



सीए. नवीन एन. डी. गुप्ता
अध्यक्ष
CA. Naveen N.D. Gupta
President

O/C

ICAI/IDTC/2018-19/Letter/ 19

24th September, 2018

Shri Arun Jaitley
Hon'ble Union Minister of Finance, and
Chairman, Goods & Services Tax Council
Ministry of Finance,
Government of India, North Block
New Delhi – 110001



Respected Sir,

Sub: Suggestions on GST Annual Return form

At the outset, we are thankful to the Government for considering most of the suggestions on issues related to GST submitted by the ICAI from time to time.

We refer to the Annual Return form as released by the Government vide Notification No. 39/2018- Central Tax dated 4th September, 2018. In this regard, we consider it a privilege to submit herewith ICAI's suggestions thereon. The suggestions have been finalized based on the inputs received from members across India who are involved in GST implementation. We hope that these suggestions would also be considered favorably.

We shall be glad to provide any further input as may be required and your office may reach us at idt@icai.in or 0120-3045954.

Thanking you and with warm regards,

Yours sincerely,

CA. Naveen N. D. Gupta

Suggestions on GST Annual return form



Indirect Taxes Committee

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
NEW DELHI**

INTRODUCTION

1. The Institute of Chartered Accountants of India considers it a privilege to submit its suggestions on Annual return form. We shall be pleased to discuss suggestion in meeting to illustrate the points made by us.
2. We look forward to contributing in the drafting of simple, transparent, & fair GST laws in India.



EXECUTIVE SUMMARY

S. No.	Topic(s)	Suggestion (s)
Key features of Monthly Return		
1.	Total amount of ITC availed through Form GSTR 3B	It is suggested that Table 6 (A) figures be auto populated from table 4A to 4D as applicable in spite of only from 4A.
2.	Table 18 HSN inward is required whereas no such requirement in GSTR 3B	It is suggested that this requirement of reporting of HSN wise inward supplies be done away with.
3.	Part I and J of table 8 require same information	It is suggested that intention for putting separate rows for same information be clarified.
4.	Compilation of Returns filed earlier	It is suggested that data in GSTR 9 be auto populated from the returns filed earlier.
5.	Segregated details of ITC availed as I/IS/CG	It is suggested that since there is no difference in treatment of ITC on Goods & services and such details were not asked in earlier period returns therefore the bifurcation of the same in the Annual return leads to recapturing of accounting entries as assessee has not recorded the same in the notified formats, therefore such requirement be omitted.
6.	Details of outward and inward supplies declared during the financial year	It is suggested that suitable clarification be issued clarifying upto what extent information can be furnished in the annual return. It may also be clarified whether an assessee can furnish information beyond earlier submitted returns.



7.	ITC as per GST 2 A	It is suggested to clarify whether ITC will be available to the assessee on the basis of GSTR 2A even if conditions of section 16 are not complied with.
8.	Part V of GSTR 9 disclosure or reporting	It is suggested that a suitable clarification be issued regarding providing particulars of transactions declared in returns upto date of filing of annual return of previous year is just a reporting requirement or a tax calculation mechanism.
9.	Requirement to report Debit note / credit note issued this year	It is suggested that suitable explanation with proper examples be given to clarify whether Debit/ credit note issued in 2018-19 for 2017-18, should that be reported in this Form.
10.	Segregated details of outward supplies on which tax is not payable	It is suggested to merge the requirement of supplies on which tax is not payable despite separate reporting of nil, exempted and non-taxable supply as it is not serving any purpose but causing difficulty in compilation as these segregations have not been captured by assessee.
11.	Clarification on Taxes Payable	It is suggested that suitable explanation with proper examples be given to clarify the tax Payable reporting in Part II and Part IV.
12.	Reporting of Amendments	It is suggested that suitable explanation with proper examples be given to clarify whether Part V is merely a subset of Part II to be used as reconciling item for the subsequent year.
13.	Requirement for filing details of ineligible ITC be done away	It is suggested that this requirement of reporting information related to ITC available but ineligible, be do away with



