "Reconciliation Statement" in the drop down provided in FORM DRC-03. It may be noted that such liability shall be paid through electronic cash ledger [61][or electronic credit ledger].

[24][****]

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NOTES:-

1.	Inserted vide Notification No. 49/2018 – Central Tax dated 13-09-2018
2.	Substituted vide Notification No. 74/2018 – Central Tax dated 31-12-2018 before it was read as [*1][FORM GSTR-9C

See rule 80(3)

PART – A - Reconciliation Statement

Pt. I	Basic Details		
1	Financial Year		
2	GSTIN		
3A	Legal Name	< Auto >	
3B	Trade Name (if any)	< Auto >	
4	Are you liable to audit under any Act?	<< Please specify >>	
		(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		

TaxTMI

		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
	6	**Reasons for Un - Reconciled difference in Annual Gross Turnover**		
	A	Reason 1	<< Text >>	

TaxTMI

	B C			
		Reason 2	<< Text >>	
		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 D E F	Zero rated supplies without payment of tax		
		Supplies on which tax is to be paid by the recipient on reverse charge basis		
		Taxable turnover as per adjustments above (A-B-C-D)		< Auto >
		Taxable turnover as per liability declared in Annual Return (GSTR9)		

TaxTMI

G	Unreconciled taxable turnover (F-E)						AT 2
8	**Reasons for Un - Reconciled difference in taxable turnover**						
A B C	Reason 1	<< Text >>					
	Reason 2	<< Text >>					
	Reason 3	<< Text >>					
Pt. III	**Reconciliation of tax paid**						
9	**Reconciliation of rate wise liability and amount payable thereon**						
				Tax payable			
	Description	Taxable Value		Central tax	State tax / UT tax	Integrated Tax	Cess, if applicabl e
	1	2		3	4	5	6

TaxTMI

	A	5%					
	B	5% (RC)					
	C	12%					
	D E	12% (RC)					
	F	18%					
	G H	18% (RC)					
		28%					
		28% (RC)					
	I	3%					
	J K	0.25%					
	L	0.10%					
	M N	Interest					

TaxTMI

		Late Fee					
		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	**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)**					

TaxTMI

				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%					

TaxTMI

		0.25%					
		0.10%					
		Interest					
		Late Fee					
		Penalty					
		Others (please specify)					
	Pt.	**Reconciliation of Input Tax Credit (ITC)**					
	IV						
	12	**Reconciliation of Net Input Tax Credit (ITC)**					

TaxTMI

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

TaxTMI

	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				
	C				
	D				
	E				
	F				
	G				
		Freight / Carriage			
		Power and Fuel			
		Imported goods (Including received from SEZs)			

TaxTMI

		Rent and Insurance			
		Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples			
		Royalties			
	H I J K L M	Employees' Cost (Salaries, wages, Bonus etc.)			
		Conveyance charges			
		Bank Charges			
		Entertainment charges			
		Stationery Expenses			

TaxTMI

		(including postage etc.)			
		Repair and Maintenance			
	N	Other Miscellaneous expenses			
	O P	Capital goods			
		Any other expense 1			
	Q	Any other expense 2			
	R	Total amount of eligible ITC availed			<>
	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 >>		

TaxTMI

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

TaxTMI

	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%					

TaxTMI

		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					

TaxTMI

	Outstanding demands to be settled					
	Other (Pl. specify)					

Verification:

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

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

Place: .....

Name of the signatory .....

Membership No.....

Date: .....

Full address .....

Instructions: –

1. Terms used:

   (a) GSTIN: Goods and Services Tax Identification Number

2. The details for the period between July 2017 to March 2018 are to be provided in this statement for the financial year 2017-18. The reconciliation statement is to be filed for every GSTIN separately.

3. The reference to current financial year in this statement is the financial year for which the reconciliation statement is being filed for.

4. Part II consists of reconciliation of the annual turnover declared in the audited Annual Financial Statement with the turnover as declared in the Annual Return furnished in FORM GSTR-9 for this GSTIN. The instructions to fill this part are as follows :-

Table No.	Instructions
5A	The turnover as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (State-wise) registrations exist on the same PAN. This is common for persons / entities with presence over multiple States. Such persons / entities, will have to internally derive their GSTIN wise turnover and declare the same here. This shall include export turnover (if any). It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons / entities having presence over multiple States.
5B	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)
5C	Value of all advances for which GST has been paid but the same has not been recognized as revenue in the audited Annual Financial Statement shall be declared here.
5D	Aggregate value of deemed supplies under Schedule I of the CGST Act, 2017 shall be declared here. Any deemed supply which is already part of the turnover in the audited Annual Financial Statement is not required to be included here.

	5E	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.
	5F	Trade discounts which are accounted for in the audited Annual Financial Statement but on which GST was leviable(being not permissible) shall be declared here.
	5G	Turnover included in the audited Annual Financial Statement for April 2017 to June 2017 shall be declared here.
	5H	Unbilled revenue which was recorded in the books of accounts on the basis of accrual system of accounting during the current financial year but GST was not payable on such revenue in the same financial year shall be declared here.
	5I	Value of all advances for which GST has not been paid but the same has been recognized as revenue in the audited Annual Financial Statement shall be declared here.
	5J	Aggregate value of credit notes which have been accounted for in the audited Annual Financial Statement but were not admissible under Section 34 of the CGST Act shall be declared here.
	5K	Aggregate value of all goods supplied by SEZs to DTA units for which the DTA units have filed bill of entry shall be declared here.
	5L	There may be cases where registered persons might have opted out of the composition scheme during the current financial year. Their turnover as per the audited Annual Financial Statement would include turnover both as composition taxpayer as well as normal taxpayer. Therefore, the turnover for which GST was paid under the composition scheme shall be declared here.
	5M	There may be cases where the taxable value and the invoice value differ due to valuation

		principles under section 15 of the CGST Act, 2017 and rules thereunder. Therefore, any difference between the turnover reported in the Annual Return (GSTR 9) and turnover reported in the audited Annual Financial Statement due to difference in valuation of supplies shall be declared here.
	5N	Any difference between the turnover reported in the Annual Return (GSTR9) and turnover reported in the audited Annual Financial Statement due to foreign exchange fluctuations shall be declared here.
	5O	Any difference between the turnover reported in the Annual Return (GSTR9) and turnover reported in the audited Annual Financial Statement due to reasons not listed above shall be declared here.
	5Q	Annual turnover as declared in the Annual Return (GSTR 9) shall be declared here. This turnover may be derived from Sr. No. 5N, 10 and 11 of Annual Return (GSTR 9).
	6	Reasons for non-reconciliation between the annual turnover declared in the audited Annual Financial Statement and turnover as declared in the Annual Return (GSTR 9) shall be specified here.
	7	The table provides for reconciliation of taxable turnover from the audited annual turnover after adjustments with the taxable turnover declared in annual return (GSTR-9).
	7A	Annual turnover as derived in Table 5P above would be auto-populated here.
	7B	Value of exempted, nil rated, non-GST and no-supply turnover shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
	7C	Value of zero rated supplies (including supplies to SEZs) on which tax is not paid shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.

7D	Value of reverse charge supplies on which tax is to be paid by the recipient shall be declared here. This shall be reported net of credit notes, debit notes and amendments if any.
7E	The taxable turnover is derived as the difference between the annual turnover after adjustments declared in Table 7A above and the sum of all supplies (exempted, non-GST, reverse charge etc.) declared in Table 7B, 7C and 7D above.
7F	Taxable turnover as declared in Table 4N of the Annual Return (GSTR9) shall be declared here.
8	Reasons for non-reconciliation between adjusted annual taxable turnover as derived from Table 7E above and the taxable turnover declared in Table 7F shall be specified here.

Tax Law

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

Table No.	Instructions
9	The table provides for reconciliation of tax paid as per reconciliation statement and amount of tax paid as declared in Annual Return (GSTR 9). Under the head labelled —RC supplies where tax was paid on reverse charge basis by the recipient (i.e. the person for whom reconciliation statement has been prepared) shall be declared.

9P	The total amount to be paid as per liability declared in Table 9A to 9O is auto populated here.
9Q	The amount payable as declared in Table 9 of the Annual Return (GSTR9) shall be declared here. It should also contain any differential tax paid on Table 10 or 11 of the Annual Return (GSTR9).
10	Reasons for non-reconciliation between payable / liability declared in Table 9P above and the amount payable in Table 9Q shall be specified here.
11	Any amount which is payable due to reasons specified under Table 6, 8 and 10 above shall be declared here.

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

Table No.	Instructions
12A	ITC availed (after reversals) as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (Statewise) registrations exist on the same PAN. This is common for persons / entities with presence over multiple States. Such persons / entities, will have to internally derive their ITC for each individual GSTIN and declare the same here. It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons / entities having presence over multiple States.
12B	Any ITC which was booked in the audited Annual Financial Statement of earlier financial year(s)but availed in the ITC ledger in the financial yearfor which the reconciliation statement is being filed for shall be declared here. This shall include transitional credit which was booked in earlier years but availed duringFinancial Year 2017-18.

TaxTMI

12C	Any ITC which has been booked in the audited Annual Financial Statement of the current financial year but the same has not been credited to the ITC ledger for the said financial year shall be declared here.
12D	ITC availed as per audited Annual Financial Statement or books of accounts as derived from values declared in Table 12A, 12B and 12C above will be auto-populated here.
12E	Net ITC available for utilization as declared in Table 7J of Annual Return (GSTR9) shall be declared here.
13	Reasons for non-reconciliation of ITC as per audited Annual Financial Statement or books of account (Table 12D) and the net ITC (Table12E) availed in the Annual Return (GSTR9) shall be specified here.
14	This table is for reconciliation of ITC declared in the Annual Return (GSTR9) against the expenses booked in the audited Annual Financial Statement or books of account. The various sub-heads specified under this table are general expenses in the audited Annual Financial Statement or books of account on which ITC may or may not be available. Further, this is only an indicative list of heads under which expenses are generally booked. Taxpayers may add or delete any of these heads but all heads of expenses on which GST has been paid / was payable are to be declared here.
14R	Total ITC declared in Table 14A to 14Q above shall be auto populated here.
14S	Net ITC availed as declared in the Annual Return (GSTR9) shall be declared here. Table 7J of the Annual Return (GSTR9) may be used for filing this Table.
15	Reasons for non-reconciliation between ITC availed on the various expenses declared in Table 14R and ITC declared in Table 14S shall be specified here.

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

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

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

PART – B- CERTIFICATION

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

* I/we have examined the-

(a) balance sheet as on .....

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

(c) the cash flow statement for the period beginning from .....to 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.

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	2. 3. 3. (a) *I/we report the following observations/ comments / discrepancies / inconsistencies; if any: .... 3. (b) *I/we further report that, - (A) *I/we have obtained all the information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit/ information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit were not provided/partially provided to us. (B) In *my/our opinion, proper books of account *have/have not been kept by the registered person so far as appears from*my/ our examination of the books. (C) I/we certify that the balance sheet, the *profit and loss/income and expenditure account and the cash flow Statement are *in agreement/not in agreement with the books of account maintained at the Principal place of business at .....and ** .....additional place of business within the State. 4. The documents required to be furnished under section 35 (5) of the CGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act is annexed herewith in Form No. GSTR-9C. 5. In *my/our opinion and to the best of *my/our information and according to explanations given to *me/us, the particulars given in the said Form No.GSTR-9C are true and correct subject to following observations/qualifications, if any: (a) ..... (b) ..... (c) .....

.....

.....

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

Place: .....

Name of the signatory .....

Membership No.....

Date: .....

Full address .....

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

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

..... (Name and address of the assessee with GSTIN) was conducted by M/s. ..... (full name and address of auditor along with status), bearing membership number in pursuance of the provisions of the .....Act, 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 from .....to ending on .....,

(c) the cash flow statement for the period beginning from .....to ending on ....., and

(d) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/ income and expenditure account and balance sheet.

2. I/we report that the said registered person-

*has maintained the books of accounts, records and documents as required by the

IGST/CGST/<<>>GST Act, 2017 and the rules/notifications made/issued thereunder

*has not maintained the following accounts/records/documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder:

1.

2.

3.

3. The documents required to be furnished under section 35 (5) of the CGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act is annexed herewith in Form No.GSTR-9C.

4. In *my/our opinion and to the best of *my/our information and according to examination of books of account including other relevant documents and explanations given to *me/us, the particulars given in the said Form No.9C are true and correct subject to the following observations/qualifications, if any:

(a) .....

(b) .....

(c) .....

.....

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

Place: .....

Name of the signatory .....

Membership No.....

Date: .....

Full address .....]"

3.	Substituted vide Notification No. 56/2019 – Central Tax dated 14-11-2019 before it was read as, "FY 2017-18"
4.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
5.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
6.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
7.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
8.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
9.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
10.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
11.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
12.	Inserted vide Notification No. 56/2019 – Central Tax dated 14-11-2019
13.	Substituted vide Notification No. 56/2019 – Central Tax dated 14-11-2019 before it was read as,

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"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 from .....to ending on ....., and

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

2. Based on our audit I/we report that the said registered person-

*has maintained the books of accounts, records and documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder

*has not maintained the following accounts/records/documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder:

1.

