

THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 ANNUAL RETURN UNDER GST

Presented by:

CA H.L.Madan

Mob. 9312238908

E.mail- madanhl06@rediffmail.com

1

INTRODUCTION

1. Annual Return – Form GSTR 9 and GSTR-9A for persons opting Composition Scheme.
2. Notification No-39/2018 (Central Tax) Dated 04.09.2018 (old) and latest notification 74/2018 CT dated 31.12.2018.
3. 6 Parts
4. 19 Table

DETAILS TO BE PROVIDED IN GSTR-9- ANNUAL RETURN

S.NO	Parts of the GSTR-9	Information Required
1.	Part-I	Basic details of the taxpayer. This detail will be auto- populated.
2.	Part-II	Details of Outward and Inward supplies made during the financial year (FY).
3.	Part-III	Details of ITC for the Financial Year.
4.	Part-IV	Details of tax paid as declared in returns filed during the FY.
5	Part-V	Particulars of the transactions for the previous FY declared in returns of April to September of current FY or up to the date of filing of annual returns of previous FY whichever is earlier.
6	Part- VI	Other Informations comprising details of: CONTD.....

1. Particulars of **Demands and Refunds**
2. Information on **supplies received from composition taxpayers** ,
 - **deemed supply** under section 143 and
 - goods sent on **approval basis.**
3. **HSN wise summary of outward supplies.**
4. **HSN wise summary of Inward supplies.**
5. **Late fee payable and paid**

Ques. Who has to furnish annual return?

Ans. Every registered person

Other than

- **Input Service Distributor**
- **Tax Deductor**
- **Tax collector and**
- **casual taxable person**

[Sec 44 Read with Rule 80]

Ques. What is the due date to furnish annual return?

Ans. 30th June 2019 for the financial year 2017-18

[Sec 44 Read with Rule 80]

Ques. Whether a supplier whose registration has been cancelled during 2017-18 need to file Annual return?

Ans. Yes

Ques. Whether a registered person having NIL turnover during July 2017 to March 2018 need to file Annual return?

Ans. Yes, even if his inward and outward supplies are NIL, then also he is to file Annual return. He should have claimed any credit, refund, any demand pending and liability for late fee.

Ques. Whether a registered person if opted composition during the year whether to file GSTR-9 or GSTR-9A.

Ans. He will be required to file both GSTR 9 and GSTR 9A.

Ques. Is annual return and final return same thing?

Ans. No. Final return (Form 10) has to be filed only by those taxpayers whose registration is cancelled.

[Final Return Sec 45]

Ques. What are the consequences of delay in filing of annual return?

▪ **Ans. Late fees shall be payable @ Rs 200 per day (Rs 100 CGST and Rs 100 SGST) subject to maximum of 0.50% of turnover in a state (.25% each in CGST and SGST) . [Sec 47]**

- **Proper Officer may issue notice for submission of Annual Return.**
- **Penalty upto to Rs. 25,000/- may be levied under general clause.(Section 125)**

Ques. Any additional compliance for person required to get his accounts audited?

Ans. He shall submit

- Annual return [Form 9]**
- Copy of audited annual accounts**
- Reconciliation statement [Form 9C]**

[Sec 44 Read with Rule 80]

Ques. For whom Form 9A is applicable?

Ans. Form 9A is applicable for composition taxable person.

[Rule 80]

IMPORTANT INSTRUCTIONS

1. The details for the period between **July 2017 to March 2018** are to be provided in the Annual return for 2017-18
2. It is **mandatory** to file all Form **GSTR-1** and Form **GSTR-3B** for the financial year 2017-18 **before filing the Annual return.**
3. The **additional liability** for the F.Y. 2017-18 not declared in Form GSTR-1 and GSTR-3B **may be declared in the Annual return.**
4. At the end of the Annual return an **option to pay any additional liability** declared in the Annual return in **Form DRC-03** is available and the taxpayer can select "Annual return" in the drop down provided in Form DRC-03

CONTD.....

5. The **additional liability** can be **paid by cash only** in Form DRC-03 and cannot be adjusted against ITC.
6. At the end of GSTR-9 and GSTR-9A, in the notification, instructions to fill each line of the form are written.
7. Apart from that figures are appearing Auto Populated in GSTR9 and GSTR 9A.
8. Some Auto Populated figures cannot be changed such as taxes paid by the supplier and ITC appearing in GSTR 2A.
9. However, other figures can be changed depending upon the actual figures as per profit and loss account and the balance sheet of the registered person.

FORM GSTR-9

ANNUAL RETURN

Pt. 1		Basic Details
1	Financial Year	
2	GSTIN	
3A	Legal Name	
3B	Trade Name (if any)	

Pt. II	Details of Outward and inward supplies made during the financial year					
						(Amount in Rs. in all tabs)
	Nature of Supplies	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6

CONTD.....

