

GST AUDIT REPORT IN FORM GSTR 9C – INTRODUCTION AND FILING PROCESS

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Recently on 14th April 2019, GSTN opened the filing window for GST Audit Report in Form GSTR 9C. We have examined the various aspects for filing of GSTR 9C and studied the off-line template released by GSTN for filing of FORM GSTR 9C. We are enclosing a detailed note on preparation and filing aspect of Audit Report in Form GSTR 9C.

The same is summarized in below table for ease of understanding:

A. Key aspects in filing GST Audit Report – FORM GSTR 9C for the FY 2017-18

1. **Complete filing of all pending returns** – GSTR 1 and GSTR 3B from July 2017 to March 2018 (Reach out to GSTN help desk for any technical glitch in filing)
2. **File Annual Return in Form GSTR 9** – Annual Return in Form GSTR 9 for is to be filed before filing GST Audit Report in Form GSTR 9C
3. **Keep the figures for Annual Return handy (keep soft copy or print out)** – Since the Audit report requires details of annual return to be provided in GSTR 9C, keeping the same ready shall come handy
4. **Scan and keep copy of Profit & Loss (or Income and Expenditure Statement) and Balance Sheet** – Scan the reports in PDF or JPEG format (Max size of each file 5 MB)
5. **Re-check all details before filing** – Remember, Audit Report once filed cannot be amended. Hence it is advisable to cross check all figures before proceeding to file Audit report

B. System Requirements for preparing and filing GST Audit Report:

1. Operating System – MS Windows 7 or above
2. Microsoft Excel 2007 and above

C. Pre-requirement for filing Form GSTR 9C:

Before you proceed to file GST Audit Report, below details, data or requirement is to be prepared and handed over to Auditor for conclusion of Audit –

1. **Bifurcate the books of accounts for each GSTIN** - If you operate in multiple locations having more than one GST Registration, books of accounts is to be prepared for each GSTIN – Outward supplies, ITC, Payment, Expenses, etc
2. **Invoice-wise outward supply Statement** - Reconcile outward supply turnover of books and returns
3. **ITC details (GSTR 2A, Books of Accounts and GSTR 3B)** - Reconcile Input Tax Credit availed as per returns and those appearing in books and those auto-populated in GSTR 2A
4. **Expense head wise ITC details** – Prepare statement containing basic value, ITC and Eligible ITC for the list of expenses provided in the audit report. This is to be prepared for each GSTIN
5. **Details of all payments made under each rate of tax** – Under Forward Charge and Reverse Charge
6. **Reasons for Differences** – Identify any difference in Annual return and Books of Accounts for Total Turnover, Taxable Turnover and ITC and prepare reasons for same to be handed over to Auditor
7. **Pay the Recommended Liability** – In case of any liability suggested by Auditor and accepted by the entity, please pay the same by using the form DRC 03. Facility to pay the same before filing Audit Report is also available in the login
8. The link to download the detailed FAQ and User Manual is <https://www.gst.gov.in/download/gstr9c>

D. Guide for filing GST Audit Report (Summary) -

The Offline excel utility to file GSTR 9C has following Tabs -

1. **Open GSTR-9C JSON file downloaded from GST Portal:** To open Form GSTR-9C details (uploaded earlier) file - downloaded from GST portal into the Offline Tool. Upon successful import of file, the details would be populated to respective tables of Excel workbook.
2. **Open GSTR-9C JSON Error File Downloaded from GST Portal:** To open file downloaded from GST portal from the 'Processed with error' link. Upon successful import of the file details 'processed with error' records would be populated to respective tables of Excel workbook. The GST portal errors would be marked as red and can be shown in hover at red marked field.
3. **Generate JSON File to Upload GSTR-9C details on GST Portal:** To generate JSON file for upload of Form GSTR-9C details prepared offline on GST portal. The error file will also require to be signed by auditor again.
4. **Generate Preview PDF file to view Draft GSTR-9C form:** To preview in PDF format, Form GSTR-9C details as prepared offline on GST portal.
5. **Validate Sheet:** To Validate the data entered in respective worksheet of this offline Tool. Successful validation is notified to Taxpayer via pop-up while on failure of validation the cells that fail validation would be marked in Red.