2.

3.

3. (a) *I/we report the following observations/ comments / discrepancies / inconsistencies; if

any:

.....

.....

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

	(A) *I/we have obtained all the information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit/ information and explanations which, to the best of *my/our knowledge and belief, were necessary for the purpose of the audit were not provided/partially provided to us. (B) In *my/our opinion, proper books of account *have/have not been kept by the registered person so far as appears from*my/ our examination of the books. (C) I/we certify that the balance sheet, the *profit and loss/income and expenditure account and the cash flow Statement are *in agreement/not in agreement with the books of account maintained at the Principal place of business at .....and ** .....additional place of business within the State. 4. The documents required to be furnished under section 35 (5) of the CGST Act/SGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act/SGST Act is annexed herewith in Form No. GSTR-9C. 5. In *my/our opinion and to the best of *my/our information and according to explanations given to *me/us, the particulars given in the said Form No.GSTR-9C are true and correct subject to following observations/qualifications, if any: (a) ..... (b) ..... (c) .... **(Signature and stamp/Seal of the Auditor) Place: ..... Name of the signatory ..... Membership No..... Date: .....

Full address .....

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

*I/we report that the audit of the books of accounts and the financial statements of M/s. ..... (Name and address of the assessee with GSTIN) was conducted by M/s. ..... (full name and address of auditor along with status), bearing membership number in pursuance of the provisions of the .....Act, 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 from .....to ending on ....,

(c) the cash flow statement for the period beginning from .....to ending on ....., and

(d) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/ income and expenditure account and balance sheet.

2. I/we report that the said registered person-

*has maintained the books of accounts, records and documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder

*has not maintained the following accounts/records/documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder:

1.

2.

3.

3. The documents required to be furnished under section 35 (5) of the CGST Act/SGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act/SGST 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 ....."
14.	Substituted vide Notification No. 79/2020 – Central Tax dated 15-10-2020 before it was read as, "FY 2017-18 and 2018-19"
15.	Substituted vide Notification No. 79/2020 – Central Tax dated 15-10-2020 before it was read as, "FY 2017-18 and 2018-19"
16.	Inserted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021
17.	Inserted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021

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18.	Substituted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021 before it was read as "Auditor's recommendation on additional Liability due to non-reconciliation"
19.	Inserted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021
20.	Substituted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021 before it was read as "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 ..... Verification of registered person: I hereby solemnly affirm and declare that I am uploading the reconciliation statement in FORM GSTR-9C prepared and duly signed by the Auditor and nothing has been tampered or altered by me in the statement. I am also uploading other statements, as applicable, including financial statement, profit and loss account and balance sheet etc."
21.	Substituted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021 before it was read as, "2018-19 and 2019-20"

22.	Substituted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021 before it was read as, "2018-19 and 2019-20"
23.	Substituted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021 before it was read as, "7. Part V consists of the auditor's recommendation on the additional liability to be discharged by the taxpayer due to non-reconciliation of turnover or non-reconciliation of input tax credit. The auditor shall also recommend if there is any other amount to be paid for supplies not included in the Annual Return. Any refund which has been erroneously taken and shall be paid back to the Government shall also be declared in this table. Lastly, any other outstanding demands which is recommended to be settled by the auditor shall be declared in this Table."
24.	Omitted vide Notification No. 30/2021–Central Tax dated 30-07-2021 w.e.f. 01-08-2021 before it was read as, "[13][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 from .....to ending on ....., and (c) the cash flow statement (if available) for the period beginning from .....to ending on ....., - attached herewith, of M/s ..... (Name), ... (Address), ...(GSTIN). 2. Based on our audit I/we report that the said registered person- *has maintained the books of accounts, records and documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder *has not maintained the following accounts/records/documents as required by the IGST/CGST/<<>>GST Act, 2017 and the rules/notifications made/issued thereunder:

1.

2.

3.

3. (a) *I/we report the following observations/ comments / discrepancies / inconsistencies; if any:

.....

.....

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

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

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

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

4. The documents required to be furnished under section 35 (5) of the CGST Act / SGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act / SGST 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 fair subject to following observations/qualifications, if any:

(a) .....

(b) .....

(c) .....

	…… …… **(Signature and stamp/Seal of the Auditor) Place: …… Name of the signatory …… Membership No…… Date: …… Full address …… **II. Certification in cases where the reconciliation statement (FORM GSTR-9C) is drawn up by a person other than the person who had conducted the audit of the accounts:** *I/we report that the audit of the books of accounts and the financial statements of M/s. …… (Name and address of the assessee with GSTIN) was conducted by M/s. …… (full name and address of auditor along with status), bearing membership number in pursuance of the provisions of the ……Act, 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 from ……to ending on ……, (c) the cash flow statement (if available) for the period beginning from ……to ending on ……, and (d) documents declared by the said Act to be part of, or annexed to, the *profit and loss account/ income and expenditure account and balance sheet. 2. I/we report that the said registered person- *has maintained the books of accounts, records and documents as required by the IGST/CGST/ <<>>GST Act, 2017 and the rules/notifications made/issued thereunder *has not maintained the

	following accounts/records/documents as required by the IGST/CGST/<<>>GST Act, 2017 and the rules/notifications made/issued thereunder: 1. 2. 3. 3. The documents required to be furnished under section 35 (5) of the CGST Act / SGST Act and Reconciliation Statement required to be furnished under section 44(2) of the CGST Act / SGST 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 fair 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 .....]]"

25.	Substituted vide Notification No. 14/2022–Central Tax dated 05-07-2022 before it was read as, "2019-20 and 2020-21"
26.	Substituted vide Notification No. 14/2022–Central Tax dated 05-07-2022 before it was read as, "2019-20 and 2020-21"
27.	Inserted vide Notification No. 38/2023- Central Tax dated 04-08-2023
28.	Inserted vide Notification No. 38/2023- Central Tax dated 04-08-2023
29.	Inserted vide Notification No. 38/2023- Central Tax dated 04-08-2023
30.	Substituted vide Notification No. 38/2023- Central Tax dated 04-08-2023 before it was read as, "2020-21 and 2021-22"
31.	Substituted vide Notification No. 38/2023- Central Tax dated 04-08-2023 before it was read as, "2020-21 and 2021-22"
32.	Substituted vide Notification No. 12/2024 – Central Tax dated 10-07-2024 **w.e.f. 10-07-2024** before it was read as, "2021-22 and 2022-23"
33.	Substituted vide Notification No. 12/2024 – Central Tax dated 10-07-2024 **w.e.f. 10-07-2024** before it was read as, "2020-21 and 2021-22"
34.	Substituted vide Notification No. 12/2024 – Central Tax dated 10-07-2024 **w.e.f. 10-07-2024** before it was read as, "2021-22 and 2022-23"
35.	Inserted vide Notification No. 13/2025-Central Tax dated 17-09-2025 **w.e.f. 22-09-2025**

36.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "(A-B-C-D)"
37.	Inserted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025
38.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "paid"
39.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "Cash"
40.	Inserted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025
41.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "Cash"
42.	Inserted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025
43.	Inserted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025
44.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
45.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
46.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before

	it was read as, "2022-23 and 2023-24"
47.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
48.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
49.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
50.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
51.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
52.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
53.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
54.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
55.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"

56.	Inserted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025
57.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "reverse charge etc.) declared in Table 7B, 7C and 7D above."
58.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "(4N – 4G)"
59.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "2022-23 and 2023-24"
60.	Inserted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025
61.	Substituted vide Notification No. 13/2025-Central Tax dated 17-09-2025 w.e.f. 22-09-2025 before it was read as, "only"
62.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
63.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
64.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
65.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
66.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before

	it was read as, "2023-24 and 2024-25"
67.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
68.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
69.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
70.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
71.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
72.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
73.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"
74.	Substituted vide Notification No. 05/2026-Central Tax dated 26-10-2026 w.e.f. 01-11-2026 before it was read as, "2023-24 and 2024-25"

Appendix 2

Suggested Checklist for GST Reconciliation

(Reference - CHAPTER 3)

Financial/ Accounting Year……

		Checked by	Yes	No	N.A.	Remarks
1.	**GST Registration Certificate**					
	Have you checked whether the Supplier has applied for New Registration or has he Migrated? Date in FORM GST REG-06.					
	Have you checked the registration /details of: Registered Person, Factory/ Warehouse/ Godown, ISD and in respect of Other Place of business?					
	Whether GSTIN is displayed in Name Board viz., Godown/ Branches/ other places of business?					
	Whether the additional place of business within the State is incorporated in the Registration Certificate?					
	Whether the separate registration is taken for					

	Input Service Distributor?					
	Whether any amendment is required to be made to the Registration Certificate?					
	Others, if any					
2.	**Invoicing documentation**					
	Whether Tax Invoice or Bill of Supply is issued as per GST law? Whether it contains all the relevant particulars as required under law?					
	Whether Tax Invoice for supply of goods is issued on or before the removal/ delivery of goods?					
	Whether Tax Invoice for supply of services is issued within 30 days from date of supply of service?					
	Whether bill of supply is issued for exempt supplies/ non-taxable supplies?					
	Whether the Revised Invoice is issued in case of New Registration? (i.e. other than voluntary)					

	Whether Receipt voucher is issued for receipt of advance?					
	Whether self-invoice and payment voucher is issued in case of RCM transactions from un-registered person?					
	Whether refund voucher is issued for refund of advance received?					
	Whether Credit Note/ Debit Note are issued as per the provisions of the GST law as per section 34?					
	Whether Credit Note/ Debit Note is issued before 30th September of the subsequent financial year?					
	Have you checked correctness of Tax Invoice/ Bill of Supply with the appropriate Supply Register/ FORM GSTR-1?					
	Whether the Tax Invoice/ Bill of Supply is cancelled for genuine reasons, if any like name of party/ details where applicable?					
	Whether any Invoice-cum Bill of Supply is raised for specific transactions?					

	Whether the transport documents are maintained and verified?					
	Whether any copies of Credit Note and Debit Note are raised otherwise than as specified in section 34?					
	Whether the Delivery Challans/ E-way bill register is maintained?					
	Whether series of documents issued as per table 13 of FORM GSTR-1 matches with the Books of Account?					
	Others, if any, specify					
3.	**Goods Sent to Job Worker**					
	Whether the conditions are fulfilled for claiming input tax credit on goods (including capital goods) sent for job work?					
	Whether the Principal has sent goods to the job worker under the cover of delivery challans?					
	Whether the registered person has furnished FORM GST ITC-04 for					

	the quarters in which goods were sent out for job work? (N.A. for FY 2017–18 & 2018–19)					
	In case the registered person has supplied goods directly from the place of business of job worker, whether he has satisfied the conditions laid down in proviso to section 143(1) of CGST Act?					
	In case the job worker is un-registered, and such job worker has supplied any waste/ scrap generated during the job work from his place of business directly, whether the registered person has paid tax on such supply?					
	Have you checked any goods are sent for job work and returned within specified time?					
	Others, if any, specify					
4.	**Supply**					
	Whether the kind of outward supplies like-taxable supply, exempted supply, zero-rated supply, nil-rated supply, supplies to SEZ					

	unit/ developers/ deemed export and merchant export etc. are appropriately classified as per GST laws?					
	Whether any transaction which falls within the scope of supply has not been identified by the registered person?					
	Have you checked inter-State supply as per section 7(5) of the IGST Act?					
	Have you checked intra-State supply as per section 8 of the IGST Act?					
	Whether zero-rated supply is verified as per the provisions of the law?					
	Whether the supply made by a registered person falls within the meaning of composite/ mixed supply? If yes, whether the same has been offered to tax as per section 8 of the CGST Act?					
	Have you checked for sale of capital goods, the GST charged thereon and shown in the returns filed?					

	In case of vehicle under Chapter 87 compliance of N.No.-08/ 2018-CT (Rate) and N.No.-01/ 2018 Cess.					
	Whether inter-State supply is regarded as intra-State supply or *vice-versa*?					
	Whether abatement provisions, if any, are applicable (like one third for land) is complied with?					
	Whether the transactions are correctly classified as supply of goods or supply of services?					
	Have you checked the deemed supply as per Schedule-I?					
	Are there any transactions wherein the goods sent for job work not received back are treated as supply?					
	Others, if any, specify					
5.	**Time of supply**					
	Whether time of supply provisions have been complied as per section 12 and 13 of the CGST Act?					