4. DETAILS OF ADVANCES, INWARD AND **OUTWARD SUPPLIES** MADE DURING THE FINANCIAL YEAR ON WHICH **TAX IS PAYABLE**

	Nature of Supplies	Taxable Value	Central Tax	State Tax/ UT Tax	Integrated Tax	Cess
A	Supplies made to un-registered persons (B2C)	GSTR-1	Table-5,7	9,10 (Amendments)	Net of DN & CN	
B	Supplies made to registered persons (B2B)	GSTR-1	Table- 4	Including supplies to UINs and	Through e-commerce operator	
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)	GSTR-1	Table- 6A			
D	Supply to SEZs on payment of tax	GSTR-1	Table- 6B			
E	Deemed Exports (Gold by bank/PSU NN-50/2017-Custom, Goods to EOU)	GSTR-1 Supply	Table- 6C against	NN 48/2017-CT adv. authorisation	Capital goods against EPCG	
F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above) On services – taxable	GSTR-1 From	Table-11A 13.10.17<	NN 40/2017- CT 1.5 Cr, from	15.11.17 all	goods
G	Inward supplies on which tax is to be paid on reverse charge basis	GSTR-3B	Table- 3 1(d)			

I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)	GSTR-1	Table 9B			
J	Debit Notes issued in respect of transactions specified in (B) to (E) above(+)	GSTR-1	Table 9B			
K	Supplies /tax declared through Amendments Circular no. 26/26/2017-GST dt 29.12.17 – procedure for amendments (+)	GSTR-1	Table- 9A & 9C			
L	Supplies/ tax reduced through Amendments (-)	GSTR-1-	Table- 9A (B2B)	9C	DN & CN	Amended
M	Sub- total (I to L above)					
N	Supplies and advances on which tax is to be paid (H+M) above					

IMPORTANT POINTS RELATING TO OUTWARD SUPPLY

1. Turnover in the Books for the period July 2017 to March 2018 matches with GSTR-1 and GSTR-3B

Particulars	GSTR-3B	GSTR-1	Books of Accounts
July to March, 2018	150000	150000	150000

Note: Auto Populated figures need not to be changed

Contd.....

2. Turnover in the Books for the period July 2017 to March 2018 does not match with GSTR-1 and GSTR-3B and therefore additional liability has been declared in the period April 2018 to September 2018. However, both GSTR-3B and GSTR-1 match with their respective figures.

Particulars	GSTR-3B	GSTR-1	Books of Accounts
July to March, 2018	100000	100000	150000
Apr to Sept, 2018	50000	50000	-

Note: In Table 4 – Rs. 100000/- (Figure auto populated as per GSTR-1 is correct – No change required),
Table 10 – Rs. 50,000/- to be reported.

Contd.....

3. Turnover in the Books for the period July 2017 to March 2018 does not match with GSTR-1 and GSTR-3B and therefore additional liability has been declared in the period April 2018 to September 2018. However, both GSTR-3B and GSTR-1 do not match for individual months but aggregate of GSTR-3B and GSTR-1 matches till March 2019.

Particulars	GSTR-3B	GSTR-1	Books of Accounts
July to March, 2018	100000	150000	150000
Apr to Sept, 2018	50000	-	-

Note: In Table-4 (Figure auto populated will be Rs. 150000/- (as per GSTR-1)- needs to be corrected as Rs. 100000/- (as per GSTR-3B) and in Table 10 – Rs. 50000/- to be reported.

Contd.....

4. Turnover in the Books for the period July 2017 to March 2018 does not match with GSTR-1 and GSTR-3B and therefore additional liability has been declared in the period April 2018 to March 2019. However, GSTR-3B and GSTR-1 do not match for individual months but aggregate of GSTR-3B and GSTR-1 matches till March 2019.

Particulars	GSTR-3B	GSTR-1	Books of Accounts
July to March, 2018	100000	75000	150000
Apr to Sept, 2018	50000	75000	-

Note: In Table-4 figure auto populated will be Rs. 75000/- (as per GSTR-1) - needs to be corrected as Rs. 100000/- (as per GSTR-3B) and Rs. 50000/- (as per GSTR-3B) to be reported in Table -10.

Contd.....

5. Turnover in the Books for the period July 2017 to March 2018 does not match with GSTR-1 and GSTR-3B. GSTR-3B and GSTR-1 do not match for individual months and although GSTR-1 on an aggregate matches with Books of Accounts but there is an additional liability to be paid in GSTR-3B.

Particulars	GSTR-3B	GSTR-1	Books of Accounts
July to March, 2018	100000	75000	150000
Apr to Sept, 2018	35000	75000	-
Balance Liability	15000	-	-

Note: In Table-4 figure auto populated will be Rs. 75000/- (as per GSTR-1) needs to be changed to Rs. 100000/- (as per GSTR-3B) and Rs. 15000/- will also be added as an additional liability to be paid through DRC-03. Further, Rs. 35000/- will be reported in Table-10 (as per GSTR-3B).

Q. Value of taxable supply pertaining to **February 2018** amounting to Rs 100,000/- with IGST of Rs 5,000/- was **identified after March 2019**.

Ans. Since the taxable value pertains to FY 17-18 and it has not been reported through GSTR-3B in FY 18-19, **the said skipped amount should be reported in Table 4** and shown as **tax payable in Table 9**. This tax payable amount needs to be discharged through DRC-03 in cash.

