NITYA's Insight | Issue 68 |

Amendment in CGST Rules Extension of due date for filing annual return and reconciliation statement and simplification in formats of Form GSTR-9 and Form GSTR-9C

November 22, 2019

This is to apprise you regarding extension of time limit for filing annual return and reconciliation statement for financial year ('FY') 2017-18 and FY 2018-19 till December 31, 2019 and March 31, 2020 respectively. *(Refer Order No. 8/2019-Central Tax dated November 14, 2019)*

The Government has amended the Central Goods and Services Tax Rules, 2017 ('CGST Rules') vide Notification No. 56/2019-Central Tax dated November 14, 2019. Vide this amendment, the Government has simplified Form GSTR-9 and Form GSTR-9C to a major extent by amending the particulars and instructions in these forms. Notably, these relaxations are only for FY 2017-18 and FY 2018-19 and not for subsequent financial years.

We have provided comparative analysis of old notified forms and newly simplified forms along with our comments, as under:

A. Annual Return i.e. Form GSTR-9

1. Details regarding outward supplies (on which tax payable or tax not payable)

Table	Particulars	Old Instructions	New Instructions
Details of outward supply on which tax is payable			
4B	Supplies made to registered persons (B2B)	Gross Value	Net Value
4C	Zero rated supply (Export) on payment of tax (except supplies to SEZs)	Gross Value	Net Value
4D	Supply to SEZs on payment of tax	Gross Value	Net Value
4E	Deemed Exports	Gross Value	Net Value
4I	Credit Notes issued in respect of transactions specified in (4B) to (4E) above (-)	Required	Optional
4J	Debit Notes issued in respect of transactions specified in (4B) to (4E) above (+)	Required	Optional
4K	Supplies / tax declared through Amendments (+)	Required	Optional
4L	Supplies / tax declared through Amendments (-)	Required	Optional
Details of outward supply on which tax is not payable			
5A	Zero rated supply (Export) without payment of tax	Gross Value	Net Value
5B	Supply to SEZs without payment of tax	Gross Value	Net Value
5C	Supplies on which tax is to be paid by the recipient on reverse charge basis	Gross Value	Net Value
5D	Exempted	Gross Value	Net Value

5E	Nil Rated	Gross Value	Optional
5F	Non-GST supply	Gross Value	Optional
5H	Credit Notes issued in respect of transactions specified in (5A) to (5F) above (-)	Required	Optional
5I	Debit Notes issued in respect of transactions specified in (5A) to (5F) above (+)	Required	Optional
5J	Supplies / tax declared through Amendments (+)	Required	Optional
5K	Supplies / tax declared through Amendments (-)	Required	Optional

NITYA's Comments:

- *Details of credit notes, debit notes and any amendment in respect of B2B supplies, exports, SEZ supplies, deemed exports are not required to be uploaded. Instead, their value can be reported on net basis.*
- *Taxpayer has an option to report transaction relating to 'Nil Rated' and 'Non-GST supply' in 'Exempt supply' row only.*

2. Details of input tax credit ('ITC') availed as declared in returns filed during the FY

<table>
<tr><th>Table</th><th>Particulars</th><th>Old instructions</th><th>New instructions</th></tr>
<tr><td colspan="4">Details of ITC availed as declared in returns</td></tr>
<tr><td rowspan="4">6B</td><td colspan="3">Forward charge supplies</td></tr>
<tr><td>Inputs</td><td>Required</td><td rowspan="3">Taxpayer has option to report entire ITC in respect of inputs, capital goods and input services in 'Inputs' row only</td></tr>
<tr><td>Capital Goods</td><td>Required</td></tr>
<tr><td>Input Services</td><td>Required</td></tr>
<tr><td rowspan="4">6C</td><td colspan="3">RCM supplies from unregistered persons</td></tr>
<tr><td>Inputs</td><td>Required</td><td rowspan="7">Taxpayer has option to report entire ITC of RCM supplies in 'Inputs' row of 6D on aggregate basis</td></tr>
<tr><td>Capital Goods</td><td>Required</td></tr>
<tr><td>Input Services</td><td>Required</td></tr>
<tr><td rowspan="4">6D</td><td colspan="2">RCM supplies from registered persons</td></tr>
<tr><td>Inputs</td><td>Required</td></tr>
<tr><td>Capital Goods</td><td>Required</td></tr>
<tr><td>Input Services</td><td>Required</td></tr>
</table>

6E	*Import of goods*		
	Inputs	Required	Taxpayer has option to report entire ITC in 'Inputs' row only
	Capital Goods	Required	

NITYA's Comments:

Taxpayer can report entire ITC in 'Inputs' row only as indicated in above table. The same can be derived from aggregate of all ITC availed in Form GSTR-3B filed during the FY.

3. Details of ITC reversed as declared in returns filed during the FY

Table	Particulars	Old instructions	New instructions
Details of ITC reversed			
7A	As per Rule 37	Required	Optional
7B	As per Rule 39	Required	Optional
7C	As per Rule 42	Required	Optional
7D	As per Rule 43	Required	Optional
7E	As per Section 17(5)	Required	Optional
7F	Reversal of TRAN-I credit	Required	Required
7G	Reversal of TRAN-II credit	Required	Required
7H	Other reversals (pl. specify)	Required	Required (refer comment below)

NITYA's Comments:

Taxpayer can report entire ITC reversal pertaining to Table 7A to 7E in Table 7H. It may be noted that any ITC reversal in respect of TRAN-I or TRAN-II needs to be reported in respective row only.

Other points:

- Taxpayer has option not to report details of ITC availed and reversed during FY 2018-19 pertaining to FY 2017-18 and during the period April 2019 to September 2019 relating to FY 2018-19 (Table No. 12 and 13 respectively)

- Taxpayer has option not to report details of demands, refunds, information regarding supplies from composition taxpayers, job-work supplies, goods sent on approval basis, HSN outward and inward supplies (Table No. 15, 16, 17 and 18 respectively)

B. Reconciliation statement i.e. Form GSTR-9C

- Taxpayer has option not to report separate details in respect of adjustment in turnover under Table 5. Instead, an aggregate amount can be reported (Table 5O)

- Taxpayer has option not to report following details of ITC reconciliation:

  - ITC booked in earlier FY and claimed in current FY (Table 12B)
  - ITC booked in current FY to be claimed in subsequent FY (Table 12C)

NITYA's Comments:

While the instructions provide an option to report all reconciliation items in a single table, this is not recommended. The reconciliation of turnover and ITC is a basic necessity of GST Audit to identify any liability short paid or credit inadvertently claimed. Hence, taxpayers are advisable to undertake turnover and ITC reconciliation while preparing data for Form GSTR-9C.

Taxpayer has option not to report expense wise bifurcation of ITC (Table 14)

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