	In case of change in rate of tax in respect of goods or services, whether the time of supply has been determined as per section 14 of the CGST Act?					
	Whether time of supply is complied for continuous supply of goods/ services?					
	Whether time of supply is complied for reverse charge?					
	Whether time of supply is complied for goods sent on approval?					
	Others, if any, specify					
6.	**Input Tax Credit**					
	Have you checked whether input tax credit availed on invoices like- Bill of Entry, Tax Invoice, Debit Note, Self-Invoice, ISD Invoice?					
	Have you checked entries in Inward supplies records for input tax and reconciled with Invoices from the vendors?					
	Have you checked the inward supplies records					

	with monthly returns and ascertained reasons for variations, if any?					
	Have you made a list of restricted input tax credit items as per the GST law?					
	Have you tallied monthly return with input tax credit receivable, if any?					
	Have you reconciled tax collections with payments and transfer of the balance to appropriate accounts?					
	Have you checked adjustment of tax set-off by relevant journal entries?					
	Have you checked that input tax credit on capital goods is correctly availed?					
	Whether input tax credit is reversed for the sale of capital goods as specified in GST law?					
	Any reversal of input tax credit for the goods sent for job work?					
	Whether the recipient of supply has effected payment for such inward supply within					

	180 days from the date of invoice?					
	Whether input tax credit availed is debited to recoverable account for availing credit?					
	Whether the supplier has availed both benefits of depreciation and input tax credit?					
	Whether the documents (tax invoice/ debit note) on the basis on which input tax credit is claimed contains the mandatory details of the recipient such as Name, GSTIN, Address and all other particulars as prescribed?					
	Whether input tax credit is reversed against the receipt of Credit Note?					
	Whether input tax credit is bifurcated in to eligible, ineligible, blocked and common credits?					
	Whether the common credits are reversed as per rule 42 of the CGST Rules?					
	Whether input tax credit is availed on capital goods? If yes, whether credit is reversed as per					

	rule 43 of the CGST Rules?					
	Whether reconciliation of input tax credit between FORM GSTR-3B and FORM GSTR-2A is done? Compliance of rule 36(4) w.e.f. 09.10.2019					
	Whether transitional credit is availed as per the provisions of the law?					
	Whether any ineligible transitional credit is reversed as per the law?					
	Have you tallied monthly return with input tax credit receivable?					
	Any reversal of input tax credit for change in scheme from composition to regular?					
	Others, if any, specify					
7.	**Input Tax Service Distributor**					
	Whether separate registration is taken as per the provisions of law?					
	Whether any tax is payable under reverse					

	charge and obtained separate registration?					
	Whether eligible and ineligible input tax credit is apportioned as per the GST law?					
	Is there any reversal of input tax credit and credit note is issued?					
	Whether the calculation of turnover for allocating the input tax credit is as per the law?					
	Whether the ISD invoice containing the relevant particulars is issued correctly as per the provisions of the law?					
	Others, if any, specify					
8.	**Classifications**					
	Whether the classification of goods/ services is in conformity with Schedules/ Notifications?					
	Whether the HSN classification is verified to confirm the rate of tax on goods and services?					
	Whether the HSN details for inward and outward supply are verified?					

	Whether the SAC Code/ HSN code is as per the law?					
	Whether the HSN/ SAC classification is the same as was followed in the erstwhile law if applicable?					
	Is there any specific advance ruling applicable?					
	Whether there has been any change in rate of tax during the period by way of amendment in the rate of tax notification or exemption notification?					
	Others, if any, specify					
9.	**Returns**					
	Whether the copies of the GST returns filed by the registered person are reviewed?					
	Whether reconciliation of FORM GSTR-9 with FORM GSTR-1 and FORM GSTR-3B is done?					
	Whether interest which was due, has been paid while filing the return?					
	Whether any late fee which is due is paid while filing the return or					

	any late fee which was waived?					
	Whether transitional credit returns are filed within the due date?					
	Whether transitional credit returns are not filed due to technical glitches?					
	Whether the amendment details are filed correctly in the returns?					
	Others, if any, specify					
10.	**GST collections and payment verification**					
	Have you checked whether tax payable is paid within the prescribed time as per the GST law?					
	Have you checked whether tax is being collected beyond tax payable? If yes, whether section 76 is complied.					
	Whether the tax payer charged wrongly IGST in place of CGST/ SGST or *vice versa*?					
	Have you followed the provisions of rule 35 of the CGST Rules in					

	respect of collection of taxes?					
	Others, if any, specify					
11.	**Reverse Charge**					
	Whether reverse charge tax is paid under section 9(4) of the CGST Act up to 12th October, 2017? In case of Real Estate Promoter, compliance under section 9(4) (as amended) w.e.f. 01.04.2019?					
	Whether reverse charge tax on notified supplies under section 9(3) and section 9(5) of the CGST Act is duly paid?					
	Whether reverse charge tax has been paid wrongly in lieu of CGST/ SGST as IGST or *vice versa*?					
	Whether corresponding input tax credit is availed on reverse charge?					
	Whether conditions of paying tax under RCM are fulfilled?					
	Others, if any, specify					

12.	**Value of Supply**					
	Whether all the inclusions to the value of supply as per section 15 of the Act have been verified?					
	Whether discount offered to customers (pre/ post supply) is not included in the value of supply after fulfillment of conditions under section 15(3) of the Act?					
	Whether valuation rules have been applied as per the GST law?					
	Whether the registered person has claimed any pure agent deduction as per rule 33?					
	In case the value of supply is inclusive of the GST, whether the taxable value and tax amount is determined as per rule 35 of the CGST Rules?					
	In case of exports, whether rate of exchange of currency is determined as per rule 34 of the CGST Rules?					
	Whether the rate of tax charged for supplies is as per the GST rate notifications issued/					

	amended from time to time?					
	Whether the tax collected from the customers has been entirely remitted to Government?					
	Others, if any, specify					
13.	**Place of supply**					
	Whether CGST/ SGST/ IGST is charged in accordance with place of supply provisions?					
	Whether the supply is inter-State/ intra-State has been identified based on the policy document of the entity?					
	Whether the conditions for inter-State supply are fulfilled as per IGST Act?					
	Whether the conditions for intra-State supply are fulfilled as per IGST Act?					
	Whether the conditions for export of goods are fulfilled?					
	Whether the conditions are fulfilled for export of services?					
	Whether there are any imports of goods/ import of services?					

	Whether the zero-rated supply is with or without payment of taxes?					
	Whether the conditions for location of supplier are fulfilled?					
	Whether the supplier is intermediary under the GST Act and the conditions are fulfilled?					
	Whether the supplier has declared sale in course of imports, non-territory supply, high sea supply in the return correctly?					
	Whether the conditions for location of the recipient are fulfilled?					
	Whether the wrong payment of tax i.e. IGST in lieu of SGST/ CGST is claimed as refund?					
	Whether the wrong payment of tax i.e. SGST/ CGST in lieu of IGST is claimed as refund?					
	Whether the supply by SEZ to DTA is treated as inter-State subject to fulfilment of conditions?					
	Others, if any, specify					

14.	**Refund**					
	Whether the supplier is eligible for refund as per section 54?					
	Whether the supplier had paid IGST on export of goods and has also availed benefits prescribed under rule 96(10)?					
	Whether the supplier has applied for refund and whether it is sanctioned?					
	Whether any refund is rejected or pending before the authority?					
	Whether the refund is re-credited to Electronic Credit Ledger?					
	Whether the manual/ electronic documents for refund are verified?					
	Whether the accounting impacts are given for refund applied, pending rejected or appealed?					
	Whether any refund is wrongly applied like input services/ capital goods credit for inverted duty structure?					
	Whether refund and input tax credit is claimed for the same transactions?					

	Whether interest on delayed refund is receivable?					
	Others, if any, specify					
15.	**Inward supply**					
	Have you checked the purchase invoice/ delivery challans with purchase register?					
	Have you checked the HSN classification for inward supplies?					
	Have you checked inward supply with the monthly returns?					
	Have you checked whether any input tax is added to the cost of purchase where input tax credit is not allowable?					
	Have you made a list of inward supply invoices for which there are no corresponding entries in inward supply records and GST return?					
	Have you checked that inward supplies are classified between intra-State, inter-State, imports etc.?					
	Have you checked that purchases of capital goods are booked as					

	fixed assets and the GST is paid thereon? Have you checked assets which have depreciated 100%?					
	Have you checked sale/ deletion of fixed assets?					
	Others, if any, specify					
16.	**Maintenance of Books of Accounts**					
	Whether books of accounts are maintained as specified in section 35 r/ w rules 56, 57 and 58 of the GST Law?					
	Whether books of accounts are maintained electronically/ manually?					
	Whether books of accounts are maintained at each place of business?					
	Whether books of accounts are maintained manually or electronically? If the same are maintained electronically, whether the software used complies with the requirements of the law?					

	Whether the copies of agreements/ agent agreement and other supporting documents are obtained?					
	Whether copies of the audited financial statements for each registration have been obtained?					
	Whether transporter/ warehouse keeper has maintained the books of account as per the law?					
	Whether the register e-way bill/ delivery challan is maintained as per the law?					
	Whether e-way bills are used for valid purpose?					
	Whether the registers of FORMS GST ITC-01, ITC-02, ITC-03 and ITC-04 are maintained as per the GST law?					
	Whether the supplier maintains the cash/ bank register for recording the transactions entity wise?					
	Whether the books of accounts maintained are centralized or decentralized?					
	Others, if any, specify					

17.	**General**					
	Whether the registered person has complied with anti-profiteering clause?					
	Whether reliance is placed on any notification/ clarification/ advance ruling/ judgement in respect of rate of tax charged and collected. Whether any conflicting advance ruling order is applicable?					
	Are there any departmental inspection proceedings for transitional credits or any other demands created?					
	Have you checked for any adverse points in reports issued by internal/ statutory auditors or any other such reports?					
	Have you checked for any adverse points in reports in the previous year?					
	Have you checked that assessment orders/ appeal orders/ notices issued by the department, if any?					

	Is there any judicial pronouncement that could be applicable to the dealer?					
	Have you discussed any adverse issues arising out while doing GST reconciliation with the client?					
	Have you obtained the letter of appointment/ issued the letter of acceptance of GST Reconciliation Assignment?					
	Have you come across any unusual transactions?					
	Have you checked miscellaneous receipts/ other income?					
	Have you come across any huge or unusual inward or outward supply transactions/ tax credits/tax payments etc.?					
	Have you noticed any comments on internal controls, periodicity of updating of accounts/ records etc.?					
	Whether the registered person has availed the facility of digital signature?					
	Others, if any, specify					

Appendix 3
Abbreviations

Sl. No	Abbreviations	Full Form
1.	AS	Accounting Standard
2.	Cess	GST Compensation Cess
3.	CGST	Central Goods and Services Tax
4.	CN	Credit Note
5.	COE	Code of Ethics
6.	CST	Central Sales Tax
7.	CTD	Commercial Tax Department
8.	CTP	Casual Taxable Person
9.	DC	Delivery Challan
10.	DE	Deemed Export
11.	DN	Debit Note
12.	DTA	Domestic Tariff Area
13.	EOU	Export Oriented Undertaking
14.	E-Way bill	Electronic way bill
15.	FE	Fixed Establishment
16.	FIRC	Foreign Inward Remittance Certificate
17.	GST	Goods and Services Tax
18.	GSTIN	Goods and Services Tax Identification Number
19.	GSTR	Goods and Services Tax Return
20.	HSN	Harmonised System of Nomenclature
21.	ICAI	Institute of Chartered Accountants of India
22.	ICWA	Institute of Cost & Works Accountant of India
23.	IGST	Integrated Goods and Services Tax
24.	IS	Inward Supply

25.	ISD	Input Services Distributor
26.	ITC	Input Tax Credit
27.	LOR	Location of Recipient
28.	LOS	Location of Supplier
29.	LR	Lorry Receipts
30.	LUT	Letter of Undertaking
31.	MRP	Maximum Retail Price
32.	NR	Non-Resident
33.	OIDAR	Online Information Database Access & Retrieval
34.	OPT	Output Tax
35.	OS	Outward Supply
36.	PAN	Permanent Account Number
37.	PT / KTPTCE Act, 1976	Professional Tax/ Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976
38.	RC	Reverse Charge
39.	RP	Registered Person
40.	SA	Standards on Auditing
41.	SAC	Services Accounting Code
42.	SEZ	Special Economic Zone
43.	SGST	State Goods and Services Tax
44.	SMC	Small and Medium Sized Companies
45.	TCS	Tax Collected at Source
46.	TDS	Tax Deducted at Source
47.	UQC	Unit Quantity Code
48.	URD / URP	Un-registered Dealer/ Un-registered Person
49.	UT	Union Territory
50.	UTGST	Union Territory Goods and Services Tax
51.	VAT	Value Added Tax

Appendix 4

PRESS RELEASE

DATED 4TH JUNE, 2019

Clarifications on filing of Annual Return (FORM GSTR-9)

The last date for filing of Annual return in **FORM GSTR-9** is 30th June, 2019. The trade and industry have raised certain queries with respect to filing of this Annual return which are being clarified as follows:

a) Information contained in **FORM GSTR-2A** as on 01.05.2019 shall be auto-populated in Table 8A of **FORM GSTR-9**.

b) Input tax credit on inward supplies shall be declared from April 2018 to March 2019 in Table 8C of **FORM GSTR-9**.

c) Particulars of the transactions for FY 2017-18 declared in returns between April 2018 to March 2019 shall be declared in Pt. V of **FORM GSTR-9**. Such particulars may contain details of amendments furnished in Table 10 and Table 11 of **FORM GSTR-1**.

d) It may be noted that irrespective of when the supply was declared in **FORM GSTR-1**, the principle of declaring a supply in Pt. II or Pt. V is essentially driven by when was tax paid through **FORM GSTR-3B** in respect of such supplies. If the tax on such supply was paid through **FORM GSTR-3B** between July 2017 to March 2018 then such supply shall be declared in Pt. II and if the tax was paid through **FORM GSTR-3B** between April 2018 to March 2019 then such supply shall be declared in Pt. V of **FORM GSTR-9**.

e) Any additional outward supply which was not declared by the registered person in **FORM GSTR-1** and **FORM GSTR-3B** shall be declared in Pt. II of the **FORM GSTR-9**. Such additional liability shall be computed in Pt. IV and the gap between the "tax payable" and "Paid through cash" column of **FORM GSTR-9** shall be paid through **FORM DRC-03**.

f) Many taxpayers have reported a mismatch between auto-populated data and the actual entry in their books of accounts or returns. One common challenge reported by taxpayer is in Table 4 of **FORM GSTR-9** where details may have been missed in **FORM GSTR-1** but tax was

already paid in **FORM GSTR-3B** and therefore taxpayers see a mismatch between auto-populated data and data in **FORM GSTR-3B**. It may be noted that auto-population is a functionality provided to taxpayers for facilitation purposes, taxpayers shall report the data as per their books of account or returns filed during the financial year.

g) Many taxpayers have represented that Table 8 has no row to fill in credit of IGST paid at the time of import of goods but availed in the return of April 2018 to March 2019. Due to this, there are apprehensions that credit which was availed between April 2018 to March 2019 but not reported in the annual return may lapse. For this particular entry, taxpayers are advised to fill in their entire credit availed on import of goods from July 2017 to March 2019 in Table 6(E) of **FORM GSTR-9** itself.

h) Payments made through **FORM DRC-03** for any supplies relating to period between July 2017 to March 2018 will not be accounted for in **FORM GSTR-9** but shall be reported during reconciliation in **FORM GSTR-9C**.