5. DETAILS OF **OUTWARD SUPPLIES** MADE DURING THE FINANCIAL YEAR ON WHICH TAX IS **NOT PAYABLE**

A	Zero rated supply (Export) without payment of tax	GSTR-1	Table- 6A			
B	Supply to SEZs without payment of tax	GSTR-1	Table- 6B			
C	Supplies on which tax is to be paid by the recipient on reverse charge basis	GSTR-1	Table-4B	DN & CN to be	Mentioned separately	Below.
D	Exempted (High Sea Sales)-Next Slide Sale from Custom Bonded warehouse Interest Income	GSTR-1 Circular	Table- 8 3/1/2018 -	(A,B,C,D) IGST	25/05/18	
E	Nil Rated (For Goods-No nil rated) For services – NN11/2017-CT (R) dt.	GSTR-1 28.06.17	Table-8	(A,B,C,D)		
F	Non GST supply (includes 'no supply'-Schdule III)	GSTR-1	Table-8	(A,B,C,D)		
G	sub- total (A to F above)					
H	Credit Notes issued in respect of (-) transactions specified in A to F above	GSTR-1	Table- 9B			

- Please note that **interest income** is also **exempt** income but for reversal requirement under this rule, the same would not be considered as exempt income as per the amendment to Explanation in Rule 43 vide NN 3/2018-CT dated **Jan 23, 2018**.
- **But, until Jan 22, 2018, interest would continue to be regarded as exempt supply for purposes of calculating reversal of common credits.**

HIGH SEA SALES

- Circular No. 33/ 2017-Customs, dated Aug 30, 2017, has clarified that IGST on high sea-sale(s) transactions of imported goods, whether one or multiple, shall be levied and collected only at the time of importation.
- Therefore, there would be no levy of IGST on such transactions in terms of proviso to section 5(1) which says that integrated tax on goods imported into India shall be levied and collected at the point when duties of customs are levied on the said goods under section 12 of Customs Act.
- **But the question that arises is where to report the turnover of high sea sale transactions because there is no levy of GST on such transactions.**
- **High sea sale transactions may be reported as Exempted in Table No. 5D.**

Contd.....

ITC on Inward Supply used for High Sea Sales:

- It is important to note that amendment made by CGST Amendment Act, 2018 in Schedule III read with Section 17 of CGST Act is prospective and applicable from 1st Feb, 2019 only
- which provides that **High Sea Sales shall not be considered as exempted supply for reversal of common inputs,**
- **Therefore for FY 2017-18 it may be reported as exempted supply and common inputs be reversed by taking a balanced and conservative view.**

I	Debit Notes issued in respect of transactions specified in A to F above (+)	GSTR-1	Table- 9B			
J	Supplies declared through Amendments (-)	GSTR-1	Table- 9A & 9C			
K	Supplies reduced through Amendments(-)	GSTR-1	Table – 9A & 9C			
L	Sub- Total (H to K above)					
M	Turnover on which tax is not to be paid (G+L above)					
N	Total Turnover (including advances) (4N+5M-4G(inward supply under RCM above))					

PT. III DETAILS OF ITC AVAILED DURING THE FINANCIAL YEAR

TABLE: 6

A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)		<Auto>	<Auto>	<Auto>	<Auto>
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs Capital Goods Input Services	GSTR-3B	Table-4(A)(5)	Eligible ITC	
C	Inward supplies received from unregistered persons liable to reverse charges (other than B above) on which tax is paid & ITC availed.	Inputs Capital Goods Input Services	GSTR-3B	Table-4(A)(3)		
D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	Inputs Capital Goods Input Services	GSTR-3B	Table-4(A)(3)		
E	Imports of goods (including supplies from SEZs) Including IGST claimed in 2018-19 for 2017-18 (See Table 8H)	Inputs Capital Goods	GSTR-3B	Table-4(A)(1)		
F	Import of services (excluding inward supplies from SEZs)		GSTR-3B	Table-4(A)(2)		
G	Input Tax credit received from ISD		GSTR-3B	Table-4(A)(4)	Contd	

H	Amount of ITC reclaimed (other than B above) under the provisions of the Act	Payment made	Beyond 180 days		
I	Sub-total (B to H above)				
J	Difference (I-A above)				
K	Transition credit through TRAN-I (including revisions if any)	From	Electronic	Credit	Ledger
L	Transition Credit through TRAN-II	From	Electronic	Credit	Ledger
M	Any other ITC availed but not specified above	Form ITC-01	& ITC-New	02 - regn.	Sale, merger
N	Sub-total (K to M above)				
O	Total ITC availed (I + N above)				

7. DETAILS OF **ITC REVERSED** AND **INELIGIBLE** ITC FOR THE FINANCIAL YEAR

A	As per Rule 37	For non-payment	Within 180 days		
B	As per Rule 39	ITC of ISD			
C	As per Rule 42	Reversal of ITC	On Inputs or	Input services	
D	As per Rule 43	Reversal of ITC	On Capital	Goods	
E	As per section 17(5)	Blocked Credits	For Motor Car ,	Food & Beverages	Construction Services
F	Reversal of TRAN-I credit				
G	Reversal of TRAN-II credit				
H	Other reversals (pl. specify)	Form ITC-03	Regd. Person	Opting	Composition etc.
I	Total ITC Reversed (Sum of A to H above)				
J	Net ITC Available for Utilization (60 – 7I)				

8. OTHER ITC RELATED INFORMATION

A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<Auto>	<Auto>	<Auto>	<Auto>
B	ITC as per sum total of 6(B) and 6(H) above	<Auto>	<Auto>	<Auto>	<Auto>
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to September, 2018 (Now upto 20.04.2019 in March 2019 return)				
D	Difference [A-(B+C)]	<Auto>	<Auto>	<Auto>	<Auto>
E	ITC available but not availed				
F	ITC available but ineligible				
G	IGST paid on import of goods (including supplies from SEZ)				
H	IGST credit availed on import of goods (as per 6(E) above)	<Auto>	<Auto>	<Auto>	<Auto>
I	Difference (G-H)	<Auto>	<Auto>	<Auto>	<Auto>
J	ITC available but not availed on import of goods (Equal to I)	<Auto>	<Auto>	<Auto>	<Auto>
K	Total ITC to be lapsed in current financial year (E + F + J)	<Auto>	<Auto>	<Auto>	<Auto>

Ques. Whether reversal not made in the year 2017-18 can be declared in GSTR-9?

