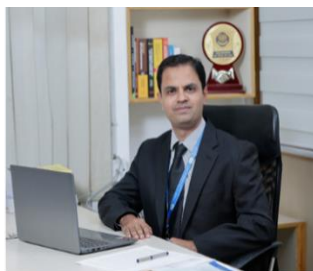


50 Important & Practical FAQs on Annual Returns - GST Audit Series (Part 7)



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1. What is an annual return?

Ans: Annual Return is a statement of return that is required to be filed annually by each registered person (except a few specified categories of persons) under GST giving summarized details of outward supply and taxes paid thereon, input tax credits claimed, taxes paid, and refund claimed in the financial year in respect of which such annual return is filed. It also includes the transactions pertaining to the said financial year in respect of which the effect has been taken in the next financial year as well.

2. Who is not required to file an annual return?

Ans: The following categories of persons are not required to file an annual return:

- Casual taxable person.
- Input service distributors.
- Non-resident taxable persons
- Persons paying TDS/TCS under sec 51 or 52 of the Act.
- Every electronic commerce operator who is required to collect tax at source (TCS) in terms of sec 52 is required to file an annual return in form 9B (which is not notified yet).
- Registered persons with aggregate turnover up to Rs.2 crore.

3. What are the consequences of not filing the annual return?

Ans: Following could be consequences of not filing the Annual Return:

- Notice under sec 46 could be issued to file the return within 15 days.
- Late fee for non-filing /delay filing of Annual return shall be applicable under sec 47(2) of the Act, which would be lower of the following:
 - o Rs.200 per day during which such failure continues or
 - o 0.50% of turnover in the state or union territory.

Note: To be paid in half to CGST & SGST respectively. A general penalty as per section 125 of the Act, could also be applied which may extend up to Rs.50,000/-.

4. Whether Annual Return is required to be filed separately for each GSTIN?

Ans: If a person is having multiple GSTINs, then each such GSTIN would be considered a distinct person. Every registered person (other than those mentioned in 44(1)) is required to file an annual return. Thus, the annual return has to be filed separately for every registration obtained by the registered person.

5. Is it mandatory to file GSTR-1 and GSTR-3B before filing the Annual Return?

Ans: Yes, the instruction to GSTR-9 provides that it is mandatory to file GSTR-1 and GSTR-3B before filing GSTR-9. Hence, any taxpayer who has failed to file GSTR-1/3B for any of the months for FY 2021-22 shall not be permitted to file GSTR-9.

6. Whether differential tax liability reported in the annual return can be paid through the annual return?

Ans: No, additional liability cannot be paid through the Annual Return. Additional liability is to be disclosed in the annual return under Part II & Part V and disclose tax payable under Tables 9 & 14. The difference between the actual tax paid and payable is to be paid through Form DRC-03 separately. The process followed is as under:

Step 1: Deposit cash in the electronic cash ledger/credit ledger under tax/interest heads as per the amount payable.

Step 2: Path for DRC-03: Login to GST portal > User Services > My Applications > Intimation of Voluntary Payment DRC-03 > Fill tax/interest payable values under respective heads > Set-Off. Annual return option to be selected.

7. If the assessee opts for a composition scheme during the financial year, do they need to file both GSTR-9 and GSTR-9A?

Ans: It seems that a registered taxable person needs to file an Annual Return in GSTR-9 for the first part of the financial year as a regular taxpayer and also Form GSTR-9A for the second part of the financial year as a composite taxpayer. However, an exemption has been provided for aggregate turnover up to Rs.2 crore which can be opted for.

8. Whether the annual return filed can be amended subsequently?

Ans: The option of amendment of Annual Return has not been provided under section 44 or rule 80. Therefore, once the annual return is filed, it would be considered final and no further amendment would be possible. Therefore, due care needs to be taken in the submission of information in the annual return. If any disclosure is missed out, an option of providing the information could be examined in GSTR-9C self-reconciliation statement.

9. There is a view that the annual return should be prepared based on books of account showing correct supplies irrespective of supplies reported in GSTR-1/GSTR-3B. Whether it is correct?