2. All the taxpayers are requested to file their Annual Return (**FORM GSTR-9**) at the earliest to avoid last minute rush.

Appendix 5

Press Release

Dated 3rd July, 2019

Clarification regarding Annual Returns and Reconciliation Statement

The Government has been receiving a number of representations regarding Annual Return (**FORM GSTR-9 / FORM GSTR-9A**) and Reconciliation Statement (**FORM GSTR-9C**). In this regard the following clarifications are issued for information of all stakeholders: -

a) **Payment of any unpaid tax**: Section 73 of the CGST Act provides a unique opportunity of self–correction to all taxpayers i.e. if a taxpayer has not paid, short paid or has erroneously obtained/ been granted refund or has wrongly availed or utilized input tax credit then before the service of a notice by any tax authority, the taxpayer may pay the amount of tax with interest. In such cases, no penalty shall be leviable on such tax payer. Therefore, in cases where some information has not been furnished in the statement of outward supplies in **FORM GSTR-1** or in the regular returns in **FORM GSTR-3B**, such taxpayers may pay the tax with interest through **FORM GST DRC-03** at any time. In fact, the annual return provides an additional opportunity for such taxpayers to declare the summary of supply against which payment of tax is made.

b) **Primary data source for declaration in annual return:** Time and again taxpayers have been requesting as to what should be the primary source of data for filing of the annual return and the reconciliation statement. There has been some confusion over using **FORM GSTR-1, FORM GSTR-3B** or books of accounts as the primary source of information. It is important to note that both **FORM GSTR-1** and **FORM GSTR-3B** serve different purposes. While, **FORM GSTR-1** is an account of details of outward supplies, **FORM GSTR-3B** is where the summaries of all transactions are declared and payments are made. Ideally, information in **FORM GSTR-1, FORM GSTR-3B** and books of accounts should be synchronous and the values should match across different forms and the books of accounts. 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**.**

c) **Premise of Table 8D of Annual Return:** There appears to be some confusion regarding declaration of input tax credit in Table 8 of the annual return. The input tax credit which is declared/ computed in Table 8D is basically credit that was available to a taxpayer in his **FORM GSTR-2A** but was not availed by him between July 2017 to March 2019. The deadline has already passed and the taxpayer cannot avail such credit now. There is no question of lapsing of any such credit, since this credit never entered the electronic credit ledger of any taxpayer. Therefore, taxpayers need not be concerned about the values reflected in this table. This is merely an information that the Government needs for settlement purposes. Figures in Table 8A of **FORM GSTR-9** are auto-populated only for those **FORM GSTR-1** which were furnished by the corresponding suppliers by the due date. Thus, ITC on supplies made during the financial year 2017-18, if reported beyond the said date by the corresponding supplier, will not get auto-populated in said Table 8A. It may also be noted that **FORM GSTR-2A** continues to be auto-populated on the basis of the corresponding **FORM GSTR-1** furnished by suppliers even after the due date. In such cases there would be a mis-match between the updated **FORM GSTR-2A** and the auto-populated information in Table 8A. It is important to note that Table 8A of the annual returns is auto- populated from **FORM GSTR-2A** as on 1st May, 2019.

d) **Premise of Table 8J of Annual Return:** In the press release on annual return issued earlier on 4th June, 2019, it has already been clarified that all credit of IGST paid at the time of imports between July 2017 to March 2019 may be declared in Table 6E. If the same is done properly by a taxpayer, then Table 8I and 8J shall contain information on credit which was available to the taxpayer and the taxpayer chose not to avail the same. The deadline has already passed and the taxpayer cannot avail such credit now. There is no question of lapsing of any such credit, since this credit never entered the electronic credit ledger of any taxpayer. Therefore, taxpayers need not be concerned about the values

reflected in this table. This is information that the Government needs for settlement purposes.

e) **Difficulty in reporting of information not reported in regular returns:** There have been a number of representations regarding non-availability of information in Table **16A or 18** of Annual return in **FORM GSTR-9**. It has been observed that smaller taxpayers are facing a lot of challenge in reporting information that was not being explicitly reported in their regular statement/ returns (**FORM GSTR-1** and **FORM GSTR-3B**). Therefore, taxpayers are advised to declare all such data/ details (which are not part of their regular statement/ returns) to the best of their knowledge and records. This data is only for information purposes and reasonable/ explainable variations in the information reported in these tables will not be viewed adversely.

f) **Information in Table 5D (Exempted), Table 5E (Nil Rated) and Table 5F (Non-GST Supply):** It has been represented by various trade bodies/ associations that there appears to be some confusion over what values are to be entered in Table 5D,5E and 5F of **FORM GSTR-9**. Since, there is some overlap between supplies that are classifiable as exempted and nil rated and since there is no tax payable on such supplies, if there is a reasonable/explainable overlap of information reported across these tables, such overlap will not be viewed adversely. The other concern raised by taxpayers is the inclusion of no supply in the category of Non-GST supplies in Table 5F. For the purposes of reporting, non-GST supplies includes supply of alcoholic liquor for human consumption, motor spirit (commonly known as petrol), high speed diesel, aviation turbine fuel, petroleum crude and natural gas and transactions specified in Schedule III of the CGST Act.

g) **Reverse charge in respect of Financial Year 2017-18 paid during Financial Year 2018-19:** Many taxpayers have requested for clarification on the appropriate column or table in which tax which was to be paid on reverse charge basis for the FY 2017-18 but was paid during FY 2018-19. It may be noted 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 not be declared in the annual return for the FY 2017-18 and will be declared in the annual return for FY 2018-19. If there are any variations in the calculation of turnover on account of this adjustment, the same

may be reported with reasons in the reconciliation statement (**FORM GSTR-9C**).

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.

i) **Turnover for eligibility of filing of reconciliation statement:** It may be noted that the aggregate turnover i.e. the turnover of all the registrations having the same Permanent Account Number is to be used for determining the requirement of filing of reconciliation statement. Therefore, if there are two registrations in two different States on the same PAN, say State A (with turnover of Rs. 1.2 Crore) and State B (with turnover of Rs. 1 Crore) they are both required to file reconciliation statements individually for their registrations since their aggregate turnover is greater than Rs. 2 Crore. The aggregate turnover for this purpose shall be reckoned for the period July, 2017 to March, 2018.

j) **Treatment of Credit Notes/ Debit Notes issued during FY 2018-19 for FY 2017-18:** It may be noted that no credit note which has a tax implication can be issued after the month of September 2018 for any supply pertaining to FY 2017-18; a financial/ commercial credit note can, however, be issued. If the credit or debit note for any supply was issued and declared in returns of FY 2018-19 and the provision for the same has been made in the books of accounts for FY 2017-18, the same shall be declared in Pt. V of the annual return. Many taxpayers have also represented that there is no provision in Pt. II of the reconciliation statement for adjustment in turnover in lieu of debit notes issued during FY 2018-19 although provision for the same was made in the books of accounts for FY 2017-18. In such cases, they may adjust the same in Table 5O of the reconciliation statement in **FORM GSTR-9C**.

k) **Duplication of information in Table 6B and 6H:** Many taxpayers have represented about duplication of information in Table 6B and 6H of the annual return. It may be noted that the label in Table 6H clearly states that information declared in Table 6H is exclusive of Table 6B. Therefore, information of such input tax credit is to be declared in one of the rows only.

I) **Reconciliation of input tax credit availed on expenses:** Table 14 of the reconciliation statement calls for reconciliation of input tax credit availed on expenses with input tax credit declared in the annual return. It may be noted that only those expenses are to be reconciled where input tax credit has been availed. Further, the list of expenses given in Table 14 is a representative list of heads under which input tax credit may have been availed. The taxpayer has the option to add any head of expenses.

2. All the taxpayers are requested to file their Annual Return (**FORM GSTR-9/ FORM GSTR-9A**) and Reconciliation Statement (**FORM GSTR-9C**) well before the last date of filing, i.e. 31st August, 2019.

Advisory to file pending returns before expiry of three years dated 29.10.2025

As per the Finance Act, 2023 dated 31-03-2023, implemented w.e.f 01-10-2023 vide *Notification No. 28/2023 – Central Tax dated 31st July, 2023*, the taxpayers shall not be allowed file their GST returns after the expiry of a period of three years from the due date of furnishing the said return under Section 37 (Outward Supply), Section 39 (payment of liability), Section 44 (Annual Return) and Section 52 (Tax Collected at Source). These Sections cover GSTR-1, GSR-1A, GSTR 3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR 7, GSTR 8 and GSTR 9 or 9C.

Hence, above mentioned returns will be barred for filing after the expiry of three years from the due date. The said restriction has been implemented on the GST portal from November 2025 Tax period which means any return whose due date was three years back or more and hasn't been filed till November Tax period will be barred from Filling.

Appendix 6

Press Release

Dated 14th November 2019

GSTR-9 and GSTR-9C are more simplified and last dates of submission extended

New Delhi: The Government has decided today to extend the due dates of filing of Form GSTR-9 (Annual Return) and Form GSTR-9C (Reconciliation Statement) for Financial Year 2017-18 to 31st December 2019 and for Financial Year 2018-19 to 31st March 2020. The Government has also decided to simplify these forms by making various fields of these forms as optional.

Central Board of Indirect Taxes & Customs (CBIC) today notified the amendments regarding the simplification of GSTR-9 (Annual Return) and GSTR-9C (Reconciliation Statement) which inter-alia allow the taxpayers to not to provide split of input tax credit availed on inputs, input services and capital goods and to not to provide HSN level information of outputs or inputs, etc. for the financial year 2017-18 and 2018-19.

CBIC expects that with these changes and the extension of deadlines, all the GST taxpayers would be able to file their Annual Returns along with Reconciliation Statement for the financial years 2017-18 and 2018-19 in time. Various representations regarding challenges faced by taxpayers in filing of GSTR-9 and GSTR-9C were received on which by the Government has acted in a very responsive manner.

It may be noted that earlier the last date for filing of GSTR-9 and GSTR-9C for Financial Year 2017-18 was 30th November 2019 while that for Financial Year 2018-19 was 31st December 2019. Notifications implementing the decisions as above have been issued today (14th November 2019).

Appendix 7
FAQs

7.1 GSTN FAQ's

A. General

1. What is FORM GSTR-9C?

FORM GSTR-9C is a reconciliation statement which is required to be furnished along with filing of annual return in FORM GSTR-9, by the taxpayer whose aggregate turnover is above a specified limit, for a particular financial year.

2. Who needs to file FORM GSTR-9C?

Subject to provisions of Act / Rules, normal taxpayers (including SEZ unit and developer) whose aggregate turnover is above notified threshold, are required to file FORM GSTR-9C (post submission of annual return in FORM GSTR-9), for a particular financial year.

