

**Technical Guide  
on  
GST Annual Return  
(Form GSTR 9)**



**The Institute of Chartered Accountants of India**  
*(Set up by an Act of Parliament)*  
**New Delhi**

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# Foreword

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Goods and Services Tax (GST) completed its illustrious six years journey in India on 1<sup>st</sup> July, 2023. During this period, the new indirect tax regime has been continually evolving with ongoing refinements and amendments. The Government has been working to address concerns raised by businesses and simplify compliance procedures. The GST Council has been meeting regularly to discuss changes in tax rates, exemptions, and other aspects of the GST structure. The rising GST revenues and growing taxpayers are a testament to the success of this transformative tax regime.

We take pride in the key role played by the Institute of Chartered Accountants of India (ICAI) through its GST & Indirect Taxes Committee in implementation of GST in India. The Committee provided technical support to the Government in designing, formulating and implementing GST laws and worked closely with the Government in creating GST awareness. The Committee has always been proactive in upskilling the members and other stakeholders in GST and providing the needed support by organising courses, conferences and programmes, live webcasts, e-learning etc. Further, it has been regularly bringing out useful technical publications on various aspects of GST to equip the stakeholders with the knowledge of latest amendments and recent developments.

I am happy to note that the GST & Indirect taxes Committee has developed a publication namely, ***“Technical Guide on GST Annual Return (Form GSTR 9)”*** for the benefit of members. This publication is designed to provide in-depth information, guidance, and updates about provisions of GST law relating to annual return filed in Form GSTR-9. The related provisions have been compiled in the publication in an easy to understand language. Further, the publication provides a table wise discussion of Form GSTR-9 (Annual return) outlining the optional fields, mandatory fields as well as the potential sources for gathering information to fill a particular table.

I extend my gratitude to CA. Sushil Kumar Goyal, Chairman, CA. Umesh Sharma, Vice Chairman, as well as to all the members of the GST and Indirect Taxes Committee along with all those who have contributed to the revision of this valuable technical publication. Their dedication and contribution have significantly benefited our members and other stakeholders.

I am confident that this publication will facilitate the members in discharging their professional assignments and responsibilities in a more efficient and effective manner.

Date: 21.10.2023  
Place: New Delhi

**CA. Aniket Sunil Talati**  
President, ICAI

## Preface

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The annual return, significant in nature, serves as the ultimate opportunity for a registered person to rectify any errors or omissions made in Form GSTR-1 or Form GSTR-3B. It is a consolidation of periodical returns that cannot be modified, once submitted. Annual Return in Form GSTR-9 is required to be filed by all the registered persons on an annual basis. However, to alleviate the burden of compliance for small taxpayers, the Government has exempted the registered persons having an aggregate turnover upto Rs. 2 crore from filing the annual return.

Considering the significance of filing of annual return in GST compliances, the GST & Indirect Taxes Committee has developed a publication titled, 'Technical Guide on GST Annual Return (Form GSTR 9)'. The publication provides valuable guidance on the process of filing the annual return in Form GSTR-9. The publication is updated with all the amendments up to September 30, 2023, which will serve as a useful resource for filing the annual return for the FY 2022-23. We are also coming out with another Technical Guide to provide guidance on filing of GST Reconciliation Statement (Form GSTR 9C).

We are thankful to CA. Aniket Sunil Talati, President, ICAI and CA. Ranjeet Kumar Agarwal, Vice-President, ICAI for their unwavering encouragement and support in all the initiatives of the GST & Indirect Taxes Committee. We acknowledge with our deepest gratitude the efforts of CA. Shaikh Abdul Samad Ahmad, CA. Shankara Narayanan V, CA. Ganesh Prabhu and CA. Sourabh Baser for developing and reviewing the publication. We are grateful to the members of our Committee, who have consistently been an integral part of all our initiatives. We also acknowledge the technical and administrative assistance provided by CA. Smita Mishra, Secretary to the Committee and CA. Deepak Aggarwal.

Though every effort has been made to ensure the accuracy and legitimacy of the information presented in this publication, it is important to acknowledge that differing perspectives or opinions may exist on the subjects covered herein. We urge our readers to kindly inform us of any unintentional errors or oversights that they may come across in this publication.

We are confident that readers will find this publication a valuable resource to assist them in fulfilling their professional responsibilities effectively.

**CA. Umesh Sharma**  
Vice-Chairman  
GST & Indirect Taxes Committee

**CA. Sushil Kumar Goyal**  
Chairman  
GST & Indirect Taxes Committee

Date: 21.10.2023  
Place: New Delhi

# Contents

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1.	Introduction	1
2.	Primary Source for Annual Return	2
3.	Outward Register	5
4.	Export Register	6
5.	Advance Register	8
6.	Import Register	9
7.	Reverse Charge Register	9
8.	Inward Register	10
9.	Stock Register	10
10.	Introduction to Annual Return	11
11.	Analysis of Form GSTR-9	16
	11.1 Part I - Basic Details	17
	11.2. Part II – Details of outward and inward supplies made during the financial year	18
	11.3 Part III - Details of ITC for the financial year	39
	11.4 Part IV - Details of tax paid as declared in returns filed during the financial year	56
	11.5 Part V - Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period	59
	11.6 Part VI - Other Information	63
12.	List of Optional Entries in Form GSTR-9 for FY 2022-23	74
13.	Annual Return for Composition Taxpayers [GSTR-9A]	75
14.	Appendices	76
	14.1. Notification No. 32/2023 – CT dated 31.07.2023	76
	14.2 Notification No. 38/2023 – CT dated 04.08.2023 [Extract]	76



14.3	GSTN Advisory dated 18.08.2020	79
14.4	Press Release dated 04.06.2019	82
14.5	Press Release dated 03.07.2019	84

Readers may make note of the following while reading the publication:

Unless otherwise specified, the section numbers and rules referred to in this publication pertain to Central Goods and Services Tax Act, 2017 and Central Goods and Services Tax Rules, 2017 respectively.



# Annual Return (Form GSTR 9)

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## 1. Introduction

Goods and Services Tax (hereinafter referred to as GST), a consumption based value added tax is the tax levied on the supply of goods or services or both. Unlike the erstwhile tax regime, where the tax was collected by the State where the supplier is registered, at present taxes are passed on to the State which consumes it. This was done with the noble motive of making India a single market which was possible only by simplifying the following procedures in indirect taxes:

- (a) Abolish the requirement of forms for availing the Tax/Duty benefits by allowing the recipient to avail input tax credit (“**ITC or input tax credit**”).
- (b) Levying taxes at all points in the supply chain, with credit for taxes paid on goods or services or both, acquired for use in making the further supply.
- (c) Free flow of goods by removing the check post system and increasing the efficiency of the logistics industry.
- (d) Restricting the exemptions otherwise permitting the ITC to the recipient and allowing the recipient to apply for the refund in eligible cases.
- (e) Moving towards progressive tax law by introducing multiple taxes for the same goods but different values.

For Example:

Chapter Heading	Description	Rate (%)	Effective from
61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value not exceeding ₹ 1000 per piece	5	28-06-17
61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value exceeding ₹ 1000 per piece	12	28-06-17

- (f) Automation of refund process.

## Technical Guide on GST Annual Return (Form GSTR 9)

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- (g) Standardizing the requirement in the document issued by the supplier.
- (h) Standardizing requirement of the records to be maintained in every registered principal place of business.
- (i) Simplifying the process of payment of taxes and filing of periodic returns.
- (j) Permitting rectifying of the error, omission, and commissions in the periodic returns and permission to make the short payment voluntarily arising due to the above-referred reasons. This is because section 73 of the Central Goods and Services Tax Act, 2017 ("**the CGST Act**") provides a unique opportunity of self – correction to the registered person, i.e. if a registered person has not paid, short paid or has erroneously obtained/been granted a refund or has wrongly availed or utilized ITC then before the service of a notice by any tax authority, the registered person may suo motto pay the amount of tax with interest, *if any*.

One has to note that GST, as heralded, is one of the most noteworthy indirect tax reforms in India and like in past this law also followed the self-assessment sub-routines, where the registered person will have to compute his monthly tax payout, declare the same by filing a simplified monthly return in Form GSTR-3B and pay it online. However, If the registered person had opted for QRMP scheme, he would pay taxes monthly, as per the scheme, and file a simplified quarterly return.

To ensure the correctness and veracity of the reported information in the said returns filed during the year an opportunity is provided to the registered person, to collate the data, assure its correctness and files an annual return. This stage is considered to be the final and the particulars filed by him at this stage will be taken up for further processing by the department for assessments, audit, investigation, etc.

All registered persons, except for a few specified categories of persons, are required to file GST annual return for every financial year.

### **2. Primary Source for Annual Return**

Section 35(1) of the CGST Act read with rule 56 of the Central Goods and Services Tax Rules, 2017 ("**the CGST Rules**"). The relevant portion of the above provisions are as follows:

**Sec. 35 - Accounts and other records [Extract]**

*(1) Every registered person shall keep and maintain, at his principal place of business, as mentioned in the certificate of registration, a true and correct account of—*

## Technical Guide on GST Annual Return (Form GSTR 9)

- (a) production or manufacture of goods;
- (b) inward and outward supply of goods or services or both;
- (c) stock of goods;
- (d) input tax credit availed;
- (e) output tax payable and paid; and
- (f) such other particulars as may be prescribed:

*Provided that where more than one place of business is specified in the certificate of registration, the accounts relating to each place of business shall be kept at such places of business:*

*Provided further that the registered person may keep and maintain such accounts and other particulars in electronic form in such manner as may be prescribed.*

### **Rule 56 - Maintenance of accounts by registered persons [Extract]**

- (1) *Every registered person shall keep and maintain, in addition to the particulars mentioned in sub-section (1) of section 35, a true and correct account of the goods or services imported or exported or of supplies attracting payment of tax on reverse charge along with the relevant documents, including invoices, bills of supply, delivery challans, credit notes, debit notes, receipt vouchers, payment vouchers and refund vouchers.*
- (2) *Every registered person, other than a person paying tax under section 10, shall maintain the accounts of stock in respect of goods received and supplied by him, and such accounts shall contain particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.*
- (3) *Every registered person shall keep and maintain a separate account of advances received, paid and adjustments made thereto.*
- (4) *Every registered person, other than a person paying tax under section 10, shall keep and maintain an account, containing the details of tax payable (including tax payable in accordance with the provisions of sub-section (3) and sub-section (4) of section 9), tax collected and paid, input tax, input tax credit claimed, together with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period.*
- (5) *Every registered person shall keep the particulars of—*
  - (a) *names and complete addresses of suppliers from whom he has received the goods or services chargeable to tax under the Act;*

## Technical Guide on GST Annual Return (Form GSTR 9)

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- (b) *names and complete addresses of the persons to whom he has supplied goods or services, where required under the provisions of this Chapter;*
- (c) *the complete address of the premises where goods are stored by him, including goods stored during transit along with the particulars of the stock stored therein.*
- (6) *If any taxable goods are found to be stored at any place(s) other than those declared under sub-rule (5) without the cover of any valid documents, the proper officer shall determine the amount of tax payable on such goods as if such goods have been supplied by the registered person.*
- (7) *Every registered person shall keep the books of account at the principal place of business and books of account relating to additional place of business mentioned in his certificate of registration and such books of account shall include any electronic form of data stored on any electronic device.*

As stated above, annual return is the last chance for the registered person to rectify any of the particulars filed in their monthly / quarterly GST returns, since section 73 of the CGST Act provides a unique opportunity of self – correction to the registered person.

For filing Form GSTR -9, it is important to note that both Form GSTR-1 and Form GSTR-3B serve different purposes i.e. Form GSTR-1 is a periodic statement which deals with details of outward supplies, while Form GSTR-3B is a periodic return which deals with summary of all outward and inward supply transactions and payments related to tax and other levies if any. Ideally, the information in Form GSTR-1, Form GSTR-3B, and accounts and records prescribed in section 35 of the CGST Act should be synchronous and the values should match. If the same do not match, there can be broadly two scenarios - either tax was not paid to the Government or, tax was paid in excess. However, there can be certain deviations on account of requirements under the accounting framework followed by the registered person and the taxability criteria under GST Law. It is expected that reconciliation related to such deviation is available with the registered person to ensure that there is no short/excess payment of tax.

In cases where the tax was not paid due to any reason, the same shall be declared in the annual return and additional tax and other liability, if any, should be discharged. In cases where excess payment of tax has been made during the financial year, all information may be declared in the annual return and refund (if eligible) may be applied through Form GST RFD-01. **Further, no input tax credit**

**can be reversed or availed through the annual return. If registered persons find themselves liable for reversing any input tax credit, they may do the same through Form GST DRC-03 separately.**

Hence, one should appreciate the importance of the records to be maintained in GST as per section 35 read with rule 56 and which will aid him in filing the annual return. Besides the above, these records are proof of the happening of the transactions and establish a connection with the documents issued by the registered person.

### **3. Outward Register**

Well, we all know that the statement for profit and loss is drawn only for transactions in monetary terms except in specific circumstances like charge of depreciation or any provision. However, under GST Law, there are certain transactions, where the tax liability materializes even without any flow of consideration viz. deemed supply transactions which might not have an impact on the profit or loss. In Central Excise Law, the duty liability had to be discharged as soon as the excisable goods were cleared from the factory gate. Hence, in the Central excise regime, importance was given to the outward register and out- gate pass which served as proof that the goods had been cleared and the duty had to be discharged. The manufacturer registered in Excise Law was examining the correctness of the outward register for discharging their duty liability. Besides the above, outward register helps in compliance with the law in the following areas:

- (a) Determine the document issued – Tax Invoice, Bill of Supply, Debit Note, Credit Note, etc.,
- (b) Determine the type of supply – say B2B, B2C, Exports with/without payment, SEZ supply with/without payment, under RCM, Deemed Supply, etc.,
- (c) Nature of Supply – from the place of supply determined as per section 10 or 12 of the Integrated Goods and Services Tax Act, 2017 [“the IGST Act”].
- (d) Bundling of activity as regular, composite or mixed supply.
- (e) Determining the rate adopted from the HSN of the supply.
- (f) Time of supply as prescribed under section 12 and 13 of the CGST Act.

## 4. Export Register

It is important to know when the transaction qualifies as export of goods or services as the case may be. Merely raising an invoice by charging consideration in foreign currency and receiving the consideration in foreign currency does not establish a supply transaction to be in the nature of export.

To establish a particular supply transaction as an export, the supply transaction has to fulfill all the conditions laid down under the GST Law. An export transaction may be of the following forms:

- Export of Goods
- Export of Services

### 4.1 Export of Goods

The term "export of goods" has been defined under *sub-section (5) of the section 2 of the IGST Act*; which is reproduced below:

*"export of goods" with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India;*

From the above, it is clear that the goods intended for export should be taken out of India to a place outside India. Merely by raising an export invoice, the transaction does not qualify as an export of goods.

#### Example:

M/s. Lokesh & Lokesh of Mumbai receives an order from M/s. Kone International, Germany, to supply 100 nos. of ball bearing at the rate of \$250 each to M/s. Koni India Pvt. Ltd. which is operating at Bombay High.

Since the order has been received from a foreign company, and the consideration is receivable in convertible foreign exchange, the invoice is to be raised in convertible foreign currency. However, the important point to note here is that the goods are only moving from Mumbai to Bombay High, which is part of India and hence the place of supply is in the State of Maharashtra.

The transaction is in convertible foreign exchange but the delivery is terminating in the taxable territory. Hence, it should not be termed as Export and the invoice will not be reported under Table 6A of Form GSTR-1.

**Rule 96A-** There may be a scenario, where the goods are cleared without payment of taxes for export and the shipment of such goods does not happen or happens at the later point. In the given scenario, the supplier has to abide by rule 96A of the



## Technical Guide on GST Annual Return (Form GSTR 9)

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CGST Rules. As per the said rule, the goods must be exported i.e., shipped out of India to a place outside India within 3 months. If it is not done, then within 15 days after the expiry of three months from the date of issue of the invoice for export of goods, the supplier (registered person) has to pay the taxes along with interest in compliance of the Letter of Undertaking filed in Form GST RFD-11.

The documentary proof that the goods had left the country is the bill of lading which is made available by the master of the ship. However, when Form GSTR-1 is filed, this information is not provided; hence the exporter, in order to comply with rule 96A, should maintain the register to satisfy that the difference between the date of invoice and the date of lading is not more than three months. Further, with effect from 23.03.2020, the exporter of goods should also comply with the provision of rule 96B, which mandate the receipt of the sale proceeds within the time period specified in the Foreign Exchange Management Act, 1999, including any extension of such period.

### 4.2 Export of Services

The term “export of services” has been defined under sub-section (6) of the section 2 of the IGST Act; which is reproduced below:

*“export of services” means the supply of any service when,—*

- (i) the supplier of service is located in India;*
- (ii) the recipient of service is located outside India;*
- (iii) the place of supply of service is outside India;*
- (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India; and*
- (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8;*

Here the most important aspect to consider the transaction as an export of services is receipt of proceeds of services in convertible foreign exchange or in Indian Rupee, where permitted by the Reserve Bank of India. The supplier of services should satisfy all the aforesaid conditions so as to consider the supply of services as an export of service under GST.

As per rule 96A of the CGST Rules, 2017, when the services are provided under the cover of Letter of Undertaking without payment of IGST, then the supplier has

## Technical Guide on GST Annual Return (Form GSTR 9)

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to ensure that he satisfies the condition of receipt of the proceeds of services in convertible foreign exchange or in Indian Rupee, where permitted by the Reserve Bank of India, within one year. Otherwise, within 15 days after the expiry of one year from the date of issue of the invoice for export, the supplier has to pay the tax along with interest. Hence, to satisfy this condition, the supplier has to maintain a register and keep track of issue of invoice and receipt of consideration (in convertible foreign exchange or in India Rupee in permitted cases).

### 5. Advance Register

One major departure from erstwhile law when compared with the GST Law is that the tax has to be paid on receipt of advances for supply of Goods or Services or both. Earlier, such provision existed only with respect to service tax; however, in case of Central Excise, VAT or CST, the payout on advance receipt was not required.

CBIC *vide Notification No. 40/2017-C.T. dated 13.10.2017* had originally exempted the provision in respect of payment of tax on advances **in respect of supply of goods** to the registered person having turnover to the tune of ₹ 1.50 crores. However, this benefit was extended to all registered persons whose turnover exceeded the above referred turnover *vide Notification No. 66/2017-C.T. dated 15.11.2017*.

However, there is no provision which grant exemption from payment of taxes on receipt of advances, in case of supply of service. Hence, the **supplier of the service** has to adhere to the provisions of time of supply prescribed in the CGST Act; where it has been provided that taxes have to be paid on receipt of advances connected to supply of services.

As per clause (d) of the sub-section (3) of section 31, a registered person shall, on receipt of advance payment for any supply of goods or services or both, issue a receipt voucher or any other document, evidencing receipt of such advance. Besides the above, clause (e) of the sub-section (3) of section 31 provides that subsequently if no supply is made in relation to the advance received and no tax invoice is issued in pursuance thereof, the said registered person may issue a refund voucher.

In relation to the above, sub-rule (3) of rule 56 of the CGST Rules categorically prescribed that every registered person shall keep and maintain a separate account of advances received, paid and adjustments made thereto.