Ans: It is important to note that both Form GSTR-1 and Form GSTR-3B serve different purposes. While Form GSTR-1 is an account of details of outward supplies, Form GSTR-3B is where the summaries of all transactions are declared and payments are made. Ideally, information in Form GSTR-1, Form GSTR-3B, and books of accounts should be synchronized i.e. the values should match across different forms and the books of accounts. If it does not match, there can be broadly two scenarios, either tax was not paid to the Government or tax was paid in excess. Other examples can be a difference in non-GST/ exempt turnover declared. In the first case, it shall be declared in the annual return and tax should be paid in the latter all information may be declared in the annual return, and a refund (if eligible) may be applied through Form GST RFD-01A subject to a time limit.

10. Financial credit note has been issued by the supplier of goods. How to report it in the annual return?

Ans: There is no GST implication on the financial credit notes. It is not required to be disclosed in Form GSTR-1/GSTR-3B. Hence, it is not required to be disclosed in the Annual return also. Table 4I which requires disclosure of credit notes is applicable only for credit notes which are issued in accordance with sec 34 of the CGST Act.

Financial credit notes could form part of the reconciliation statement between audited annual accounts and GST Returns and hence may be required to be disclosed in the reconciliation statement in form GSTR-9C in table 5. Alternatively, it can be disclosed in table 5O of GSTR-9C.

11. Credit note was issued by the supplier but it was omitted to be disclosed in the GSTR-3B. Whether it may be disclosed and adjusted in the GSTR-9?

Ans: Section 34(2) provides that the registered person issuing a credit note is required to disclose such credit note in the 'return' for the month during which such credit note has been issued. The return means the return is required to be filed under sec 39 i.e. GSTR-3B. There is no provision for disclosure of the credit note in the GSTR-9 unless it was reported in the GSTR-3B filed till March 2022 for FY 2021-22. Hence, in the absence of it, the registered person may not disclose such credit notes in GSTR-9. The option of a refund could be explored towards the tax amount involved.

12. Term "Non-GST Supply" has not been defined under the law. What is to be included therein in the annual return? Could the details reported in this table be different from the details furnished in the periodical return?

Ans: Non-GST supply could be said to be a supply of alcoholic liquor for human consumption, petroleum crude, high-speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel, etc. Transactions falling within schedule III (neither supply of goods nor supply of services) may not be said to be non-GST supply and accordingly may have not been declared in the periodical GSTR-3B and GSTR-1. However, instruction in table 5D, 5E, and 5F requires disclosure of 'no supply' transactions also. There could be the following approach:

Disclose such “no supply” transaction pertaining to last year in the GSTR-3B and GSTR-1 till March of the succeeding FY and accordingly include in Table 5F of GSTR-9, Even if not disclosed in the periodical returns, to be disclosed in GSTR 9. For the FY 2021-22, an option has been provided to fill in the details of Tables 5D & 5E with a consolidated amount in Table 5D. However, from FY 2020-21, Table 5F which discusses Non-GST Supply needs to be disclosed separately.

13. Whether stock details have to be reported in the annual return?

Ans: The details in respect of the movement of stock or addition/ consumption of stock are not required to be disclosed in the Annual return. However, the assessee needs to internally derive the values of stock that are lost, stolen, issued as samples, etc., and accordingly, it needs to be reversed in the monthly returns and the corresponding disclosure of it needs to be given in Part III of the Annual Return.

14. Goods have been sent to the job worker on a delivery challan in respect of which ITC-04 has been filed in the financial year. Whether any disclosure is required in the annual return?

Ans: Goods sent to job workers on delivery challan are not in the nature of supply provided the goods are received back within the specified period. There is no requirement for disclosure of such removal(s) in the Annual Return. However, if the goods are not received back within the specified time period, it is treated as if the supply has been made on the date of the original removal of goods and tax has to be paid by the principal. Such instances have to be reported in Table 4 and Table 16B of the Annual Return. For FY 2021-22, an option of not filling table 16B has been provided. However, such disclosure relaxation would not take away the liability arising from the non-receipt of goods within the due date.