Ans. Yes, reversal not made in the Year 2017-18 for any reason can be made in GSTR-9 along with due interest.

Ques. It might also be possible that Input Tax Credit on import of goods was Inadvertently shown under the heading All other ITC in GSTR-3B. What should be done in such case?

Ans. One has to show correct figure in GSTR-9. Therefore, even if some credit has been Inadvertently shown in “All other ITC”, but it should be shown under Import of Goods in GSTR-9.

Ques. What would be the case wherein Blocked credit was not shown under “All other ITC” and then reversed but was straightaway shown under the Column “Ineligible Credit”. What is the treatment required in Table 7?

Ans: Since the amount has not been added in the Input Tax Credit, therefore no treatment is required under Table 7 and such amount is to be directly declared in Table 8F.

Ques. It might be possible that in some cases, ITC was available but since the amount was very small, therefore such amount was shown in Exempted Purchases in GSTR-3B. What would be the treatment of ITC in such cases?

Ans. In such cases, no treatment would be required in Table 6 or Table 7. However, such ITC would have to be shown under ITC Available but not availed in Table 8E.

Ques. It might be possible that a person is engaged in making exclusively exempted supplies and has not claimed any credit on inward supplies and has shown the entire inward supplies under Exempted Inward Supplies in GSTR-3B? What would be the treatment in GSTR-9?

Ans. In such cases, no treatment would be required in Table 6 or table 7. However, such ITC Would have to be shown under ITC Available but ineligible in Table 8F.

Pt. IV		Details of tax paid as declared in returns filed during the financial year					
9	Description	Tax Payable	Paid through cash	Paid through ITC			
				Central Tax	State Tax/ UT Tax	IGST	Cess
	1	2	3	4	5	6	7
TABLE 6.1 OF GSTR-3B FIG. IN COLUMN 2 CAN BE CHANGED	Integrated Tax	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
	Central Tax	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
	State/ UT Tax	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
	Cess	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
	Interest	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
	Late Fee	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
	Penalty	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>
	Other	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>

SUPPLY NOT DECLARED IN R-1 AND 3B FOR 2017-18 IN 2017-18 OR 2018-19-TO BE SHOWN IN TABLE 4 AND TAX IN TABLE 9

Q. Value of taxable supply pertaining to February 2018 amounting to Rs 100,000/- with IGST of Rs 5,000/- was identified after March 2019.

Ans. Since the taxable value pertains to FY 17-18 and it has not been reported through GSTR-3B in FY 18-19, **the said skipped amount should be reported in Table 4** and shown as tax payable in Table 9. This tax payable amount needs to be discharged through DRC-03 in cash.

Pt. V	Particulars of the transactions for the previous FY declared in returns of April to September of current FY or upto date of filing of annual return of previous FY whichever is earlier					
	Description	Taxable Value	Central Tax	State Tax/ UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
10	Supplies/ tax declared through Amendments (+) (net of debit notes)	Table 9A	9B,9C	Of GSTR-1	From Ap18 to	20.04 .19
11	Supplies/ tax reduced through Amendments (-) (net of credit)	....do.....	.....do.....	.....do.....	.....do.....	.....do....
12	Reversal of ITC availed during previous financial year	GSTR-3B	Table 4(B)	Of April 18 to	20.04.19	
13	ITC availed for the previous financial year	GSTR-3B	Table- 4A	Of April18 To	20.04.19	

14	Differential tax paid on account of declaration in 10 & 11 above		
	Description	Payable	Paid
	1	2	3
	Integrated tax		
	Central tax		
	State / UT tax		
	Cess		
	Interest		

Pt. VI	Other Information									
15	Particulars of Demands and Refunds									
	Details	Central Tax	State Tax/ UT Tax	Integrated Tax	Cess	Interest	Penalty	Late Fee/ Othe		
	1	2	3	4	5					
A	Total Refund claimed	total of	all refund	Claims Filed in the						
B	Total Refund sanctioned	Total of	All refund	Sanction Orders						
C	Total Refund Rejected									
D	Total Refund Pending	Total of	All refund	Application For which	Ack	has been	Received	excludin	Provisional	refund
E	Total demand of taxes	Total	Demand	Of	Taxes for	Which	Order	Issued		
F	Total taxes paid in respect of E above									

16	Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis					
	Details	Taxable Value	Central Tax	State Tax/ UT Tax	Integrated Tax	Cesses
	1	2	3	4	5	6
A	Supplies received from Composition taxpayers					
B	Deemed supply under Section 143	From	Principal	To Job	worker	
C	Goods sent on approval basis but not returned(Jewellery,FMCG)	where	goods were	Not returned	within 180 days	