## **6. Import Register**

Import of service for consideration whether or not in the course or furtherance of business is included as Supply as per section 7(1)(b) of the CGST Act. Further, as per sub-section (4) of section 7 of IGST Act, supply of services imported into the territory of India shall be treated as a supply of service in the course of inter-state trade or commerce and the same is subject to tax under section 5 (1) of the IGST Act.

Point to note at this juncture is that the assessable value of services shall be considered as per section 15 of the CGST Act read with relevant valuation rules.

Further, in case of goods imported into India, IGST is levied and collected in accordance with section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962.

## **7. Reverse Charge Register**

Like outward register, reverse charge register also helps the registered person to comply with the provision of the Act. It helps them in the following manner:

- (a) Determine the document to consider for payment of taxes – Tax Invoice issued by the registered person or Self-Generated Invoice.
- (b) Nature of Supply – from the place of supply, determined as per section 10, 12 or 13 of the IGST Act, applicable for the supplier / recipient.
- (c) Determining the rate adopted from the HSN of the supply.
- (d) Time of supply as prescribed in section 12 and 13 of the CGST Act.
- (e) Determine the availability of ITC.
- (f) Payment vouchers are to be issued only upon payment to the supplier while the invoices from an unregistered Person are to be issued upon receipt of inward supply. Therefore, receipt of supplies for which the payment is yet to be made would entail only the issue of invoices from the unregistered Person and not the payment voucher. Also, payment in advance to the supplier would only result in issuing of payment vouchers and not invoice from unregistered Persons.
- (g) Payment vouchers are to be issued in cases of payment to suppliers if the supply is under reverse charge. Invoice from an unregistered Person is liable only if the supplier is unregistered. If the supplier is registered and his outward

## Technical Guide on GST Annual Return (Form GSTR 9)

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supply is under reverse charge, then the recipient is not required to issue an invoice but only the payment voucher at the time of payment.

### 8. Inward Register

As per section 35 of the CGST Act, every registered person at his principal place of business has to maintain an inward register with following particulars:

- (a) Receipt of such goods/services: As per section 16(2) of the CGST Act, the registered person is entitled to avail and claim ITC only when the goods are received – GRN (Goods Received Note) marked by the gatekeeper in case of goods and date of accounting in books of account for services.
- (b) Classification of ITC as regular: B2B supplier's invoice (if the invoice is defective, no ITC), Import (Self Invoice for Service and Bill of Entry for Goods), RCM (B2B invoice from the supplier when he is registered, otherwise self-invoice) and ISD.
- (c) Details of invoices or debit note which have been furnished by the supplier in Form GSTR-1 - Statement of Outward supplies, consequently, are reflecting in GSTR-2B of the registered person.
- (d) Re-classification of ITC into Input, Input Services, and Capital Goods: In excise regime: separate register was maintained for this purpose. say RG – 23A for Inputs, RG – 23C for Capital Goods and Service Tax Register for Input services was maintained.
- (e) Reversal of ITC for:
  - Failing to pay to the supplier within 180 days as per rule 37.
  - Exempted portion as per rule 42 and 43.
  - Ineligible as per section 17(5).
  - Reversal as required under section 18.

### 9. Stock Register

As per sub-rule (2) of rule 56 of the CGST Rules, every registered person shall maintain the accounts of stock in respect of goods received and supplied by him.

Such accounts shall contain particulars of the opening balance, receipt, supply, goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and the balance of stock including raw materials, finished goods, scrap and wastage thereof.

## Technical Guide on GST Annual Return (Form GSTR 9)

This register will help to identify the blocked credit as per section 17(5) and reversal thereof which might have been missed while filing the periodic returns. Besides the above, one can also trace deemed supply cases where goods have not been received within time as prescribed under section 143 (goods sent on job work and not received back within permitted time) and goods sent on approval.

### 10. Introduction to Annual Return

#### Statutory Provisions

##### <sup>1</sup>[Section 44 - Annual Return

*(As amended vide Finance Act, 2023 and made effective from 01.10.2023)*

<sup>2</sup>[(1)] Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within such time and in such form and in such manner as may be prescribed:

*Provided that the Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section:*

*Provided further that nothing contained in this section shall apply to any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.]*

<sup>3</sup>[(2) A registered person shall not be allowed to furnish an annual return under sub-section (1) for a financial year after the expiry of a period of three years from the due date of furnishing the said annual return:

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<sup>1</sup> Substituted vide sec 111 of The Finance Act, 2021 dated 28.03.2021 notified through Notification No. 29/2021- Central Tax dated 30.07.2021 - Brought into force w.e.f. 01.08.2021.

<sup>2</sup> Re-numbered as sub-section (1) vide The Finance Act, 2023 dated 31.03.2023 notified through Notification No. 28/2023 – Central Tax dated 31.07.2023 - Brought into force w.e.f. 01.10.2023.

<sup>3</sup> Inserted vide The Finance Act, 2023 dated 31.03.2023 notified through Notification No. 28/2023 – Central Tax dated 31.07.2023 - Brought into force w.e.f. 01.10.2023.

## Technical Guide on GST Annual Return (Form GSTR 9)

*Provided that the Government may, on the recommendations of the Council, by notification, and subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish an annual return for a financial year under sub-section (1), even after the expiry of the said period of three years from the due date of furnishing the said annual return.]*

### **Rule 80. Annual return**

<sup>4</sup>[(1) Every registered person, other than those referred to in the second proviso to section 44, an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and anon-resident taxable person, shall furnish an annual return for every financial year as specified under section 44 electronically in FORM GSTR-9 on or before the thirty-first day of December following the end of such financial year through the common portal either directly or through a Facilitation Centre notified by the Commissioner:

**Provided** that a person paying tax under section 10 shall furnish the annual return in FORM GSTR-9A.

<sup>5</sup>[(1A) Notwithstanding anything contained in sub-rule (1), for the financial year 2020-2021 the said annual return shall be furnished on or before the twenty-eighth day of February, 2022.]

(2) Every electronic commerce operator required to collect tax at source under section 52 shall furnish annual statement referred to in sub-section (5) of the said section in **FORM GSTR -9B**.

(3) Every registered person, other than those referred to in the second proviso to section 44, an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, whose aggregate turnover during a financial year exceeds five crore rupees, shall also furnish a self-certified reconciliation statement as specified under section 44 in FORM GSTR-9C along with the annual return referred to in sub-rule (1), on or before the thirty-first day of December following the end of such financial year, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.]

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<sup>4</sup> Substituted vide Notification No. 30/2021 - Central Tax dated 30.07.2021 - Brought into force w.e.f. 01.08.2021.

<sup>5</sup> Inserted vide Notification No. 40/2021 - Central Tax dated 29.12.2021.

## Technical Guide on GST Annual Return (Form GSTR 9)

*<sup>6</sup>[(3A) Notwithstanding anything contained in sub-rule (3), for the financial year 2020-2021 the said self-certified reconciliation statement shall be furnished along with the said annual return on or before the twenty-eighth day of February, 2022.]*

### Analysis

As per section 44 of the CGST Act read with rule 80 (1) of the CGST Rules:

Every registered person, other than

- an Input Service Distributor,
- a person paying tax under section 51 or section 52,
- a casual taxable person
- a non-resident taxable person
- any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India, or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.

shall furnish an annual return for every financial year in Form GSTR-9 (For regular taxpayers) / GSTR-9A (For composition taxpayers) on or before the thirty-first day of December following the end of such financial year through the common portal. In case of an electronic commerce operator required to collect tax at source, an annual statement in Form GSTR -9B shall be furnished. Further, section 44 also empowers the Commissioner, on the recommendations of the Council, by notification, to exempt any class of registered persons from filing annual returns.

Accordingly, the Central Government, vide Notifications No. 47/2019-Central Tax dated 09.10.2019 and 77/2020-Central Tax dated 15.10.2020, had made **optional** for the small taxpayers whose aggregate turnover in the financial year is up to Rs. 2 Crore, from filing the requirement of annual return for the financial year 2017-18, 2018-19 and 2019-20. However, for FY 2020-21, 2021-22 and [2022-23]<sup>7</sup>, the Commissioner, vide various notifications had **exempted** the registered person, whose **aggregate turnover in the financial year is up to two crore rupees**, from the requirement of filing annual return.

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<sup>6</sup> Inserted vide Notification No. 40/2021- Central Tax dated 29.12.2021.

<sup>7</sup> Notification No. 32/2023- Central Tax dated 31.07.2023.

## Technical Guide on GST Annual Return (Form GSTR 9)

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The important points to be noted:

- a. Nil Annual Return has to be filed by a person having multiple GSTIN and Aggregate Turnover > 2Cr. - A person having multiple registrations under GST and whose aggregate turnover in the financial year is more than two crore rupees should also file a Nil Annual Return for those GSTIN which do not have any transactions during the year.
- b. Annual Return by a person whose GSTIN has been cancelled and Aggregate Turnover > 2Cr. - A person whose registration has been cancelled during the year is also required to file the Annual return unless the final return has been filed and cancellation is completed before 31st March of the relevant financial year.
- c. A Registered person who has opted in or opted out of composition is required to file both Form GSTR-9 & GSTR-9A for the relevant period.
- d. Form GSTR-9 does not allow for any revision after filing.
- e. The declaration of the information in the Annual returns has multiple implications. Being a statutory document under GST Law, furnishing of any false information in any return is an offence which may attract penalty under relevant provisions of GST Law. Further, the information in the Annual Return can be relied upon by the tax authorities at the time of scrutiny, and any deviation or non-compliance may lead to initiation of proceedings under the relevant provisions of GST Law.
- f. Liability identified during filing Annual Return can be deposited with Government using Form GST DRC-03. However, the same can be paid by utilizing the amount available in GST Cash Ledger only.

### Consequences of failure to submit the annual return:

**(a) Notice to defaulters** - Section 46 of the CGST Act provides that where a registered person fails to furnish a return under section 39 or section 44 or section 45, a notice shall be issued requiring him to furnish such return within fifteen days in such form and manner as may be prescribed.

**(b) Late Fee for delayed filing** - Section 47(2) of the CGST Act provides for levy of a late fee of ₹ 100/- per day for delay in furnishing annual return in Form GSTR-9, subject to a maximum amount of quarter percent (0.25%) of the turnover in the State or Union Territory. Similar provisions for levy of late fee exist under the State / Union Territory GST Act, 2017.

On a combined reading of section 47(2) and section 44 (1) of the CGST Act and State / Union Territory GST Act, 2017, a late fee of ₹ 200/- per day (₹ 100 under



## Technical Guide on GST Annual Return (Form GSTR 9)

CGST law + ₹ 100/- under State / Union Territory GST law) could be levied which would be capped to a maximum amount of half percent (0.25% under the CGST Law + 0.25% under the SGST / UTGST Law) of turnover in the State or Union Territory.

The above late fees have been rationalized via *Notification No. 07/2023-Central tax dated 31.03.2023* for filing annual return in Form GSTR-9 from FY 2022-23 onwards, if the registered person is having aggregate turnover in the relevant financial year is:

Upto Rs. 5 cr	Rs. 25/- per day each under CGST & SGST/UTGST Maximum - 0.02 % of turnover in state /UT each under CGST & SGST/UTGST
More than Rs. 5 cr but upto Rs. 20 cr	Rs. 50/- per day each under CGST & SGST/UTGST Maximum - 0.02 % of turnover in state /UT each under CGST & SGST/UTGST

The late fees in excess of Rs. 10,000 (10,000 – CGST & 10,000 – SGST/UTGST, 20,000 – IGST) shall be waived, for those registered persons who fail to furnish the annual return for FY 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 by the due date, if the annual return is furnished by 31<sup>st</sup> August 2023. (*Notification No. 7/2023-CT dated 31.03.2023* read with *Notification No. 25/2023-CT dated 17.07.2023*)

**(c) General Penalty for Contravention of Provisions** - As per section 125, any person, who contravenes any of the provisions of this Act or any rules made thereunder for which no penalty is separately provided for in this Act, shall be liable to a penalty which may extend to ₹ 25,000/- (twenty-five thousand rupees). An equal amount of penalty under the SGST/UTGST Act would also be applicable. To sum up, a penalty of up to ₹ 50,000/- could be levied.

It is important to note that to impose a penalty under section 125 up to ₹ 25,000, the ingredients such as willful default, etc., must be established by a process of adjudication allowing a reasonable opportunity to the taxable person and not imposed as a matter of routine.

**(d) Furnishing of annual return not allowed after expiry of three years from the due date** - Vide section 144 of the Finance Act, 2023, a new provision under section 44(2) was inserted which restricts filing of annual return for a financial year after the expiry of a period of three years from the due date of furnishing the said annual return. However, on the recommendations of the Council, Government may allow a registered person or a class of registered persons to furnish an annual return

## Technical Guide on GST Annual Return (Form GSTR 9)

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for a financial year, even after the expiry of the said period of three years from the due date of furnishing the said annual return. The said provision shall be applicable with effect from [01-10-2023]<sup>8</sup>.

### 11. Analysis of Form GSTR-9

GSTR-9 is the relevant form prescribed in terms of section 44 of the CGST Act. It consists of six parts and nineteen tables as listed below:

Part	Items
I	Basic Details
II	Details of Outward and inward supplies made during the financial year
III	Details of ITC for the financial year
IV	Details of tax paid as declared in returns filed during the financial year
V	Particulars of the transactions for the financial year declared in returns of next financial year till the specified period
VI	Other Information

The GSTN portal provides the option to download the system computed summary of Form GSTR-9, GSTR-1 and GSTR-3B. As the downloaded summary is a consolidation of monthly returns, the consolidated figures of the taxable value, liabilities paid through ITC and paid through cash, ITC claim, Reverse charge liability, payment of tax, document summary, HSN wise details of outward supply etc. as per the monthly returns are displayed. However, the auto-populated data fields are editable, except few fields as given below:

Table 6A - Total amount of input tax credit availed through Form GSTR-3B (sum total of Table 4A of Form GSTR-3B),

Table 8A - ITC as per GSTR-2A (Table 3 & 5 thereof),

Table 9 - Details of tax paid (Paid through cash and ITC) as declared in returns filed during the financial year. The benefit of editing system computed Form GSTR-9 allows the registered person to enter the actual value of supplies, tax paid, etc., as per books of accounts. This enables the registered person to correct the value and the liability for the reporting financial year. The registered person can pay any additional liability arising out of this Form GSTR-9, through Form GST DRC-03 by electronic cash ledger.

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<sup>8</sup> Notification No. 28/2023 – Central Tax dated 31.07.2023.

## Technical Guide on GST Annual Return (Form GSTR 9)

It is important to note here that GSTN is providing data from Form GSTR-1 for reference purposes only which may be used while filing this form. This form would be filled primarily based on Form GSTR-3B filed during the financial year, in which taxes were paid and ITC availed.

### 11.1 PART I - Basic Details

Pt. I	Basic Details	
Table No. 1	Financial Year	To be selected from the drop-down list
Table No. 2	GSTIN	<Auto>
Table No. 3A	Legal Name	<Auto>
Table No. 3B	Trade Name (if any)	<Auto>

**Financial Year** – The expression financial year has not been defined under the GST laws. However, in terms of the General Clauses Act, “financial year” shall mean the year commencing on 1<sup>st</sup> day of April and closing on 31<sup>st</sup> day of March. In case of filing annual return through the offline utility or directly on the GST Portal, the same can be selected through the drop-down list.

**GSTIN** – “Goods and Services Tax Identification Number” of the registered person. Each registered person, on his successful registration, would be assigned a State-wise PAN-based 15-digit GSTIN. It is an auto-populated field in case of filing of annual return directly on the GST portal. In case of filing of annual return through offline utility, the GSTIN has to be manually mentioned in the utility which is validated once the JSON file is uploaded.

**Legal Name and Trade Name** – Legal name is one that appears on the document which gives birth to an entity. In the case of a natural human being, it is his birth certificate; in the case of a company registered under the Companies Act, 2013, it is the certificate of Incorporation and in case of partnership firm, it is partnership deed. However, there is a difference between the legal name and trade name.

Mostly, it is the same but in a few cases like proprietary concern, the legal name will be that of the natural person say, Ramesh and the trade name will be, say, Classic Foods, which is different. Here, he is recognized by his trade name, and for supply from his stock in trade or Fixed Assets, the trade name will be subject to tax in the event of supply. However, if he sells or exchanges his old furniture / TV in his home which is in his name it will not be subject to tax; since it is not a business asset (personal effects), it does not qualify the definition of supply.

## Technical Guide on GST Annual Return (Form GSTR 9)

The legal name and trade name should be verified by examining the certificate of registration issued by the tax department in Form GST REG-06.

### 11.2. Part II – Details of outward and inward Supplies made during the financial year

#### A. Table 4 – Details of advances, inward and outward supplies made during the financial year on which tax is payable

##### A.1 Table 4A to 4H

	Nature of Supplies	Taxable Value	Central Tax	State Tax/UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
<b>Table 4</b>	<b>Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>					
A	Supplies made to un-registered persons (B2C)					
B	Supplies made to registered persons (B2B)					
C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)					
D	Supply to SEZs on payment of tax					
E	Deemed Exports					
F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)					
G	Inward supplies on which tax is to be					

## Technical Guide on GST Annual Return (Form GSTR 9)

	paid on reverse charge basis					
H	Sub-total (A to G above)					

Part II of Form GSTR-9 seeks to capture details of outward supply and inward supply on which tax is paid under RCM during the reporting financial year. As per the instruction and the format of Form GSTR-9, the information needs to be gathered from the outward supply register, reverse charge register and advance register.

Transactions where the goods or services or both have been supplied but invoice is not issued (*i.e.* accounting for unbilled revenue) will not appear in Form GSTR-9. It is a part of reconciliation statement.

In terms of Para (b) of Press Release issued on 3<sup>rd</sup> July 2019, it may be noted that Form GSTR-9 is to be filed after considering the information that has already been furnished in FORM GSTR-1, FORM GSTR-3B and books of accounts. It is important to maintain uniformity and accuracy in the details provided across different GST filings in the form of returns or statements and in the accounting records.

### Extract of Para (b) of Press Release

**Primary data source for declaration in annual return:** Time and again taxpayers have been requesting as to what should be the primary source of data for filing of the annual return and the reconciliation statement. There has been some confusion over using FORM GSTR-1, FORM GSTR-3B or books of accounts as the primary source of information. 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 synchronous, and the values should match across different forms and the books of accounts.** If the same does not match, there can be broadly two scenarios, either tax was not paid to the Government or tax was paid in excess. In the first case, the same shall be declared in the annual return and tax should be paid and in the latter all information may be declared in the annual return and refund (if eligible) may be applied through FORM GST RFD-01A.

Now the question arises what will happen to the following transactions:

- Where the invoice is issued during the reporting FY but reported and taxes paid during the next financial year till the specified date\* in Form GSTR-1 and GSTR-3B – Report in Table 10 and 14 of Form GSTR-9

## Technical Guide on GST Annual Return (Form GSTR 9)

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- Where the invoice reported in Form GSTR – 1 had undergone upward / downward amendment after 31<sup>st</sup> March of reporting FY but before the specified date\* - Report in Table 10 or 11, and 14.