3. What details are to be filed in FORM GSTR-9C?

Details for following Tables of FORM GSTR-9C statement needs to be filled in:

- **PT II — Reconciliation of Turnover Declared in Audited Annual Financial Statement with Turnover Declared in Annual Return (FORM GSTR9).**

  Enter details in the following tables of PT II:

  - PT. II (5)- Reconciliation of Gross Turnover
  - PT. II (6)- Reasons for Un-reconciled difference in Annual Gross Turnover
  - PT. II (7)- Reconciliation of Taxable Turnover
  - PT. II (8)- Reasons for Un-Reconciled Difference in Taxable Turnover

- **PT III —Reconciliation of Tax Paid**

  Enter details in the following tables of PT III:

- PT. III (9)- Reconciliation of Rate-wise Liability and Amount Payable Thereon
- PT. III (10)- Reasons for Un-reconciled Payment of Tax
- PT. III (11)- Additional Amount Payable but Not Paid (due to reasons specified under Tables 6,8 and 10 above)

- **PT IV —Reconciliation of Input Tax Credit (ITC)**
  - Enter details in the following tables of PT IV:
    PT. IV (12)- Reconciliation of Net Input Tax Credit (ITC)
  - PT. IV (13)- Reasons for Un-reconciled Difference in ITC
  - PT. IV (14)- Reconciliation of ITC Declared in Annual Return (GSTR9) with ITC Availed on Expenses as per Audited Annual Financial Statement or Books of Account
  - PT. IV (15)- Reasons for un - reconciled difference in ITC
  - PT. IV (16)- Tax Payable on Un-reconciled Difference in ITC (due to reasons specified in 13 and 15 above)
- **PT V — Additional Liability Due to Non-reconciliation**

B. Filing FORM GSTR-9C

4. What are the pre-conditions for filing of FORM GSTR 9C?

- User should be registered and should have a valid GSTIN.
- User should have valid login credentials i.e., User ID and password.
- User has filed FORM GSTR-9 for the relevant financial year.
- The aggregate turnover of such registered person for a particular financial year exceeds the threshold, as may be notified by the Government.

5. By when do I need to file FORM GSTR-9C?

The due date for filing FORM GSTR-9C for a particular financial year is 31st December of subsequent financial year or any extended due date as notified by Government.

6. When does GST Portal enable filing of FORM GSTR 9C?

GST Portal enables GSTR-9C tile for filing for the taxpayer, only after successful filing of FORM GSTR-9 of that financial year.

Note: FORM GSTR-9C will be made available to all taxpayers, who are required to file FORM GSTR-9 for a particular financial year and GST Portal will not be validating the turnover requirement. Which means, even if a Taxpayer is not required to file GSTR 9C mandatorily considering Turnover requirement.

7. What are the steps of filing FORM GSTR-9C?

Following are the steps for filing FORM GSTR-9C:

1. Taxpayer performs the following steps:
    A. ON GST Portal: Login to the GST Portal to take following actions.
        a. Download Filed FORM GSTR-9
        b. Download FORM GSTR-9C Tables Derived from FORM GSTR-9
        c. Download latest version of GSTR-9C Offline Tool from the GST portal
    B. OFF GST Portal: Prepare GSTR-9C statement offline using GSTR-9C Offline Tool by taking following actions.
        a. Open the GSTR-9C Offline Utility Excel Worksheet
        b. Add table-wise details in the Worksheet
        c. Generate Preview PDF file to view Draft FORM GSTR-9C
        d. Generate JSON File
    C. ON GST Portal: Upload the generated JSON File on GST Portal

    Note:

    - In case of Error during upload: Download Error Report. Make corrections and upload the updated JSON.
    - Before filing, in case taxpayer wants to add or edit data in the file that has been successfully processed without error: Download Processed GSTR-9C JSON File from GST Portal. Import the same to Offline Tool, make corrections and upload the updated JSON.

    D. File FORM GSTR-9C and view/download the filed form for reference.

C. Downloading GSTR-9C Offline Tool

8. From where can I download and use the GSTR-9C Offline Utility in my system?

To download and open the GSTR-9C Offline Utility in your system from the GST Portal, perform following steps:

1. Access the GST Portal: www.gst.gov.in.
2. Go to Downloads > Offline Tools > GSTR-9C Offline Tool option and click on it.
3. Unzip the downloaded Zip file which contain GSTR_9c_Offline_Utility.xls excel sheet.
4. Open the GSTR_9c_Offline_Utility.xls excel sheet by double clicking on it.
5. Read the 'Read Me' instructions on excel sheet and then fill the worksheet accordingly.

9. Do I need to login to GST Portal to download the GSTR-9C Offline Utility?

No. You can download the GSTR-9C Offline Utility under 'Downloads' section without logging in to the GST Portal.

10. What are the basic system requirements/configurations required to use GSTR-9C Offline Tool?

The offline functions work best on Windows 7 and above and MS EXCEL 2010 and above.

11. Is Offline utility mobile compatible?

As of now GSTR-9C Offline utility cannot be used on mobile. It can only be used on desktop/laptops.

D. Downloading Filed FORM GSTR-9 and FORM GSTR-9C Tables Derived from FORM GSTR-9

12. How can I download filed FORM GSTR-9 for preparing FORM GSTR-9C?

To download filed FORM GSTR-9, perform following steps:

1. Access the www.gst.gov.in URL. The GST Home page is displayed.

2. Login to the portal with valid credentials.
3. Dashboard page is displayed. Click the Services > Returns > Annual Return command. Alternatively, you can also click the Annual Return link on the Dashboard.
4. The File Annual Returns page is displayed. Select the Financial Year for which you want to file the return from the drop-down list.
5. Click the SEARCH button.
6. Annual Return Tiles are displayed. In the GSTR-9 tile, click the DOWNLOAD GSTR-9 button.
7. "Offline Download for GSTR-9" page gets displayed containing three buttons. Download FORM GSTR-9 data using the buttons on this page.

13. How can I download FORM GSTR-9C Tables Derived from FORM GSTR-9?

To download FORM GSTR-9C Tables Derived from FORM GSTR-9, perform following steps:

1. Access the www.gst.gov.in URL. The GST Home page is displayed.
2. Login to the portal with valid credentials.
3. Dashboard page is displayed. Click the Services > Returns > Annual Return command. Alternatively, you can also click the Annual Return link on the Dashboard.
4. The File Annual Returns page is displayed. Select the Financial Year for which you want to file the return from the drop-down list.
5. Click the SEARCH button.
6. Annual Return Tiles are displayed. In the GSTR-9C tile, click the INITIATE FILING button.
7. The GSTR-9C page is displayed. Click the DOWNLOAD GSTR-9C TABLES DERIVED FROM GSTR-9(PDF) button.
8. System-generated PDF gets downloaded into your machine.

14. What fields would be present/pre-filled in FORM GSTR-9C Tables Derived from FORM GSTR-9?

FORM GSTR-9C Tables Derived from FORM GSTR-9 will contain following pre-filled in fields:

- Turnover as declared in Annual return (FORM GSTR-9)
- Taxable turnover as per liability declared in Annual Return (FORM GSTR-9)
- Total amount of tax paid as declared in Annual Return (FORM GSTR- 9)
- ITC claimed in Annual Return (FORM GSTR-9)

E. Downloading Filed FORM GSTR-9 and FORM GSTR-9C Tables Derived from FORM GSTR-9

15. What buttons are available in Home tab and what is their function?
Following buttons are present in **Home** tab of the offline utility:

1. **Open GSTR-9C JSON file downloaded from GST Portal**: To import JSON file (downloaded from "GENERATE JSON FILE TO DOWNLOAD" button in the "Download" section and containing FORM GSTR-9C details that have been successfully uploaded on the GST Portal earlier) into the Offline Tool. Upon successful import of file, the details get populated to respective tables of Excel workbook.
2. **Open GSTR-9C JSON Error File Downloaded from GST Portal:** To import JSON file (downloaded from the 'Processed with error' link generated in "Upload" section and containing FORM GSTR-9C details that have not been successfully uploaded on the GST Portal earlier) into the Offline Tool. Upon successful import of the file details 'processed with error' records get populated to respective tables of Excel workbook. The GST portal errors are marked as red and can be seen by hovering over the red marked fields.
3. **Generate JSON File to Upload GSTR-9C details on GST Portal:** To generate JSON file to be uploaded on GST portal and containing FORM GSTR-9C details prepared offline.

4. **Generate Preview PDF file to view Draft GSTR-9C form:** To preview in PDF format, FORM GSTR-9C details that have been prepared offline.

5. **"Proceed to fill details"** button will take you to **PT II (5)** tab.

16. Do I need to login to GST Portal to upload the generated JSON file using GSTR-9C Offline Utility?

Yes. Taxpayer must login in to the GST Portal to upload the generated JSON file using GSTR9C Offline Utility.

Log in to GST portal → Annual return → Select Financial year and click on Search → Click on

'Prepare Offline' option in GSTR-9C tile → Go to 'upload' tab.

F. Uploading GSTR-9C JSON File

17. What can I do in case of any error shown by system on uploading the JSON File?

Download the JSON error file and Open the JSON Error File, in the offline tool by clicking on "Open GSTR-9C JSON Error File Downloaded from GST Portal button". Correct errors as per details mentioned in "GST Portal Validation errors", validate, upload the updated JSON File.

18. (Taxpayer) have uploaded the JSON File and it was processed successfully without error. Now, I want to edit or add more details in the successfully processed data. Can this be done?

Yes, you can make changes to the processed data as long as you have not filed FORM GSTR-9C. Once filed, FORM GSTR-9C cannot be revised.

Thus, before filing, in case, taxpayer want to add or edit data in the file that has been successfully processed without error, you need to download Processed GSTR-9C JSON File from GST Portal and import into offline tool, then make necessary additions/corrections, generate the updated JSON file and upload on the portal.

19. I am uploading a revised GSTR-9C JSON File. What will happen to details of the previous upload?

If some details exist from previous upload, it will be updated with latest uploaded details. All new entries will be added as new entries.

G. Initiate Filing of FORM GSTR-9C

20. How can I File FORM GSTR 9C?

Generated JSON file is to be uploaded on the GST portal by the taxpayer, after verification, along with a copy of the documents like Balance Sheet, Income and Expenditure Statement/ Profit and Loss Account and any other documents.

21. What is the Upload format to be used for documents to be uploaded during filing of FORM GSTR 9C?

Upload format allowed for documents—Balance Sheet, Profit and Loss Account/ Income and Expenditure Statement, etc.— to be uploaded during filing of FORM GSTR 9C is PDF only.

22. Is there any limit on the size of documents required to be uploaded?

Limit on the following documents for upload under each section is 2 files with each file size not exceeding 5 MB:

- Balance Sheet
- Profit and Loss Account/Income and Expenditure Statement
- Other document 1, if any
- Other document 2, if any

23. Do I need to click on 'SAVE' button in 'Upload Relevant Documents' section after every upload?

Yes. You need to click on 'SAVE' button after the status is 'Processed'. 'SAVE' button will be enabled only after successful upload of mandatory documents (Balance sheet and Profit & loss statement/Income & expenditure statement etc.).

24. What will happen if I click on 'PROCEED TO FILE' without clicking on 'SAVE' button?

Error message will be displayed if you click on 'PROCEED TO FILE' button without clicking on 'SAVE' button.

25. When proceed to file button will be enabled?

'PROCEED TO FILE' button will be enabled only after successful upload of the following:

i. JSON file

ii. Balance sheet in PDF/JPEG format

iii. Profit & Loss Account/ Income & Expenditure statement in PDF/JPEG format

26. Can I add/delete the uploaded PDF/JPEG file after clicking on 'PROCEED TO FILE' or 'FILE GSTR-9C' button?

Yes, you can add/delete the uploaded PDF/JPEG file till successful filing of FORM GSTR-9C. Post addition/deletion, click the SAVE button and then proceed to file the Form.

27. Can I preview FORM GSTR 9C details before filing?

Yes, you can preview FORM GSTR 9C details before filing using the PREVIEW DRAFT GSTR9C(PDF) button.

28. When 'FILE GSTR-9C' button will be enabled?

'FILE GSTR-9C' button will be enabled after Ready to file message is displayed on the top of the GSTR-9C page as a result of clicking the 'PROCEED TO FILE' button. You will be able to click the 'FILE GSTR-9C' after you have entered details in the "Verification" section.

H. Viewing and Tracking Status of FORM GSTR-9C

29. Can taxpayers track the status of FORM GSTR-9C?

Yes, taxpayers can track the status of FORM GSTR-9C after logging on to the GST Portal with their valid credentials.

1. Before filing: Navigate to Services > Returns > Track return status option.
2. After filing: Navigate to Services > Returns > View e-filed returns option.

30. Can I save and download the filed FORM GSTR 9C?

Yes, you can save/ download the filed form for future reference. ARN and Date of ARN will also be shown on summary downloaded after filing the form.

31. Can I revise FORM GSTR-9C or make any changes in it after filing?

FORM GSTR-9C once filed cannot be revised. However, changes can be made till filing of return.

32. Can I download the reconciliation statement in excel format before/after filing of GSTR-9C?

Yes. You can download the reconciliation statement details in excel format.

33. Can I download the uploaded PDF/JPEG (Balance sheet, profit & loss statement etc.) and JSON file after successful filing?

Yes. You can download the GSTR-9C JSON/PDF/Excel files by clicking on 'DOWNLOAD GSTR-9C' button in GSTR-9C tile on the "Annual Returns" page. To download PDF/JPEG uploaded by taxpayer on the "GSTR-9C page", click 'View GSTR-9C' button in GSTR-9C tile.

