# Module 12 · GSTR-9C and GST audit P19 · topics 12.1–12.3

SM pp. 854–876. **Q4(a) alternative to TDS / TCS**: D23 contents of GSTR-9C, J26 seven audit activities (checklist); PTP Q4(a) special audit (unused). Expected ~3 marks. GSTR-9 itself is in Module 10.

### GSTR-9C (D23 Q4(a))

- Annual **reconciliation statement** between GSTR-9 and the **audited financial statements**; filed after GSTR-9. Earlier: turnover above ₹2 crore with CA / CMA certification; now **self-certified**, for turnover above **₹5 crore** in the previous year (ss.35(5), 44 amended). [SM 865]
- **Part-A reconciliation**: Part-I basic details (FY, GSTIN, names; audit under other law?) · Part-II **turnover** as per accounts v GSTR-9 · Part-III **tax paid** rate-wise v accounts; additional liability on unreconciled differences · Part-IV **ITC** availed v accounts; expenses split into eligible / ineligible ITC. **Part-B**: self-certification. [SM 866]

### AUDIT BY TAX AUTHORITIES (s.65)

- Commissioner or authorised officer; notice not less than **fifteen working days** before; complete within **three months** of commencement (+ up to **six months**, reasons recorded); commencement = later of records made available and actual institution of audit; findings within **thirty days**; then s.73 / 74 / 74A. [SM 867–868]
- SM Illus. 1: records 15 May, audit instituted 5 June 2024 → commenced **5th June 2024**; complete by **4th September 2024**, extended **4th March 2025**. [SM 867–868]

### SPECIAL AUDIT (s.66) — PTP Q4(a)

- During scrutiny, inquiry, investigation: Assistant Commissioner (or above), with the **Commissioner's prior approval**, may direct (ADT-03) an audit by a **CA or Cost Accountant** nominated by the Commissioner, where value is not correctly declared or credit is not within normal limits. [SM 868–869]
- Report within **ninety days**, extendable by ninety days; applies even if already audited; hearing before using the findings; **Commissioner fixes and pays** the fees; findings in ADT-04; demand follows. [SM 869]

### AUDIT ACTIVITIES · CHECKLIST (J26 Q4(a) "ANY SEVEN")

1. **GST registration** details · 2. **invoices** per rule 46 · 3. **time of issue** of invoices (goods: before removal; services: 30 days; banks 45 days) · 4. **debit / credit notes**, bills of supply · 5. **ITC** correctly availed · 6. **job-work** challans and ITC-04 · 7. **returns** filed and tied to books · 8. **interest @ 18%** on late tax · 9. GST v income-tax **turnover** reconciliation. [SM 871–872]

Audit principles: systematic; risk-based; materiality; record every check; distinct from enforcement. Indicative duration: top taxpayers **10-15 working days**, middle 6 to 8, others 2 to 5. [SM 873–874]

| Point | s.65 departmental audit | s.66 special audit |
|---|---|---|
| Why · by whom | general, no reason needed · department officers | complexity, revenue interest · CA / CMA nominated by the Commissioner |
| Notice · time limit | prior notice · 3 months + 6 months | no prior notice · 90 days + 90 days |
| Cost · hearing | department · no specific provision | department · yes, before using material |

[SM 869–870]

**⚠ SM SLIPS**

The s.65 vs 66 table says "15 days' prior notice"; s.65(3) says fifteen **working** days. Illus. 1 prints the records date as 15 May in the question and "15th June" in the solution — the answer (5 June) is the same either way.

**PRACTISE THESE**

D23 Q4(a) · J26 Q4(a) · PTP Q4(a) · SM Illus. 1–2 and solved cases (SM 867, SM 875–876) · **ICMAI Practice Workbook Ch11 illus. 1–2** · MCQ bank Q141–Q143. **Hook: "65 = 15 working days, 3 + 6 months; 66 = CA / CMA, 90 + 90 days, Commissioner pays."**