15. What shall be the treatment in case of a credit note issued in respect of the transaction of FY 2021-22 issued after the end of FY and reported in the GSTR-1 of the subsequent financial year?

Ans: The credit note issued in the next FY should not get adjusted in the earlier year. For ex: Goods sold in Feb 2022 which are returned by the customer in June 2022 and credit note issued by the supplier. As the return of goods has taken place independently in FY 2022-23, it should not be reported in the Annual Return of FY 2021-22. In our view, the fact that the cause of action giving rise to the issuance of the credit note has arisen in the subsequent financial year, and hence it should form part of the GSTR-9 of FY 2022-23.

Note: Similar would-be implication in case of debit note issued and disclosed under various scenarios.

16. Supplies made to incorrect GSTIN of the registered persons. How to rectify it in the annual return?

Ans: Rectification can be made only in GSTR-1 before the due date of furnishing the return for the month of October. The earlier supply made needs to be amended by way of the amendment tab in Form GSTR 1 and the new GSTIN needs to be updated. Anyway, the amendment in the GST number may not have any impact on the tax liability, and accordingly, such amendments may not require to be disclosed in the GSTR-9.

17. If the interstate supply has been declared as intra-state supply and vice versa in Form GSTR-1, how to rectify it? Whether it has to be rectified in the Annual Return?

Ans: Where a place of supply has been declared wrongly and tax has been paid wrongly, the registered person is required to pay the correct tax and file a refund of the tax paid wrongly. The amendment of wrong disclosure of place of supply has to be rectified through Table 9A (B2B) and Table 9B (B2C large) of Form GSTR-1 only. Once the amendment has been done in the GSTR-1, the same may be disclosed in the Annual Return in Table 4K/4L or Table 10/11 depending upon the period in which such rectification has been done. Alternatively, the registered person can take benefit of Section 77 of the CGST Act to pay when such issues are identified by the department.

18. SEZ unit has supplied the goods to the DTA unit. How should it be reported in the Annual Return by SEZ unit?

Ans: Supplies by SEZ unit to the DTA unit are not required to be disclosed in the periodical GSTR-1 by the SEZ unit. Instead, it is reported by the DTA unit as an import made from SEZ against the bill of entry. As this does not form part of the turnover of SEZ, it is not required to be included in the GSTR-9 to be filled by the SEZ unit.

19. Does the transactions pertaining to reverse charge needs to be disclosed in the annual return of the supplier or the return of the recipient?

Ans: The transaction covered under reverse charge needs to be declared both by the supplier and also by the recipient. The supplier of service is registered under GST and has to disclose the turnover on which the recipient is liable to pay tax in table 5C of the Annual Return and the recipient needs to disclose it in table 4G of the Annual Return.

20. Where to disclose the following items in the annual return?

Ans:

Nature of income	Treatment under GST	Annual return table reference
Dividend	Non-GST supply (includes No supply)	Part II, Table 5F
Interest on deposits	Exempt Supply	Part II, Table 5D
Interest in delayed receipts	Taxable Supply	Part II, Table 4A/ 4B
Profit on sale of assets	Depends upon the tax implication on the underlying asset which is being sold	No disclosure. The transaction value of the sale of an asset is reported in Table 4 if taxable and valuation differences are to be reported in Form GSTR 9C
Profit on a share of a	Non-GST supply	Part II, Table 5F

Nature of income	Treatment under GST	Annual return table reference
Partnership firm	(includes No supply)	
Forex gain	Non-GST supply (includes No supply)	Part II, Table 5F
Electricity and other subsidies	Non-GST supply (includes No supply)	Part II, Table 5F
Balance wrote off	Non-GST supply (includes No supply)	Part II, Table 5F
Sale of land	Non-GST supply (includes No supply)	Part II, Table 5F
Duty drawbacks	Non-GST supply (includes No supply)	Part II, Table 5F
Export subsidies	Non-GST supply (includes No supply)	Part II, Table 5F
Export scrips under FTP	Exempt Supply	Part II, Table 5D

21. Year-end discount has been given to the distributor for the achievement of the target and such expenses have been shown as sales and marketing expenses. Whether there is a need of reporting it in the annual return?