E. High Level Process flow for GSTR 9C preparation using off - line template -

- a. Validate the details filled in various tables using 'validate' button at the top of every sheet. The validation error if any is to be rectified before proceeding
- b. Generate JSON using 'Generate JSON File to Upload' option
- c. Upload the generated JSON on GST Portal. Preview the details uploaded and File return on the GST portal. Check the tables in the GSTR 9C on screen
- d. Open saved version (Yes/No) :- Select 'No' option for not viewing

the saved data (if you select No then date in the file shall get erased) and if you select 'Yes' then saved data will be available in the respective worksheets.

F. Step-wise procedure to file GST Audit Report - Form GSTR 9C -

Auditor to complete below steps:

1. Down the latest version of GSTR-9C Offline Tool from the GST portal <https://www.gst.gov.in/download/returns>
2. Open the GSTR-9C Excel based Offline Tool and navigate to worksheet named 'Home' in the excel template
3. For opening the Offline tool with the previous data which you entered, Click "Yes" when the dialogue box prompts "Open Saved Version?". Else clicking "No" will clear all values in all the sheets.
4. Enter taxpayer's GSTIN in home sheet. Entered GSTIN would be validated only for correct structure.
5. Select the applicable Financial Year from the drop-down (mandatory field).
6. Enter details as applicable in various worksheets. The worksheet for which no details need to be declared can be left blank.
7. Click Validate Sheet to check the status of validation. In case of validation errors - please check for cells that have failed validation and correct errors as per help text.
8. Click on 'Generate JSON File to Upload ' to generate JSON file and sign using DSC (Digital Signature Certificate). Dialogue box prompt to sign using DSC on the utility
9. Auditor shall pass this signed GSTR 9C JSON file to taxpayer for upload.

Taxpayer to complete this step onwards

1. Login to GST Portal and select '**Returns Dashboard**'.
2. Select applicable Financial Year and Tax-period.
3. Click on Prepare Offline.
4. Upload the JSON prepared using offline Tool using upload option.
5. The uploaded JSON file would be validated and processed.
6. In case of validation failure of one or more details in the uploaded JSON; an

error file (returns_<Date>_R9C_<GSTIN> error Report. json) would be generated with status of uploaded JSON file as 'Processed with Error'.

7. Taxpayer shall share this error file to auditor to correct the error and re-sign the same.
8. Auditor to open the error file in offline tool using 'Open GSTR-9C JSON Error file downloaded from GST Portal'. All records along with errors to be populated in respective worksheets with errors description in column 'GST Portal Validation error(s)' for the records which have error. Post correction of errors, sign the statement using DSC and generate the JSON file and send it to the taxpayer to upload the same in GST portal.
9. Post successful upload of data on GST portal; Taxpayer to Preview the form and file GSTR-9C

NOTE: Please ensure HTML file name 'wsweb' and 'GSTR_9C_Offline_Utility' should be in same folder to generate the JSON.

G. Additional details to be considered while filing GST Audit Report in Form GSTR 9C –

1. Follow instruction in 'GSTR-9C offline tool' to add details and generate JSON file for upload.
2. Clicking on "DOWNLOAD GSTR-9C TABLES DERIVED FROM GSTR-9 (PDF)" to fill the GSTR-9 related figure in GSTR-9C offline tool. This is only for reference for preparing the Reconciliation Statement (GSTR-9C) by Auditor.
3. Facility to preview draft (PDF) can be used to check the details filled up in the GSTR-9C.
4. GSTR-9C shall be prepared in Offline Tool and required to be digitally signed by a Chartered Accountant or a Cost Accountant.
5. Verify that documents uploaded are duly signed by Chartered Accountant/Cost Accountant and are not tampered.
6. Click on 'Prepare Offline' to initiate upload of Form GSTR-9C (signed JSON file shared by Auditor) and click on 'Upload' tab to upload JSON file with the help of instruction available there.

7. Supporting documents like audited financial statements and other required documents, if any also needs to be uploaded by clicking on 'Initiate Filing' button along with the reconciliation statement (JSON file) on the portal.
8. You may make payment if you have any additional liability through GST DRC-03 link. (This is available in 'Initiate Filing' page)
9. 'Proceed to File' button shall be enabled only after successful uploading of Reconciliation statement (JSON file) and audited annual accounts.
10. Click on 'Proceed to File' and Click on 'File GSTR-9C' with DSC/EVC.
11. Neither amendment nor revision of GSTR-9C can be made after filing the same

Note - This is for information only. For exact details of changes, the notification/Circular may please be referred to, as and when they are issued.