There may be a scenario where the difference arises between Form GSTR-1 and Form GSTR-3B. In terms of para (d) of Press Release dated 4<sup>th</sup> June 2019, it is important to understand when tax was paid through Form GSTR-3B for the purpose of declaration of information in Part II and V of Form GSTR-9, irrespective of the fact that when the supply was declared in Form GSTR-1.

The registered person has to examine the particulars of the payment of tax liability against the missed supply or amendment carried out. There can be broadly 3 scenarios, which are as follows:

- a. If the payment for a transaction was made through Form GSTR-3B or through Form GST DRC-03 during the reporting Financial Year, then the same will be reported in Table No. 4 and 9 of Form GSTR-9.
- b. In the case where the payment is made through Form GSTR-3B of the next Financial Year upto the specified date\* then these transactions will be reported in Table No. 10 and 14 of Form GSTR-9.
- c. In the 3<sup>rd</sup> scenario, the taxes have not been paid against the transactions and the registered person desires to pay the tax along with interest in Form GSTR-9, then the said transaction has to be reported in Table 4 and 9 and the payment will be made through Form GST DRC-03.

\* Section 39(9) and first proviso to section 37(3) have been amended by the Finance Act, 2022 and the same have been notified w.e.f. 1<sup>st</sup> October 2022 vide *Notification No. 18/2022-Central Tax dated 28.09.2022*. The outcome of the amendment is that from FY 2021-22 onwards, rectification of any omission or incorrect particulars made in Form GSTR-3B / GSTR-1 of the financial year shall be allowed in the relevant return, or the statement furnished upto 30<sup>th</sup> November of the next financial year or the date of furnishing annual return for the said financial year, whichever is earlier.

### **Point to be considered while preparing this table:**

- (a) The outward supplies register should be used as a basis for validating the amounts disclosed in the GST returns.
- (b) Only those supplies on which tax is payable should be reported. Any supplies which are nil-rated, exempted, non-GST (including no supply) should not be reported in this table.
- (c) Any outward supplies on which tax is payable on a reverse charge basis by the recipient would not form part of this table.

## Technical Guide on GST Annual Return (Form GSTR 9)

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- (d) Debit notes and credit notes which are concerning these supplies should be captured only if the suitable effect of GST is provided in them. In other words, **any commercial/accounting credit note** which does not contain the charge of GST should not be adjusted for the calculation of taxable value and tax amounts.
- (e) Any supply of capital assets is to be carefully verified from the perspective of reporting as it is a Balance Sheet item and valuation needs to be derived separately as per section 18(6) of the CGST & SGST/UTGST Acts. The transaction value of such sale may not be directly available because of loss/profit on the sale of such assets being disclosed separately in Profit and Loss Account.
- (f) GSTR-9 is an annual return, it's a final return and can't be revised therefore it requires accuracy in the values reported and also in their classification. As such, the Registered Person is expected to be mindful in the classification of the categories of the supplies. As per rule 80 of CGST Rules, Registered person, whose aggregate turnover exceeds Rs. 5 cr during the year, is required to file a self-certified reconciliation statement in Form GSTR-9C as well.

### A.1.1 Table 4A - Supplies made to un-registered persons (B2C)

- Should be shown net of credit notes or debit notes and any amendments carried out during the current Financial Year.
- Should include supply made through E-Commerce Operator.
- Details of transactions to be reported here can be captured from the transactions reported in Table 5 and Table 7 of GSTR 1 and their respective amendments in Table 9 and Table 10 of Form GSTR 1.

### A.1.2 Table 4B - Supplies made to registered persons (B2B)

- Details should be reported on gross basis i.e. without netting off the credit note, debit note and amendments.
- Should include supply made through E-commerce operator and supplies made to UINs.
- Any stock transfer made between distinct persons (two units of same entity), then it would have to be reported here, even though the same does not form part of the consolidated financial statements.

## Technical Guide on GST Annual Return (Form GSTR 9)

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- Value under this table shall not include supplies on which tax is to be paid by the recipient on reverse charge basis.
- The information under this table can be verified from Table 4A and 4C of Form GSTR-1.

### A.1.3 Table 4C - Zero rated supply (Export) on Payment of tax (except supplies to SEZs)

- The transactions should be validated from the data in the export register. The definitions of export of goods and export of services are very different from each other.
- In case of export of goods, if sale proceeds in respect of exported goods were not realized within time, then there was no recovery of refund of unutilized ITC or integrated tax paid on export of goods till 23.03.2020 i.e. repatriation of foreign exchange is not a criterion until 23.03.2020 for claiming refund of unutilized ITC or integrated tax paid. However, CBIC *vide Notification No. 16/2020 – C.T. dated 23.03.2020* inserted rule 96B of CGST Rules, which provides for recovery of refund of unutilised ITC or IGST paid on export of goods where export proceeds not realized.
- For the export of goods on payment of tax, one can validate the status of all the shipping bills and the invoices on the ICEGATE portal. Whether the goods have been exported can be known through this. The status of the automated refund claim and the reasons for not obtaining the same can also be known through this.
- However, in the case of export of services, repatriation of foreign exchange besides other remarkably unusual criteria is a point of difference.
- For the export of services, invoices need to be validated through reconciliation with the Bank Realization certificate (BRC) or Foreign Inward remittance certificate (FIRC) from the bank. Upon reconciling the value of export of services with the BRC or FIRC against it, one can find out whether the services have been exported or not.
- The refund claim for the export of services on payment of tax should be checked and it should be determined whether the same is delayed due to any specific deficiency on the part of the taxable person. This would also contribute to invalidating the value and taxes in respect of the export of services.



## Technical Guide on GST Annual Return (Form GSTR 9)

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- Only those supplies on which tax is payable should be reported. Any exports which are made without payment of tax under LUT or Bond would not be reported here.
- Table 6A of Form GSTR-1 can be referred for disclosing details in this table.

### A.1.4 Table 4D - Supply to SEZs on payment of tax

- The transaction should be validated from the export register.
- The transaction consisting of supplies to SEZ Developer (being a Developer of the SEZ) or SEZ Unit (a Unit in the SEZ), it would include supplies to SEZ whether by a SEZ to another SEZ or by a DTA unit to SEZ.
- The supplier should have proof of admittance from the SEZ officer in respect of goods and proof of receipt of services in case of services, these documents are required to be verified before filing annual return, whether the goods have been received in SEZ.
- Table 6B of Form GSTR-1 can be referred for disclosing details in this table.

### A.1.5 Table 4E - Deemed Exports

- Section 147 and *Notification No. 48/2017-C.T. dated 18.10.2017*, prescribes that the following supplies to be regarded as deemed exports:
  - (a) Supply of goods by a registered person against advance authorization
  - (b) Supply of capital goods by a registered person against EPCG (Export Promotion Capital Goods) authorization
  - (c) Supply of goods by a registered person to EOU (Export Oriented Unit)
  - (d) Supply of gold by bank / PSU (Public Sector Undertaking) specified in *Notification No. 50/2017-Customs dated 30.06.2017* against advance authorisation.
- Table 6C of Form GSTR-1 can be referred for disclosing details in this table.
- In case refund is sought by the supplier of deemed export supplies, the documentary evidence as specified in *Notification No. 49/2017-C.T. dated 18.10.2017* are also required to be furnished which includes:
  - An acknowledgement from the jurisdictional tax officer of the advance authorization holder or EPCG authorization holder, or a copy of tax invoice duly signed by the recipient of EOU that the deemed export supplies have been received by the above-mentioned holder and EOU.

## Technical Guide on GST Annual Return (Form GSTR 9)

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- An undertaking by the recipient of deemed export supplies that he shall not claim the refund in respect of such supplies and the supplier may claim the refund.
- An undertaking by the recipient of deemed export supplies that no input tax credit on such supplies has been availed of by him.

### **A.1.6 Table 4F - Advances on which tax has been paid but invoice has not been issued (not covered under 4(A) to 4(E) above)**

- The transactions should be validated from the advance receipt register.
- One should check whether no invoices, against such supplies, have been issued during the financial year.
- *Notification No. 40/2017 – C.T. dated 13.10.2017* - exempted payment of tax on advances received towards the supply of goods, in case of taxable persons whose aggregate turnover is less than ₹ 1.50 cr in the preceding FY or is likely to be less than ₹ 1.50 cr in the year in which registration is sought. Advances towards the supply of services remain liable to tax at the time of receipt of such advance. Suppliers of goods above this threshold limit too were liable to pay tax on advances.
- *Notification No. 66/2017 – C.T. dated 15.11.2017* – Supersede the above *Notification No. 40/2017 – C.T. dated 13.10.2017* and provides exemption from payment of tax on advances received towards the supply of goods. As such, advances relating to supply of goods, should have been subject to tax payment in all cases except mentioned in above notification, up to 15<sup>th</sup> November 2017, however, there is no change in respect of advances relating to the supply of services. Therefore, with effect from 15.11.2017 advance money received is chargeable to GST for supply of services only.

**Technical Guide on GST Annual Return (Form GSTR 9)**

**Example:**

<b>Advances and it's adjustment in Books of Accounts</b>			
<b>Particulars</b>	<b>ASS_V</b>	<b>CGST</b>	<b>SGST</b>
Opening Balance	45,000.00	4,050.00	4,050.00
Add:			
Advances Received	50,000.00	4,500.00	4,500.00
Less:			
Adjustments			
From opening balances			
❖ Tax Invoice	29,500.00	2,655.00	2,655.00
❖ Refund Voucher	-	-	-
From advances received during the year			
❖ Tax Invoice	35,000.00	3,150.00	3,150.00
❖ Refund Voucher	2,500.00	225.00	225.00
<b>Sub - Total</b>	<b>67,000.00</b>	<b>6,030.00</b>	<b>6,030.00</b>
<b>Closing Balance</b>	<b>28,000.00</b>	<b>2,520.00</b>	<b>2,520.00</b>

**Reporting of Advances received/adjustment in Form GSTR-1:**

Advances received reported in Table No. 11.A.1 (Intra state Supplies), 11.A.2 (Inter state Supplies).

Advances adjustment reported in Table No. 11.B.1 (Intra state Supplies), 11.B.2 (Inter state Supplies).

**Reporting of Advances received/adjustment in Form GSTR-3B:**

Reported in outward taxable supplies (Other than zero rated, nil rated and exempted).

## Technical Guide on GST Annual Return (Form GSTR 9)

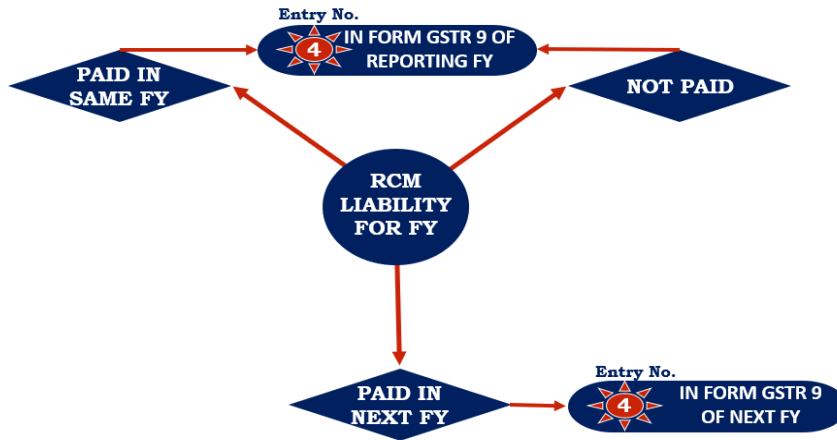
Particulars	Opening Balance			Receipt of the FY		
	Assesable Value	CGST	SGST	Assesable Value	CGST	SGST
Advances Received	45,000.00	4,050.00	4,050.00	50,000.00	4,500.00	4,500.00
Less : Adjustments						
- Tax Invoices	29,500.00	2,655.00	2,655.00	35,000.00	3,150.00	3,150.00
- Refund Vouchers	-	-	-	2,500.00	225.00	225.00
Unadjusted Balances	15,500.00	1,395.00	1,395.00	12,500.00	1,125.00	1,125.00

Tax Paid Advances Should be Adjusted Against Entry No.9 Payable Column

Entry No.4

### A.1.7 Table 4G - Inward supplies on which tax is to be paid on reverse charge basis

- Validate the transaction from the reverse charge Register.
- One has to understand the flow chart below to determine whether the payout is to be recorded now or later.
- The registered person is eligible to take ITC only when he makes the payment of the taxes and is in possession of the tax invoice.
- Table 3.1(d) of the Form GSTR-3B may be used for filing up this table.



Note: The tax paid in next financial year will be the reconciliation difference in table No. 9 of the Form GSTR-9C. The registered person is expected to give a remark in this regard.

**Technical Guide on GST Annual Return (Form GSTR 9)**

**A.1.8 Table 4H - Sub-total (A to G above)**

The total of Table 4(A) to 4(G) is auto populated in this table.

**A.2 Table 4I to 4N**

	<b>Name of Supplies</b>	<b>Taxable Value</b>	<b>Central Tax</b>	<b>State Tax/UT Tax</b>	<b>Integrated Tax</b>	<b>Cess</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>4</b>	<b>Details of advances, inward and outward supplies made during the financial year on which tax is payable</b>					
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					

CBIC has simplified Form GSTR-9 through various notifications for FY 2017-18, 2018-19, 2019-20 and 2020-21, by way of providing an option to the **registered persons** either to report the details of debit Notes, credit Notes, and amendments made w.r.t. B2B supplies (4B), Exports (4C), Supplies to SEZs (4D) and Deemed Exports (4E) by netting off against such supplies or report separately. However,

## Technical Guide on GST Annual Return (Form GSTR 9)

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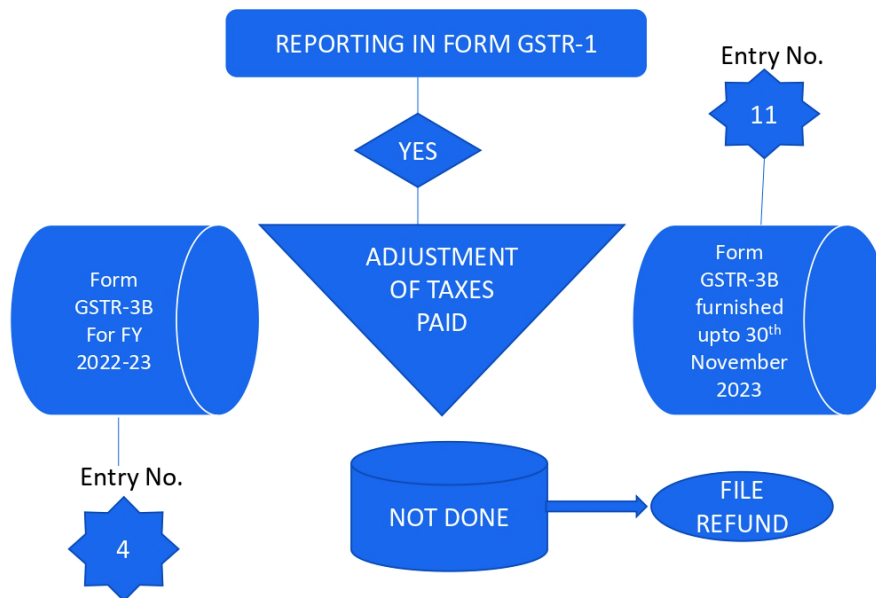
w.e.f. FY 2021-22, such option has been removed and netting of credit notes, debit notes, amendments are not allowed anymore.

### Point to be considered while preparing this table:

#### A.2.1 Table 4I - Credit Notes issued in respect of transactions specified in (B) to (E) above

- Section 34(1) of the CGST Act allows a person to issue a credit note to the recipient where one or more tax invoices have been issued for the supply of goods or services or both in the following cases:
  - (a) Where the taxable value or tax charged is found to exceed the taxable value or tax payable in respect of such supply.
  - (b) Where the goods supplied are returned by the recipient.
  - (c) Where the goods or services or both supplied are found to be deficient.
- The supplier should ask the receiver to issue him an accounting debit note as proof that he had reversed the ITC and the supplier is eligible for a reduction in outward tax liability.
- Only credit notes issued in respect of those supplies on which tax payout is there should be reported here. Any supplies which are nil-rated, exempted, non-GST, etc., credit note in relation to such supplies should not be reported in this table.
- Credit notes should be captured only if the suitable effect of GST is provided in them. Any commercial/accounting credit notes which do not contain the charge of GST should not be adjusted for the calculation of taxable value and tax amounts.
- One has to understand the flow chart below to determine when to avail the above benefit of a reduction in outward tax liability.
- The data reported in Table 9B of Form GSTR-1 can be referred for submission of details in this table. In the following diagram, it is presumed that credit note has been reported in Form GSTR-1 in the same period when its adjustment is done in Form GSTR-3B.

## Technical Guide on GST Annual Return (Form GSTR 9)



### Note:

- The registered person should have reported the particulars of credit note in Form GSTR – 1 (Table 9B).
- Adjustment of tax credit in the credit note in Form GSTR-3B should be analysed and accordingly the following conclusion can be drawn for reporting in Form GSTR-9:
  - If Adjustment of credit note is done in the reporting FY in Form GSTR-3B then the same will be reported in Table No. 4 of Form GSTR-9;
  - If Adjustment of credit note is done in the next FY upto the specified date\*\* in Form GSTR-3B then the same will be reported in Table No. 11 of Form GSTR-9;
  - If Adjustment was not done in Form GSTR-3B as there is no output tax liability against which credit note can be adjusted then apply for the refund under excess payment of tax through Form GST RFD-01 (with proper reason) as per *Circular No. 137/07/2020 – GST dated 13.04.2020*.

In terms of para (J) of Press Release dated 3<sup>rd</sup> July 2019, there may be situation where credit note has been issued in the next financial year related to the original supply reported in the reporting financial year, however the provision thereof has

## Technical Guide on GST Annual Return (Form GSTR 9)

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been made in the Books of Accounts in reporting financial year then the same will be reported in Table 10 and 14 of Form GSTR-9 of the reporting financial year.

\*\* Section 34(2) has been amended by the Finance Act, 2022 and the same has been notified w.e.f. 1<sup>st</sup> October 2022 vide *Notification No. 18/2022-Central Tax dated 28.09.2022*. The outcome of the amendment is that from FY 2021-22 onwards, registered person can consider the impact of credit note issued in relation to a supply of goods or services or both by declaring in the return or the statement furnished maximum upto 30<sup>th</sup> November of the next financial year or the date of furnishing annual return for the said financial year, whichever is earlier.

### **A.2.2 Table 4J - Debit Notes issued in respect of transactions specified in (B) to (E) above**

- Section 34(3) of the CGST Act allows a person to issue a debit note to the recipient, in case where one or more tax invoices has been issued for supply of goods or services or both, wherein the taxable value or tax charged in that tax invoice is found to be less than the taxable value or tax payable in respect of such supply.
- A person issuing the debit note has to declare such details in the return for the month during which such debit note is issued. In the annual return, that person is required to disclose only those debit notes which pertain to the relevant financial year.
- Any debit note issued in the previous financial year but reported in Form GSTR-1 and related taxes paid in next financial year upto the specified date, the same would be reported in Table 10 and 14 of the Form GSTR-9.
- The time of supply for the debit note will be counted from the date of the original invoice date. Hence, in case of issuance of debit note, delayed payment of taxes has to be made good with payment of interest. This has been confirmed in the Central Excise regime by the Apex Court in *Steel Authority of India Ltd Vs. Commissioner of Central Excise, Raipur [2019 (366) E.L.T. 369 (S.C)]*.