Ans: If the discount has been given in accordance with the agreement existing on the date of supply for which adjustment is permitted under sec 15, the credit note may be issued under sec 34 of the CGST/SGST Act. Such credit note has to be disclosed in the different scenarios mentioned for the credit note above. However, if the discount has been issued which is not in accordance with sec 15, there is no GST implication and hence the details of such credit notes are not required to be disclosed in the Annual Return.

22. Provision made for unearned income in the books of account at the end of the financial year is required to be disclosed in the annual return?

Ans: Provision for unearned income is not in the nature of supply of the said FY and hence it is not required to be disclosed in the Annual Return. This would be a reconciliation item between audited annual accounts and returns which is required to be disclosed in the GSTR-9C, not in the Annual Return.

23. There was a sale of a motor vehicle on which GST was paid on the margin value. How should disclosure be made in the annual return?

Ans: In the case of the sale of motor vehicles where GST is paid only on the margin (sale value – WDV as per IT Act), the value of supply should be shown in Table 4 as the value of such margin along with applicable tax thereon. The difference between the value as considered in the Annual Returns and the profit recorded as income in the books of accounts must be reported as a reconciliation difference in Form GSTR 9C. There is no need of reporting the value on which the exemption is claimed due to the value of the margin being negative in any of the tables of GSTR-9.

24. Some amount has been recovered as pure agent. Does it require disclosure in the annual return?

Ans: Amount recovered as pure agent is excluded from the valuation under sec 15 of the CGST/SGST Act read with r 33 of the CGST/SGST Rules. It is not shown in the periodical GSTR-1 also and accordingly there may not be a disclosure requirement for it in the Annual Return. If such transactions are routed through the Balance Sheet, there will be no disclosure in the GSTR-9C also. However, if included in the turnover as per books of account, it would be one of the reconciliation items under GSTR-9C. Alternatively, an option of adding such amounts in non-supply/exempt supply could be considered by the registered person.

25. How to disclose the difference between the commercial value of the transaction and assessable value under GST?

Ans: There could be many instances where the commercial value of the transaction could be different from the transaction value on which tax is payable under sec 15 of the CGST/SGST Act read with Rules issued thereunder. There is a requirement to disclose the transaction value as arrived at under sec 15 of the Act read with Rule in the Annual Return. Any difference between the commercial value of the transaction and its assessable value could form part of the Reconciliation Statement in form GSTR-9C. There is no need for disclosure of such difference in the Annual Return. Ex: Sale of old/used motor vehicles, GST payable in respect of construction services, etc.

26. Supplies made to registered persons have been disclosed as B2C supplies in Form GSTR-1. How to rectify it in the annual return?

Ans: Rectification should be made only in Form GSTR-1 before the due date of furnishing the return for the month of October. Hence, the change in the nature of transactions from B2C supply to B2B supply has to be made in the GSTR-1. In the Annual Return, the supply should be disclosed under the appropriate head at the gross amount and adjustment should be shown in the amendment table.

However, if the supplier could not rectify it in the GSTR-1, it may be corrected in GSTR-9 and disclosed in the correct column as the tax amounts would remain the same.

27. Table 9 of the GSTR-9 auto-populates the tax payable and tax paid. What is the source of such information? Could there be any change in these fields?

Ans: The value of tax payable in Table 9 is auto-populated based on GSTR-3B. However, there could be a possibility of some corrections made in the GSTR-9 on account of which tax payable may require to be changed. The following is to be noted in this regard:

Tax payable indicates the tax payable on the outward supplies made by the registered person + RCM liability + additional ITC reversals if any. Hence, the tax payable in the Table 9 should match with the tax payable as per table 4 & table 7 (additions only) of GSTR-9.

Pre-filled value of tax payable may be edited by the registered person to bring it in line with the tax liability arising on total supplies as declared in Table 4.

Tax paid in cash and by utilizing credit cannot be altered as it flows from the GSTR-3B. If there is a difference between tax payable (revised based on correct reporting made in GSTR-9) and tax paid, it may have to be dealt with as below:

- Tax payable is more than the tax paid – pay differential tax based on DRC-03 and report it in the GSTR-9C
- Tax payable is less than the tax paid – The excess tax paid may be claimed as a refund under a provision of sec 54 (not through Annual Return) subject to conditions of sec 54.

