

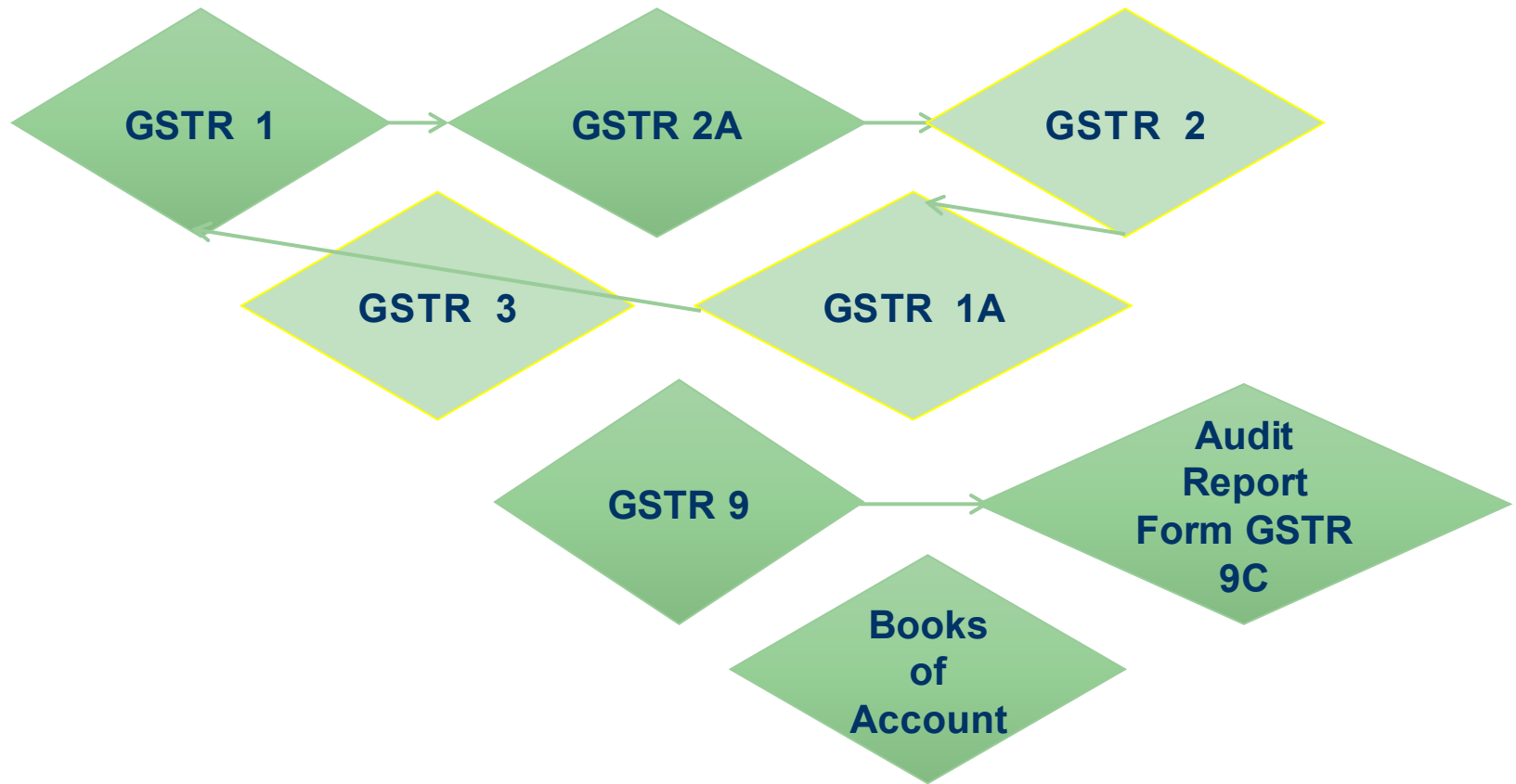
GST ANNUAL RETURN – ANALYSIS & ISSUES

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WIRC of ICAI

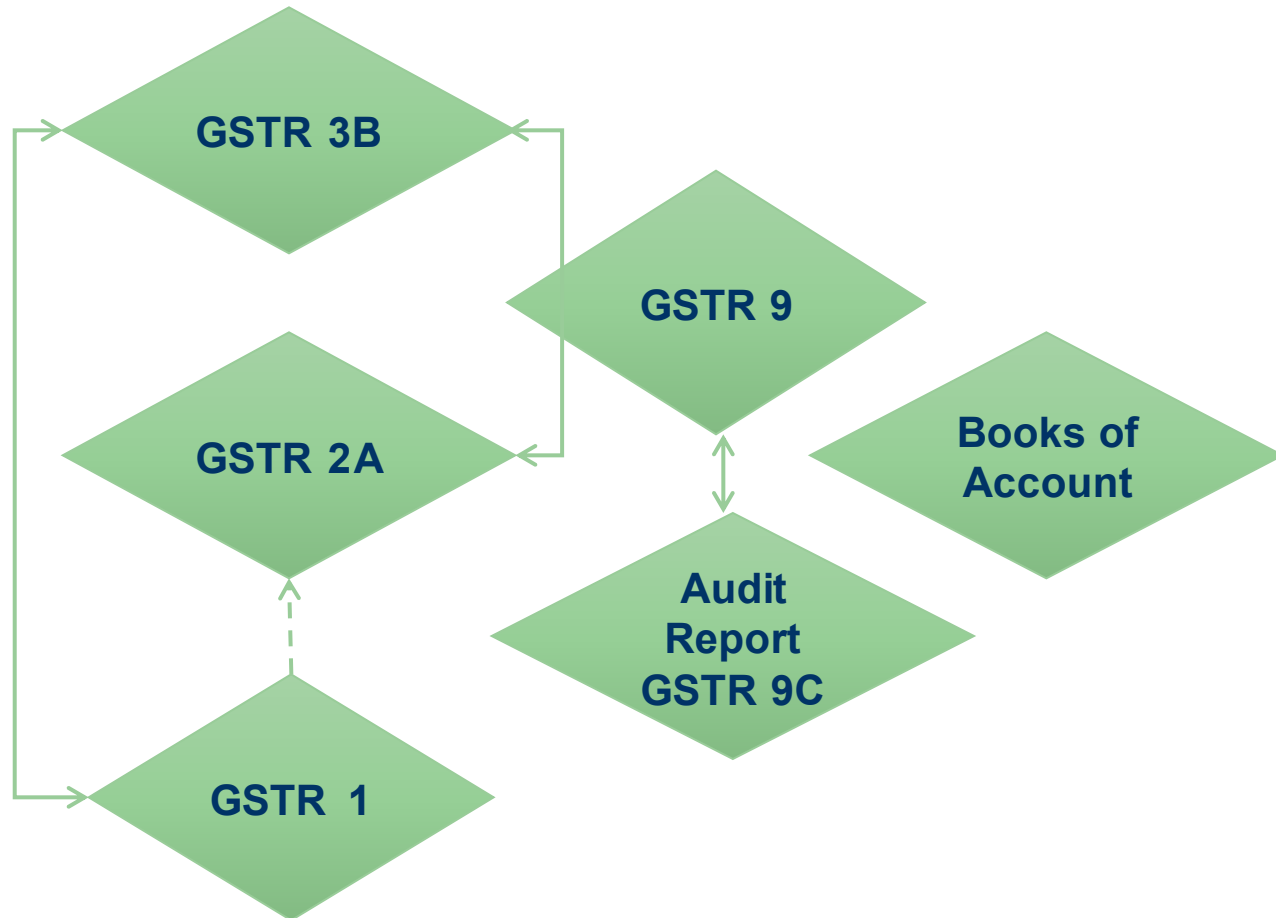
10th June, 2019

- CA Pranav Kapadia

Original GST Compliance Landscape



Current GST Compliance Landscape



SECTION -1

GST ANNUAL RETURN

GST Annual Return

- ➔ Persons required to file Annual Return
- ➔ Different types of Annual Return
- ➔ Format of Annual Return
- ➔ Time limit





Persons required to file Annual Return

Section 44(1) of CGST Act, 2017

To whom it applies?

- Every Registered person is required to furnish Annual Return every Financial year – On or Before 31st December of the end of such FY
- For FY 17-18 - Due date extended to 30th June,2019- Press Release dated 22-12-18



Exceptions for filing Annual Return

Casual Taxable Person

Input Service Distributor

Non Resident Taxable Person

Person paying TDS (Section 51)

Person collecting TCS (Section 52)



Types of Annual Return/Annual Statement/Reconciliation Statement

GSTR 9 – Annual Return - Registered Persons (Other than those opting for Composition)

GSTR 9A – Annual Return - Registered Persons opting for Composition

GSTR 9B – Annual Statement - E-commerce operators required to collect tax at source.

GSTR 9C – Reconciliation Statement - Registered Persons whose Aggregate Annual Turnover exceeds Rs. 2 crores



Format of GST Annual Return

Notification No. 74/2018 dated 31-12-18

Form GSTR-9 is divided into 6 parts:

Part-1: Basic details

Part-2: Details of Outward and Inward Supplies made during the FY

Part-3: Details of ITC for the FY

Part-4: Details of tax paid as declared in Returns filed during the FY

Part-5: Details of previous FY declared in Apr-Sept of current FY or upto the date of filing of GSTR 9 of previous FY whichever is earlier.