		as this credit is not eligible and reporting of same is not serving any purpose.
14.	Option of Period selection should be there in GSTR 9	It is suggested that option for selection of period for which taxpayer is filing Annual return be provided in the return.
15.	Due date of filing the form be extended	It is suggested that the due date of GSTR 9 be extended to 31 st March, 2019.
16.	Cross charge be taken in Annual return	It is suggested to clarify the reporting of cross charge in Annual return.
17.	Reporting requirements	It is suggested that the reporting requirement of pre-GST supplies and Non-GST supplies under GSTR-9 be clarified.
18.	Some Sort of Notes to Annual Return	Word file to insert some description / Explanation should be provided at the end so that transactions which are reported by mistake or left out or incorrectly reported & which are very difficult to correct via subsequent GSTR 3B or 1 even as per circular 26 for any reason, can be explained by the taxable person & hence it can act as a disclosure tool in connection with the concealment part specified in the Verification at the end
19.	To capture difference between GSTR 2A and GSTR 3B	It is suggested to incorporate other reasons of difference in the table.
20.	ITC reversed during the year and reclaimed specifically in case of 180 days	It is suggested to provide respective column to avail such credit.
21.	Difference of opinion between any additional taxes (HSN difference or	It is suggested to clarify difference of opinion between any additional taxes (HSN difference or POS difference /



	POS difference / valuation difference etc.)	valuation difference etc.) and how to report such transactions.
22.	Other suggestions	<p>It is suggested to issue suitable clarifications on the following:</p> <ul style="list-style-type: none">➤ Whether the formats of Annexures are standardized or can be customized in terms of presentation?➤ Whether the information to be provided on Input Tax Credit restrictions as per sections 17(5), 42 and 43 of CGST Act, 2017 should be detailed or consolidated value?➤ In Table 15, there is no clarity on how to provide details on various types of refunds in relation to exports, inverted duty structure, wrong payments and double tax payments.➤ As per the Annual return there is 2 years reconciliation statement required, whether the annexures in relation to this are standardized or can be customized?
23.	Permit availment of ITC pertaining to FY 2017-18 till filing of Annual return	It is suggested to make suitable modification in Form GSTR 9 to allow input tax credit for invoices pertaining to FY 2017-18 till 31st December, 2018



Suggestions on Annual Return

1. Total amount of ITC availed through Form GSTR 3B

Table 4 of GSTR 3B

4. Eligible ITC

Details	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5
(A) ITC Available (whether in full or part)				
(1) Import of goods				
(2) Import of services				
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)				
(4) Inward supplies from ISD				
(5) All other ITC				

Table 6 of GSTR 9

6	Details of ITC availed as declared in returns filed during the financial year				
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>

Issue: Part E of Table 7 of Annual return require reporting of ineligible ITC under section 17(5) to find out net eligible ITC by deducting the ineligible ITC from the total ITC calculated in Table 6. However, Table 6 (A) figures are auto populated from only Table 4A of GSTR 3B which collates the information of total ITC available.

Suggestion: It is suggested that Table 6 (A) figures be auto populated from table 4A to 4D as applicable in spite of only from 4A.

2. Table 18 HSN inward is required whereas no such requirement in GSTR 3B

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

Issue: Table 18 of GSTR-9 requires the taxable person to report HSN wise summary of inward supplies - UQC, Total Qty, Taxable Value, Rate of Tax, CGST, SGST, and IGST. Such HSN wise details for inward supplies were not required to be reported in GSTR-3B. This again is a cumbersome requirement as HSN codes were given only for output supplies and not for inward.

Suggestion: It is suggested that this requirement of reporting of HSN wise inward supplies be done away with.



3. Part I and J of table 8 require same information

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 >			
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				
D	Difference [A-(B+C)]				
E	ITC available but not availed (out of D)				
F	ITC available but ineligible (out of D)				
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 >			
I	Difference (G-H)				
J	ITC available but not availed on import of goods (Equal to I)				

Issue: Part J of table 8 of Annual return requires data equal to Part I. Two separate rows requiring same information is duplication of data.

Suggestion: It is suggested that intention for putting separate rows for same information be clarified.

4. Compilation of Returns filed earlier

GSTR 9 is a compilation of all the returns filed during the period from July, 2017 to March, 2018.

Issue: Annual return in Form 9, must be compilation of returns filed earlier and it should be auto populated with an editable functionality but it require manual furnishing of information

Suggestion: It is suggested that data in GSTR 9 be auto populated.



5. Segregated details of ITC availed as I /IS/CG

6 Details of ITC availed as declared in returns filed during the financial year					
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			
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			
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			
E	Import of goods (including supplies from SEZs)	Inputs			
		Capital Goods			

Issue: Table 6 (B to E) of GSTR-9 requires the taxable person to bifurcate the total ITC availed as ITC on input, capital goods and input services. This is new / additional detail that a taxable person would be required to prepare & it is important to note that such classification was not required in GSTR-3B.