### **A.2.3 Table 4K and 4L - Supplies / tax declared through Amendments**

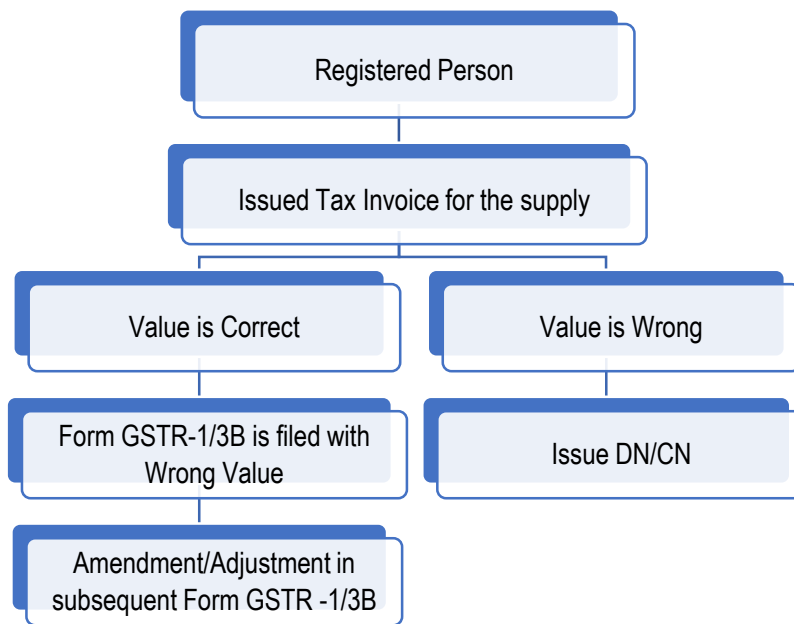
- As per section 39(9) of the CGST Act, if any registered person detects any omission or incorrect particulars other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he can rectify these in the return to be furnished for the month during which they are detected. However, such rectification of any omission or incorrect particulars shall be allowed in the statement / return furnished maximum upto 30<sup>th</sup> November of



## Technical Guide on GST Annual Return (Form GSTR 9)

the next financial year or the date of furnishing annual return, whichever is earlier. Further, *Circular No. 26/26/2017 - GST dated 29.12.2017* addresses amendments / corrections / rectification of errors in the GST returns, filed by the registered person.

- The details for amendments can be extracted from Table 9A and Table 9C of Form GSTR-1.
- It is important to understand when credit note or debit note should be issued and when the transaction should be amended. The following diagram helps in understanding the same.



### B. Table. 5 - Details of outward supplies made during the financial year on which tax is not payable

#### B.1 Table 5A to 5G

	Name of Supplies	Taxable Value	Central Tax	State Tax/UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
5	<b>Details of outward supplies made during the financial year on which tax is not payable</b>					
A	Zero rated supply					

## Technical Guide on GST Annual Return (Form GSTR 9)

	(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)					

Table 5 has been divided into various segments from rows 5A to 5N and the Government intends to capture the details of all those outward supplies on which tax is not payable by the registered person on fulfillment of essential conditions as specified in the law.

CBIC through various notifications categorically stated that for FY 2017-18, 2018-19, 2019-20 & 2020-21, the registered persons have an option to either separately report their supplies as exempted, nil rated, and non-GST supply or report consolidated information for all these three heads in the exempted row only.

For FY 2021-22 and FY 2022-23, an option has been provided to the registered persons to either separately report their supplies as exempted supply and nil rated supply or report consolidated information for these two heads in the exempted row only. However, Non-GST Supplies are to be mandatorily reported in Table 5F.

### Points to be considered while preparing this table:

#### **B.1.1 Table 5A - Zero rated supply (Export) without payment of tax and Table 5B - Supply to SEZs without payment of tax**

The term 'zero-rated supply' defined under section 2(23) of the IGST Act is to be read with section 16 of IGST Act, which says that zero-rated supply means the following supplies of goods or services, namely:

## Technical Guide on GST Annual Return (Form GSTR 9)

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- exports of goods or services or both; or
- supply of goods or services or both to an SEZ developer or SEZ unit.

A Registered Person making a zero-rated supply has the following two options:

- he may supply goods or services or both under the bond or LUT subject to such conditions, safeguards, and procedures as may be prescribed without payment of integrated tax and claims a refund of the input tax credit; or
  - he may supply goods or services or both, subject to such conditions, safeguards and procedures as may be prescribed, on payment of integrated tax and claim a refund of such tax paid on goods or services or both supplied.
- *Notification No. 37/ 2017 – C.T. dated 04.10.2017* extended the facility of furnishing LUT in place of bond to all the exporters under rule 96A of CGST Rules except:
    - Those who have been prosecuted for any offense under the CGST Act or the IGST Act or any of the existing laws and the amount of tax evaded in such cases exceeds ₹ 250 lakhs.
    - Those who fails to pay the tax + interest as per rule 96A(1) of CGST Rules within the period as mentioned therein, the facility of export without payment shall be withdrawn and will be restored after payment.
  - Besides, above *Circular No. 08/08/2017 - GST dated 04.10.2017* has clarified that the LUT shall be valid for the whole financial year in which it is tendered. However, in case of goods are not exported within the time specified in sub-rule (1) of rule 96A of the CGST Rules and the registered person fails to pay the amount mentioned in the said sub-rule, i.e. the registered person fails to pay the tax due along with interest within 15 days after expiry of three months or such further period as may be allowed by the Commissioner, from the date of issue of the invoice where the goods are not exported out of India, the facility of export under LUT would be deemed to have been withdrawn. Similarly, the period, in case of services, is 15 days after the expiry of one year or such further period as may be allowed by the Commissioner from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange. If the amount mentioned in the said sub-rule is paid subsequently, the facility of export under LUT shall be restored.

## Technical Guide on GST Annual Return (Form GSTR 9)

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- As a result, exports, between the period when the facility to export under LUT is withdrawn and till the time the same is restored, shall be either on payment of the applicable integrated tax or under bond with a bank guarantee.
- In addition to the above, CBIC *vide Circular No. 37/11/2018 - GST dated 15.03.2018* has clarified that the substantive benefits of zero-rating may not be denied where it has been established that exports in terms of the relevant provisions have been made. The delay in furnishing LUT in such cases may be condoned and facilities for export under LUT may be allowed on *ex-post facto* basis, considering the facts and circumstances of each case. Accordingly, such supplies shall also be reported in Table 5A or 5B of Form GSTR-9.
- *Circular No. 48/22/2018 - GST dated 14.06.2018* has clarified that supplies to an SEZ developer or an SEZ unit shall be zero-rated and the supplier shall be eligible for a refund of the unutilized input tax credit of integrated tax paid, as the case may be, only if such supplies have been received by the SEZ developer or SEZ unit for authorized operations. An endorsement to this effect shall have to be issued by the specified officer of the Zone as proof that the supply was meant for authorized operation.
- Table 6A of GSTR 1 can be referred to for furnishing details in Table 5A of GSTR-9 and Table 6B of GSTR 1 can be referred to for furnishing details in Table 5B of GSTR-9.

### **B.1.2 Table 5C - Supplies on which tax is to be paid by the recipient on reverse charge basis**

- Sub-section (3) of section 9 of the CGST Act provides that the Government may specify the categories of supply of goods or services or both on which the tax be paid on reverse charge basis by the recipient of such goods or services and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying tax for the supply of goods or services or both.
- In other words, a person who is making the supply of goods or services on which tax is to be paid by the recipient shall not collect tax from him. In this regard, the Government has issued *Notification No. 04/2017 - C.T.(Rate) dated 28.06.2017*, *04/2017 - I.T.(Rate) dated 28.06.2017*, *13/2017 - C.T.(Rate) dated 28.06.2017* and *10/2017 - IT (Rate) dated 28.06.2017* as amended from time to time, to notify the goods and services on which tax is to be paid by recipients on reverse charge basis. If the supply of registered person falls within the scope of these notifications, then he has to declare such supplies in this table.

## Technical Guide on GST Annual Return (Form GSTR 9)

- The data disclosed in Table 4B of Form GSTR - 1 can be referred to disclose details in this table.

### B.1.3 Table 5D to 5F - Exempted, Nil rated and Non-GST Supplies (includes 'no supply')

- Further, as per section 17(3) of the CGST Act, the value of exempt supply includes supplies on which a recipient is liable to pay tax on a reverse charge basis. Although, the supplies on which a recipient is liable to pay tax on a reverse charge basis, is to be shown separately under Table 5C of Form GSTR-9 and not as exempt supply in Table 5D, the turnover declared in this particular table should be considered for reversal under section 17(2) of the CGST Act read with rules 42 and 43 of the CGST Rules.
- Section 2(47) of the CGST Act defines the exempt supply as the supply of any goods or services or both which attract nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the IGST Act, and includes non-taxable supply.
- This definition entails that exempt supply is a wide term and includes nil rated supply and non- taxable supply. There is no clear distinction between exempted and nil-rated supply in law because the lawmakers have not defined nil-rated supply. Therefore, for simplicity, an option has been given to the registered persons to classify nil rate of supply under the head exempted vide various notifications issued from time to time.
- *Notification No 01/2017–C.T. (Rate) dated 28.06.2017* contains 6 Schedules with different rates of taxes, and there is no Schedule levying tax nil rate on goods. However, in case of service, only three services related to the lease of land and agriculture etc. are notified at 'nil' rate of tax in *Notification No. 11/2017 – C.T.(Rate) dated 28.06.2017 and as amended from time to time*. The entries are reproduced below: -

Heading	Description of service
9972	Services by the Central Government, State Government, Union territory or local authority to governmental authority or government entity, by way of lease of land.
9972	Supply of land or undivided share of land by way of lease or sub-lease where such supply is a part of composite supply of construction of flats, etc. specified in the entry in column

## Technical Guide on GST Annual Return (Form GSTR 9)

	(3), against serial number 3, at items [(i), (ia), (ib), (ic), (id), (ie) and (if)]  Provided that nothing contained in this entry shall apply to an amount charged for such lease and sub-lease in excess of one third of the total amount charged for the said composite supply. Total amount shall have the same meaning for the purpose of this proviso as given in paragraph 2 of this notification.
9986	Support services to agriculture, forestry, fishing, animal husbandry.

- Non-GST supply is not defined anywhere in the GST law. However, non-taxable supply is defined under section 2(78) of the CGST Act which means the supply of goods or services or both which is not leviable to tax under the CGST Act or the IGST Act. It can be concluded that non- GST supplies are used interchangeably with non-taxable supplies.
- Although these supplies are reported as non-taxable supplies, the value of such supplies shall also be considered for the reversal of input tax credit in terms of section 17(2) read with rules 42 and 43 of the CGST Rules. An explanation has been inserted in section 17(3) of the CGGT Act vide the CGST (Amendment) Act, 2018, effective from 01.02.2019, to the effect that the “*value of exempt supply*” shall not include the value of activities or transactions specified in Schedule III, except those specified in paragraph 5 of the said Schedule. Further, an additional exception was inserted vide Finance Act, 2023 and shall be effective from 01-10-2023. As per the said exception, value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule is also to be included in the value of exempted supply for the purpose of reversal of proportionate ITC.
- Details disclosed in Table 8 of the Form GSTR-1 can be referred for disclosure of aforesaid details in Form GSTR-9.

### B.1.4 Table 5G – Sub-total of 5A to 5F

The total of Table 5A to 5F is auto populate in this table.

**Technical Guide on GST Annual Return (Form GSTR 9)**

**B.2 Table 5H to 5N**

	<b>Name of Supplies</b>	<b>Taxable Value</b>	<b>Central Tax</b>	<b>State Tax/UT Tax</b>	<b>Integrated Tax</b>	<b>Cess</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>5</b>	<b>Details of outward supplies made during the financial year on which tax is not payable</b>					
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)					

## Technical Guide on GST Annual Return (Form GSTR 9)

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### **B.2.1 Table 5H, 5I, 5J and 5K**

CBIC vide various notifications categorically stated that for FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23, registered persons have an option to report the details of debit notes, credit notes and amendments made w.r.t. zero rated supply (exports) without payment of tax (5A), supplies to SEZ without payment of tax (5B), supplies on which tax is to be paid by the recipient on RCM (5C), exempted (5D), nil- rated (5E), and non-GST supply (includes no supply) (5F) by netting off against such supplies.

Details disclosed in Table 9 of Form GSTR-1 can be referred for submission of details in the aforesaid tables.

### **B.2.2 Table 5L - Sub-total of 5H to 5K**

The total of Table 5(H) to 5(K) is auto populated in this table.

### **B.2.3 Table 5M - Turnover on which tax is not to be paid (G + L above)**

The total of 5G and 5L is auto populated in this table. This table would contain the sum-total of outward supplies on which tax is not payable, after netting of the effect through debit and credit notes issued or through amendment table declared in any return during relevant financial year.

### **B.2.4 Table 5N - Total Turnover (including advances) (4N + 5M - 4G above)**

The total of Table 4N + 5M -4G is auto populate in this table. The table would contain the total turnover including the sum of all the supplies (with additional supplies and amendments) on which tax is payable and tax is not payable. This shall also include the amount of advances on which tax is paid but invoices have not been issued in the current year. However, this shall not include the aggregate value of inward supplies on which tax is paid by the recipient on reverse charge basis.



### 11.3 Part III - Details of ITC for the financial year

#### A. Table 6 – Details of ITC availed during the financial year

##### A.1 Table 6A to 6J

	Name of Supplies	Type	Central Tax	State Tax/UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
<b>6</b>	<b>Details of ITC availed during the financial year</b>					
<b>A</b>	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)					
<b>B</b>	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs				
		Capital Goods				
		Input Services				
<b>C</b>	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				
<b>D</b>	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				
<b>E</b>	Import of goods (including supplies from SEZs)	Inputs				
		Capital Goods				
<b>F</b>	Import of services (excluding inward supplies from SEZs)					
<b>G</b>	Input Tax credit received from ISD					
<b>H</b>	Amount of ITC reclaimed (other than B above) under the provisions of the Act					
<b>I</b>	Sub-total (B to H above)					
<b>J</b>	Difference (I - A above)					

As per section 16 of the CGST Act, every registered person is entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person on the GST Portal. However, this credit is eligible only on fulfillment of the conditions prescribed under section 16(2) of the CGST Act. The key conditions include:

- (a) Possession of tax invoice or debit note or such other tax paying document as may be prescribed;
- (b) The details of such invoice or debit note have been furnished by the supplier in the statement of outward supplies and have been communicated to the recipient in the prescribed manner (in Form GSTR-2B);

## Technical Guide on GST Annual Return (Form GSTR 9)

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- (c) The recipient has received the goods or services or both;
- (d) The details of input tax credit in respect of the said supply communicated to such registered person under section 38 has not been restricted;
- (e) The supplier of goods and / or services has paid tax to the government on such outward supplies either in cash or through admissible input tax credit; and
- (f) The recipient has furnished the return under section 39.

Apart from the above conditions, the ITC is blocked under section 17(5) in specific circumstances as well as in case of specified transactions, irrespective of the fact that aforesaid conditions are fulfilled. Besides the above, sometime ITC is made available in special circumstances and these specific circumstances are provided under section 18 of the CGST Act.

Though the tax paid on various inward supplies are available on fulfilling the above conditions, that would not be full and final for utilization as further restrictions are put in place. Thereby, this credit can be called "Input Tax Credit Available".

### **Point to be considered while preparing this table:**

#### **A.1.1 Table 6A - Total amount of input tax credit availed through Form GSTR-3B (sum total of Table 4A of Form GSTR-3B).**

The information in the aforesaid table is auto-populated on the basis of total input tax credit availed in Table 4A of Form GSTR-3B and the auto-populated amounts are not editable.

#### **A.1.2 Table 6B - Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)**

- The values can be taken from the inward register maintained by the registered person for an input tax credit. It may be noted that the total ITC availed is to be classified as ITC on inputs, ITC on capital goods, and ITC on input services. However, CBIC through various notifications provided an option to report all input tax credit under the "inputs" only. This relaxation was applicable only for FY 2017–18 and FY 2018–19. From FY 2019-20 onwards, the bifurcation between the ITC availed on inputs & capital goods is mandatory. Further, relaxation has been provided to include credit pertaining to input services under the head "inputs".
- The ITC availed under this head should be compared with the entries appearing in Form GSTR-2A/2B. One needs to consider the restriction

## Technical Guide on GST Annual Return (Form GSTR 9)

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imposed on avilment of ITC vide rule 36(4) of the CGST Rules. Accordingly, ITC on invoices/debit notes not uploaded by supplier in his Form GSTR-1 has been restricted.

- Prior to the introduction of rule 36(4), the registered person was allowed to claim ITC on a self-assessment basis. In other words, there was no compulsion to reconcile the ITC figure with the GSTR-2A/2B. The introduction of the rule brought in the restriction on availing of ITC, hither forth, the credit was permitted only when the supplier uploads the particulars of his tax invoices or debit notes in Form GSTR-1 and the same is available to the recipient in his Form GSTR-2A/2B. Besides the above, the recipient was allowed to claim provisional tax credits (against the credit of those invoices not available in Form GSTR-2A but accounted in books) to the extent of a certain percentage which was reduced at regular intervals.
- The ITC claims on a provisional basis have been removed from the revised rule 36 (4) of CGST Rules from 01.01.2022. It is done based on the inclusion of new clause (aa) under section 16(2) of the CGST Act.
- It is relevant to note that if the registered person has disclosed gross total ITC [including ineligible ITC under section 17(5) of the CGST Act] in Table 4A of Form GSTR-3B and reduced the ineligible ITC in Table 4B (2) of Form GSTR-3B, then he should disclose the gross total ITC [including ineligible ITC under section 17(5) of the CGST Act] in Table 6B of Form GSTR-9. The ineligible ITC under section 17(5) would be disclosed in Table 7E of Form GSTR-9.
- Where the registered person has disclosed only the net ITC in Table 4A Form GSTR-3B, he must disclose the same in Table 6B of Form GSTR-9.
- The ITC which was availed, reversed and then reclaimed in the ITC ledger is to be reported in Table 6(H) and not in Table 6(B).

### **A.1.3 Table 6C & 6D - Inward supplies received from unregistered/registered persons liable to reverse charge (other than Table 6B above) on which tax is paid and ITC availed**

- Inward supply received from un-registered persons liable to reverse charge to be declared under Table 6C and from registered person to be declared under Table 6D. It is relevant to note that an option has been provided by various notifications to report details of both Tables 6C and 6D i.e., ITC availed on inward supplies liable to reverse charge under section 9(3) as well as 9(4) of CGST Act to be declared under Table 6D only for the FY 2017-18, 2018-19, 2019-20 and 2020-21. However, from FY 2021-22 onwards, the

## Technical Guide on GST Annual Return (Form GSTR 9)

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details for inward supplies from unregistered and registered persons has to be disclosed separately in Table 6C and 6D respectively.