28. What is the relevance of DRC-03? Whether tax may be paid through DRC-03 by utilizing the credit available with the registered person?

Ans: DRC-03 is a form available on the common portal whereby a registered person can pay any tax/amount to the Government other than by way of GSTR-3B. It can be either on account of voluntary payment or due to receipt of any SCN/ Demand/ order etc. Further, any liability which arises on account of additional disclosure made in the GSTR-9 during the course of preparing and filing the annual returns also can be paid through DRC-03. Instruction to the GSTR-9 provides that the tax may be paid through DRC-03 in cash only which is not correct in our view.

29. In case the wrong type of tax is shown on the tax invoice and the same is also incorrectly posted in GSTR 3B, in such a case how the transaction needs to be reported in the annual returns?

Ans: These types of mistakes can be rectified in the annual return by discharging correct tax liability in the annual return and adjusting the incorrect taxes earlier paid in excess from the future tax liability in case the adjustment is not possible due to various reasons, then it can be applied for and claimed as refund by filing a separate refund application.

30. In case the correct type of tax is charged on the tax invoice but it is shown wrongly in GSTR 3B returns and thereby leading to incorrect payment of taxes. In such a case how the transaction needs to be reported in the annual returns?

Ans: These types of mistakes can be rectified in the annual return by discharging correct tax liability in the annual return and adjusting the incorrect taxes earlier paid in excess from the future tax liability in case the adjustment is not possible due to various reasons, then it can be applied for and claimed as refund by filing a separate refund application.

31. Disputed credit has been availed and reversed under protest. How should it be disclosed in the annual return?

Ans: The GST law does not provide for the reversal of credit under protest. Hence, there is no separate disclosure available in the Annual Return for it. The registered person may file a separate communication with the jurisdictional officer for such reversals made and the disclosure can be made the same as in line with the disclosure made in the periodic GSTR 3B and no separate additional disclosure is needed in the Annual Return.

32. A company has demerged one of its units to another company and transferred such credits. How should it be disclosed in the annual return on the company that has availed credit on such a transfer?

Ans: Credit is availed by the recipient company by filing ITC-02 on the common portal. There is table 6M of the Annual Return which provides for disclosure of such credits. A new company has to disclose the details of such credits so availed in Table 6M of the annual return.

33. Person opting out of the composition scheme has availed of an input tax credit on the goods held in stock. How to disclose it in the annual return?

Ans: A registered person opting out of the composition scheme is eligible to avail of the Input tax credit of the goods lying in stock and therefore any credit so availed on account of a person opting out of the Composition Scheme shall be reported under Table 6M of the Annual Return GSTR-9A to be filed by a person under the composition scheme. It may be noted that there is an option not to file an annual return if aggregative turnover is not crossing Rs.2 crore for FY 2021-22.

34. Some credits have been availed wrongly which has been identified in the course of GST self-certification/ management review. How to reverse it?

Ans: In case the assessee has self-assessed the amount of ITC to be reversed which has otherwise not been reversed in the monthly GSTR 3B returns, then in such case credits can be reversed in the annual return. There is no specific column to provide for reversal which is done in the Annual return. However, considering that the objective of the annual return is to file the correct value of supplies and ITC thereon, it may be shown in Table 7 (specific column as relevant). However, it is to be noted that merely disclosure in this table will not give any effect of debit in the electronic credit ledger, and hence the registered person is required to pay the wrongly availed ITC through DRC-03. In our view, if there is sufficient credit available, then such credit may be reversed in DRC-03 by utilizing the credit available with the registered person. However, this could be disputed by the tax department.

35. What is ITC reclaimed under table 6H of annual return?

Ans: ITC availed, reversed due to non-payment of value and tax within 180 days to the supplier, and reclaimed after payment is required to be disclosed.