Suggestion: It is suggested that since there is no difference in treatment of ITC on Goods & services and such details were not asked in earlier period returns therefore the bifurcation of the same in the Annual return leads to recapturing of accounting entries as assessee has not recorded the same in the notified formats, therefore such requirement be omitted.

6. Details of outward and inward supplies declared during the financial year

Issue: The heading of Part II of GSTR 9 requiring “Details of outward and inward supplies declared during the financial year” creating confusion as to what details can be filed in annual Return i.e. only the details submitted in GSTR 3B and GSTR 1 earlier can be reported in GSTR 9 or details furnished after the end of the financial year in the returns can also be incorporated in the annual return.

Suggestion: It is suggested that suitable clarification be issued in this regard to clarify upto what extent information can be furnished in the annual return. Also, clarify whether an assessee can furnish information beyond earlier submitted returns.



7. ITC as per GST 2 A

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 >			
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				
D	Difference [A-(B+C)]				

Issue: Figures in part A of table 8 are auto populated from GSTR 2A providing ITC to the assessee whereas section 16 provides conditions and restrictions to be entitled to take credit. For instance any condition of section 16 has not been complied with but autopopulated figures from GSTR 2A will allow the assessee to take the credit.

Suggestion: Therefore, it is suggested to clarify whether ITC will be available to the assessee on the basis of GSTR 2A even if conditions of section 16 are not complied with.

8. Part V of GSTR 9 disclosure or reporting

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)					
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					

Issue: Part V of GSTR 9 requires particulars of transactions declared in returns upto date of filing of annual return of previous year. However it is not clear that this is just a reporting requirement or a tax calculation mechanism

Suggestion: It is suggested that a suitable clarification be issued in this regard.



9. Requirement to report Debit note / credit note issued this year

Issue: Debit/ credit note issued in 2018-19 for 2017-18, should that be reported in this Form. In those cases where debit/ credit note issued but tax liability has not been reduced and ITC not reversed, because they are not in the format of Section 34.

Suggestion: It is suggested that suitable explanation with proper examples be given to clarify the issue.

10. Segregated details of outward supplies on which tax is not payable

5	Details of Outward supplies on which tax is not payable as declared in returns filed during the financial year				
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				
G	Sub-total (A to F above)				

Issue: In Annual return there is a column for furnishing details of outward supplies on which tax is not payable where nil rated and non-GST supplies are required to furnish separately without any purpose of seeking the same.

Also, nil and exempted supplies also need to be furnished separately whereas there is no clarity between nil and exempted supply leading to difficulty in compilation.

Suggestion: It is suggested to merge the requirement of supplies on which tax is not payable despite separate reporting of nil, exempted and non-taxable supply as it is not serving any purpose but causing difficulty in compilation as these segregations have not been captured by assessee.



11. Clarification on Taxes Payable

Part II of Annual Return provides for the details of outward and inward supplies declared during the financial year and Part IV provides for the details of tax paid as declared in returns filed during the financial year.

Issue: There is no explanation provided for the tax Payable reporting in Part II and Part IV. There arises a question that whether this be auto populated or manually reported and how would this be reconciled with returns. Should these values be based on the returns or computed based on the respect above reporting tables.

Suggestion: It is suggested that suitable explanation with proper examples be given to clarify the issue.

12. Reporting of Amendments

Issue: Amendments to the Turnover has been reported in both Part II and Part V. Is Part V merely a subset of Part II to be used as reconciling item for the subsequent year, if so heading of Table 4 to be altered? If Not where do the missing turnover of FY 2017-18 reported in Table 4, 5, 6 of FY 2018-19 be reported. How would one come to conclusion of Total Turnover Figure as per the Annual returns.

Suggestion: It is suggested that suitable explanation with proper examples be given to clarify the issue.

13. Requirement for filing details of ineligible ITC be done away

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>			
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				
D	Difference [A-(B+C)]				
E	ITC available but not availed (out of D)				
F	ITC available but ineligible (out of D)				

Issue: Table 8 part F of Annual return requires information related to ITC available but ineligible whereas ineligible credits are taken as expense therefore reporting of this data for the annual return would be a challenge for the assessee.

Suggestion: It is suggested that this requirement of reporting information related to ITC available but ineligible be do away with as this credit is not eligible and reporting of same is not serving any purpose.



14. Option of Period selection should be there in GSTR 9

Issue: For instance a taxpayer has been shifted to Composition scheme from normal scheme in the mid of the year in 2017-18. There are separate form of Annual return for normal and composition taxpayer however there is no option to select the period for which taxpayer is filing Annual Return.