Part-6: Miscellaneous Information

Instructions



- Mandatory to file all your **FORM GSTR-1** and **FORM GSTR-3B** for the FY 2017-18 before filing this return.
- The details for the period between July 2017 to March 2018 are to be provided in this return.
- Additional liability for the FY 2017-18 not declared in **FORM GSTR-1** and **FORM GSTR-3B** may be declared in this return.
- However, taxpayers cannot claim input tax credit unclaimed during FY 2017-18 through this return.
- Part II consists of the details of all outward supplies & advances received during the financial year for which the annual return is filed.
- **It may be noted that all the supplies for which payment has been made through FORM GSTR-3B between July 2017 to March 2018 shall be declared in this part. (Added in Instruction No. 4)**

Clarifications as per Press Release dtd.04-06-19

- 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**.

Clarifications as per Press Release dtd.04-06-19

- 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**.
- 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**

Clarifications as per Press Release dtd.04-06-19

- 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

Part I – Basic Details

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



Part 2 - Details of Outward & Inward Supplies made during the FY

- Previous heading for Part 2 was – “**Details of outward supplies and inward supplies declared during the financial year**”
- In the subsequent slides mapping of details required to be submitted in GSTR-9 is mapped
- Outward Supplies – w.r.t. Tables in GSTR-1
- ITC (Inward Supplies) – w.r.t. Tables in GSTR-3B
- Kindly refer Instructions provided in the GSTR-9 for details.
- **Table 4 old heading** – Details of Advances, Inward and Outward Supplies on which tax as declared in the returns filed during the FY
- **Table 4 new heading** – Details of Advances, Inward and Outward Supplies made during the FY on which tax is payable
- Total Taxable Value & Total Tax/Cess amounts to be submitted – No column for Rate wise bifurcation

Part 2 Table 4 - Details of Advances, Inward and Outward Supplies made during the FY on which tax is payable

4 Details of advances, inward and outward supplies made during the financial year on which tax is payable

A	Supplies made to un-registered persons (B2C)	4A: Interstate B2CL [5A+5B E-com.]+ Other B2C [7A(1)+7B(1)]-Net of DN/CN + 10A + 10B
B	Supplies made to registered persons (B2B)	4B: 4A + 4C Gross excluding DN/ CN
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)	4C: 6A Gross excluding DN/CN
D	Supply to SEZs on payment of tax	4D: 6B Gross excluding DN/CN
E	Deemed Exports	4E: 6C Gross excluding DN/CN
F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)	4F: 11A-11B [Advances against which invoice is not issued during the year i.e. as on 31st March, 2018]

Part 2 Table 4 - Details of Advances, Inward and Outward Supplies made during the FY on which tax is payable

- **Table 4B** - While filing GSTR-1, Table 4A, 4B, 6B, 6C are reported together. Thus, it will be a task in segregating these supplies for reporting separately as per Annual Return requirement
- **Table 4E** - Not. 48/2017 dated. 18/10/17 prescribes foll. Supplies as deemed exports:-
 - Supply of goods by a registered person against Advance Authorisation
 - Supply of capital goods by a registered person against Export Promotion Capital Goods Authorisation.
 - Supply of goods by a registered person to Export Oriented Unit.
 - Supply of gold by a bank or Public Sector Undertaking specified in the Notification No. 50/2017-Customs, dated the 30th June, 2017 (as amended) against Advance Authorisation.

Pt.2-Table 4 – Details of Advances, Inward and Outward Supplies on which tax is payable made during the FY

G	Inward supplies on which tax is to be paid on reverse charge basis
H	Sub-total (A to G above)
I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)
J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)
K	Supplies / tax declared through Amendments (+)
L	Supplies / tax reduced through Amendments (-)
M	Sub-total (I to L above)
N	Supplies and advances on which tax is to be paid (H + M) above

4G: GSTR-3B [3.1(d)]

4I: 9B

4J: 9B

4K: 9A+9C Differential Amount

4L: 9A+9C Differential Amount

Part 2 Table 4 - Details of Advances, Inward and Outward Supplies made during the FY on which tax is payable

- **Table 4I** – Credit Notes to be reported here excludes financial credit notes. Thus, Credit notes raised in terms of Sec 34 and Credit notes with respect to pre-sale discount needs to be reported here. Reasons for issue of Credit Notes:
 - Rate Difference
 - Goods Return
 - Deficiency in supply of goods/services.
 - Tax charged exceeds tax chargeable on the transaction.
- **Table 4J** - Reasons for issuing Debit Note: Taxable value or tax charged in the tax invoice is found to be less than the taxable value or tax payable in respect of such supply
- **Table 4K** - Differential figure increased due to amendments upto Mar-18 needs to be reported here. Thus, mere correction in GSTIN, Shipping bill, etc need not be reported here.