17	HSN Wise Summary of outward supplies								
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	Central Tax	State Tax/ UT Tax	Intrgrated Tax	Cess	
1	2	3	4	5	6	7	8	9	
	.....	See next slide.....		GSTR- 1	Table 12			
18	HSN Wise Summary of Inward supplies								
HSN Code	UQC	Total Quantity	Taxable Value	Rate of Tax	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
1	2	3	4	5	6	7	8	9	
	.....	See next slide		For 10%	Or more of	Inward	Supply	
19	Late fee payable and paid (if annual return is filed after the due date)								
	Description					Payable		Paid	
	1					2		3	
A	Central Tax								
B	State Tax								

NOTES FOR HSN SUMMARY TABLE :17 & 18

- Summary of supplies **effected and received** against a particular HSN code to be reported only in this table.
- It will be **optional** for taxpayers having annual turnover **upto Rs. 1.50 Cr. .**
- It will be **mandatory** to report HSN code at **two digits** level for taxpayers having annual turnover in the preceding year **above Rs. 1.50 Cr. but upto Rs. 5.00 Cr**
- **UQC** details to be furnished only for **supply of goods.**
- **Quantity** is to be reported **net of returns.**
- Table 12 of FORM GSTR-1 may be used for filling up details in Table 17.
- It may be noted that this summary details are required to be declared only for **those inward supplies** which in value independently account for **10% or more of the total value of inward supplies.**

ISSUES

INCORRECT TAX RATE APPLIED IN INVOICE

- a) It is possible that incorrect tax rates may have been applied due to incorrect application of HSN at the time of raising of invoices.
- In such situations, Debit / Credit note may have been (or ought to be) issued.
 - If such errors are **rectified in GSTR 1** upto the return for the month of September (for Financial year 2017-18 month of March 2019) of the subsequent financial year, then the **rectified amounts would be reported here.**
 - If the errors are noticed after the filing of GSTR 1 for the month of September, then the **amounts which have actually been reported pertaining to the year 2017-18 would be given here.**

ILLUSTRATION

Effective from July 2017, a person had classified 'Bed and Bath Towels' into the HSN code A and had taken the rate of 18% prevailing at that time.

- However, upon reconsideration and taking of legal opinion, such products were reclassified into HSN code B which was taxable at the rate of 28% in the month of July 2017.
- Such reclassification was done in GSTR 1 for the month of April 2018 for all such products supplied from the month of July 2017 and the additional tax liability was discharged accordingly.
- In this case, the revised HSN code of 3307 should be reported in Table 17.

Contd....

In the above illustration, if the detection of the requirement of reclassification had occurred in the month of April 2019 after the filing of GSTR 1 for the month of March 2019 ,

- then such detection cannot result in any reclassification in the Annual return. HSN code of A would be continued to be taken as they had been reported as such for the period 2017-18 till the filing of GSTR 1 for the month of March 2019.

Disputes with regard to the classification

- (b) If there are disputes with regard to the classification of a particular nature of supply into different rates.
- This may be due to a **classification dispute** with regard to the **applicable HSN code** or
- the **identification** of a particular supply into **composite or mixed or standalone supply**.
- **In such cases, the rates and classification as depicted in the GST returns should be reported here.**

ILLUSTRATION

HSN code 3003 considers only items of medicament and HSN code 3306 considers preparation of oral or dental hygiene. Let us assume that there is dispute about a particular product 'Dentogum Toothpaste' being classified under HSN code '3003' or '3306'.

Situation 1: Conflict of opinion between the Auditor and taxpayer for particular HSN

A registered Person has applied HSN 3003 for the item 'Dentogum Toothpaste'. However, as per opinion of the Auditor, correct HSN for the supply should be HSN 3306 because the said product is not perceived as a medicament in the common parlance by the general public. In spite of the Auditor's disagreement, the HSN code 3003 which has actually been applied by the Registered Person should be reported in the annual return.

Situation 2: HSN code used by the vendor is different to the HSN used by the taxpayer

A registered person had procured 'Dentogum Toothpaste' using HSN code 3003.

- However, the taxpayer had used the HSN code 3306 for the said product as he was of the opinion that the said product is not perceived as a medicament in the common parlance by the general public.
- HSN code 3306 which was actually reported by the taxpayer in his outward supplies would be taken for the purpose of Table 17.
- **The HSN heading according to the recipient at the time of procurement would be immaterial except when tax is payable on reverse charge.**

Contd.....

SUMMARY OF INWARD SUPPLIES (TEDIOUS TASK)

A person dealing in specific goods and / or services is generally aware of the HSN of these goods and /or services.

- However, when it comes to **expenses** (relatable to profit and Loss account / income and expenditure account), this may become a very **tedious task**.
- This is because, the data with regard to inward supplies may not be as easily available and further, the entity which is receiving inward supplies of goods or services **may not be fully aware of the classification of these products**.
- In respect of the goods which are bought from Registered Persons who have disclosed the HSN of their goods and / or services, it is still possible to capture them based on the invoice issued. **Contd.....**

- In respect of the **invoices issued by unregistered Persons**, the recipient would need to **identify each and every good/service and classify them appropriately**.
- This would especially be **difficult to identify at the end of the year** because the HSN of such inward supplies may not have been disclosed in the GST returns as well.
- As a result, quite a substantial number of businesses may not have maintained the HSN-wise records for the purposes of reporting here.
- Thereby, some of the issues faced with regard to reporting of HSN-wise inward supplies which would be **in addition to the issues already covered under HSN-wise outward supplies** are as below:

Contd.....