- For the purpose of disclosure in Table 6C and Table 6D, for FY 2017-18 and 2018-19, an option has been given to the registered persons either to report the ITC on input, input services and capital goods separately in their respective row or to report consolidated figures in inputs only. However, from FY 2019-20 onwards, the bifurcation between the ITC availed on inputs & capital goods is mandatory. Further, relaxation has been provided to include credit pertaining to input services under the head “inputs”.
- In case of inward supply from registered person, the tax liability for the registered person should be such as declared in Form GSTR-1 by the supplier. The same also be reflected in Form GSTR-2A of the registered person.
- In case of inward supply from unregistered person, the tax liability payout shall be determined by the registered person.
- The total of Table 6C and Table 6D shall not exceed the data disclosed in Table 4G – Inward supplies of which tax is to be paid on reverse charge basis.
- The Table 4A(3) of Form GSTR-3B can be referred for disclosing details in Table 6C and Table 6D.

### **A.1.4 Table 6E and 6F - Import of goods and services including supplies from SEZ**

- For the import of goods, the taxable person should report the aggregate value of input tax credit availed on all imports (for inputs and capital goods) from outside India or SEZ units in Table 6E. Such data can be sourced from the bill of entry or other similar documents prescribed under the Customs Act, Customs Tariff Act or rules made thereunder for the assessment of integrated tax on imports. Only the IGST paid on the import of goods can be availed as ITC. BCD and Social Welfare Surcharge cannot be availed as ITC. Further, ensure that the GSTIN is updated in the ICEGATE and the GSTIN appears on the Bill of Entry. Table 4A(1) of Form GSTR-3B may be used for filing up details in Table 6E. The bifurcation between the ITC availed on inputs & capital goods is mandatory in Table 6E.
- For the import of Services, the taxable Person should report the aggregate value of input tax credit availed on all import services received from outside India in Table 6F. Table 4A(2) of GSTR-3B may be used for filing up these details. However, it is relevant to note that liability to pay GST on the import of services arises only if conditions specified in section 2(11) of the IGST Act

## Technical Guide on GST Annual Return (Form GSTR 9)

are satisfied. As per rule 34(2) of the CGST Rules, the rate of exchange for determining the value of taxable service should be the rate of exchange determined as per the generally accepted accounting principles as on the date of time of supply as per section 13 of the CGST Act.

### A.1.5 Table 6G - Input tax credit received from ISD

- The registered person should have the tax invoice issued by ISD under rule 54 (1) of the CGST Rules. It is also relevant to note that the ineligible portion of ITC distributed should not be availed as ITC. Table 4A(4) of Form GSTR-3B may be used for filing up these details.

### A.1.6 Table 6H- Amount of ITC reclaimed (other than B above) under the provisions of this Act

- If full or proportionate ITC is reversed on account of non-payment (full or proportionate) to a supplier within one hundred and eighty days, when payment is made, the recipient is eligible to reclaim the credit without any time limit. Such amount of ITC recredit is to be reported in Table 6H.

### A.1.7 Table 6I – Sub-total (B to H above)

This table is auto populated and contains the aggregate amount of ITC availed and disclosed in Table B to Table H.

### A.1.8 Table 6J - Difference (I – A above)

- Ideally, the difference in Table 6J should be nil. This is because the amount disclosed in Table 6A is auto-populated from Form GSTR-3B. Further, the amount disclosed in Table 6B to 6H is merely the classification of ITC availed in Form GSTR-3B. If the amount is not zero and a tax liability arises, then it has to be discharged through Form GST DRC-03, if not rectified in the next financial year till specified date.

## A.2 Table 6K to 6O

6	Details of ITC availed during the financial year					
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					

## Technical Guide on GST Annual Return (Form GSTR 9)

N	Sub-total (K to M above)					
O	Total ITC availed (I + N above)					

### A.2.1 Table 6K - Transition Credit through TRAN-I (including revisions if any)

The registered person should report the amount of credit received in the electronic credit ledger through Form GST TRAN-1. Where the registered person has revised Form GST TRAN-1, the credit claimed in the revised Form GST TRAN-1 should be disclosed in this table.

### A.2.2 Table 6L - Transition Credit through TRAN-II

The registered person should disclose the quantum of ITC received in the electronic credit ledger through Form GST TRAN-II. This is because the credit through Form GST TRAN-II would have been credited to the electronic credit ledger in the month in which Form GST TRAN-II was filed.

### A.2.3 Table 6M - Any other ITC availed but not specified above

This table covers the credit availed under sections 18(1)(a) to 18(1)(d) of the CGST Act i.e. ITC availed by way of filing Form GST ITC-01. Further, any credit availed on account of sale, merger, demerger, amalgamation, lease or transfer of a business in Form GST ITC-02 shall be disclosed here.

It is important to note that at the time of validation, if it is found that input tax credit left to be taken in Form GSTR-3B filed for the reporting financial year and reported in Form GSTR-3B filed for the subsequent financial year, would be reported in Table 13 of Form GSTR-9.

### A.2.4 Table 6N – Sub-total (K to M above)

The details in this table are auto populated based on details furnished in Table 6K to 6M of Form GSTR-9.

### A.2.5 Table 6O – Total ITC availed (I + N above)

This table contains the total of ITC availed through Form GSTR 3B and other ITC credited directly to credit ledger by filing Form GST TRAN-01, TRAN-2, ITC-01 and ITC-02. These details are auto populated in the return.

**Technical Guide on GST Annual Return (Form GSTR 9)**

**B. Table 7 - Details of ITC Reversed and Ineligible ITC for the financial year**

	Description	Central Tax	State Tax/UT Tax	Integrated Tax	Cess
	1	3	4	5	6
<b>7</b>	<b>Details of ITC Reversed and Ineligible ITC for the financial year</b>				
A	As per Rule 37				
B	As per Rule 39				
C	As per Rule 42				
D	As per Rule 43				
E	As per section 17(5)				
F	Reversal of TRAN-I credit				
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)				

Section 16 of the CGST Act contains the conditions under which the ITC becomes available to a person. On the other hand, section 17 of CGST Act deals with the restricted and ineligible input tax credit. Therefore, the recipient claiming the input tax credit would be required to reverse the input tax credit claimed in situations envisaged under section 17 of the CGST Act. Besides, as per the second proviso to section 16(2) of CGST Act, if the registered person fails to pay to the supplier of goods or services or both except in case where tax is payable on a reverse charge basis, the amount towards the value of supply along with tax payable thereon within a period of one hundred and eighty days from the date of issue of invoice by the supplier, an amount equals to the input tax credit availed by the recipient shall be paid by him, along with interest payable thereon u/s 50, in the prescribed manner.

## Technical Guide on GST Annual Return (Form GSTR 9)

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The test of disallowance shall be framed based on business facts and circumstances to ascertain restricted input tax credit –

- the inputs, input services or capital goods are put to use for a purpose other than business (section 17(1)).
- the inputs, input services or capital goods are put to use for exempt supplies (section 17(2)).
- the inputs, input services or capital goods are those prescribed under the list of blocked input tax credit of inward supplies (section 17(5)).

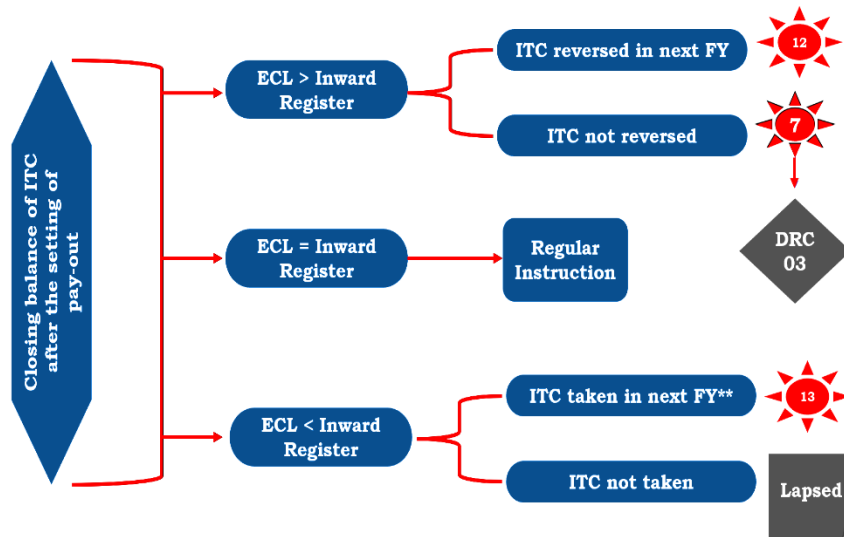
Besides the above, it must be noted here that ITC which is restricted can be reclaimed till the specified date if the excess reversal was made earlier or when the conditions for reclaiming the input tax credit are satisfied. However, it must be noted that ineligible credit cannot be availed once it is declared as ineligible.

CBIC through various notifications categorically stated that for FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23, registered persons have an option to report the consolidated data of reversal from Table 7A to 7E to be reported in Table 7H. However, reversals on account of Form GST TRAN-01 credit (Table 7F) and TRAN-02 credit (Table 7G) are to be mandatorily reported.

### **Point to be considered while preparing Table 7:**

- (a) A general comment applicable throughout Table 7 is that where ITC is included in Table 6B and 6H, the same may be shown in Table 7 for the purpose of reversal of such credit, and if credit is not included, the same shall not be shown in Table 7 to avoid double reversal.
- (b) Where ineligible credits are found to be availed in Form GSTR-3B and are now accepted to be reversed, the registered person may identify whether such ineligible credit has already been utilized or remains unutilized. Where it has been utilized, the same is to be paid in cash through Form GST DRC-03.
- (c) At the time of validation, if it is found that input tax credit left to be reversed in Form GSTR-3B filed for the reporting financial year and reported in Form GSTR-3B filed for the subsequent financial year, would be reported in Table-12 of Form GSTR-9.





\*\* ITC should have been claimed in the next financial year within the time permitted under section 16 (4) of the CGST Act.

### B.1 Table 7A - As per Rule 37

Where a recipient fails to pay to the supplier the amount towards the value of supply along with tax, within a period of 180 days from the date of issue of invoice, an amount equal to the ITC availed by the recipient, has to be paid by the recipient along with interest payable under section 50. Further, recipient would be entitled to reavail such ITC on payment made by him to the supplier.

Further, the reversal of any ITC as per newly inserted rule 37A i.e. reversal of ITC on account of non-payment of tax by the supplier can be disclosed in Table 7H i.e. other reversals in the absence of any specific instruction on disclosure of the same.

### B.2 Table 7B - As per Rule 39

As per rule 39, any ITC required to be reduced on account of issuance of a credit note to the input service distributor by the supplier shall be apportioned to each recipient in the same ratio in which the ITC contained in the original invoice was distributed. The same shall be reported in Table 7B.

Amounts to be shown under Table 7B would be based on the following:

- the input service distributor credit note, issued by Input Service Distributor, as prescribed in sub-rule (1) of rule 54, for reduction of credit in case the ITC already distributed gets reduced for any reason.

## Technical Guide on GST Annual Return (Form GSTR 9)

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- Eligible ITC and ineligible ITC are separately distributed by the input service distributor. [In common parlance, separate invoices are issued for eligible ITC and ineligible ITC]

### **B.3 Table 7C - As per Rule 42 and Table 7D – As per Rule 43**

Rule 42 of the CGST Rules describes the manner of determination of ITC in respect of common inputs or input services and reversal thereof. The same provision for common capital goods is covered in rule 43.

Any reversal of common ITC related to inputs or input services in proportion to value of non-taxable/exempt supplies as prescribed under rule 42 is required to be disclosed here in Table 7C.

Any reversal of common ITC pertaining to capital goods in proportion to value of non-taxable/exempt supplies as prescribed under rule 43 is required to be disclosed here in Table 7D.

The reversal required would have been done every month and then again at the end of the year. Now, at the time of filing Form GSTR-9, if any error is discovered in the amounts of such reversal or ITC is not reversed in any returns, then Form GST DRC-03 is required to be filed for the said reversal.

A most common error that may be made by a registered person is the wrong classification of supply into taxable and exempt supply. The scope of exempt supply is wider enough to cover non-taxable supply along with exempt supply on which the supplier is not liable to pay tax. Other income lying in the profit and loss account may contain some exempt income and accordingly, ITC reversal calculation is required at every tax period.

### **B.4 Table 7E - As per section 17(5)**

The amount of ITC which is ineligible as per section 17(5), has to be reversed if the credit is taken and the amount is shown in Form GSTR-3B. However, if the ineligible credit is not at all taken and disclosed in Form GSTR-3B, except otherwise for reporting purpose<sup>9</sup>, the same is not required to be reported here. The reversal of ITC is also shown in Form GSTR-3B in Table 4(B)(2) and the same must be bifurcated and reported here if it is shown along with any other provisions in the monthly return.

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<sup>9</sup> As per GSTN Advisory dated 02.09.2022, for the period August 2022 and onwards the amount of ITC as per Section 17(5) is to be shown in Table 4(B)(1) of GSTR 3B.

## Technical Guide on GST Annual Return (Form GSTR 9)

### B.5 Table 7F and 7G - Reversal of TRAN-01 and TRAN-02 credit

The details of ITC claimed in Form GST TRAN-01 or TRAN-02 and subsequently, the same has been reversed due to any reason during the financial year, the reversal amount shall be disclosed in Table 7F and Table 7G as the case may be.

### B.6 Table 7H - Other Reversals

If ITC has been reversed due to any reason other than Table 7A to 7E, the same is to be reported under Table 7H only. For example, any ITC reversed through Form GST ITC-03 is to be reported in Table 7H as there is no specific table.

For the FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23, registered persons have an option to report the amount of reversal either separately in Table 7A to 7E or to report entire amount of reversal under Table 7H only (except Form GST TRAN-01 and TRAN-02 related reversal). Reversal on account of Form GST TRAN-01 and TRAN-02 credit are to be mandatorily reported.

### B.7 Table 7I – Total ITC Reversed (Sum of A to H above)

The data is auto populated on the basis of Table 7A to Table 7H.

### B.8 Table 7J – Net ITC available for utilization (6O - 7I)

This table contains the value of net ITC available for utilization by deducting the value of total ITC reversed from the value of total ITC availed. These details are auto populated in the return.

### C. Table 8 - Other ITC Related 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>	<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 the financial year but availed				

## Technical Guide on GST Annual Return (Form GSTR 9)

	in the next financial year up to specified period				
D	Difference [A-(B+C)]				
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>			
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>

Table 8 of Form GSTR-9 contains two sections. The first section relates to the comparison of credit availed on forward charge by the registered person with the credit available as per inward supply uploaded by the suppliers in Form GSTR-1, duly reflected in Form GSTR-2A/2B (Clause A to F of Sl. No.8 of Form GSTR-9). The second section relates to the comparison of IGST paid on the import of goods with IGST availed on import of goods (Clause G to J of Sl. No. 8). The differences in both the cases (Clause K of Sl. No. 8) is sought 'to have lapsed'.

Table No. 6 of the Annual Return deals with 'Details of ITC availed, as declared in return during the financial year'. Both Table 6 and 8 deal with ITC. However, the difference in Table No. 6 and 8 is that:

- Table No. 6 commences with ITC availed by the registered person in Form GSTR-3B and bifurcates the credit availed under various heads like credit availed under the forward charge, reverse charge - under sections 9(3) and 9(4), import of goods and import of service.

## **Technical Guide on GST Annual Return (Form GSTR 9)**

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- In contrast, Table No. 8 commences with ITC as per Form GSTR-2A i.e. inward supplies of the registered person, as declared by his suppliers. Table 8 primarily seeks to determine:
  - ITC available on forward charge which is not availed (Clause E).
  - ITC available on forward charge which is not eligible (Clause F).
  - ITC available but not availed on the import of goods (Clause J).
  - Total ITC which has lapsed (Aggregate of 8E + 8F + 8J).
  - It is also opportune to mention here that ITC relating to following are not subject to reconciliation:
    - import of services
    - reverse charge
    - ISD

Besides above, *Notification No. 56/2019- C.T. dated 14.11.2019* categorically stated that for FY 2017-18, 2018-19 registered persons have an option to upload the details for the entries in Table 8A to 8D (Reconciliation of GSTR-2A with GSTR-3B) duly signed, in PDF format in Form GSTR-9C (without the CA certification).

### **Point to be considered while preparing this table:**

#### **C.1 Table 8A - ITC as per GSTR-2A (Table 3 & 5 thereof)**

- (a) Table 8A is an auto-populated detail & non-editable. The value of supplies along with relevant nature and amount of tax shall be auto-populated from Tables 3 and 5 of Form GSTR-2A.
- (b) Table 3 of Form GSTR-2A relates to 'inward supplies received from a registered person including supplies attracting reverse charge'. Table 5 of Form GSTR-2A relates to 'Debit / Credit notes received during the current tax period'. Thus, what is auto-populated from Form GSTR-2A into this clause is only the data relating to credit availed on inward supplies, where GST is paid to suppliers and amendments made thereto in the form of debit/credit notes.
- (c) Verification of Form GSTR-2A may bring forth the following discrepancies:
  - Purchases that do not pertain to the registered person.
  - Purchases for which credit is ineligible, on which ITC has not been availed, however, this forms part of Form GSTR-2A when the supplier uploads the same in Form GSTR-1.

## Technical Guide on GST Annual Return (Form GSTR 9)

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- Twin-reporting –
  - There could be cases where a single transaction could have two inward supplies in Form GSTR-2A. For example, the amount paid for the purchase of air ticket by the registered person would entail two inward supplies; one from the airline for the ticket and second from the travel agent charging a commission. Both the credits would be available though the transaction is a single one (subject to conditions for availing of credit).
  - One of the conditions for availing credit is that payment ought to be made to the supplier. However, payment would be made by the registered persons only to the travel agent and not the airline. The condition of making the payment would have been satisfied although payment is not made directly to the airline carrier in the instant case. Refer to Explanation (ii) to section 16(2)(b) of the CGST Act, made by the Central Goods and Service Tax (Amendment) Act, 2018.
- Inward supplies where Form GSTR-1 has not yet been filed would be conspicuous by its absence.

GSTN has issued an advisory dated August 18, 2020 regarding the utility available on Annual Return dashboard for verifying the invoice level details of amount auto-populated in Table 8A of Form GSTR 9. The copy of advisory is enclosed at Page 91 for reference.

### **C.2 Table 8B - ITC as per sum total of 6(B) and 6(H) above**

The aggregate of input tax credit uploaded in Table 6B and 6H gets auto populated in this table. Table 6B captures input tax credit on inward supplies (other than imports and inward supplies on which tax is to be paid on reverse charge but includes services received from SEZ). Table 6H, on the other hand, relates to the aggregate value of input tax credit reclaimed under the provisions of the GST.

### **C.3 Table 8C - ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year up to specified period**

ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the reporting financial year but availed in the next financial year within the prescribed time i.e., in the relevant return/statement furnished upto 30<sup>th</sup> November.

## Technical Guide on GST Annual Return (Form GSTR 9)

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This clause is inserted to take care of the provisions of section 16(4) of the CGST Act, to ascertain, match and reconcile the credit availed in the subsequent financial year, where the credit availed relates to the previous financial year.