Pt.2-Table 4 – Details of Advances, Inward and Outward Supplies on which tax is payable made during the FY

4	Details of advances, inward and outward supplies made during the financial year on which tax is payable					
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)					
D	Supply to SEZs on payment of tax					

Remarks

Clarifications – pg.110

Table 4C & 4D- The taxable values and tax payable even though extracted from GSTR 1 should be reconciled with the reporting made under zero rated supplies as per Table 3.1(b) in GSTR 3B.

Eg; Invoice value Rs 100,000 reflected in July 2017 in GSTR 1. Correct invoice value – Rs 1,10,000. Amendment made in August 2017 – Rs 110,000. (Table 9A)
 Amount to be reported in 4C – Rs 100,000.
 Amount to be reported in 4K – Rs 10,000

In case of any valuation differences between books of accounts and the GST returns, the basis for such differences in valuation should be clearly documented.

Pt.2-Table 4 – Details of Advances, Inward and Outward Supplies on which tax is payable made during the FY

4	Details of advances, inward and outward supplies made during the financial year on which tax is payable					
K	Supplies / tax declared through Amendments (+)					
L	Supplies / tax reduced through Amendments (-)					

Remarks

ICAI Technical Guide – pg.131 &134

Declarations of omissions and amendment to declaration already made are permitted in any subsequent month even in the returns of Apr to Sept, 2018. Such declarations and amendments by transposing from one month to another but within 2017-18 must be reported here. Continuation of such declaration and amendments in 2018-19 of data relating to 2017-18 is not permitted in point 4K. It is required to be carried in Pt.V point 10 and 11, as applicable.

(4K and 4L- Credit note issued in April 2018 of Rs. 1,00,000 in respect of interstate supplies made to Registered Persons in January 2018 for Rs. 3,00,000. Since the credit note was issued after March 2018, Rs. 1,00,000 will not be allowed as reduction in value in 4K and 4L. It will be reported in Part V of the annual return.

Pt.2-Table 4 – Details of Advances, Inward and Outward Supplies on which tax is payable made during the FY

4	Details of advances, inward and outward supplies made during the financial year on which tax is payable					
K	Supplies / tax declared through Amendments (+)					
L	Supplies / tax reduced through Amendments (-)					

Sr.

Particulars

Remarks

Common error – Page 134 to page 135

- The net effect from the amendment should only be taken and not the complete invoice value in the amendment value as it will result in incorrectly considering the same data twice.
- Any amendments to the outward supplies under reverse charge, exempted, nil rated and non-GST supplies should not be considered here
- Any amendments made in GSTR-3B and amendments made in the return for the period after March of the relevant financial year will not be captured here.

Pt.2-Table 5 – Details of Outward Supplies on which no tax is payable made during the FY

5	Details of Outward supplies made during the financial year on which tax is not payable
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A	Zero rated supply (Export) without payment of tax
B	Supply to SEZs without payment of tax
C	Supplies on which tax is to be paid by the recipient on reverse charge basis
D	Exempted
E	Nil Rated
F	Non-GST supply (includes 'no supply')
G	Sub-total (A to F above)

5A: 6A Aggregate value of exports excluding supplies to SEZ

5B: 6B Supplies to SEZ

5C: 4B

5F 'No supply' to be included as per Instruction Sheet

Pt.2-Table 5 – Details of Outward Supplies on which no tax is payable made during the FY

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					
B	Supply to SEZs without payment of tax					

Sr.	Particulars	Remarks
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Issue

In Table 5A- Exports without payment of tax is to be reported. GSTR-1 does not categorically bifurcate of Export with payment or without payment of tax.

In Table 5B- Supplies to SEZ without payment of tax to be reported.

Pt.2-Table 5 – Details of Outward Supplies on which no tax is payable made during the FY

5	Details of Outward supplies made during the financial year on which tax is not payable					
F	Non-GST supply (includes 'no supply')					

Sr.	Particulars	Remarks
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ICAI Technical Guide – pg.147&148

Table 5F- Non-GST supply is not defined anywhere in GST law. However, non-taxable supply is defined under section 2(78) of CGST Act which means a supply of goods or services or both which is not leviable to tax under CGST Act or IGST Act. It can be concluded that non-GST supplies is used interchangeably with non-taxable supplies.