Example:

- Total ITC availed during the period is INR 1,00,000/-
- Less: The ITC reversed due to non-payment of value including tax to the supplier is INR 20,000/-
- Add: The ITC reclaimed after payment made to the supplier is INR 8,000/-
- In this ex: the ITC to be disclosed in
- Table 6B is INR 92,000/-
- Table 6H is INR 8,000/-
- Table 7A is INR 12,000/- [20,000-8,000]

36. Is there an impact of inappropriate classification of credit under Inputs, input services, and capital goods?

Ans: Inappropriate disclosure of credits under inputs, input services, or Capital Goods could have an impact on the requirement of reversal of input tax credit under Rule 42/43, in case the total turnover includes exempted turnover as the computation mechanism of reversal of credit is different for input, input services, and capital goods. Further, in many instances of exports and inverted rate structuring the details of inputs, input services, and capital goods is needed to be separately available for calculating the refund, and also the refund is selectively available on input, input services, and capital goods.

37. Whether any unavailed input tax credit pertaining to an FY would lapse once the annual return is filed?

Ans: Yes, as per section 16 of the CGST Act, 2017 any un-availed input tax credit pertaining to a financial year would lapse if it is not availed within the due date of filing the GST return for the month of October of the subsequent financial year or the date of filing an annual return (whichever is earlier).

38. Where the assessee has paid GST under RCM for the month of March 2022 and availed credit in April 2022, whether it needs to be disclosed in an annual return of FY 2021-22?

Ans: It is to be noted that only those credits which have been availed in the returns filed for the FY 2021-22 should be considered as part of the input tax credit in Table 6C and 6D. However, as the RCM credit has been availed after the completion of FY, it needs to be disclosed in Table 13 of Part V and the annual return of FY 2022-23.

39. How to disclose the input tax credit in the annual return where the assessee has disclosed the input tax credit net of reversals in Form GSTR-3B (details of reversals not disclosed separately)?

Ans: The Assessee shall disclose the gross input tax credit availed under Sl. No.6 under Part III and separately disclose the amount of credit reversed under Sl. No.7 under Part III. This would ensure the completeness of reporting of gross credits and reversals made during FY 2021-22. Also, the amount of ITC available for utilization (as computed under Sl. No. 7(J)) would be net of reversals and also in line with the total credit availed in Form GSTR-3B. However, it is provided in the instructions that if the amount stated in Table 4D of Form GSTR-3B was not included in table 4A of Form GSTR-3B, then no entry should be made in table 7E of Form GSTR-9 and therefore in such cases, assessee can take a view of disclosing such details on a net basis.

40. Input tax credit has been shown in the books of account but not shown in the GSTR-3B. Whether the adjustment is required to be made in the annual return?

Ans: It is to be noted that availing of credits under GST is by way of filing of the monthly GSTR 3B and no additional credits can be availed in the annual returns even though it has been properly availed in the books of account. Credits availed in books of accounts and not reported in Form GSTR-3B shall not be reported in the Annual Return. Such credit would be reported in the GSTR-9C and the reason for differences has to be explained by the taxpayer.

41. In case the assessee has short-paid any taxes under RCM, then whether the additional liability of the taxes partially short-paid can be disclosed in the annual returns?

Ans: In case tax on any inward supplies liable under RCM is short paid, then assessee can disclose the balance additional liability in table 4G of the Annual Return, and accordingly, payment towards it can be now made at the time of filing of annual returns. Alternatively, the same can be made through GSTR-3B return and the claiming of ITC can be ascertained, especially in the case of unregistered suppliers.

42. In case the assessee has missed paying taxes on any inward supplies under RCM in the returns filed for FY 2021-22 but it was duly identified and accordingly tax on it was later paid in the returns filed in FY 2022-23. Whether it needs to be disclosed in the Annual Returns?

Ans: The current format of the form Annual returns even after an amendment has not provided for any field where these details can be disclosed. However, clarification vide press release has been received stating that since the payment was made during FY 2022-23, the input tax credit on such payment of tax would have been availed in FY 2022-23 only. Therefore, such details will not be declared in the annual return for FY 2021-22 and will be declared in the annual return for FY 2022-23.

43. In case the assessee has missed paying taxes on any inward supplies under RCM in the returns filed for FY 2021-22 and it is also not paid as of the date of filing of the annual returns, then whether it needs to be disclosed in the annual returns?