The values forming part of this clause must also form part of Table 13 (Pt. V of Form GSTR-9) – 'ITC availed for the previous financial year'. Since Pt. V of Form GSTR-9 provides for details of previous financial year's transactions reported in the next financial year till the specified date.

### **C.4 Table 8D - Difference [A – (B + C)]**

There may be circumstances where the credit availed in Form GSTR-3B was greater than credit available in Form GSTR-2A. In such cases, the value in row 8D shall be negative.

Ideally, the value in this clause ought to be positive, since all inward supplies as reported in Form GSTR-2A may not be an eligible input tax credit. In the majority of circumstances, Form GSTR-2A would also contain blocked credit under section 17(5) and non-business credits under section 17(1) etc., in addition to credit. There could be credits used exclusively/partially for exempt supplies, which will have to be dealt as per section 17(2), (3) of CGST Act r/w rule 42 and rule 43 of the CGST Rules. Hence this clause ought to generally declare a positive value.

However, in case this clause derives a negative value, generally, it could point to the fact that ITC has been availed by the recipient, but the supplier has failed to upload the invoices in his Form GSTR-1, leading to the absence of corresponding credits and values in Form GSTR-2A of the registered person.

Negative values in this clause, in exceptional circumstances, could indicate errors or omissions/ commissions in the form of availing credit twice and availing excess credits due to typographical errors.

Suffice to say that if the differential value in this clause is positive, then the value in this clause is normal. However, if the differential value in this clause is Zero or negative, it points to abnormal values. If the differential value in this clause is Zero, it indicates that credit has been availed on inward supply and that there are no blocked credits and non-business credits. If the differential value in this clause is negative, it generally tends to point to the following fact:

- that suppliers have not uploaded their information in Form GSTR-1
- errors of commission/duplication on the part of a registered person while taking credit.

## **Technical Guide on GST Annual Return (Form GSTR 9)**

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Hence, it is stressed that working sheets must be prepared based on inward register to determine and find out the exact cause of difference for initiation of remedial action either on the part of the registered person or on the part of suppliers of the registered person.

The registered person ought to consider possible ramifications where this clause discloses a negative figure. Of course, no such step would be taken without affording the registered person an opportunity to explain. Hence, it is advisable to maintain an adequate explanation for the difference appearing in Table 8D.

### **C.5 Table 8E and Table 8F - ITC available but not availed and ITC available but ineligible**

Difference value in Table 8D when positive, may contain eligible credits that have not been availed by the registered person. The most likely reason could be the failure to take credit within the timelines specified under section 16(4) of the CGST Act.

ITC which is neither reflected in Form GSTR-2A nor claimed in Form GSTR-3B but taken in books of accounts would not be eligible credit at all and hence the same is not to be entered in this table. Here, the difference between inward supplies uploaded by the supplier in Form GSTR-2A and inward supplies claimed by the registered person in Form GSTR-3B is sought to be verified.

Table 8F has been inserted in the annual return to report that portion of input tax credit that is available on the forward charge but which is ineligible to be taken as credit due to provisions of section 17 of the CGST Act, read with rule 42 and 43 of CGST Rules.

Ideally if Table 8D is positive, the sum of Table 8E and Table 8F shall be equal to Table 8D.

### **C.6 Table 8G - IGST paid on import of goods (including supplies from SEZ)**

The data to be validated from import register with the help of the Bill of entry and tax paid challan can be referred to for this amount. IGST is levied on the import of goods.

Supplies of goods or services or both to or by an SEZ unit or SEZ developer is treated as an inter-State supply as per section 7(5) of IGST Act. The IGST paid on such procurement from SEZ unit or developer shall also form part of the disclosure in this table. Important to note that Table 8G is for disclosure of IGST paid on import of goods and not ITC availed on import of goods. Table 6E, however, captured the ITC related to IGST paid on import (including from SEZ) availed by the registered person.



**C.7 Table 8H - IGST Credit availed on import of goods (as per Table 6(E))**

IGST credit on the import of goods including supplies from SEZ as reflected in Table 6E of Form GSTR-9 is auto-populated into this table. Errors made while filling in data in Form GSTR-3B could create problems for the taxpayer in Table 8.

The IGST paid on the import of goods in March 2023 could have been availed on April 2023 (i.e., IGST paid on the import of goods in the previous financial year may be availed in the subsequent financial year). In such cases, there would be a difference since IGST paid on March 2023 would come in Table 8G of Form GSTR-9 for FY 2022-23 whereas IGST availed on April 2023 would come in Table 8H of Form GSTR-9 of FY 2023-24.

The differential figure in Table 8I would be positive for FY 2022-23 and thus not a cause of concern whereas other things remaining constant, the differential figure in Table No. 8I would be a negative value for 2023-24. The reason for the same would have to be substantiated before the department since negative values may attract letters/notices from the department seeking the reason for the same.

**C.8 Table 8I - Difference (G – H)**

The difference in Table 8I may either be a positive figure or a negative figure. The reason for the negative can be the mistakes committed in the preparation of Form GSTR-3B. Apart from the genuine reason of IGST having been paid in the previous financial year but claimed in the subsequent financial year (for which the Bill of Entry wise data must be procured), the differential figure when positive may broadly consist of the following:

- IGST paid as per Table 8G, which is eligible but not availed as per Table 8H.
- IGST paid as per Table 8G, which is ineligible and hence not availed as per Table 8H.

**C.9 Table 8J - ITC available but not availed on import of goods (Equal to I)**

Though Table No. 8J reads as 'ITC available but not availed on import of goods', in effect, it is related to an input tax credit available on the import of goods which has lapsed since the amount entered in 8J has lapsed as per 8K.

Not all goods imported like inputs or capital goods are eligible for availing ITC. Credit may not be available on the import of the following goods:

- Goods imported which are not used or intended to be used in the course or furtherance of business as per section 16(1).
- Goods imported which are used entirely for non-business purposes as per section 17(1).

## Technical Guide on GST Annual Return (Form GSTR 9)

- Goods imported which are used exclusively for exempt supplies as per section 17(2) and 17(3).
- Goods imported which are blocked as credit u/s 17(5).
- Goods imported which consist of telecommunication towers.

IGST paid on imported goods, available but not availed and credit is ineligible should be entered here, though the table heading reads as 'ITC available but not availed on import of goods' since IGST value entered under this heading would lapse as per 8K of Form GSTR-9.

### C.10 Table 8K - Total ITC to be lapsed in current financial year (E + F + J)

The total input tax credit which shall lapse for the current financial year shall be auto populated in this table.

## 11.4 Part IV - Details of tax paid as declared in returns filed during the financial year

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			
				Integrated Tax	Central Tax	State Tax / UT Tax	Cess
	1	2	3	4	5	6	7
	Integrated Tax		<Auto>	<Auto>	<Auto>	<Auto>	
	Central Tax		<Auto>	<Auto>	<Auto>		
	State/UT Tax		<Auto>	<Auto>		<Auto>	
	Cess		<Auto>				<Auto>
	Interest		<Auto>				
	Late fee		<Auto>				
	Penalty		<Auto>				
	Others		<Auto>				

After capturing details relating to outward supplies in Part II and details of input tax credit availed and reversed in Part III of Form GSTR-9, Part IV requires the person

## Technical Guide on GST Annual Return (Form GSTR 9)

filing an annual return to report the details of tax, interest, late fee, penalty and other amounts payable and paid thereon on a cumulative basis for the financial year.

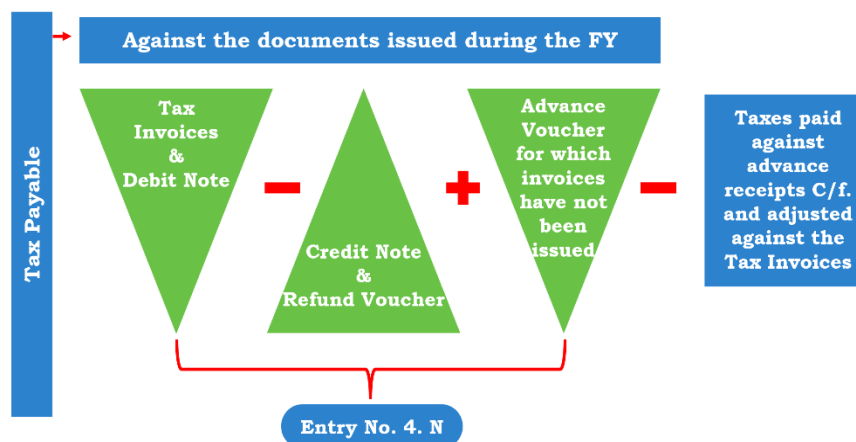
The purpose of Table 9 in Part IV is to get the consolidated value of tax liability self - assessed including tax payable on additional liability which has not been reported yet and tax paid, discharged in the monthly returns i.e. Form GSTR-3B by the registered person for the period for which the annual return is being filed.

The given details along with differential tax details declared in Sl. No. 14 in Part V of the Form shall assume the total tax liability for the financial year which is calculated, declared and discharged by the registered person up to the date of filing the annual return. The unpaid tax liability has to be paid in cash through Form GST DRC-03. The given details shall be useful while filing the reconciliation statement in Form GSTR-9C for the registered person for calculating the actual tax liability for the financial year.

### A. For Tax Payable and Tax Paid

**Details of tax paid i.e., payment through cash and payment through ITC is auto-populated in Table 9 and it is non-editable field.**

As regards 'tax payable', the same must be in alignment with taxable turnover in Sl.No.4, particularly Table 4N of Form GSTR-9. Accordingly, where taxable turnover reported in Form GSTR-1 and Form GSTR-3B are in agreement with each other, there would be no 'new' tax liability identified for the first time in Form GSTR-9. However, where they are not in agreement, which is often the case, taxable turnover reported in Form GSTR-1 and that on which tax is discharged through Form GSTR-3B may not be in agreement. It is for this reason that Table No. 9 captures 'tax payable' based on Form GSTR-9 (4N) but 'tax paid' based on Form GSTR-3B.



## **Technical Guide on GST Annual Return (Form GSTR 9)**

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Now, a quick reference to instructions against Sl. No. 9Q (of Form GSTR-9C) will reveal that 'tax payable' must flow from Table 9 along with taxes admitted against Sl. No. 10 and 11 of Form GSTR-9. Tax payable, therefore, could not be based on the actual Form GSTR-3B so as not to continue the error in Form GSTR-9C but put to rest by registered person admitting short-payment and by verifying the same in the reconciliation. From this, it is clear that 'tax payable' is a conclusion that is being reached in this annual return and must be correctly admitted by the registered person and 'tax paid' cannot be anything more than that already discharged from time to time vide Form GSTR-3B and if not discharged yet, then through Form GST DRC-03 in cash must be paid.

### **B. For Interest Payable and Paid**

For reporting the amount of interest under the given column, interest admitted and paid must be reported here. The details of interest paid under section 50 can be captured from Table 5.1 & 6.1 of Form GSTR-3B filed for the financial year, if paid. Further, the details of interest paid, to be reported in Part IV of Form GSTR-9, the same can also be cross-verified with credit and debit entries relating to interest in the electronic liability register.

### **C. For Late Fees Payable and Paid**

For reporting late fees duly paid during the financial year for late filing of any of the GST returns on which late fee was levied and paid by the registered person, Table 5.1 & 6.1 of Form GSTR-3B shall be used.

Further, the details of late fee to be reported in Part IV of Form GSTR-9, can also be cross-verified with credit and debit relating to a late fee in electronic liability register.

### **D. For Penalty and Other Dues Payable and Paid**

In Form GSTR-3B, there is no table specified for payment of any penalty or other dues. However, under the law there can be instances where a person filing an annual return might have paid penalty due to various instances.

**11.5 Part V - Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period**

Pt.V	Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period					
	Name of Supplies	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					
14	Differential tax paid on account of declaration in 10 & 11 above					
	<b>Description</b>	<b>Payable</b>		<b>Paid</b>		
	<b>1</b>	<b>2</b>		<b>3</b>		

## Technical Guide on GST Annual Return (Form GSTR 9)

	Integrated Tax		
	Central Tax		
	State/UT Tax		
	Cess		
	Interest		

For FY 2022-23, Part V consists of particulars of transactions for the previous financial year but paid in the Form GSTR 3B of April, 2023 to October, 2023 filed upto 30<sup>th</sup> November, 2023.

### A. Table 10 & 11

Table 10 and 11 are already discussed above in Table No. 4.

For FY 2022-23, details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of Form GSTR-1 of April, 2023 to October, 2023 filed upto 30<sup>th</sup> November, 2023 shall be declared here.

### B. Table 12 & 13

Table 12 and 13 - CBIC through various notifications categorically stated that for FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 & 2022-23, registered persons shall have an option not to report this information.

#### B.1 Table 12 – Reversal of ITC availed during previous financial year

The ITC taken have to be reversed post the completion of the financial year due to various reasons:

- Reversal of transitional credit: During the implementation of the GST regime, the Government had provided for claiming of credits available in various forms in the Form GST TRAN-01 and TRAN-02 on a self-declaration basis. The transitional credit claimed may find a variance due to errors of omission and commission by a registered person. The same can be adjusted in this section. The possibility of errors in such credit taken was high since the transitional credit was taken based on various statutory filings like VAT returns, service tax, excise registers. The credit was also taken by the unregistered taxpayers of the erstwhile regimes for their stocks (tax- suffered stock) to the extent of tax paid by them without adequate awareness of the laws.

## Technical Guide on GST Annual Return (Form GSTR 9)

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- Credit wrongly claimed on items covered under section 17(5)
- Non-reversal under rule 42/43
- Any other reversal

The errors and omissions which require reversal are to be rectified in the Form GSTR-3B within the time as prescribed under the GST law, as non-revision may result in the denial of ITC, penalty, and additional liability in the form of interest.

Table 4B of Form GSTR-3B may be used for filling up details in this table.

### **B.2 Table 13- ITC availed for the previous financial year**

In this table, ITC related to those goods or received, which has been received in the previous financial year, but related ITC was availed in the returns (Form GSTR-3B) for the period from April, 2023 to October, 2023 and furnished upto 30<sup>th</sup> November of the next financial year. The time limit for availing ITC is prescribed under section 16(4) of the CGST Act.

Section 16(4) provides the time limit for taking ITC in respect of invoices or debit notes pertaining to a financial year. In this connection, the following points are to be considered:

- Upto FY 2020-21 ITC in respect of invoices or debit notes pertaining to a financial year needs to be claimed within the due date of filing the returns for September of the subsequent financial year or the date of filing the annual return, whichever is earlier.
- Section 16(4) has been amended by the Finance Act, 2022 and the same has been notified w.e.f. 1<sup>st</sup> October 2022 vide *Notification No. 18/2022-Central Tax dated 28.09.2022*. The outcome of the amendment is that from FY 2021-22 ITC in respect of invoices or debit notes pertaining to a financial year can be claimed in the relevant return or the statement filed/ furnished up to 30<sup>th</sup> November of the next financial year, or the date of furnishing the annual return for the said financial year, whichever is earlier. This is also clarified by the CBIC vide press release dated 04.10.2022.
- Table 4(A) of Form GSTR-3B may be used for filling up details in this table.
- It is important to note that any ITC which was reversed in the FY 2022-23 due to non-payment of amount including tax, to the supplier within 180 days [2<sup>nd</sup> proviso to section 16(2)] and reclaimed the same in FY 2023-23 after making payment to the supplier then details of such ITC reclaimed shall be furnished

## **Technical Guide on GST Annual Return (Form GSTR 9)**

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in the annual return for FY 2023-24 not in FY 2022-23.

### **C. Table 14 – Differential tax paid on account of declaration in Table 10 & 11 above**

Outward tax liability of the current financial year declared and paid in next FY.

After capturing details of additions or amendments to any of the supplies of the reporting financial year but which have been furnished in the next financial year, in Table no. 10 and 11, Table 14 aims to capture the details of differential tax liability, either increase or decrease, as the case may be, arising out of such reporting by the person filing the annual return.

Table 14 also shows whether the relevant additional tax arising has been paid or not. The details of Interest in respect of any additional tax payable and paid in Table 14 are also required to be disclosed here.

#### **C.1 For Tax Payable**

Table 9 of Part IV contains details of tax payable for details of supplies which person filing the annual return has reported through the details of tax as derived in Table 4N; similarly, for details of tax payable to be reported in Table 14, the net amount of tax reported in Table 10 and 11 should be considered.

#### **C.2 For Tax Paid**

In case, the amount of tax disclosed in Table No. 10 and 11 is positive or, it causes an increase in liability of tax and such tax has also been paid in Form GSTR-3B filed during the next FY, then by finding out the exact details through a reconciliation sheet, the amount of tax paid should be mentioned.

#### **C.3 For Interest Payable and Paid**

For reporting the amount of interest under the given column, the person filing an annual return needs to calculate the interest applicable under section 50 of the CGST Act. The said interest needs to be calculated by identifying the exact months in which the additional tax liability should have been paid up to the month in which it is paid.



## 11.6 Part VI - Other Information

### A. Table 15 – Particulars of Demands and Refunds

Pt. VI Other Information								
15 Particulars of Demands and Refunds								
	Details	Central Tax	State Tax / UT Tax	Integrated Tax	Cess	Interest	Penalty	Late Fee/ Others
	1	2	3	4	5			
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							

CBIC through various notifications categorically stated that registered persons have an option not to report this information for the FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23.

## Technical Guide on GST Annual Return (Form GSTR 9)

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### A.1 For Total Refund Claimed

The aggregate value of refund of taxes claimed (CGST, SGST/UTGST, IGST and Cess to be disclosed separately) under the GST Law, has to be reported under this head which includes refund claimed which have been sanctioned, rejected or pending for processing, comprising of the refund in any of the following scenarios:

- Refund of taxes paid in excess.
- Refund of balance in the cash ledger after payment of taxes.
- Refund of an unutilised ITC in case of zero-rated supplies of goods/ services without payment of taxes.
- Refund of taxes paid in case of zero-rated supplies of goods/services with payment of taxes.
- Refund of taxes paid on account of deemed exports (where a refund is claimed by the supplier).
- Refund of taxes paid on account of deemed exports (where a refund is claimed by the recipient).
- Refund of taxes paid on account of the supply of goods/ services made to an SEZ unit/developer.
- Refund of unutilised ITC on account of inverted duty structure.
- Refund of pre-deposit.
- Refund of taxes paid where the transactions are considered as intra-state supplies, but which are subsequently considered as inter-State supplies.
- Provisional refunds received.

Non-GST refund claims (i.e. refund claimed under erstwhile law) should not be reported here.

In case of refund of integrated tax paid on export of goods out of India as per rule 96(1), shipping bill filed by an exporter of goods, shall be deemed to be an application for refund only when export general manifest (EGM) covering the shipping bill number and date is furnished by person-in-charge of conveyance and a valid Form GSTR-3B is furnished by the applicant. Hence refund claimed amount is to be reported considering the compliance of rule 96 (1) of the CGST Rules.

### A.2 For Total Refund Sanctioned

The aggregate value of the refund of taxes (CGST, SGST/UTGST, IGST and Cess to be disclosed separately) sanctioned up to the end of financial year, out of the total refund claims filed for the relevant financial year, as reflected in the sanction orders has to be reported under this head. Refund granted and adjusted against any

## **Technical Guide on GST Annual Return (Form GSTR 9)**

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outstanding demand of taxes in Form GST RFD-07 should be disclosed here before the adjustment of demand for taxes. Further, even the provisional refund (of 90%) sanctioned must be reported here. This is because rule 91(2) provides for sanctioning of the provisional refund by passing the order in Form GST RFD-04.