GSTR 9 requires the value of “no supply” to be declared in this return. The term ‘no supply’ could mean those supplies which are forming part of Schedule-III which includes activities or transactions to be treated neither as supply of goods nor supply of services.

Eg: Alcohol, Liquor, High sea sales, customs bonded warehouse

Pt.2-Table 5 – Details of Outward Supplies on which no tax is payable made during the FY

H	Credit Notes issued in respect of transactions specified in A to F above (-)
I	Debit Notes issued in respect of transactions specified in A to F above (+)
J	Supplies declared through Amendments (+)
K	Supplies reduced through Amendments (-)
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 above)

5H: 9B Exempted/Nil/ Non GST?

5I: 9B Exempted/Nil/ Non GST?

5J: – 9A & 9C Differential Amount

5K: 9A & 9C Differential Amount

5N: Excluding RCM

Pt.2-Table 5 – Details of Outward Supplies on which no tax is payable made during the FY

5	Details of Outward supplies made during the financial year on which tax is not payable					
H	Credit Notes issued in respect of transactions specified in A to F above (-)					
I	Debit Notes issued in respect of transactions specified in A to F above (+)					

Sr.	Particulars	Remarks
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ICAI Technical Guide – pg.151&152

Table 5H- Credit notes declared in FY 2018-19 in GSTR 1 pertaining to supplies declared in FY 2017-18 shall not be declared here. Such credit notes are to be declared in Part V of GSTR 9 where supplies/ amendments are to be declared net of credit notes.

Table 5I- Debit notes declared in FY 2018-19 in GSTR 1 pertaining to supplies declared in FY 2017-18 shall not be declared here. Such debit notes are to be declared in Part V of GSTR 9 where supplies/ amendments are to be declared net of debit notes.

Part 3 - Details of Input Tax Credit availed during the FY

- **Table 6 - Details of ITC availed during the financial year**
- **Table 7 - Details of ITC Reversed and Ineligible ITC for the financial year**
- **Table 8 - Other ITC related information**
- Central Tax, State/UT Tax, Integrated Tax & Cess Amounts to be submitted
- Bifurcation of ITC on Inputs, Capital Goods and Input services to be submitted



Part 3 - Details of Input Tax Credit availed during the FY

6	Details of ITC availed during the financial year
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A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs
		Capital Goods
		Input Services
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	Inputs
		Capital Goods
		Input Services

6A: 4A Auto populated – July 2017 to March 2018

6B: 4A5 (Inward B2B incl SEZ services to DTA, excl. RCM and imports of goods / services, excluding availed, reversed & reclaimed)

6C: 4A3 [RCM-URP] – Excl. Import of services



Part 3 - Details of Input Tax Credit availed during the FY

6	Details of ITC availed during the financial year		
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	6D: 4A3 [RCM-RP]
E	Import of goods (including supplies from SEZs)	Inputs Capital Goods	6E: 4A1
F	Import of services (excluding inward supplies from SEZs)		6F: 4A2
G	Input Tax credit received from ISD		6G: 4A4
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act		6H: Availed, Reversed (e.g. Non payment in 180 days) & Reclaimed

Part 3 - Details of Input Tax Credit availed during the FY

6	Details of ITC availed during the financial year	
I	Sub-total (B to H above)	<p>6K: TRAN-1</p> <p>6L: TRAN-2</p> <p>6M: ITC-01 Sec.18(1) – Stock ITCo2 Sec.18(2) – Merger / Transfer of business</p>
J	Difference (I - A above)	
K	Transition Credit through TRAN-I (including revisions if any)	
L	Transition Credit through TRAN-II	
M	Any other ITC availed but not specified above	
N	Sub-total (K to M above)	
O	Total ITC availed (I + N above)	

Part 3 - Details of Input Tax Credit availed during the FY

7 Details of ITC Reversed and Ineligible ITC for the financial year		
A	As per Rule 37	7A: Non payment in 180 days
B	As per Rule 39	7B: ISD
C	As per Rule 42	7C: Sec.17(1)&(2) Partly for Business/Non Business/ Taxable/ Exempt Inputs and Input services
D	As per Rule 43	7D: Sec.17(1)&(2) Partly for Business/Non Business/ Taxable/ Exempt Capital Goods
E	As per section 17(5)	7E: Blocked Credits
F	Reversal of TRAN-I credit	7H: ITC-03 Sec 18(4) Opting for composition Scheme
G	Reversal of TRAN-II credit	
H	Other reversals (pl. specify)	
I	Total ITC Reversed (Sum of A to H above)	
J	Net ITC Available for Utilization (60 - 7I)	