7.2 Comparative Chart on Applicability of Form GSTR 9C

1. Turnover criteria along with Certification requirements for filing FORM GSTR- 9C:

FORM GSTR-9C is to be filed by all those taxpayers whose aggregate turnover has exceeded Rs 2 crore in a financial year. Year-wise turnover criteria along with certification requirements is as follows:

Aggregate Turnover	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Upto 2 Cr.	NA	NA	NA	NA	NA	NA	NA	NA	
2 Cr. to 5 Cr.	Yes	No	No	No	No	No	No	No	
More than 5 Cr.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Certification	CA/CWA Certification	CA/CWA Certification	CA/CWA Certification	Self-Certification	Self-Certification	Self-Certification	Self-Certification	Self-Certification	C
Due date	07-02-2020	31-12-2020	31-03-2021	31-12-2021	31-12-2022	31-12-2023	31-12-2024	31-12-2025	
Last date for filing of GSTR 9C[7]	06-02-2023	30-12-2023	30-03-2024	30-12-2024	30-12-2025	30-12-2026	30-12-2027	30-12-2028	

[7] *Vide The Finance Act, 2023 dated 31.03.2023, inserted sub section (2) to Section 44 of CGST Act, 2017 w.e.f. 01.10.2023.*

7.3 Other FAQs

1. Does a registered person exclusively deal in exempted supplies exceeding Rs. 2 Crores, required to file GSTR 9C?

Yes, because the definition of aggregate turnover includes exempted supplies.

2. What are the late fees for failure in submitting Annual Return and not getting the accounts audited?

If a Taxpayer fails to file both Annual Return (FORM GSTR 9) and FORM GSTR 9C, then he is liable to following late fees:

Return Period	Turnover of P.Y.	Date of Filing of Return	Minimum Late Fee per day (C + S)	Maximum Late Fee (C + S)
FY 2017-18 to FY 2021-22	Any	01.04.2023 to 31.08.2023[8]	100 + 100	10,000 + 10,000
		After 30.08.2023	100 + 100	0.5% of Aggregate T/o
FY 2022-23 onwards	≤ 5 Cr.	Any	25 + 25	0.04% of Aggregate T/o
	5 Cr. to 20 Cr.		50 + 50	
	> 20 Cr.	Any	100 + 100	0.5% of Aggregate T/o

However, no specific provisions apply to GSTR-9C and hence, filing of GSTR-9 and non-filing of GSTR-9C could be subject to a general penalty of Rs. 25,000/-.

[8] *Amnesty scheme for filing GSTR-9 as per Notification no. 07/2023–CT dated 31.03.2023.*

3. What are items included while calculating Turnover for GST Audit?

Particulars	To be included?
Intra-state and Inter-state Taxable supplies	Yes
Supplies involved between two business verticals	Yes
Goods or supplies that are sent/received by the job worker on principal-to-principal basis.	Yes
Supplies made by agent/job work on behalf of the principal	Yes
All taxes apart from the ones covered under GST. Eg. entertainment tax paid against the sale of tickets.	Yes
Export/zero-rated supplies and SEZ supplies	Yes
Deemed Export	Yes
Advances received for the above	Yes
Outward supplies on which recipient is liable to pay RCM	Yes
Exempt Supplies	Yes
Inward supplies against which tax is paid under RCM	No
All kinds of taxes and cess part of GST like SGST, CGST or IGST, etc.	No
Goods that are received back or supplied to a Job Worker	No

4. Simplification / exemptions in filing of FORM GSTR 9C for FY 2022-23:

Table no.	Particulars	Relaxation
5B to 5N[9]	Various adjustments for reconciliation between Turnover as per Audited Financial Statements & GST Turnover	Option to provide all adjustments in single table no. 5O
14	Expense wise ITC Reconciliation	Optional

[9] *As per recommendations of 50th GST Council meeting held on 11.07.2023.*

7.4 GSTN – Issues in Filing GSTR-9C alongwith Probable Resolutions

S.No.	Issues faced while using GSTR-9C offline utility	Suggested action can be taken for resolution
1	"Compile Error" while submitting GSTR-9C	You are advised to use Microsoft excel version higher than 2007 while preparing FORM GSTR 9C.
2	Error message "File generation is in progress" is being received while using GSTR 9C Offline utility. Users are trying to download the JSON which they import in offline utility to get auto populated GSTR9 data.	To download the extract, steps to be followed: 1) Please click on 'Initiate-Filling' button on GSTR-9C tile; 2) The GSTR-9C page is displayed; 3) Click the 'Download GSTR-9C TABLES DERIVED FROM GSTR-9(PDF)' button. The person filing return needs to enter the values manually in GSTR9C offline utility, generate a JSON file and to be uploaded with his signature.

7.5 GSTN FAQs on GSTR 9/9C for the FY 2024-25

S. No.	Query	GSTN Reply
1	When my GSTR 9/9C for FY 2024-25 will be enabled?	Once all the due returns in Form GSTR 1 and GSTR 3B for the FY 2024-25 is filed, GSTR 9/9C for FY 2024-25 will be enabled in the system automatically.
2	If any GSTR 1 and GSTR 3B is pending for the FY 2024-25 then will my GSTR 9 is	No GSTR 9 will not be enabled where any GSTR 1 and GSTR 3B is pending for the FY 2024-25. All the relevant cells of Table 4,5,6,8 and 9 of GSTR

	enabled?	9 will be auto populated based on the statement / return filed by you i.e. GSTR 1/1A/IFF or GSTR 2B or GSTR 3B.
3	What is table 8A of GSTR 9 and how it will be auto populated?	Table 8A of GSTR 9 for FY 2024-25 capture the details of documents / records pertaining to FY 2024-25 appearing in GSTR 2B. Therefore, Table 8A of GSTR 9 will include all the inward supplies pertaining to FY 2024-25 appearing in GSTR 2B of FY 2024-25 and will 1. Also include the invoices pertaining to FY 2024-25 appearing **in GSTR 2B** of next year 2025-26 between April 2025 to October 2025 and 2. exclude the invoices pertaining to previous FY 2023-24 appearing in GSTR 2B between April 2024 to October 2024.
4	Is there any impact on GSTR-9 due to action taken on IMS Dashboard?	IMS does not have direct impact on GSTR 9. The documents/records which are accepted or deemed accepted would have appeared in GSTR 2B and hence will form part of Table 8A of GSTR 9 for FY 2024-25 as discussed at Sr. No. 3. As GSTR 9 will take the data from GSTR 2B where GSTR 3B has already filed.
5	Will the supplies added / amended through GSTR 1A be considered for auto population of value in Table 4/5 of GSTR 9?	Yes, from FY 2024-25 the supplies added / amended through GSTR 1A will also be considered along with GSTR 1 and IFF for the purpose of auto population in Table 4, 5 of GSTR 9.
6	What is table 6A1 and which amount is required to be	Table 6A1 of GSTR 9 for FY 2024-25 capture the ITC of preceding FY (2023-24) claimed by the recipient in the current FY (2024-25) till the specified time period and it

	reported?	is also included in Table 6A of GSTR 9 for FY 2024-25. However, any ITC pertaining to FY 2023-24 or any other preceding financial years, which has been reclaimed during current FY (2024-25) on account of rule 37 / 37A will not be reported in Table 6A1 of GSTR 9. Therefore, the amount calculated in Table 6A2 (6A minus 6A1) is the ITC pertaining to current FY (2024-25) which need to be bifurcated between 6B to 6H. As the ITC of preceding FY (2023-24) has been excluded through Table 6A1 therefore it will not create the difference in Table 6J of GSTR 9 as the case was with GSTR-9 till FY 2023-24.
7	How the value of ITC will be reported if ITC pertaining to FY 2024-25 has been claimed, reversed and reclaimed in the same FY 2024-25?	Table 6A of GSTR 9, is auto populated from Table 4A (1 to 5) of GSTR 3B for entire FY from April 2024 to March 2025. Therefore, in the given case this amount will appear twice in Table 6A of GSTR 9 i.e. once for claim and second for reclaimed amount. In such cases these three events should be reported as below – • claim should be reported in Table 6B, • reversal should be reported in Table 7 (Table 7A to 7H, as the case may be) and • reclaimed should be reported in 6H. Example 1 - Mr A has claimed Rs 100 (IGST) in the month of April 2024 and reversed the same in October 2024 due to non-payment to Supplier within 180 days as per rule 37 of CGST Rule 2017. The same has been reclaimed in March 2025 as payment has been made on 4th March 2025. The reporting will be in the GSTR 9 for FY 2024-25 as under -

		1. Original claim in Table 6B of GSTR 9 for FY 2024-25 2. Reversal of same in Table 7A of GSTR 9 for FY 2024-25 3. Reclaim in Table 6H of GSTR 9 for FY 2024-25 Example 2 – Mr A has claimed Rs 100 (IGST) in the month of April 2024 and reversed the same in April 2024 due to non- receipt of goods as per Circular No. 170/02/2022-GST 6th July 2022. The same has been reclaimed in May 2024 as goods has been received on 4th May 2024. The reporting will be in the GSTR 9 for FY 2024-25 as under - 1. Original claim in Table 6B of GSTR 9 for FY 2024-25 2. Reversal of same in Table 7H of GSTR 9 for FY 2024-25 3. Reclaim in Table 6H of GSTR 9 for FY 2024-25
8	How the value of ITC will be reported if ITC pertaining to FY 2023-24 has been claimed, reversed in FY 2023-24 and reclaimed in the FY 2024-25?	ITC pertaining to preceding FY (2023-24) which has been claimed / reclaimed in this FY (2024-25) for any reason other than rule 37/37A, should be reported in Table 6A1 as this ITC is also included in Table 6A above. Further, any ITC which is reclaimed for the reason rule 37/37A should be reported in table 6H as this ITC is also included in Table 6A above. Example 1 – If any ITC pertaining to preceding FY (2023-24) was claimed and reversed in the preceding FY (2023-24) but reclaimed (Other than rule 37/37A like Circular No.170/02/2022-GST 6th July, 2022 etc) in the current FY (2024-25) till the specified time period (i.e. 30th November

		2025) then such reclaimed ITC to be reported in the Table 6A1 of GSTR 9 for FY 2024-25. It will not come in the Table 6H of GSTR 9 of FY 2024-25 Example 2 – If any ITC pertaining to preceding FY (2023-24) was claimed and reversed in the preceding FY (2023-24) but reclaimed (due to rule 37/37A) in the current FY (2024-25) then such reclaimed ITC should not be reported in Table 6A1 of GSTR 9 for FY 2024-25. This need to be reported in Table 6H of GSTR 9 for FY 2024-25.
9	How the value of ITC will be reported if ITC pertaining to FY 2024-25 has been claimed, reversed in FY 2024-25 and reclaimed in the FY 2025-26?	Table 6A of GSTR 9, is auto populated from Table 4A (1 to 5) of GSTR 3B for entire FY from April 2024 to March 2025. As ITC was claimed and reversed in the FY 2024-25 itself then it will be reported in table 6B and reversal in Table 7 of GSTR 9. In such cases these two events should be reported as below – • claim should be reported in Table 6B, • reversal should be reported in Table 7 (Table 7A to 7H, as the case may be). For the reclaim the procedure will be based on whether reclaim is on account of rule 37/37A or reason otherwise, as below - A. If the ITC which was reclaim in FY 2025-26 is because of other than rule 37/37A Such reclaim will be reported in Table 13 of GSTR 9 for FY 2024-25 and table 6A1 of GSTR 9 of FY 2025-26 (in GSTR 9 of next Year). This will not be reported in Table 6H of GSTR 9 of 2025-26 (in GSTR 9 of next Year). B. If the ITC which was reclaim in FY 2025-26 is because of reason rule 37/37A

		such reclaim will be reported in the Table 6H of GSTR 9 of 2025-26 (in GSTR 9 of next Year). This is not to be reported in table 13 of GSTR 9 of FY 2024-25 (Current year) and Table 6A1 of GSTR 9 of FY 2025-26 (in GSTR 9 of next Year). Example 1 – If any ITC of current FY (2024-25) was claimed and reversed in the FY (2024-25) but reclaimed (Other than rule 37/37A like Circular No. 170/02/2022-GST 6th July 2022 etc) in the next FY (2025-26) till the specified time period (i.e. 30th November 2025) then such ITC will be reported in GSTR 9 as under - 1. Original claim shall be reported in Table 6B of GSTR 9 for FY 2024-25 2. Reversal of same shall be reported in Table 7H of GSTR 9 for FY 2024-25 3. Shall not report reclaim amount in Table 8C of GSTR 9 for FY 2024-25 4. Reclaim shall be reported in table 13 of GSTR 9 for FY 2024-25 5. Reclaim shall be reported in table 6A1 in next FY 2025-26 (in GSTR 9 of next Year). Example 2 – If any ITC of current FY 2024-25 was claimed and reversed in the FY 2024-25 but reclaimed (due to rule 37/37A) in the next FY 2025-26 then such ITC will be reported in GSTR 9 as under - 1. Original claim shall be reported in Table 6B of GSTR 9 for FY 2024-25 2. Reversal of same shall be reported in Table 7A (rule 37) or 7A1 (rule 37A) of GSTR 9 for FY 2024-25