- a) A typical business is usually in receipt of various kinds of inward supplies. As the types of inward supplies received are numerous, correctly reporting these can be a very arduous (**tough**) task.
- b) Even within a particular ledger head like Printing and Stationery, innumerable HSN codes can be reported within it. For instance, certain Pens can be classified under HSN 9608, certain pencils under 9609, paper of a particular quality under 4802 and services of printing under 9989.

These are only illustrative heads and the actual classification may be far beyond this.


Contd.....

(c) Businesses are aware of the goods/services they deal in. However, to be able to find out the HSN of the goods or services which are supplied by the vendor to the supplier may involve substantial efforts on their part.

- Correct classification in some cases can be extremely difficult.
- The fact that several disputes relating to classification had to be settled by the Supreme Court supports this view.



PAYMENT OF ADDITIONAL LIABILITY- DRC-03:

- 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 “Annual Return” in the drop down provided in FORM DRC-03 .
 - It may be noted that such liability **can be paid through electronic cash ledger only.**
- 

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 and in case of any **reduction in output tax liability** the **benefit** thereof has been/ will be **passed on to the recipient of supply**.

Place

Signature

Signatory

Name of Authorised

Date

Designation / Status

CASE STUDY NO. 1

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)	
TURNOVER	TAX
1,00,000/-	18,000/-

	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	1,00,000/-		1,00,000/-	
TAX	18,000/-		18,000/-	

GSTR FORM-9	TURNOVER	TAX
TABLE 4	1,00,000/-	18,000/-
TABLE 10		
TABLE 11		

CASE STUDY NO. 2

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)				
TURNOVER		TAX		
1,00,000/-		18,000/-		
	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER		1,00,000/-		1,00,000/-
TAX		18,000/-		18,000/-
GSTR FORM-9	TURNOVER		TAX	
TABLE 4				
TABLE 10	1,00,000/-		18,000/-	
TABLE 11				

CASE STUDY NO. 3

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)				
TURNOVER		TAX		
1,00,000/-		18,000/-		
	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	80,000/-	20,000/-	80,000/-	20,000/-
TAX	14,400/-	3,600/-	14,400/-	3,600/-
GSTR FORM-9	TURNOVER		TAX	
TABLE 4	80,000/-		14,400/-	
TABLE 10	20,000/-		3,600/-	
TABLE 11				

CASE STUDY NO. 4

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)	
TURNOVER	TAX
1,00,000/-	18,000/-

	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	80,000/-			
TAX	14,400/-			

GSTR FORM-9	TURNOVER	TAX
TABLE 4	1,00,000/-	18,000/-
TABLE 10		
TABLE 11		

Pay Rs. 3,600/- plus interest through DRC-03

CASE STUDY NO. 5

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)	
TURNOVER	TAX
1,00,000/-	18,000/-

	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER				
TAX				

GSTR FORM-9	TURNOVER	TAX
TABLE 4	1,00,000/-	18,000/-
TABLE 10		
TABLE 11		

Pay Rs. 18,000/- plus interest through DRC-03

CASE STUDY NO. 6

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)	
TURNOVER	TAX
1,00,000/-	18,000/-

	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	90,000/-		1,00,000/-	
TAX	16,200/-		18,000/-	

GSTR FORM-9	TURNOVER	TAX
TABLE 4	1,00,000/-	18,000/-
TABLE 10		
TABLE 11		

Pay Rs. 1,800/-plus interest through DRC-03

CASE STUDY NO. 7

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)	
TURNOVER	TAX
1,00,000/-	18,000/-

	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	90,000/-	10,000/-	1,00,000/-	
TAX	16,200/-	1,800/-	18,000/-	

GSTR FORM-9	TURNOVER	TAX
TABLE 4	90,000/-	16,200/-
TABLE 10	10,000/-	1,800/-
TABLE 11		

CASE STUDY NO. 8

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)					
TURNOVER		TAX			
1,00,000/-		18,000/-			
		AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19	
TURNOVER	1,00,000/-		1,10,000/-		
TAX	18,000/-		19,800/-		
GSTR FORM-9		TURNOVER		TAX	
TABLE 4		1,00,000/-		18,000/-	
TABLE 10					
TABLE 11					

CASE STUDY NO. 9

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)					
TURNOVER		TAX			
1,00,000/-		18,000/-			
		AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19	
TURNOVER	1,00,000/-		1,00,000/-		
TAX			18,000/-		
GSTR FORM-9		TURNOVER		TAX	
TABLE 4		1,00,000/-		18,000/-	
TABLE 10					
TABLE 11					

Pay Rs. 18,000/- plus interest through DRC-03

CASE STUDY NO. 10

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)				
TURNOVER		TAX		
1,00,000/-		18,000/-		
	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	1,10,000/-	-10,000/-	1,00,000/-	
TAX	19,800/-	-1,800/-	18,000/-	
GSTR FORM-9		TURNOVER	TAX	
TABLE 4		1,10,000/-	19,800/-	
TABLE 10				
TABLE 11		-10,000/-	-1,800/-	

CASE STUDY NO. 11

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L & BALANCE SHEET)				
TURNOVER		TAX		
1,00,000/-		18,000/-		
	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	1,10,000/-		1,00,000/-	
TAX	19,800/-		18,000/-	
GSTR FORM-9		TURNOVER	TAX	
TABLE 4		1,00,000/-	18,000/-	
TABLE 10				
TABLE 11				

Since 19,800/- deposit in GSTR 3B and not corrected and hence cannot claim refund through Annual Return and hence it will lapse.