Part 3 - Details of Input Tax Credit availed during the FY

8	Other ITC related information	
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	8A: Auto Populated – As on 01-05-2019
B	ITC as per sum total of 6(B) and 6(H) above	8B: B2B including amendments & reclaimed
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	8C: 4A-5 B2B April-Sept'18 (March 2019) .
D	Difference [A-(B+C)]	

Part 3 - Details of Input Tax Credit availed during the FY

8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<Auto >	<Auto >	<Auto>	<Auto >

Sr.	Particulars	Remarks
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Issue

GSTR-2A values that will come Auto-populated would be as on.....

ICAI Technical Guide – pg.196

Since the information in this clause is auto populated, there can be no input errors. However, there may be instances where supplier amends information provided in Table 4 regarding outward supplies through Clause A, B or C of Sl. No.9 of GSTR-1. In such cases if GSTR-9 is filed by the recipient before corresponding amendments by the supplier, the relevant information might not travel to this clause because of auto population taking effect before corresponding amendment by supplier and consequent updation by GSTN. Hence recipient ought to match the figures of GSTR-2A with his invoices, debit note or credit note

Part 3 - Details of Input Tax Credit availed during the FY

8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<Auto >	<Auto >	<Auto>	<Auto >
D	Difference [A-(B+C)]				

Sr.	Particulars	Remarks
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ICAI Technical Guide – pg.196

Table 8A- In case the supplier fail to upload his invoices in GSTR 1 or if the tax payers uploads his GSTR 9 before supplier uploads his invoices in GSTR 1, then Table 8D (explained below) may show a negative figure, leading to issue of notice alleging excess/ irregular availment of credit.

Table 8D- The registered person ought to consider possible consequences where this clause discloses a negative figure. The department may automatically issue notices/ letters to the registered person alleging that excess credit has been availed or seeking information why value in this clause is negative.



Part 3 - Details of Input Tax Credit availed during the FY

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)
I	Difference (G-H)
J	ITC available but not availed on import of goods (Equal to I)
K	Total ITC to be lapsed in current financial year (E + F + J)

8E: $8E + 8F = 8D$

8F: Other than 7A above (i.e. other than Rule 37 Reversal – non payment in 180 days)

8G: Paid on imports

8H: Availed on Imports

Table 8H – Clarifications as per Press Release

- 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.

TAX PAID

Part 4 – Table 9 - Details of Tax paid

Pt. IV Details of tax paid as declared in returns filed during the financial year

Description	Tax Payable	Paid through cash	Paid through ITC			
			Central Tax	State Tax / UT Tax	Integrated Tax	Cess
1	2	3	4	5	6	7
Integrated Tax						
Central Tax						
State/UT Tax						
Cess						
Interest						
Late fee						
Penalty						
Other						

Part 5 - Particulars of the transactions for the previous FY declared in returns of Apr to Sept of current FY or upto date of filing of AR of previous FY whichever is earlier

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
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10	Supplies / tax declared through Amendments (+) (net of debit notes)
11	Supplies / tax reduced through Amendments (-) (net of credit notes)
12	Reversal of ITC availed during previous financial year
13	ITC availed for the previous financial year

10 – 9A+9B+9C	[GSTR-1]
11 – 9A+9B+9C	[GSTR-1]
12 – 4B	[GSTR-3B]
13 – 4A	[GSTR-3B]

Part 5 - Particulars of the transactions for the previous FY declared in returns of Apr to Sept of current FY or upto date of filing of AR of previous FY whichever is earlier

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					
10	Supplies / tax declared through Amendments (+) (net of debit notes)					
11	Supplies / tax reduced through Amendments (-) (net of credit notes)					

Sr.	Particulars	Remarks
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ICAI Technical Guide – pg.222

All the rectification carried out for supplies made during the year 2017-18 by way of addition or amendments up to the date of filing annual returns should be compiled and reported in Sl.No. 10 and 11 of part V of GSTR 9.

Credit Note dated 5th April 2018 issued in relation to supply dated 10th Oct 2017 reported in April 2018 GSTR 1 as this is a transaction of 2018-19 and cannot be pulled back into 2017-18 even though the event leading to issuance of credit note takes place before the Annual Return is filed.

Part 5 - Particulars of the transactions for the previous FY declared in returns of Apr to Sept of current FY or upto date of filing of AR of previous FY whichever is earlier

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		

Outward supplies amendment and Input Tax Credit reversal NOT considered here ?