		3. Reclaim shall not to be reported in table 8C and 13 of GSTR 9 for FY 2024-25 4. Reclaim shall be reported in table 6H of GSTR 9 for FY 2025-26 (in GSTR 9 of next Year).
10	Whether there are any changes in the reporting for table 6M as label has been changed from FY 2024-25	No. Label change to Table 6M has aligned it with the instruction of the notified form. As per the Instruction to the notified form the ITC claimed through ITC 01, 02 and 02A should be reported in Table 6M of GSTR 9.
11	What is table 8A excel and where it is available?	To facilitate the taxpayer, the amount auto populated in table 8A online, invoice wise details is being provided in excel sheet on the GSTR 9 dashboard AS 'DOWNLOAD TABLE 8A DOCUMENT DETAILS'. Taxpayer can download and refer the invoices/DN/CN based on which amount is auto populated in the Table 8A online.
12	Are there any circumstance where 8A Excel and 8A UI (Online) having different details?	Yes. In the following scenarios the Table 8A (Excel) and Table 8A (Online) of GSTR 9 for FY 2024-25 can have different details - 1. Outward supplies covered under RCM will appear in Table 8A excel but not appear in Table 8A online 2. Outward supplies reported as Normal charge and amended to reverse charge then it will appear in Table 8A excel (B2B and B2BA sections of excel sheet) but not appear in Table 8A online 3. Outward supplies (where recipient and supplier belongs to different state) reported as IGST and subsequently PoS is amended as Supplier state and hence CGST and SGST was charged. This

		record is ineligible for ITC due to PoS Rule, and it will appear in Table 8A excel (B2B as ITC eligibility Yes and B2BA as ITC eligibility No) but not appear in Table 8A online 4. Outward supplies amended from FY 2024-25 to FY 2025-26 then it will appear in Table 8A excel (B2B sections of excel sheet) but not appear in Table 8A online 5. Outward supplies amended from FY 2025-26 to FY 2024-25 then it will appear in Table 8A excel (B2BA sections of excel sheet) and will appear in Table 8A online It may be noted that 8A online is correctly populated whereas there are some additional records may present in Table 8A excel on account of above-mentioned points.
13	When any amendment made by my supplier in his GSTR 1/1A/IFF, will the changes be auto populated in my Table 8A (Excel and Online) of GSTR 9?	Yes, any amendment in GSTR 1/1A/IFF the auto population in table 8A will be as per amended record if such amended supplies pertain to FY 2024-25. Example 1 – Invoice dated 30.03.2025 was added in the GSTR 1 for the month of April 2025 (FY 25-26). As this was eligible record for FY 2024-25 hence appear in the table 8A (Excel and Online) of GSTR 9. Now supplier has amended the record in the GSTR 1 for the month of May 2025 and advancing the invoice date as 30.04.2025. After amending the date, now the document belongs to FY 2025-26 and therefore it is not considered for Table 8A (online) of GSTR 9 for FY 2024-25. However, this record will continue to appear in table 8A excel (B2B Section) of GSTR 9 for FY 2024-25. Vice versa, if any invoice pertains to FY 25-

		26 but later on Invoice date was preponed to FY 24-25 the record will be auto populated in table 8A excel (under B2BA section) and Online Table 8A of GSTR 9 for FY 2024-25. Example 2 – Original Invoice was added in GSTR 1 for January 2025 with Rs 100 (IGST) and subsequently supplier has amended the invoice to Rs 120 (IGST) in Feb 2025. After amending the value, Table 8A online will be populated with Rs 120(IGST). However, the Table 8A excel will have this record in B2B sections of excel sheet as Rs 100 (IGST) and B2BA sections of excel sheet as Rs 120 (IGST). Example 3 – Mr A is registered in Maharashtra has issued invoice with IGST to Mr B (registered in Delhi) in the GSTR 1 for January 2025. As this was eligible record for FY 2024-25 hence it will appear in the table 8A (Excel and Online) of GSTR 9 for FY 2024-25. Now supplier has amended the place of supply as Maharashtra in the GSTR 1 of Feb 2025 and therefore the CGST and SGST is levied on the record. After amending the place of supply, the amended record becomes ineligible ITC record. As the document belongs to FY 2024-25 so it will appear in Table 8A excel (B2B sections of excel sheet as ITC eligibility Yes and B2BA sections of excel sheet as ITC eligibility No). However, this record will not appear in table 8A Online of GSTR 9 for FY 2024-25 as amended record on which ITC is eligible will be considered for the purpose of Table 8A of GSTR 9.
14	In cases when supplier add the	In case supplier reported the Invoice/DN/CN for the FY 2024-25 up to the specified time

	invoices of FY 2024-25 in the GSTR 1 of next financial year till the specified time period (April 2025 to Oct 2025) then how it will be auto populated in table 8A?	of next FY then such record will be auto populated in the Table 8A of GSTR 9 for FY 2024-25 automatically after filling of GSTR 3B for corresponding tax period by the recipient as ITC to be claimed by the recipient in his GSTR 3B. Example– If my supplier reported the Invoices for FY 2024-25 in the GSTR 1 of next FY (between April 2025 to October 2025) i.e. till the specified time period. Then, it is the part of GSTR 2B of recipient as eligible ITC. Now, this invoice will be visible to taxpayer in table 8A of GSTR 9 for FY 2024-25 once the taxpayer files the GSTR 3B for the corresponding tax period.
15	What is Table 8C of GSTR 9?	Table 8C contain data of ITC of current FY which is availed in next FY within the specified time period. This table shall not include any ITC which was claimed (reported in table 4A of GSTR 3B) and reversed (Reported in 4B of GSTR 3B) in the current FY and reclaimed in next FY till the specified time period. Hence the Table 8C only contain the missed ITC of current FY (2024-25) which is claimed in GSTR 3B of next FY till the specified time period.
16	Whether table 8C will have the ITC which is claimed and reversed in a FY (2024-25) and reclaimed in next FY (2025-26)	No. In case where the ITC has been claimed and reversed in a FY (2024-25) and reclaimed in 2025-26. Such reclaim ITC should not be reported in the Table 8C of GSTR 9 of FY 2024-25. Example - Mr A has claimed the ITC in the month of March 2025 (Table 4A5 of GSTR 3B) and reversed the same in March 2025 (Table 4B2 of GSTR 3B) because the goods

		has not been reached to its factory. Now in the month of April 2025 the ITC has been reclaimed ((Table 4A5 of GSTR 3B)). Mr A will report this ITC in table 6B and Table 7H of GSTR 9 for FY 2024-25. Table 8A will have the corresponding ITC and also the table 8B will be auto populated from Table 6B of GSTR 9 for FY 2024-25. As a result, there is no difference in Table 8D. It means ITC which is reclaimed in next FY should not be reported in table 8C as it will create the mismatch in Table 8D. This reclaim should be reported in Table 13 only.
17	In what cases, ITC shall be reported in Table 8C of GSTR 9?	Amount will be reported in table 8C only when 1. The ITC pertaining to the FY 2024-25 which is part of GSTR 2B and auto populated in Table 8A of GSTR 9 but which has not been claimed by the recipient during the FY 2024-25 and hence he is availing the corresponding ITC first time in table 4A5 of GSTR 3B of next FY (2025-26) till the specified time period. 2. The supplies pertaining to the FY 2024-25 however supplier has not reported the corresponding invoice in any GSTR 1 filed during FY 2024-25 and reported in GSTR 1 furnished between April'25 to October 2025 and hence recipient is availing the corresponding ITC first time in table 4A5 of GSTR 3B of next FY (2025-26) till the specified time period. Example 1 – Mr A has purchased the goods in the month of January 2025 however he has missed to claim the ITC in the January 2025. Now in the month of May 2025 the ITC has

		been claimed (Table 4A5 of GSTR 3B). This ITC is pertaining to the FY 2024-25, and which has been claimed first time in next year till the specified time period so it will be reported in the Table 8C and Table 13 of GSTR 9. Example 2 – Mr A has purchased the goods in the month of January 2025 however supplier has not reported this invoice in GSTR 1 for January 2025. This invoice was added in the GSTR 1 of April 2025 by the supplier which is filed on 11th May 2025. Recipient has claimed the ITC in the GSTR 3B for April 2025 (In table 4A5 of GSTR 3B). This ITC is auto populated in Table 8A of GSTR 9 of FY 2024-25 and which has been claimed first time in next year till the specified time period so it will be reported in the Table 8C and Table 13 of GSTR 9 of FY 2024-25.
18	Will the Label Changes for Table 8B and delinking of table 6H from Table 8B in the auto population create any difference in Table 8D?	From FY 2024-25 Table 8B will auto populate based on amount reported in Table 6B only. Amount reported in the Table 6H will not be part of Table 8B. ITC which is reclaimed by the recipient will not appearing in GSTR 2B again and hence it will not be auto populated in Table 8A. As, the ITC reclaimed is also not required to be reported in the Table 8C. Therefore, delinking of Table 6H with 8B will mitigate the possibility of causing difference in Table 8D of GSTR 9.
19	Goods have been imported in FY 24-25 however the ITC has been	This will be reported in the new inserted row Table 8H1 and it will not be reported in the Table 6E of GSTR 9. IGST Paid on import of goods be reported in Table 8G and Amount of ITC Claimed in next FY to be reported in

	taken in FY 2025-26 how this will be reported in the GSTR 9	Table 8H1 and therefore the difference in the Table 8I will be NIL. Also, this ITC will be reported in the Table 13 of GSTR 9 of 24-25.
20	Which value is auto populated in tax payable in Table 9 of GSTR 9 for FY 2024-25 as negative liability tables has been inserted in the GSTR 3B?	The Tax payable column is captured from GSTR 3B from net liability. If liability reported in the Table 6.1 of GSTR 3B is positive (Gross minus negative liability) then such positive net tax liability be auto populated in the Table 9 under tax payable. However, if net amount in table 6.1 is appearing in negative then no amount will be auto populated under Tax payable column of Table 9. Further tax payable column of Table 9 of GSTR 9 is kept editable and therefore taxpayer may change the value, if required.
20	Whether label change to Table 12 and table 13 does have any change in the reporting?	Change in the Label of Table 12 and table 13 does not make any difference in the reporting compared to any preceding financial years. Table 12 captures the ITC of the financial year (2024-25) reversed in the next financial year. Table 13 captures the ITC of the financial year (2024-25) availed in the next financial year.
21	Will there be any additional facility for filing the HSN details in Table 17 of GSTR 9 for FY 2024-25	To facilitate the taxpayer, additional excel sheet named as 'DOWNLOAD TABLE 12 of GSTR 1/1A HSN DETAILS' is provided having the consolidated details of Tabel 12 of GSTR 1 and additional sheet have also been provided in the same excel sheet having the details of HSN in the format of Table 17 of GSTR 9. This will facilitate the taxpayer to use the download file and report the same in Table 17 of GSTR 9 for FY 2024-25.

22	Whether concessional rate of tax of 65% has been omitted or continued in GSTR 9 for FY 2024- 25?	From financial year 2024-25, concessional rate of tax of 65% checkbox is removed from the table 17 and 18 of GSTR-9 online as this concessional rate of tax is not applicable currently. Also, in the offline tool such column has been made disabled.
23	How the late fees are calculated in GSTR 9C for FY 2024-25	As clarified vide Circular No. 246/03/2025-GST dated 30th January 2025, the late fee is levied under Section 47(2) of the CGST Act for any delay in furnishing the complete annual return under Section 44. This includes both FORM GSTR-9 and FORM GSTR-9C (if applicable). Accordingly, a new Table - 17 titled "Late Fee Payable and Paid" has been inserted below Part V of GSTR-9C to capture such late fee payable under Section 47(2). The late fee shall be leviable for the period starting from the due date of furnishing the annual return till the date of filing of GSTR 9 for annual return. The late fee for GSTR 9C will be calculated from date of filing of GSTR 9 or due date of filing of Annual return, whichever is later till the filling of GSTR-9C. These late fees will be auto calculated by the system based on the date filing of GSTR 9 and 9C. Example 1 – If GSTR 9 is furnished on 25th December 2025 (due date 31st December 2025) and GSTR 9C is furnished on 7th January 2026. Then no late fees is levied for GSTR 9 as it is furnished within due date. However late fees for 7 days (delay in furnishing of GSTR 9C) is auto populated in GSTR 9C.

		Example 2 – If GSTR 9 is furnished on 5th January 2026 (due date 31st December 2025) and GSTR 9C is furnished on 7th January 2026. Then total late fees leviable is for 7 days which will be auto populated by the system as for 5 days at the time of filing GSTR 9 and for balance 2 days will be populated in GSTR 9C at the time of filing GSTR 9C.
24	Whether the ITC reclaimed under Rule 37 or Rule 37A is to be treated as ITC of the original invoice year or of the year in which it is reclaimed?	The ITC which is claimed and reversed due to reason of rule 37 / 37A and subsequently reclaimed in any financial year then such reclaimed ITC will be considered the ITC of that year only (in which it has been reclaimed). Therefore, it will always report in Table 6H of GSTR 9 to be filed for the FY in which such reclaim has been reported.