CASE STUDY NO. 12

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)				
TURNOVER		TAX		
1,00,000/-		18,000/-		
	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	60,000/-	50,000/-	1,00,000/-	
TAX	10,800/-	9,000/-	18,000/-	
GSTR FORM-9		TURNOVER		TAX
TABLE 4		50,000/-		9,000/-
TABLE 10		50,000/-		9,000/-
TABLE 11				

Since 19,800/- deposit in GSTR 3B and not corrected and hence cannot claim refund through Annual Return and hence it will lapse.

CASE STUDY NO. 13

AS PER BOOKS OF ACCOUNTS 2017-18 (AUDITED BALANCE SHEET)				
TURNOVER		TAX		
1,00,000/-		18,000/-		
	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	60,000/-	50,000/-	60,000/-	50,000/-
TAX	10,800/-	9,000/-	10,800/-	9,000/-
GSTR FORM-9		TURNOVER		TAX
TABLE 4		50,000/-		9,000/-
TABLE 10		50,000/-		9,000/-
TABLE 11				

Since 19,800/- deposit in GSTR 3B and not corrected and hence cannot claim refund through Annual Return and hence it will lapse.

CASE STUDY NO. 14

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)					
TURNOVER		TAX			
1,00,000/-		18,000/-			
		AS PER GSTR-3B		AS PER GSTR-1	
		2017-18	2018-19	2017-18	2018-19
TURNOVER		40,000/-	50,000/-	40,000/-	50,000/-
TAX		10,800/-	9,000/-	7,200/-	9,000/-
GSTR FORM-9		TURNOVER		TAX	
TABLE 4		50,000/-		9,000/-	
TABLE 10		50,000/-		9,000/-	
TABLE 11					

Since 19,800/- deposit in GSTR 3B and not corrected and hence cannot claim refund through Annual Return and hence it will lapse.

CASE STUDY NO. 15

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)					
TURNOVER		TAX			
1,00,000/-		18,000/-			
		AS PER GSTR-3B		AS PER GSTR-1	
		2017-18	2018-19	2017-18	2018-19
TURNOVER		40,000/-	50,000/-	40,000/-	50,000/-
TAX		10,800/-	7,200/-	7,200/-	9,000/-
GSTR FORM-9		TURNOVER		TAX	
TABLE 4		50,000/-		10,800/-	
TABLE 10		50,000/-		9,000/-	
TABLE 11				-1,800/-	

Since excess tax deposit in 2017-18 is reduced in 2018-19 in GSTR 3B and hence reflection in Annual return would be as above.

CASE STUDY NO.16

AS PER BOOKS OF ACCOUNTS 2017-18 (P&L A/c and BALANCE SHEET)				
TURNOVER		TAX		
1,00,000/-		18,000/-		
	AS PER GSTR-3B		AS PER GSTR-1	
	2017-18	2018-19	2017-18	2018-19
TURNOVER	50,000/-	50,000/-	50,000/-	50,000/-
TAX	9,000/-	7,200/-	9,000/-	9,000/-
GSTR FORM-9	TURNOVER		TAX	
TABLE 4	50,000/-		9,000/-	
TABLE 10	50,000/-		9,000/-	
TABLE 11				

Deposit Rs. 1,800/-plus interest through DRC-03.

Form 9A FOR COMPOSITION TAX PAYERS

IMPORTANT INSTRUCTIONS

1. The details for the period between **July 2017 to March 2018** are to be provided in the Annual return for 2017-18
2. It is **mandatory** to file all Form **GSTR-4** for the financial year 2017-18 **before filing the Annual return.**
3. The **additional liability** for the F.Y. 2017-18 not declared in Form GSTR-4 **may be declared in the Annual return.**
4. At the end of the Annual return an **option to pay any additional liability** declared in the Annual return in **Form DRC-03** is available and the taxpayer can select “Annual return” in the drop down provided in Form DRC-03
5. The **additional liability** can be **paid by cash only** in Form DRC-03 and cannot be adjusted against ITC.

ANNUAL RETURN (FOR COMPOSITION TAXPAYER)

Pt. 1	Basic Details	
1	Financial Year	
2	GSTIN	
3A	Legal Name	<Auto>
3B	Trade Name	<Auto>
4	Period of composition scheme during the year (From To.....)	
5	Aggregate Turnover of Previous Financial Year	

Pt. II	Details of Outward and inward supplies made during the financial year						
	Description	Turnover	Rate of Tax	Central Tax	State/UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6	7
6	Details of Outward supplies made during the financial year						
A	Taxable						
B	Exempted, Nil-rated						
C	Total						

7	Details of inward supplies on which tax is payable on reverse charge basis (net of debit/credit notes) for the FY						
	Description	Taxable Value	Central Tax	State Tax/ UT Tax	Integrated Tax	Cess	
	1	2	3	4	5	6	
A	Inward supplies liable to reverse charge received from registered persons						
B	Inward supplies liable to reverse charge received from unregistered persons						
C	Import of services						
D	Net Tax Payable on (A), (B) and © above						

8	Details of other inward supplies for the financial year						
A	Inward supplies from registered persons (other than 7A above)						
B	Import of Goods						

Pt. III	Details of tax paid as declared in returns filed during the financial year		
9	Description	Total Tax Payable	Paid
	1	2	3
	Integrated Tax		
	Central Tax		
	State/ UT Tax		
	Cess		
	Interest		
	Late Fee		
	Penalty		