### **A.3 For Total Refund Rejected**

The aggregate value of the refund of taxes (CGST, SGST/UTGST, IGST and Cess to be disclosed separately) rejected in the financial year, out of the total refund claims filed for the relevant financial year, has to be reported under this head. Cases where deficiency memo has been issued upon filing of refund application but order whether sanctioned or rejected has not been issued, should not be reported here.

### **A.4 For Total Refund Pending**

The aggregate value of the refund of taxes (CGST, SGST/UTGST, IGST and Cess to be disclosed separately) pending, out of the total refund claims filed for the relevant financial year, has to be reported under this head. In other words, the aggregate value of all refund applications for which acknowledgment has been received has to be reported under this head excluding the provisional refunds received.

### **A.5 For Total Demand of Taxes**

The aggregate value of the demand of taxes (CGST, SGST/UTGST, IGST and Cess to be disclosed separately) along with interest and penalty for which an order confirming the demand has been issued by the adjudicating authority has to be reported under this head.

Similarly, where the order has been passed in Form GST RFD-07 by way of adjustment of the amount of refund against the outstanding demand under the GST, the demand of tax before adjustment against refund of tax would form part of the reporting under this head, as if the demand has not been included earlier.

### **A.6 For Total Taxes Paid out of the aforesaid Demand of Taxes**

The aggregate value of demands of taxes (CGST, SGST/UTGST, IGST and Cess to be disclosed separately) paid along with interest, penalty and late fee, out of the value of confirmed demand as declared in Sl. No.15E above, has to be reported under this head.

Further, where the order has been passed in Form GST RFD-07 by way of adjustment of the amount of refund against the outstanding demand under the GST, the amount of such refund adjusted would form part of the reporting under this head.

## Technical Guide on GST Annual Return (Form GSTR 9)

### A.7 For total demands pending out of the aforesaid demand of taxes

The aggregate value of demand of taxes (CGST, SGST/UTGST, IGST and Cess to be disclosed separately) along with interest, penalty and late fee which are pending to be paid, out of the value of confirmed demand of taxes, interest, penalty, and late fee as declared in SI No.15E above, has to be reported under this head.

### B. Table 16 - Information on supplies received from composition taxpayers, demand supply under section 143 and goods sent on approval basis

16 Information on supplies received from composition taxpayers, demand supply under section 143 and goods sent on approval basis						
	Details	Taxable Value	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
A	Supplies received from Composition taxpayers					
B	Deemed supply under Section 143					
C	Goods sent on approval basis but not returned					

CBIC through various notifications categorically stated that registered persons have an option not to report this information for the FY 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23.

#### B.1 Supply received from Composition Taxpayers

The registered person, not being a composition taxpayer, is required to provide value of inward supplies received from the composition taxpayers in this table.

Composition taxpayers cannot issue tax invoice; they must issue a bill of supply as mentioned in *section 31(3)(c) of the CGST Act*. Details of inward supplies received from the composition taxpayer can be extracted from the inward register, if the same are recorded separately.

Only inward supply received from the composition taxpayer is to be reported here.

## Technical Guide on GST Annual Return (Form GSTR 9)

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Any inward supplies which are nil-rated, exempted, non-GST etc. should not be a part of this.

### **B.2 For Deemed Supply Under Section 143**

Aggregate value of all deemed supplies from the principal to the job-worker in terms of sub-section (3) and sub-section (4) of section 143 of the CGST Act, shall be declared here.

Section 143(3) and (4) of the CGST Act deals with payment of tax on the deemed supply, when inputs or capital goods (other than moulds and dies, jigs and fixtures or tools) are not returned by the recipient (job-worker) within the prescribed time period to the registered principal, which are sent on or after 01.07.2017. Section 143 (3) of the CGST Act provides that if inputs sent for job work are not received by the principal within 1 year of it being sent, then the same would be deemed as supply in the hands of the principal on the day on which the inputs were sent by the principal.

Section 143(4) of the CGST Act provides that if capital goods (other than moulds and dies, jigs and fixtures, or tools) sent for job work are not received by the principal within 3 years of their being sent, then the same would be deemed as supply in the hands of the principal on the day on which the capital goods were sent by the principal.

Every registered person has to maintain job work register which will be the source for filing the Form GST ITC-04. Registered person has to examine this register for the difference in period from the date of goods sent and received from the job worker.

### **B.3 For Goods Sent on Approval Basis but Not Returned**

Aggregate value of all deemed supplies for goods which were sent on approval basis but were not returned to the principal supplier within 6 months from being sent shall be declared here.

The CGST Act provides that if goods sent on approval are not returned by the recipient to the supplier within 6 months from the date of removal, the same shall be treated as supply in the hands of the supplier.

The register maintained by the supplier in respect of goods sent on approval basis wherein the details of date of receipt and date of return can be verified.

Since no actual sales happened when goods were sent to the recipient on sale on approval basis, this transaction would not be reported in any return till the permissible time limit expires as given in section 31(7) of the CGST Act; such goods

## Technical Guide on GST Annual Return (Form GSTR 9)

are sent on delivery challan only. Therefore, there would be no track to capture such a transaction.

One can also verify closing stock in the books of account in which goods sent on approval basis can be scrutinized and analysed to identify goods sent 6 months back but not returned or accepted by the recipient which then would be treated as supply to be covered in this table. Tax invoice is required to be raised and tax needs to be paid.

### C. Table 17 - HSN Wise Summary of outward supplies, Table 18 - HSN Wise Summary of Inward supplies & Table 19 - Late fee payable and paid

17 HSN Wise Summary of outward 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
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
19 Late fee payable and paid								
	Description				Payable	Paid		
	1				2	3		
A	Central Tax							
B	State Tax							

## Technical Guide on GST Annual Return (Form GSTR 9)

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CBIC through various notifications categorically stated that registered persons have an option not to report the information as required to report in Table no. 17 and 18 for the FY 2017-18, 2018-19, 2019-20 & 2020-21. However, for the FY 2021-22 and 2022-23, option is only for Table 18.

From FY 2021-22, through *Notification No. 14/2022 – Central Tax dated 05.07.2022*, CBIC has made mandatory to report HSN code at six digits level for the taxpayers having annual turnover in the preceding year above ₹ 5 cr and at four digits level for all B2B supplies for taxpayers having annual taxpayer in the preceding year upto ₹ 5 Cr in Table No. 17.

India has adopted the Harmonized System of Nomenclature (HSN) for goods and Services. A summary of inward and outward supplies effected/made against a particular HSN code is to be reported in this table; since rule 46 (g) of the CGST Rules provides that the HSN code is to be mentioned on the face of the tax invoice.

With effect from 01.04.2021 vide *Notification No. 78/2020-Central Tax dated 15.10.2020*, It is mandatory to report four digits HSN code for the taxpayers having turnover upto ₹ 5 Cr and six digits HSN code for the taxpayers having turnover more than ₹ 5 Cr.

Prior to 01.04.2021, in terms of *Notification No. 12/2017–Central Tax (Rate) dated 28.06.2017*, it is optional to mention HSN code for taxpayers having annual turnover up to ₹ 1.50 crores, it would be mandatory to report HSN code at two-digit level for taxpayers having annual turnover in the preceding year above ₹ 1.50 crore but up to ₹ 5.00 crore and at four digit level for taxpayers having annual turnover above ₹ 5.00 crore.

The Central Government and the State Governments have issued notifications specifying the rate of tax based on the classification / description of goods with reference to the chapter heading, sub-heading and tariff item. It is also notified that the 'tariff item', 'sub-heading', 'heading' and 'chapter' as referred to therein shall have the same meaning as tariff item, sub-heading, heading and chapter as specified in the First Schedule of the Customs Tariff Act, 1975. The methodology adopted for the purpose of classification of goods under the Customs Tariff Act is commonly known as Harmonized System of Nomenclature (HSN, or also known as Harmonised Commodity Description and Coding System – abbreviated version according to WCO is HS). It is a multipurpose International Product Nomenclature developed by the World Customs Organisation (WCO). WCO has 181 members and India is a member of WCO since 1971. India had adopted the system of HSN in 1986.

## Technical Guide on GST Annual Return (Form GSTR 9)

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It is specified that the rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 including the section and chapter notes and the general explanatory notes of the first schedule shall, so far as may be, apply to the interpretation of the notification issued under the GST Laws.

It is apparent from the above explanations and references thereto that the principles of classification and rules of interpretation for classification of goods under the Customs Tariff Act shall be adopted for GST Laws for the purpose of classification of goods.

**The Customs Tariff Act, 1975:** The first schedule to the Customs Tariff Act specifies the 'General Rules for the Interpretation of the First Schedule' that should be adopted for the purpose of classification of goods and determination of rate of tax. The said rules refer to the sections, section notes, chapters, chapter notes, headings and sub-headings. It also specifies the 'General Explanatory Notes' which should be referred for the purpose of classification of goods. HSN has 21 sections, 99 Chapters, 1244 Headings and 5244 sub-headings (please note that Chapter 99 is kept blank for common use – which has been used to classify services).

### HSN wise break-up for Outward Supplies

The data to be validated from the outward supply register for the following particulars.

- **HSN Code**

HSN based classification ought to be corroborated with allied documents such as E-way bills, delivery challans, notifications and clarifications including explanatory notes to the scheme of classification of services. It is possible that the tax rates may have been changed during the financial year in respect of goods supplied. In such cases, this column should be so filled that it reflects or captures such rate changes.

- **Unit or Unique Quantity Code**

Unit quantity code is the code of measurement of a particular commodity i.e. Kilograms, Meters, Litres, Numbers etc. Different goods could be measured through different UQC's based on the nature of goods.

- **Total Quantity**

The total quantity of outward supplies made during the financial year is to be filled in this column. It may be worth noting that every registered person would have to maintain complete quantitative records of the goods traded (or manufactured and traded) during the financial year.



## Technical Guide on GST Annual Return (Form GSTR 9)

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- **Taxable Value**

The expression “taxable value” is not defined under the Act; it must be understood to be the value of taxable supply on which tax becomes payable. In the instructions provided to Form GSTR-2 in sl. no. 5 of Table 5, it is stated that “*taxable value*” means assessable value for custom purposes on which IGST is computed.

- **Rate of Tax**

The rate of GST applicable must be reported in this column keeping in mind that there could have been changes in the applicable tax rates on a particular item / HSN code during the reporting period. When there is a change, there will be separate details for each rate of tax in respect of the same supply.

- **Payout**

Column 6 to column 9, essentially, capture the details of taxes payable based on the nature of outward supplies i.e. intra-State or inter-State supplies. Caution must be exercised to ensure that such HSN based taxable supplies reflected in this table match with turnover reflected elsewhere in the Annual Return.

### **HSN wise break-up for Inward Supplies**

The analysis given above with respect to HSN summary of outward supplies would be applicable even for the understanding of HSN summary of inward supplies.

### **Late Fee for Belated Filing of Annual Return**

Annual return has a due date prescribed for its filing. The due date prescribed under rule 80(1) of the CGST Rules, 2017, is necessary to make this return enforceable. Without a due date, this return would become directory and not mandatory given that taxes due are paid through monthly/quarterly return in Form GSTR-3B.

Annual return is also not a document wherein new information can be furnished. Instead, Form GSTR-9 only curates the information already furnished through the return in Form GSTR-1 or Form GSTR-3B and presents it in a suitable manner for consideration by the tax administration.

Section 47(2) of the CGST Act provides for levy of a late fee of ` 100/- per day for delay in furnishing annual return in Form GSTR-9, subject to a maximum amount of quarter percent (0.25%) of the turnover in the State or Union Territory. Similar provisions for levy of late fee exist under the State / Union Territory GST Act, 2017.

On a combined reading of section 47(2) and section 44(1) of the CGST Act and State / Union Territory GST Act, 2017, a late fee of ` 200/- per day ( ` 100 under

## Technical Guide on GST Annual Return (Form GSTR 9)

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CGST law + ` 100/- under State / Union Territory GST law) could be levied which would be capped to a maximum amount of half percent (0.25% under the CGST Law + 0.25% under the SGST / UTGST Law) of turnover in the State or Union Territory.

The above late fees have been rationalized vide *Notification No. 07/2023-Central tax dated 31.03.2023* for filing annual return in Form GSTR-9 from FY 2022-23 onwards. Kindly refer Page No. 14 for detailed information of such late fees.

### Understanding “Verification” Under Form GSTR-9

*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.*

*Signature*

*Place:*

*Name of Authorised Signatory*

*Date:*

*Designation / Status*

Among other words, there are several important words and phrases used in this part such as *solemnly affirm, declare, true and correct, knowledge and belief, conceal* etc. An understanding of the true import of these words becomes relevant. These words can be understood as follows:

According to *The Random House Dictionary* the word -

- solemn means “serious or earnest”
- affirm means “confirm, establish or ratify”.
- A solemn affirmation is ratification under a statute.

In the case of ***Dilip N. Shroff V/s. Joint Commissioner of Income tax, [2007 (219) ELT 15 (SC)]*** their lordships extracted the meaning of the word “conceal” from the Law Lexicon which reads:

*“to hide or keep secret. The word “conceal” is con + celare which implies to hide. It means to hide or withdraw from observation; to cover or keep from sight; to prevent the discovery of; to withhold knowledge of. The offence of concealment is, thus, a direct attempt to hide an item of income or a portion thereof from the knowledge of the income tax authorities.”*

In the very same judgement in para 67 and 68 the Hon’ble Supreme Court goes on to analyse certain phrases, which are relevant and reproduced below:

## Technical Guide on GST Annual Return (Form GSTR 9)

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*'Concealment of income' and 'furnishing of inaccurate particulars' are different. Both concealment and furnishing inaccurate particulars refer to deliberate acts on the part of the Registered Person. A mere omission or negligence would not constitute a deliberate act of suppressio veri or suggestio falsi. Although it may not be very accurate or apt but suppressio veri would amount to concealment, suggestio falsi would amount to furnishing of inaccurate particulars.*

The authorities did not arrive at a finding that the consideration amount fixed for the sale of property was wholly inadequate. The authorities also do not show what the inaccurate particulars furnished by the Appellant are. They also do not state what should have been the accepted principles of valuation. We, therefore, do not accept the submissions of the learned Additional Solicitor General that concealment or furnishing of inaccurate particulars would overlap each other, the same would not mean that they do not represent different concepts. Had they not been so, the Parliament would not have used different terminologies.

To conclude, malafide or dolus malus becomes a pre-requisite to prove an act of concealment. While every action is not malafide – negligence, carelessness, recklessness coupled with the intention to withhold information tantamount to malafide, it is reiterated that mere failure to provide information or providing inaccurate information also would not amount to concealment.

The latter part of “verification” in the prescribed Form GSTR-9 (Annual return) reads “*in case of any reduction in output tax liability the benefit thereof has been / would be passed on to the recipient of supply*”. In order to understand the relevance and implication of this expression, one needs to understand the full impact of the provisions of section 171 of the CGST Act. Section 171 (1) of the CGST Act cites two situations as under:

- (A) Reduction in rate of tax; or
- (B) Benefit of input tax credit.

In both the above situations, the Statute warrants that any benefit accruing to a Registered Person ought to be passed on to the recipient by way of commensurate reduction in prices. It simply means a registered supplier to whom a benefit arises by way of additional input tax credit or a reduction in rate is required to necessarily pass on the entire amount to one or all recipients of such supply.

A plain understanding of the verification portion implies that the Registered Person is cast with the onerous responsibility of finding out whether any such benefit has accrued to him. One can, therefore, construe that the Registered Person has to now

## Technical Guide on GST Annual Return (Form GSTR 9)

assess the impact of the provisions of section 171 of the CGST Act and disclose suitably.

After a conjoint reading and understanding of all aspects cited supra, many experts are of the view that the exercise of verification would actually mean an attest function is being carried out while others believe that it is an exercise of verification/examination of factual information.

### 12. List of Optional Entries in Form GSTR-9 for FY 2022-23

Sr.	Table No.	Particulars
1	5H to 5K	→ Credit Notes / Debit Notes issued or amendment made respect of transactions specified in Table 5A to 5F.
2	5D & 5E	→ Exempted Supplies and nil rated supply can be disclosed on consolidated basis under 5D
3	6B, 6C, 6D & 6E	→ Break-up of Input Services
4	7A to 7H	→ Accumulated amount of reversal from Table 7A to 7E can be filed in Table 7H i.e. in ' Other reversal', however reversal of transitional credit fields [Table 7F &7G] are mandatory.
5	12 & 13	→ Reversal of ITC availed during previous financial year.
		→ ITC availed for the previous financial year.
6	15A to 15G	→ Details of refund claimed during the year including sanctioned, rejected or pending amount.
		→ It also Covers total Demand of Taxed made during the year, amount paid and pending amount.
7	16A to 16C	→ Supplies received from composition taxpayers (16A).
		→ Deemed supply under section 143(16B).
		→ Goods sent on approval basis but not returned (16C).
8	18	→ HSN Wise summary of inward supplies.

Note: Kindly refer to the respective table to understand the type of exemption provided by the CBIC.

### 13. Annual Return for Composition Taxpayers [GSTR-9A]

As per sub-section (1) of section 44 of the CGST Act read with sub-rule (1) of rule 80 of the CGST Rules, a person paying tax under section 10 is required to furnish the annual return in Form GSTR-9A. However, CBIC vide notifications had either provided them an option to furnish the said form or exempted them from filing the same. The details of the notifications are as follows:

Sr.	Notification No.	Subject
01.	47/2019 – C.T. dated 09.10.2019 (as amended by N.No.: 77/2020 – C.T dated 15.10.2020)	Notifies registered persons whose aggregate turnover in a financial year does not exceed Rs. 2 crores as the class of registered persons who shall, in respect of FY 2017-18, 2018-19 and 2019- 20 <b>has the option to furnish the annual return.</b>  The said return shall be deemed to be furnished on the due date if it has not been furnished before the due date.
02.	→ 31/2021 – C.T. dated 30.07.2021 → 10/2022 – C.T. dated 05.07.2022 → 32/2023 – C.T. dated 31.07.2023	<b>Exempts</b> the registered person whose aggregate turnover in the financial year 2020-21 / 2021-22/2022-23 is up to Rs. 2 crores, <b>from filing annual return</b> for the said financial year.

