

TAX FLASH NEWS

15 November 2019

Notification update – Annual Returns and Reconciliation statement

Central Board of Indirect Taxes and Customs (CBIC) have issued order no. 8/2019 – Central Tax dated 14 November 2019, extending the due date of filing Annual Return (GSTR-9) and Reconciliation Statement (GSTR-9C).

The due date for filing of annual return and audit report has been extended for FY 2017-18 from 30 November 2019 to 31 December 2019 and for FY 2018-19 from 31 December 2019 to 31 March 2020.

In addition to the above order, CBIC have also issued notification¹, with the intend to simplify the filing of annual return and reconciliation statement.

Gist of the simplification announced is as under –

A. Annual Return in GSTR-9

Sl. No.	Particulars	Table Number	Relaxation
1	Taxable outward supplies	<ul style="list-style-type: none"> ✓ Table 4B – B2B supplies ✓ Table 4C – Zero rated supply on payment of tax (except supplies to SEZs) ✓ Table 4D – Supply to SEZs on payment of tax ✓ Table 4E – Deemed Exports 	Option to declare details net of debit notes, credit notes and amendments
2	Outward supplies on which tax is not payable	<ul style="list-style-type: none"> ✓ Table 5D – Exempted ✓ Table 5E – Nil Rated ✓ Table 5F – Non-GST supply (includes 'no supply') 	Option to declare consolidated details in table '5D – Exempted'
		<ul style="list-style-type: none"> ✓ Table 5A – Zero rated supply without payment of tax ✓ Table 5B – Supply to SEZs without payment of tax ✓ Table 5C – Supplies on which tax is to be paid by the recipient on RCM ✓ Table 5D – Exempted ✓ Table 5E – Nil Rated ✓ Table 5F – Non-GST supply (includes 'no supply') 	Option to declare details net of debit notes, credit notes and amendments
3	Input tax credit (ITC) availed	<ul style="list-style-type: none"> ✓ Table 6B – Inward supplies 	Consolidated information with respect to ITC availed on 'inputs', 'capital goods'

¹ Notification no. 56/2019-Central Tax dated 14 November 2019

Sl. No.	Particulars	Table Number	Relaxation
		<ul style="list-style-type: none"> ✓ Table 6C – Inward supplies received from unregistered persons liable to RCM on which tax is paid and ITC availed ✓ Table 6D – Inward supplies received from registered persons liable to RCM on which tax is paid and ITC availed. ✓ Table 6E – Import of goods (including supplies from SEZs) 	and input services can now be reported under a common heading i.e. 'Inputs'
		<ul style="list-style-type: none"> ✓ Table 6C – Inward supplies received from unregistered persons liable to RCM on which tax is paid and ITC availed ✓ Table 6D – Inward supplies received from registered persons liable to RCM on which tax is paid and ITC availed. 	Consolidated ITC availed under RCM can be reported in a single row i.e. 'table 6D - Inward supplies received from registered persons liable to RCM on which tax is paid and ITC availed'.
4	ITC reversed and ineligible ITC	<ul style="list-style-type: none"> ✓ Table 7A – As per rule 37 ✓ Table 7B – As per rule 39 ✓ Table 7C – As per rule 42 ✓ Table 7D – As per rule 43 ✓ Table 7E – As per section 17(5) 	<p>Consolidated ITC reversals can now be reported under a single row i.e. 'Table 7H – Other reversals'.</p> <p>Note – Reversal on account of TRAN-1 credit (table 7F) and TRAN-2 (table 7G) continue to remain mandatory.</p>
5	Other ITC related information	<ul style="list-style-type: none"> ✓ Table 8A – ITC as per GSTR-2A ✓ Table 8B – ITC as per sum total of 6(B) and 6(H) ✓ Table 8C – ITC on inward supplies received during the respective FYs, but availed subsequently i.e. <ul style="list-style-type: none"> ○ FY 2017-18 availed between April 2018 to March 2019 ○ FY 2018-19 availed between April 2019 to September 2019 ✓ Table 8D – Difference 	Option available to registered person to upload details of the entries in PDF format, in form GSTR-9C (without CA certification)
6	Others	<ul style="list-style-type: none"> ✓ Table 12 – Reversal of ITC availed during previous financial year ✓ Table 13 – ITC availed for the previous financial year ✓ Table 15 – Particulars of demands and refunds ✓ Table 16 – Information on supplies received from composition taxpayers, deemed supply under section 143 and goods sent on approval basis ✓ Table 17 – HSN wise summary of outward supplies ✓ Table 18 – HSN wise summary of Inward supplies 	Option available to registered person to not fill details

B. Reconciliation statement in GSTR-9C

Sl. No.	Particulars	Table Number	Relaxation
1	Reconciliation of Gross Turnover	Table 5B to Table 5N	The table has been made optional. However, in case adjustment is required to be reported, the same may be reported in table '5O – Adjustments in turnover due to reasons not listed above'
2	Reconciliation of Net ITC	Table 12B and 12C	The table has been made optional.
3	Reconciliation of ITC availed as per Annual Return (GSTR-9) vis-à-vis expenses as per audited annual financial statement	Table 14	

In a major change with respect to certification requirement in GSTR-9C, auditor is now required to provide a 'true and fair' view of the reconciliation statement as against the previous requirement to provide 'true and correct' certification.

Our Comments –

In a welcome move, CBIC has relaxed many of the challenges faced by the taxpayers while filling the annual return and reconciliation form, it would have been beneficial had the same been done earlier.

Though most of the reconciliation requirement have been made optional, it is advisable that the taxpayer continues to maintain the required reconciliations as the same may be required during revenue audit.

Further, as expected the annual return due date for FY 18-19 has been extended.

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