Pt. IV	Particulars of the transactions for the previous FY declared in returns of April to September of current FY or upto date of filing of annual return of previous FY whichever is earlier					
	Description	Turnover	Central Tax	State Tax/UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
10	Supplies/tax (outward) declared through Amendments (+) (net of debit notes)					
11	Inward supplies liable to reverse charge declared through Amendments (+)(net of debit notes)					
12	Supplies/tax (outward) reduced through Amendments -(net of credit notes)					
13	Inward supplies liable to reverse charge reduced through Amendments -(net of credit notes)					

Differential tax paid on account of declaration made in 10,11,12 & 13			
14	Description	Payable	Paid
	1	2	3
	Integrated Tax		
Central Tax			
State/UT Tax			
Cess			
Interest			

Pt. V	Other Information							
15	Particulars of Demands and Refunds							
	Description	Central Tax	State Tax/ UT Tax	Integrated Tax	Cess	Interest	Penalty	Late Fee/ Others
	1	2	3	4	5	6	7	8
A	Total Refund Claimed							
B	Total Refund sanctioned							
C	Total Refund Rejected							
D	Total Refund Pending							
E	Total demand of taxes							
F	Total taxes paid in respect of E above							
G	Total demands pending out of E above							

16	Details of credit reversed or availed					
	Description	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
	1	2	3	4	5	
A	Credit reversed on opting in the composition scheme (-)					
B	Credit availed on opting out of the composition scheme (+)					
17	Late fee payable and paid					
	Description	Payable	Paid			
	1	2	3			
A	Central Tax					
B	State/ UT Tax					

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 and in case of any reduction in output tax liability the benefit thereof has been/ will be passed on to the recipient of supply.

Place

Date

Signature

Name of Authorised Signatory

Designation/ Status

PRESS RELEASE

- Information contained in FORM GSTR-2A as on 01.05.2019 shall be auto-populated in Table 8A of FORM GSTR-9.
- Input tax credit on inward supplies shall be declared from April 2018 to March 2019 in Table 8C of FORM GSTR-9.
- 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.

- 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 GSTR3B between April 2018 to March 2019 then such supply shall be declared in Pt. V of FORM GSTR-9.

- 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.

- 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.

- 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.

- 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.
1. All the taxpayers are requested to file their Annual Return (FORM GSTR-9) at the earliest to avoid last minute rush.

CLARIFICATION BY GSTN TEAM RECEIVED ON 14/06/2019

(A) Relating to Annual Return Form GSTR 9:

- i. Auto-population of ITC figures in Table 8A of Form GSTR-9 based on Form GSTR-2A: Some taxpayers have reported that figures of Input Tax Credit (ITC), as pre-populated in table 8A of Form GSTR-9, do not match with the figures as appearing in their Form GSTR-2A. Please note that this may happen due to following reasons:

a) Figures in GSTR-2A are auto populated based on **filed/ saved / submitted** Form GSTR-1 of the supplier taxpayer. But figures in table 8A of Form GSTR-9 are auto-populated **only** on the basis of **filed** Form GSTR-1 by the supplier taxpayer. In case, Form GSTR -1 is not filed by your supplier, then credit related to those invoices will not appear in table 8A of your Form GSTR-9.

➤ Figures in table 8A of Form GSTR 9 are auto populated **only** for those Form GSTR-1, **which are filed** by the supplier taxpayer by **due date of its filing i.e. 30th April, 2019**. Thus, ITC on supplies of the financial year 2017-18, if reported beyond 30th April, 2019, will not get auto-populated in table 8A of Form GSTR-9 but it will be available in Form GSTR-2A.

- In table 8A of Form GSTR-9, only latest values have been auto-populated based on filed Form GSTR-1, taking into account all the amendments made, if any. Suppose an invoice with taxable value of Rs 100/- with tax of Rs. 18/- was filed in Form GSTR-1 in the month of January, 2018 and same was amended to Rs 90 as taxable value in the month of March, 2018, then:
 - ❑ the Form GSTR-2A of January, 2018 will show ITC of Rs. 18
 - ❑ the Form GSTR-2A of March, 2018 will show ITC of Rs 16.20 &
 - ❑ the table 8A of Form GSTR-9 will contain ITC of Rs 16.20.

- In table 8A of Form GSTR-9, ITC related to all such invoices have been excluded in which place of supply lies in supplier's taxpayers State, instead of State of the receiver taxpayer. These figures will be shown in Form GSTR-2A of the recipient. For example if a taxpayer of State A visits State B and stays in a hotel in State B, the tax paid by him to the hotel in State B will appear in his Form GSTR-2A, but the same will not be reflected in table 8A of Form GSTR-9.
- The Figures in table 8A of Form GSTR-9 do not contain ITC for the period during which the recipient taxpayer was under composition scheme.

- **Proceed to File button not enabled:** While filing Form GSTR 9 'Proceed to File' button will be enabled only if 'Compute Liability' is clicked. This button is meant for computation of late fees only. 'Preview Draft GSTR 9 PDF' button is clicked to view the filled up information. Thereafter on checking the declaration box and selecting the authorized signatory details, user has to click on 'File' button to file the return. Please note Form GSTR 9 once filed cannot be revised.

*Thank
you*



CA H L MADAN

Mobile: 9312238908 / Email: madanhl06@rediffmail.com