Part 6 - Other Information

- **Table 15**
 - Details of Demands and Refunds.
- **Table 16**
 - Supplies received from composition tax payers.
 - Deemed supply
 - Goods sent on approval basis
- **Table 17 & 18**
 - HSN wise summary of outward and inward supplies.
 - Summary details of only those inward supplies which in value independently accounts for 10% or more of total value of inward supplies
- **Table 19**
 - Late fees payable & paid



Part 6 - Other Information

Sr.	Particulars	Remarks
15A	Total Refund claimed	Central Tax/ State/UT Tax/ Integrated Tax/cess Interest/Penalty/ Late fees
15B	Total Refund Sanctioned	
15C	Total Refund Rejected	
15D	Total Refund Pending	
15E	Total demand of taxes	
15F	Total taxes paid in respect of E above	
15G	Total demands pending out of E above	



Part 6 - Other Information

Sr.	Particulars	Remarks
16A	Supplies received from Composition taxpayers	5(GSTR-3B)
16B	Deemed supply under Sec. 143 (goods sent by Principal to Job worker)	143(3) not recd. Back in 1 year for Inputs & 143(4) not recd. Back in 3 year for Capital Goods
16C	Goods sent on approval basis but not returned	180 days
17	HSN Wise Summary of Outward supplies	Optional for turnover up to 1.5cr (in preceding FY). <u>Mandatory for</u> 1.5cr to 5cr - 2 digits Above 5cr – 4 digits
18	HSN Wise Summary of Inward supplies	10% or more of total value of inward supplies
19	Late fee payable and paid	For Annual Return – CGST sec.47(2) Rs.100/- day –(Max 0.25% of turnover in the State)

Checkpoints



Inward Supplies

- Checking eligibility and ineligibility as per section 17(5).
- Whether the tax invoice has all the particulars as prescribed in CGST Rules.
- Reversal of ITC for inputs or input services used for providing exempt supplies or non-business purpose.
- Whether payment is made to the supplier within 180 days from the date of invoice.
- Whether ITC is reversed in case of wrong utilization and applicable interest has been paid.
- ITC claimed by the person has to match with the details specified by his supplier in his return.

Checkpoints



Outward supplies

- Classification of supplies to determine correct tax rate as per HSN code,
- Issuance of invoice within the time prescribed.
- Place of supply to ascertain whether intra-state supply or inter-state supply.
- Time of supply to determine the point of levy,
- Cross charge and stock records.

Reverse Charge

- Identification of transaction to determine as to whether RCM is applicable.
- Time of supply to determine point of levy.
- Whether GST has been paid timely by the recipient.
- Whether RCM liability has been paid without utilizing input tax credit

Resources available on GST Portal



- Summary of Form GSTR 1 filed during the year
- Summary of Form GSTR-3B filed during the year
- Comparison of figures declared in GSTR-3B and GSTR-1 is available as a summary report
- System computed Form GSTR-9.
Any change in auto computed data by more than 20% highlights such figures as red on website.

Issues

- **Whether amendments relating to FY 17-18 made in returns from Oct-18 to Mar-19 should be reported in Annual return ?**

All amendments made in FY 18-19 pertaining to outward supplies for FY 2017-18 should be reported in Pt. 5 in Table 10 and Table 11. All ITC of FY 2017-18 availed in 18-19 along with such reversal should be reported separately in Pt. V in Table 12 and Table 13

- **The taxpayer had claimed all ITC pending in March 2019 return without verifying whether such purchases are reflecting in 2A. How to disclose the same in Annual Return**

Such ITC needs to be identified and all unmatched and mismatch in ITC needs to be reversed. However, if taxpayer has adequate document to substantiate such ITC, then in such cases, ITC may not be reversed

- **Is payment required in annual return if ITC is reflected less in GSTR-2A and claimed more in GSTR-3B.**

No payment arises by mere difference in ITC. Payment is only effected if any ITC is manually reversed.

Issues



- **The Taxpayer has paid taxes on Advances received and also at the time of raising final invoice. However, he has through oversight not adjusted the advances. Can this mistake be rectified in Annual Return to report correct turnover.**