Suggestion: *It is suggested that option for selection of period for which taxpayer is filing Annual return be provided in the return.*

15. Due date of filing the form be extended

Due date of filing Form GSTR 9 is 30th December, 2018 for which form has been made available just now which requires detailed information.

Suggestion: *It is suggested that the due date of GSTR 9 be extended to 31st March, 2019.*

16. Cross charge be taken in Annual return

Issue: Recently AAR has ruled that employees employed in corporate office are providing services to the corporate office only and hence they have no employer-employee relationship with other offices.

In this regard there is no clarity whether such cross charge need to be considered in furnishing of information for Annual return though not considered in returns filed earlier.

Suggestion: *It is suggested to clarify the reporting of cross charge in Annual return.*

17. Reporting requirements

Issues:

1. Whether pre-GST supplies affected post- GST require reporting under GSTR 9
2. Non-GST supplies like Duty- drawback, creditors written off etc. require reporting under GSTR 9

Suggestion: *It is suggested that the above reporting requirement be clarified.*



18. Some Sort of Notes to Annual Return

Suggestion: Word file to insert some description / Explanation should be provided at the end so that transactions which are reported by mistake or left out or incorrectly reported & which are very difficult to correct via subsequent GSTR 3B or 1 even as per circular 26 for any reason, can be explained by the taxable person & hence it can act as a disclosure tool in connection with the concealment part specified in the Verification at the end.

19. To capture difference between GSTR 2A and GSTR 3B

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 >			
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				
D	Difference [A-(B+C)]				
E	ITC available but not availed (out of D)				
F	ITC available but ineligible (out of D)				
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 >			
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)	<Auto>	<Auto>	<Auto>	<Auto>

Issue: Table 8 is designed to accumulate difference in ITC reflecting in GSTR 2A and furnished in GSTR 3 B. However, the table covers few difference areas only.

Suggestion: It is suggested to incorporate other reasons of difference in the table.

20. ITC reversed during the year and reclaimed specifically in case of 180 days

In case of non-payment of consideration within 180 days ITC reversal is required however on the payment of consideration ITC can be reclaimed



Issue: In case 180 days reversal happened in 2017-18 and reclaimed in 2018-19, how to disclose, disallow or reclaim such credit

Suggestion: It is suggested to provide respective column to avail such credit

21. Difference in tax due to some reasons

Issue: Difference of opinion between any additional taxes (HSN difference or POS difference / valuation difference etc.) How to report such transactions.

Suggestion: It is suggested to clarify in this regard.

22. Other Suggestions

Issues:

1. Whether the formats of Annexures are standardized (to be provided if standardized) or can be customized in terms of presentation?
2. Whether the information to be provided on Input Tax Credit restrictions as per sections 17(5), 42 and 43 of CGST Act, 2017 should be detailed or consolidated value?
3. In Table 15, there is no clarity on how to provide details on various types of refunds in relation to exports, inverted duty structure, wrong payments and double tax payments. Whether the annexures will be standardized or can be customized for each type of refund?
4. As per the Annual return there is 2 years reconciliation statement required, whether the annexures in relation to this are standardized or can be customized? And whether reconciliation is be made available for outward supplies?

Suggestion: It is suggested to issue suitable clarifications in this regard.

23. Permit availment of ITC pertaining to FY 2017-18 till filing of Annual return.

Sec. 16(4) of the CGST Act, 2017 provides that a registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier.



As of today there is no due date for filing return (GSTR-3) u/s 39 and amended Rule 61(5) of the CGST Rules, 2017 provides that GSTR-3B is not a return in lieu of GSTR-3 and hence input tax credit pertaining to FY 2017-18 can be claimed till the date of filing of the annual return.

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				
D	Difference [A-(B+C)]				
E	ITC available but not availed (out of D)				
F	ITC available but ineligible (out of D)				
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>			
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)	<Auto>	<Auto>	<Auto>	<Auto>

Issue: Part 8C & 8E read with 8K of Table 8 of GSTR 9 provides for lapse of ITC eligible but not availed till September.

Suggestion: It is suggested to make suitable modification in Form GSTR 9 to allow input tax credit for invoices pertaining to FY 2017-18 till 31st December, 2018.



The Institute of Chartered Accountants of India
Suggestions on GST Annual Return form- September, 2018

In case any further clarifications or data is considered necessary, we shall be pleased to furnish the same. The contact details are:

Name and Designation	Contact Details	
	Ph. No.	Email Id
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For any further information, please visit the website of Indirect Taxes Committee:
www.idtc.icai.org.