## 14. Appendices

### 14.1. Notification No. 32/2023 - CT dated 31.07.2023

<p style="text-align: center;"><b>MINISTRY OF FINANCE</b> (Department of Revenue) <b>(CENTRAL BOARD OF INDIRECT TAXES AND CUSTOMS)</b> <b>NOTIFICATION NO. 32/2023- Central Tax</b></p> <p style="text-align: right;"><b>New Delhi, the 31st July, 2023</b></p> <p><b>G.S.R. 575(E).</b>—In exercise of the powers conferred by the first proviso to section 44 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner, on the recommendations of the Council, hereby exempts the registered person whose aggregate turnover in the financial year 2022-23 is up to two crore rupees, from filing annual return for the said financial year.</p> <p style="text-align: right;"><b>[F. No. CBIC-20006/20/2023-GST]</b></p> <p style="text-align: right;"><b>ALOK KUMAR, Director</b></p>
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### 14.2 Notification No. 38/2023 - CT dated 04.08.2023 [Extract]

<p>25. In the said rules, in FORM GSTR-9, under the heading 'Instructions', -</p> <p>(a) in paragraph 4, -</p> <p>(A) after the word, letters and figures "or FY 2021-22", the word, letters and figures "or FY 2022-23" shall be inserted;</p> <p>(B) in the Table, in second column, -</p> <p>(I) against serial numbers 5D, 5E and 5F, the following entries shall be inserted at the end, namely: -</p> <p style="padding-left: 40px;">'For FY 2022-23, the registered person shall report Non-GST supply (5F) separately and shall have an option to either separately report his supplies as exempted and nil rated supply or report consolidated information for these two heads in the "exempted" row only.';</p> <p>(II) against serial numbers 5H, 5-I and 5J &amp; 5K, for the figures and word "2020-21 and 2021-22", the figures and word "2020-21, 2021-22 and 2022-23" shall respectively be substituted;</p> <p>(b) in paragraph 5, in the Table, in second column, -</p>
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## Technical Guide on GST Annual Return (Form GSTR 9)

- (A) against serial numbers 6B, 6C, 6D and 6E, for the letters and figures “FY 2019-20, 2020-21 and 2021-22”, the letters, figures and word “FY 2019-20, 2020-21, 2021-22 and 2022-23” shall respectively be substituted;
- (B) against serial numbers 7A, 7B, 7C, 7D, 7E, 7F, 7G and 7H, for the figures and word “2020-21 and 2021-22”, the figures and word “2020-21, 2021-22 and 2022-23” shall be substituted;
- (c) in paragraph 7, -
- (A) after the words and figures “filed upto 30th November, 2022.”, the following words, figures and letters shall be inserted, namely: -  
“For FY 2022-23, Part V consists of particulars of transactions for the previous financial year but paid in the **FORM GSTR-3B** of April, 2023 to October, 2023 filed upto 30th November, 2023.”;
- (B) in the Table, in second column, -
- (I) against serial numbers 10 & 11, the following shall be inserted at the end, namely: -  
“For FY 2022-23, details of additions or amendments to any of the supplies already declared in the returns of the previous financial year but such amendments were furnished in Table 9A, Table 9B and Table 9C of **FORM GSTR-1** of April, 2023 to October, 2023 filed upto 30th November, 2023 shall be declared here.”;
- (II) against serial number 12, -
- (i) after the words, figures and brackets “upto 30th November, 2022 shall be declared here. Table 4(B) of **FORM GSTR-3B** may be used for filling up these details.”, the following shall be inserted, namely: -  
“For FY 2022-23, aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April, 2023 to October, 2023 filed upto 30th November, 2023 shall be declared here. Table 4(B) of **FORM GSTR-3B** may be used for filling up these details.”;

## Technical Guide on GST Annual Return (Form GSTR 9)

- (ii) for the figures and word “2020-21 and 2021-22”, the figures and word “2020-21, 2021- 22 and 2022-23” shall be substituted;
- (III) against serial number 13, -
  - (i) after the words, letters and figures “reclaimed in FY 2022-23, the details of such ITC reclaimed shall be furnished in the annual return for FY 2022-23,”, the following shall be inserted, namely: -

“For FY 2022-23, details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April, 2023 to October, 2023 filed upto 30th November, 2023 shall be declared here. Table 4(A) of FORM GSTR-3B may be used for filling up these details. However, any ITC which was reversed in the FY 2022-23 as per second proviso to sub-section (2) of section 16 but was reclaimed in FY 2023-24, the details of such ITC reclaimed shall be furnished in the annual return for FY 2023-24.”;
  - (ii) for the figures and word “2020-21 and 2021-22”, the figures and word “2020-21, 2021-22 and 2022-23” shall be substituted;
- (d) in paragraph 8, in the Table, in second column, -
  - (A) against serial numbers, -
    - (I) 15A, 15B, 15C and 15D; and
    - (II) 15E, 15F and 15G,

for the figures and word “2020-21 and 2021-22”, the letters, figures and word “2020-21, 2021-22 and 2022-23” shall respectively be substituted.”;
  - (B) against serial numbers 16A, 16B and 16C, for the figures and word “2020-21 and 2021-22”, the figures and word “2020-21, 2021-22 and 2022-23” shall respectively be substituted.”;
  - (C) against serial number 17 & 18, for the word, letter and figures “For FY 2021-22”, the words, letter and figures “For FY 2021-22 and 2022-23” shall be substituted.”.



## Technical Guide on GST Annual Return (Form GSTR 9)

### 14.3 GSTN Advisory dated 18.08.2020

#### **GSTN enables taxpayers to know Input Tax Credit eligibility at invoice level while filing Annual Return**

- Taxpayers are enabled to download of invoices which account for ITC in Table 8A of Form GSTR-9, Annual Return
- Reasons for non-inclusion of an invoice in ITC value can be found out (difference between GSTR-2A and GSTR-9 can be understood better)
- GSTR-9 is an Annual Return mandated for Normal Taxpayers having turnover of over Rs. 2 crore.

**New Delhi, 18<sup>th</sup> August 2020:** Goods and Services Tax Network (GSTN), the IT backbone of GST system in India has rolled over an important functionality today which will help GST taxpayers know their exact eligibility of input tax credit (ITC) flowing in their Annual Return and thereby filing the annual return, i.e., GSTR-9 more conveniently.

Till now, the system used to compute eligible ITC based on suppliers' GSTR-1 and due to the governing rules like those filed till last date etc, the break-up at invoice level was not provided. Taxpayers used to raise query on computation of ITC. To bring the entire computation to taxpayer by way of showing each and every invoice filed by the suppliers and showing eligibility against each, this functionality has been developed.

For this functionality, a new tab 'Download Table-8A details' has been introduced on the GSTR-9 dashboard of the GST portal from Financial Year 2018-19 onwards.

GSTR-9 Annual return for Normal taxpayers

GSTIN - [Redacted] Status - Filed FY - 2018-19

Steps to prepare GSTR-9 return online

1. Download the draft system computed GSTR-9, summary of Form GSTR-1 and GSTR-3B for the financial year by clicking on relevant buttons. This is only for reference for filling the return, and will facilitate in providing details in actual tables.
2. Click on tables (Box) selected and fill in the required details;
3. Summary of added details would be available on the relevant box;
4. Click on 'Preview' button to view summary in PDF or Excel format; and
5. After adding and confirming the details, follow filing process as indicated at the bottom of this page.

DOWNLOAD GSTR-9 SYSTEM COMPUTED SUMMARY (PDF) DOWNLOAD GSTR-1 SUMMARY (PDF) DOWNLOAD GSTR-3B SUMMARY (PDF)

**DOWNLOAD TABLE 8A DOCUMENT DETAILS**

***(Navigate to Services > Returns > Annual Return > Form GSTR-9 (Prepare Online) >Download Table 8 A Document Details)***

## Technical Guide on GST Annual Return (Form GSTR 9)

### How will this functionality help taxpayers?

- It's a major relief for Annual Return filers who used to report 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 (Form GSTR-2A is a dynamic form which shows saved as well as filed invoices of suppliers. Even those invoices filed after last day for inclusion in Annual Returns, are also shown in GSTR-2A. Such invoices are not eligible for being counted for ITC).
- The taxpayers will now be able to know their ITC at the invoice level and reconcile the values appearing in Table-8A of Form GSTR-9 while filing their annual return.
- It will facilitate taxpayers to download document-wise details of Table-8A of Form GSTR-9, from the GST portal in excel format and view the entire Table-8A to know eligibility against each invoice.
- The excel document has 5 sheets contain the following information:

Sheet 1	Sheet 2	Sheet 3	Sheet 4	Sheet 5
Instructions on how to use the functionality	B2B invoices uploaded by suppliers	Data on B2B amendments	Details of Credit/Debit Note	Amendments to Credit/Debit Notes

### Invoice not eligible for ITC! Know why?

In case the invoice is not found eligible for ITC, reasons are given against the same, as depicted in the table below. This is available in first sheet of excel downloaded from the portal.

Reason	Details of the reason
Reverse charge document	When the supplier has filed the document in GSTR-1 indicating the supply as reverse charge.
POS lies in supplier's State	When the supplier's State code and POS lie in the same State, but recipient's State is different.
GSTIN is amended	When the supplier has amended the GSTIN, Credit shall be available to amended GSTIN only.
Taxpayer opted for composition scheme	When the document date is during the period when supplier was under the composition scheme.

## Technical Guide on GST Annual Return (Form GSTR 9)

Invoice date is after supplier's cancellation date	When the document date is after the effective date of cancellation of supplier.
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Apart from this, there could be one more scenario wherein the taxpayer will not be able to avail ITC while filing of Annual Return GSTR-9. If the supplier has filed GSTR-1 or GSTR-5 after the cut-off date, it will not be considered for availability of ITC, though the ITC details might be showing in his GSTR-2A. The cut-off date, for FY-2018-19, is 31<sup>st</sup> October 2019.

Scenario	Reason
ITC showing in GSTR-2A but not available in Table-8A of GSTR-9 for FY 2018-19	Check if your supplier has filed GSTR-1 or GSTR-5 after the cut-off date, 31 <sup>st</sup> October 2019.

The number of Normal Taxpayers stands at 1.03 crore out of which around 14 lakh taxpayers are mandated to file Annual Return GSTR-9 as their Annual Aggregate Turnover was more than Rs. 2 Crores.

### **About GSTN:**

*Goods and Services Tax Network (GSTN) is a Section 8 (under new Companies Act, 2013 not for profit companies are governed under section 8), non-government, private limited company. Instituted in March 2013, the Company has been set up primarily to provide IT infrastructure and services to the Central and State Governments, taxpayers and other stakeholders for implementation of the Goods and Services Tax (GST).*

**14.4 Press Release dated 04.06.2019**

**Clarifications on filing of Annual Return (FORM GSTR-9)**

The last date for filing of Annual return in **FORM GSTR-9** is 30<sup>th</sup> June 2019. The trade and industry have raised certain queries with respect to filing of this Annual return which are being clarified as follows:

- a. Information contained in **FORM GSTR-2A** as on 01.05.2019 shall be auto-populated in Table 8A of **FORM GSTR-9**.
- b. Input Tax Credit on inward supplies shall be declared from April 2018 to March 2019 in Table 8C of **FORM GSTR-9**.
- c. 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**.
- d. 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**.
- e. 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**.
- f. 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.

## Technical Guide on GST Annual Return (Form GSTR 9)

- g. 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.
- h. 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**.

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

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**DSM/RM/PM**

(Release ID: 1573319) Visitor Counter : 2262

Read this release in: Urdu , Hindi , Bengali

#### 14.5 Press Release dated 03.07.2019

##### **Clarification regarding Annual Returns and Reconciliation Statement**

The Government has been receiving a number of representations regarding Annual Return (**FORM GSTR-9 / FORM GSTR-9A**) and Reconciliation Statement (**FORM GSTR-9C**). In this regard the following clarifications are issued for information of all stakeholders: -

**a) Payment of any unpaid tax:** Section 73 of the CGST Act provides a unique opportunity of self – correction to all taxpayers i.e. if a taxpayer has not paid, short paid or has erroneously obtained/been granted refund or has wrongly availed or utilized input tax credit then before the service of a notice by any tax authority, the taxpayer may pay the amount of tax with interest. In such cases, no penalty shall be leviable on such tax payer. Therefore, in cases where some information has not been furnished in the statement of outward supplies in **FORM GSTR-1** or in the regular returns in **FORM GSTR-3B**, such taxpayers may pay the tax with interest through **FORM GST DRC-03** at any time. In fact, the annual return provides an additional opportunity for such taxpayers to declare the summary of supply against which payment of tax is made.

**b) Primary data source for declaration in annual return:** Time and again taxpayers have been requesting as to what should be the primary source of data for filing of the annual return and the reconciliation statement. There has been some confusion over using **FORM GSTR-1**, **FORM GSTR-3B** or books of accounts as the primary source of information. 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 synchronous and the values should match across different forms and the books of accounts. If the same does not match, there can be broadly two scenarios, either tax was not paid to the Government or tax was paid in excess. In the first case, the same shall be declared in the annual return and tax should be paid and in the latter all information may be declared in the annual return and refund (if eligible) may be applied through **FORM GST RFD-01A**. Further, no input tax credit can be reversed or availed through the annual return. If taxpayers find themselves liable for reversing any input tax credit, they may do the same through **FORM GST DRC-03** separately.

**c) Premise of Table 8D of Annual Return:** There appears to be some confusion regarding declaration of input tax credit in Table 8 of the annual return. The input tax credit which is declared / computed in Table 8D is basically credit that was available to a taxpayer in his **FORM GSTR-2A** but was not availed by him between July 2017 to March 2019. The deadline has already passed and the taxpayer cannot avail such credit now. There is no question of lapsing of any such credit, since this credit never entered the electronic credit ledger of any taxpayer. Therefore, taxpayers need not be concerned about the values reflected in this table. This is merely an information that the Government needs for settlement purposes. Figures in Table 8A of **FORM GSTR-9** are auto-populated only for those **FORM GSTR-1** which were furnished by the corresponding suppliers by the due date. Thus, ITC on supplies made during the financial year 2017-18, if reported beyond the said date by the corresponding supplier, will not get auto-populated in said Table 8A. It may also be noted that **FORM GSTR-2A** continues to be auto-populated on the basis of the corresponding **FORM GSTR-1** furnished by suppliers even after the due date. In such cases there would be a mis-match between the updated **FORM GSTR-2A** and the auto-populated information in Table 8A. It is important to note that Table 8A of the annual returns is auto-populated from **FORM GSTR-2A** as on 1<sup>st</sup> May, 2019.

**d) Premise of Table 8J of Annual Return:** In the press release on annual return issued earlier on 4<sup>th</sup> June 2019, it has already been clarified that all credit of IGST paid at the time of imports between July 2017 to March 2019 may be declared in Table 6E. If the same is done properly by a taxpayer, then Table 8I and 8J shall contain information on credit which was available to the taxpayer and the taxpayer chose not to avail the same. The deadline has already passed and the taxpayer cannot avail such credit now. There is no question of lapsing of any such credit, since this credit never entered the electronic credit ledger of any taxpayer. Therefore, taxpayers need not be concerned about the values reflected in this table. This is information that the Government needs for settlement purposes.

**e) Difficulty in reporting of information not reported in regular returns:** There have been a number of representations regarding non-availability of information in Table 16A or 18 of Annual return in **FORM GSTR-9**. It has been observed that smaller taxpayers are facing a lot of challenge in reporting information that was not being explicitly reported in their regular statement/returns (**FORM GSTR-1** and **FORM GSTR-3B**). Therefore, taxpayers are advised to declare all such data / details (which are not part of their regular statement/returns)

## Technical Guide on GST Annual Return (Form GSTR 9)

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to the best of their knowledge and records. This data is only for information purposes and reasonable/explainable variations in the information reported in these tables will not be viewed adversely.

**f) Information in Table 5D (Exempted), Table 5E (Nil Rated) and Table 5F (Non-GST Supply):** It has been represented by various trade bodies/associations that there appears to be some confusion over what values are to be entered in Table 5D, 5E and 5F of **FORM GSTR-9**. Since, there is some overlap between supplies that are classifiable as exempted and nil rated and since there is no tax payable on such supplies, if there is a reasonable/explainable overlap of information reported across these tables, such overlap will not be viewed adversely. The other concern raised by taxpayers is the inclusion of no supply in the category of Non-GST supplies in Table 5F. For the purposes of reporting, non-GST supplies includes supply of alcoholic liquor for human consumption, motor spirit (commonly known as petrol), high speed diesel, aviation turbine fuel, petroleum crude and natural gas and transactions specified in Schedule III of the CGST Act.

**g) Reverse charge in respect of Financial Year 2017-18 paid during Financial Year 2018- 19:** Many taxpayers have requested for clarification on the appropriate column or table in which tax which was to be paid on reverse charge basis for the FY 2017-18 but was paid during FY 2018-19. It may be noted that since the payment was made during FY 2018-19, the input tax credit on such payment of tax would have been availed in FY 2018-19 only. Therefore, such details will not be declared in the annual return for the FY 2017-18 and will be declared in the annual return for FY 2018-19. If there are any variations in the calculation of turnover on account of this adjustment, the same may be reported with reasons in the reconciliation statement (**FORM GSTR-9C**).

**h) Role of chartered accountant or a cost accountant in certifying reconciliation statement:** There are apprehensions that the chartered accountant or cost accountant may go beyond the books of account in their recommendations under **FORM GSTR-9C**. The GST Act is clear in this regard. With respect to the reconciliation statement, their role is limited to reconciling the values declared in annual return (**FORM GSTR-9**) with the audited annual accounts of the taxpayer.

**i) Turnover for eligibility of filing of reconciliation statement:** It may be noted that the aggregate turnover i.e. the turnover of all the registrations having the same Permanent Account Number is to be used for determining the requirement of filing of reconciliation statement. Therefore, if there are two



## Technical Guide on GST Annual Return (Form GSTR 9)

registrations in two different States on the same PAN, say State A (with turnover of Rs. 1.2 Crore) and State B (with turnover of Rs. 1 Crore) they are both required to file reconciliation statements individually for their registrations since their aggregate turnover is greater than Rs. 2 Crore. The aggregate turnover for this purpose shall be reckoned for the period July, 2017 to March, 2018.

**j) Treatment of Credit Notes / Debit Notes issued during FY 2018-19 for FY 2017-18:** It may be noted that no credit note which has a tax implication can be issued after the month of September 2018 for any supply pertaining to FY 2017-18; a financial/commercial credit note can, however, be issued. If the credit or debit note for any supply was issued and declared in returns of FY 2018-19 and the provision for the same has been made in the books of accounts for FY 2017-18, the same shall be declared in Pt. V of the annual return. Many taxpayers have also represented that there is no provision in Pt. II of the reconciliation statement for adjustment in turnover in lieu of debit notes issued during FY 2018-19 although provision for the same was made in the books of accounts for FY 2017-18. In such cases, they may adjust the same in Table 5O of the reconciliation statement in **FORM GSTR-9C**.

**k) Duplication of information in Table 6B and 6H:** Many taxpayers have represented about duplication of information in Table 6B and 6H of the annual return. It may be noted that the label in Table 6H clearly states that information declared in Table 6H is exclusive of Table 6B. Therefore, information of such input tax credit is to be declared in one of the rows only.

**l) Reconciliation of input tax credit availed on expenses:** Table 14 of the reconciliation statement calls for reconciliation of input tax credit availed on expenses with input tax credit declared in the annual return. It may be noted that only those expenses are to be reconciled where input tax credit has been availed. Further, the list of expenses given in Table 14 is a representative list of heads under which input tax credit may have been availed. The taxpayer has the option to add any head of expenses.

2. All the taxpayers are requested to file their Annual Return (**FORM GSTR-9 / FORM GSTR-9A**) and Reconciliation Statement (**FORM GSTR-9C**) well before the last date of filing, i.e. 31<sup>st</sup> August, 2019.





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