Ans: There is no specific column for the disclosure of taxes not paid under RCM. Considering the fact that the tax thereon has not been paid in the subsequent FY also, it may not be disclosed in Part V table 10 also. In the absence of it, it may have to be disclosed in Table 4G Part II. This would result in tax payable and tax paid which may be discharged through DRC-03 and reported in the GSTR-9C.

44. Table 15 of the Annual Return requires the particulars of the refund. Whether the refunds applied, sanctioned, etc. as on March 2022 to be disclosed or as on the date of filing the annual return?

Ans: Table 15 of the Annual return shall contain the value of refunds claimed, sanctioned, rejected, and pending pertaining to the financial year of 2021-22 only. Therefore, the refunds that have been applied for the subsequent financial year are not required to be disclosed in Annual Return to be filed for the period 2021-22. However, in respect of an application made for FY 2021-22, in case any monies are sanctioned after the end of the said financial year but prior to the date of filing the annual returns, then the details of such receipts must be declared since true and correct details as on the date of signing of the annual returns must be declared. However, for FY 2021-22, the registered person has been provided with an option to not fill this table 15.

45. Whether the value of exempt supply is also required to be considered while concluding the value of the HSN summary?

Ans: Table 17 & 18 of the Annual Return provides for reporting of HSN-wise summary of outward & inward supplies. It does not provide that the reporting has to be done only for taxable supplies. Thus, the HSN-wise summary shall also be provided for exempt supplies.

46. Whether HSN summary to be given for the debit note and credit note also?

Ans: Table 17 of the Annual Return provides for reporting of HSN-wise summary of outward supplies. The reporting in the HSN table on account of debit notes/credit notes should be determined if a such document has been issued consequent to the movement of goods, not price adjustment.

E.g. Supply of goods made in January 2022 at INR 100 per piece. A credit note has been issued in March 2022 for a reduction in price by INR 5. As there is no movement/supply involved, the reporting of HSN may not be required. On the other hand, if the credit note is issued on account of the return of goods by the customer, the HSN should be disclosed in the HSN summary as the goods received back from the customer represents an actual inward movement of goods and thus affect stock records of the company. However, credit/ debit note doesn't require details of HSN on the document as per rule 53 of CGST Rules 2017.

47. What is a reporting requirement for the goods sent on an approval basis?

Ans: Goods sent on an approval basis are required to be returned within 6 months from the date of original removal. If not, it is treated as deemed supply. The registered person is required to disclose the goods sent on approval in respect of which the 6-month time limit has not expired as of 31st March in Table 16C of GSTR-9. However, for FY 2021-22, the registered person has been provided with an option to not fill this table 16C.

48. Whether there is any disclosure requirement pertaining to the anti-profiteering in the GSTR-9?

Ans: The verification part of the GSTR-9 requires the registered person to verify that in case of a reduction in output tax liability, the benefit thereof has been/will be passed on to the recipient of the supply. Hence, there is no disclosure in terms of the quantification of the benefit passed on but it forms an integral part of the verification.

49. Person paying tax under the composition scheme has reported certain supplies related to last year in the periodical return of the current year. Whether it must be disclosed in the annual return?

Ans: Table 10 to 13 of the GSTR-9A requires disclosure of the transactions pertaining to the last year which have been reported by the registered person from April to November of the next financial year. Hence, the disclosure has to be made for such transactions in these tables.

50. Can Form GSTR-9 return be filed without paying a late fee (if applicable)? Is there any option to make payment other than the late fee in Form GSTR-9?

Ans: No. Form GSTR-9 cannot be filed without payment of the late fee if the same is filed after the due date. After filing your return in Form GSTR-9, a link to navigate to Form GST DRC-03 to pay taxes, if any is made available. Any additional payment of taxes, interest, late fees, etc. can be made using Form GST DRC-3 functionality by utilization from Electronic Cash Ledger.

Views expressed are strictly personal and cannot be considered as a legal opinion in case of any query. For feedback or queries email us at mahadev@hiregange.com, ravikumar@hiregange.com, or yash@hiregange.com.