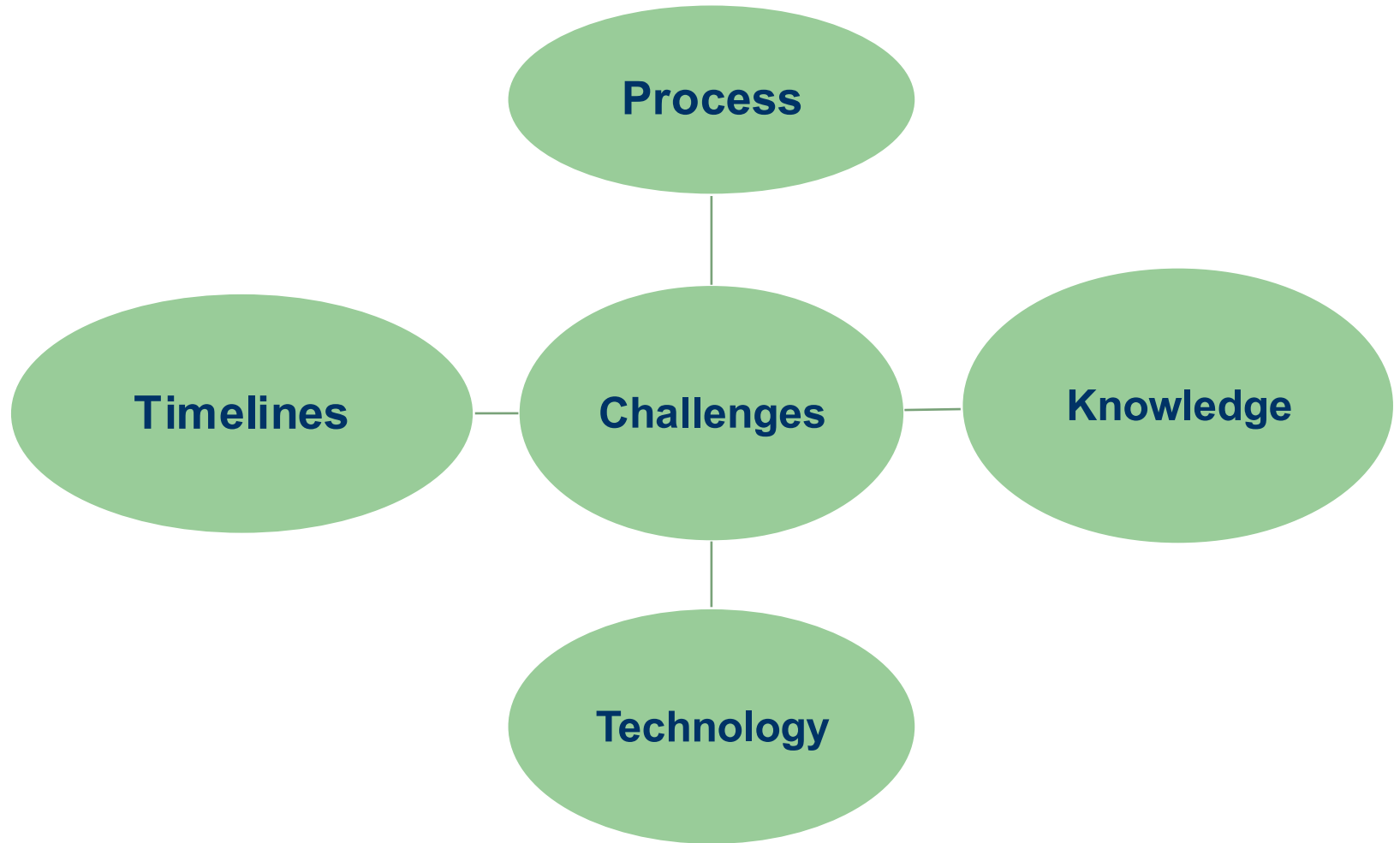
Yes, the tax payer may disclose the correct figures in Part II Table 4 of Annual return (B2B/B2C as the case may be) and excess tax paid in Part 4 of Annual return. However, it is advisable to correct the same in returns and than report through amendments.

- **Annual return is to be filed as per books or as per returns filed ?**

All supplies reported in returns filed should be disclosed in Part II Table 4 and Table 5.

Additional liability can also be reported in Table 4 and 5 of the Annual return and can be paid through Form DRC -03. Such liability can be paid through electronic cash ledger only.

Challenges



....Challenges

KNOWLEDGE

Lack of clarity in law, it is still evolving

Understanding the business



PROCESS

Separate audits for distinct registrations

Duplication of invoices.

Errors in transitional credit claims due to mismatch in GSTN.

Maintenance and review of records.

Transactions not appearing in the financial accounts

Discrepancy with the amount of credit / cash being utilized to off-set the liability;



....Challenges

TIMELINES

ITC would lapse if it is not availed till due date of filing return for Mar.'19.(unless date is extended)

Whereas the Annual Return can be furnished by 30th June'19



TECHNOLOGY

Conversant with various software's for GST Audit.

DSC issues

IT Infrastructure

Untraceable errors are bound to be committed while filing the returns



Questions ???



THANK YOU !!