Example

Particular	Example 1	Example 2	Example 3
	Claim - Reversal and reclaim all three are in same FY 24-25) Assume Amount of ITC is Rs 120	and Reversal in FY 24-25; Reclaim in FY 25-26 (Reason other than Rule 37/37A for e.g. Circular No. 170/02/2022-GST 6th July 2022)	Claim and Reversal in FY 24-25; Reclaim in FY 25-26 (due to Rule 37/37A for which no time limit to reclaim the ITC
Originally Claimed	FY 2024-25	March'25 (FY 2024-25)	April'24 (FY 2024-25)
Reversed -	FY 2024-25	March'25 (FY 2024-25)	October'24 (FY 2024-25)

Reclaimed	FY 2024-25		April'25 (FY 2025-26)	April 2025 (FY 2025-26)	
Relevant Table of GSTR 9	GSTR 9 for FY 2024-25	GSTR 9 for FY 2024-25	GSTR 9 for FY 2025-26*	GSTR 9 for FY 2024-25	GSTR 9 for FY 2025-26*
Table 6A Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	It will have twice amount - 240	120	120	120	120
Table 6A1 ITC of preceding financial year availed in the financial year (which is included in 6A above) other than ITC reclaimed under rule 37 and rule 37A	NIL [as the ITC pertain to current FY only]	NIL [as the ITC pertain to current FY only]	120	Nil	Nil
Table 6A2 Net ITC of the financial year =(A-A1)	240	120	0	120	120
Table 6B Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	120	120		120	
Table 6H Amount of ITC reclaimed under the provisions of the Act	120				120

Table 6I Sub total (B to H above)	240	120	0	120	120
Table 6J Difference (I – A2 above)	0	0	0	0	0
Table 7A / 7A1 7A - As per Rule 37 / 7A1 - As per Rule 37A	120 (Report in applicable rows from 7A to 7H as per the reason of reversal)			120	
Table 7H Other reversal		120			
Table 8A ITC as per GSTR- 2B (table 3 thereof)	120	120		120	
Table 8B ITC as per 6(B) above	120	120		120	
Table 8C [ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next	0	0 Note 1			

financial year up to specified period					
Table 8D Difference [A- (B+C)]	0	0			
Table 12 ITC of the financial year reversed in the next financial year	0	0			
Table 13 ITC of the financial year availed in the next financial year	0	120		Note 2	

* The reporting of amount in GSTR 9 of next FY 2025-26 is based on the current notified form. It may subject to change based on the any amendments/changes notified for GSTR 9 of FY 2025-26.

Note 1: It should not be reported in Table 8C as it is appearing in Table 8B so adding the same will create the difference in 8D.

Note 2: ITC claimed on account of Rule 37/37A, will be considered the ITC of the year in which eligibility of claim arise. In this case the ITC is claimed in FY 2025-26 therefore it is considered the ITC of FY 2025-26 and not 2024-25. Hence, not to be reported in the Table 13 of GSTR 9 for FY 202-25.

7.6 Notification no. 05/2026-dated 26.10.2026 [Extract]

57. In the principal rules, in FORM GSTR-9C, under the heading "Instructions", -

(i) in paragraph 4, in second column, against table numbers 5B, 5C, 5D, 5E, 5F, 5H, 5I, 5J,5K, 5L, 5M and 5N, for the figures and word "2023-24 and 2024-25", the figures and words "2023-24, 2024-25 and 2025-26 onwards," shall be substituted;

(ii) in paragraph 6, in second column, against table number 14, for the figures and word "2023-24 and 2024-25", the figures and words "2023-24, 2024-25 and 2025-26 onwards," shall be substituted.

7.7 Other Issues

1. Online filing of FORM GSTR-9C:

The offline mechanism of FORM GSTR-9C has many issues while compilation and uploading, especially when minimal data input is required. Facility of filing GSTR-9C online is still not available. To overcome the issues in preparation and filing using offline tool, a questionnaire form can be useful to taxpayers.

2. Turnover as per Table 5 of GSTR-9C:

Table 5 of GSTR-9C does not incorporate a lot of common adjustments in Turnover, which gets combinedly disclosed in 5O. Such transactions are:

- Sale of any Fixed Asset.
- 1/3rd Value of Land in case of sale of Residential and Commercial units in a building.
- Tax benefits such as Duty Drawback.

3. Certain GST rates not mentioned in "Table 9 - Reconciliation of rate wise liability and amount payable thereon":

Specific rows for disclosing turnover at GST rates 7.5% and 1.5% are not available. In case of real estate industry, sale of Residential units at GST rates 7.5% and 1.5% is still disclosed under "Others%".

4. Confusion in reconciliation of tax payable and paid as per Table 9:

Table 9R reconciles rate-wise tax payable (9P) with tax paid as per GSTR-9 (9Q). However, the amount in Table 9Q is derived from "Tax payable" as per Table 9 of GSTR-9 instead of amount mentioned in "Tax paid".

5. Whether the term 'aggregate turnover' includes central tax, state tax, union territory tax, integrated tax and Cess for determining the applicability of Rs. 5 Crore?

Aggregate turnover as per section 2(6) of the CGST/ SGST Acts excludes the value of central tax, State tax, Union territory tax, integrated tax and cess. Thus, the GST and compensation cess paid thereon is excluded from aggregate turnover. As a corollary, all taxes,

cess, duties other than the GST paid on supply of goods/ services is to be included for the purpose of computing threshold limit of Rs. 5 Crore.

6. Whether the term 'aggregate turnover' includes freight and insurance recovered from the buyer to calculate the threshold limit?

As per the illustration given to definition of composite supply under section 2(30) of the CGST/ SGST Act, freight and insurance paid on the supply of goods forms part of a composite supply, the principal supply of which is goods. As per section 8 of the CGST/ SGST Act, the principal supply shall be treated as supply for the purpose of the GST laws. Therefore, freight and insurance recovered from the buyer is to be treated as principal supply and included for the purpose of computing the threshold limit.

7. Whether the term 'aggregate turnover' includes stock transfers/ cross charges effected between branches located in two different states?

Section 2(6) of the CGST/ SGST Act defines aggregate turnover to include 'inter-State supplies of persons having the same PAN'. Thus, stock transfers/ cross charges/ services provided from a branch located in one State to a branch located in another State would be included in the aggregate turnover of the branch supplying the goods/ services.

8. Whether the term 'aggregate turnover includes stock transfers effected within the State having the same GSTIN for determining the threshold limits?

The term 'aggregate turnover' shall not include stock transfers effected within the same State having the same GSTIN for the purpose of determining the threshold limit. However, where more than one GSTINs has been taken for branches located in the same State, then such branch transfers shall be included for computing the threshold limit for the branch supplying the goods/ services.

9. Is FORM GSTR-9C required to be filed for every registration obtained by a person?

As per Section 44 of the CGST Act read with Rule 80(3) of CGST Rules, every registered person, except few persons, having aggregate turnover during a financial year more than Rs. 5 Crore, is required to furnish a self-certified reconciliation statement along with annual return.

Thus, a person having more than one registration is required to file FORM GSTR-9C registration wise, in each and every State.

10. Whether FORM GSTR-9 and FORM GSTR-9C should be filed separately?

Rule 80(3) of the CGST Rules, 2017 provides that a registered person shall furnish a self-certified reconciliation statement in FORM GSTR-9C along with annual return in FORM GSTR-9, in case aggregate turnover during a financial year exceeds Rs. 5 Crore.

Rule 80(1) of the CGST Rules, 2017 provides that an annual return in FORM GSTR-9 shall be furnished by every registered person, irrespective of his turnover. However, vide various notifications, Annual return in FORM GSTR-9 has been exempted for the registered persons having turnover upto Rs. 2 Crore from FY 2017-18 to FY 2022-23.

Thus, GSTR-9 and GSTR-9C are two different forms, which needs to be filed based on their applicability.

11. If the financial year of the dealer is a calendar year say from January to December, can the FORM GSTR-9C be filed for the said period?

Section 44(1) of the CGST/ SGST Act read Rule 80(3) of the CGST/ SGST Rules both refer to the financial year. The financial year has not been defined under the GST Acts. Therefore, reference ought to be made to General Clauses Act as per which the financial year means a year which starts from 1st of April. Hence, FORM GSTR-9C cannot be filed for the accounting year, which is different from the financial year.

12. Where a part of the records of the dealer have been seized by the GST authorities before the due date for submission of the FORM GSTR-9C and the dealer has not been able to get his accounts and file FORM GSTR-9C, will the late fee still be applicable?

Yes, there is no specific provision for waiver of late fee in the aforesaid scenario. However, as per the second proviso to section 67(2), the documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.

Further, as per section 67(3) the documents, books or things which have not been relied upon for the issue of notice under this Act or the rules made thereunder, shall be returned to such persons within a period not exceeding thirty days of the issue of the said notice.

More importantly, as per section 67(5), the registered person shall be entitled to make copies of the documents, books or things or take extracts therefrom in the presence of an authorised officer except where making such copies or taking such extracts may, in the opinion of the proper officer, prejudicially affect the investigation. Thus, the photocopies may be relied upon for submission of FORM GSTR-9C in case where the books have been seized.

13. Is a registered person providing goods or services exceeding Rs. 5 Crore, which are taxable under reverse charge, required to file FORM GSTR-9C?

The definition of 'aggregate turnover' includes even exempted supplies. Therefore, if a person is registered under the GST and having only exempted supplies would have to file FORM GSTR-9C.

14. What is the time limit to file FORM GSTR-9C?

Rule 80(3) of the CGST Rules provides the time limit to furnish self-certified reconciliation statement in FORM GSTR-9C along with annual return in FORM GSTR-9. As per the said rule, the due date to file the self-certified reconciliation statement along with annual return is 31st December following the end of the financial year. For Example: the due date of FORM GSTR -9C for FY 2025-26 is 31st December 2026.

Bird's Eye View of Reconciliation Statement (Part A) in Form GSTR-9C

Form GSTR-9C serves as a mandatory reconciliation tool under GST for taxpayers with aggregate turnover exceeding Rs. 5 crores, bridging audited financial statements with annual returns filed in GSTR-9. It ensures compliance by reconciling turnover, taxable value, tax liability, and ITC, but not every field demands input—many are conditional based on specific transactions or differences. Taxpayers can skip irrelevant entries without validation errors on the portal, simplifying filing.

Refer to the table below for a quick review of optional sections, their descriptions, and applicability conditions to streamline your preparation.

Table No.	Description	Rationale for being Optional
5B	Unbilled revenue at the beginning of Financial Year	To be filled only if such unbilled revenue exists at the start of the year
5C	Unadjusted advances at the end of the Financial Year	To be filled only if advances received are not adjusted/invoiced during the year
5D	Deemed Supply under Schedule I	Applicable only if any transaction falls under Schedule I (e.g., supply to related persons/distinct persons without consideration or at below market value)
5E	Credit Notes issued after the end of the financial year but reflected in the annual return	Applicable only if credit notes pertaining to the relevant FY were issued after 31st March
5F	Trade Discounts accounted for in audited financials but not permissible under GST	Applicable only if such non-permissible discounts exist
5G	Turnover from April 2017 to June 2017	Applicable only for financial years 2017–18 and 2018–19 (transition period)
5H	Unbilled revenue at the end of Financial Year	To be filled only if unbilled revenue exists at year-end
5I	Unadjusted Advances at the beginning of the Financial Year	To be filled only if advances of earlier years remain unadjusted
5J	Credit notes accounted for in audited financials but not permissible under GST	Applicable only if such impermissible credit notes exist

5K	Adjustments on account of supply of goods by SEZ units to DTA units	Applicable only for SEZ units making such supplies
5L	Turnover for the period under composition scheme	Applicable only if taxpayer was under composition scheme for part of the year
5M, 5N, 5O	Adjustments under section 15/foreign exchange fluctuations/other reasons	To be filled only if such specific adjustments are required
6 & 8	Reasons for Un-reconciled difference in Annual Gross Turnover & Taxable Turnover	Mandatory only when difference exists in 5R or 7G (i.e., when turnover is unreconciled). If fully reconciled → optional
10	Reasons for un-reconciled payment of amount	Mandatory only when there is unreconciled tax payment (difference in Table 9)
11	Additional amount payable but not paid (due to differences in Tables 6, 8, 10)	To be filled only when additional tax liability arises out of unreconciled differences
12B & 12C	ITC booked in earlier/current FY but claimed in current/subsequent FY	Applicable only if transitional ITC or carry-forward ITC exists
13 & 15	Reasons for un-reconciled difference in ITC	Mandatory only when difference exists in ITC (12F or 14T)
14	Reconciliation of ITC availed on expenses as per audited financials (detailed break-up)	**Recommended but not mandatory if ITC fully reconciles in Table 12.**

16	Tax payable on un-reconciled difference in ITC	Applicable only when unreconciled ITC leads to additional liability
Pt. V	(earlier Auditor's recommendation, now "Additional Liability due to non-reconciliation")Entire Part V – Additional liability declaration	To be filled only when the auditor identifies any additional tax/interest/penalty liability due to non-reconciliation

Note:

For all the optional entries in table 5, if there are any adjustments required to be reported, the registered person may report the same in Table 5O (Adjustments in turnover due to reasons not listed above). This optionality was provided to reduce compliance burden for taxpayers, especially for earlier financial years, while still maintaining the flexibility to report material adjustments if needed.

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