



SIMPLIFICATION & EXTENSION OF DUE DATE FOR GST ANNUAL RETURNS AND AUDIT – BOON OR A BANE?

CMA Bhogavalli Mallikarjuna Gupta
Chief Taxologist & Head of Cloud Business
Logo Infosoft Business Technology Private Limited

Apart from the monthly filing of returns by the taxpayers in GST, all taxpayers have to file GST Annual Return and taxpayer with turn over above Rs 2 Crores have to file GST Audit Report yearly. Annual Return under GST has to be filed through GSTR – 9 by all the taxpayers who have registered in GST even for a single day during the period 1st April 2017 to 31st March 2017. The data to be reported is at a micro level, and most of the taxpayers have failed to maintain the data in the required manner as they have not reviewed or been guided based on the draft return formats released by the Government before the rollout of GST. The formats for the GSTR – 9 and GSTR – 9C (audit) have been released during Sep 2018; by that time, the financial year has lapsed, and most of the taxpayer was not in a position to get the data. This has resulted in requests from the trade, industry, and professionals for the extension of the due dates and simplification of the formats.

The Government has extended on multiple occasions from 31st Dec 2018 to finally now to 31st Dec 2019. Filing of Annual Return has been made optional for taxpayers having up to Rs 2 Crores has been made optional wide [Notification No. 47/2019 – Central Tax](#) for the Financial Year 2017-18 and 2018-19. Now, apart from this, the Government has simplified the return filing process for other taxpayers. This is good news for the taxpayers as their pain in collating the data is no longer required as most of them have been made optional for the Financial Year 2017-18 and 2018-19. The above said changes are likely to be made available to taxpayers on the GST portal by the 10th of Dec 2019.

Extension of the due date is not a blessing but it gives more time for the department to issue notices for the previous tax periods.

Sl.No	Financial Year	Filing of Return	Section 73 (3 years)	Section 74 (5 Years)
1	2017-18	31-Dec-2019	31-Dec-2022	31-Dec-2024
2	2018-19	31-Mar-2020	31-Mar-2023	31-Mar-2025

Even the period for retention of records increases, as per provisions of Section 36 of the CGST Act 2017, taxpayers are required to retain records for 72 months from the date of filing of Annual Returns.

Sl.No	Financial Year	Date of Filing	Records to be maintained till
1	2017-18	31-Dec-2019	31-Dec-2025
2	2018--19	31-Mar-2020	31-Mar-2026

Simplifications announced in GSTR – 9

1. Outward supplies can be reported net of Debit / Credit Notes and Adjustments

The outward supplies being reported from Table 4A to 4G now can be reported net of Debit / Credit Noted and adjustments optionally if the taxpayer is having any difficulty in deriving the data. The outward supplies that can be reported are

- B2B Supplies
- B2C Supplies
- Deemed Exports
- Supplies to SEZ with payment of Duty
- Exports with payment of duty
- Advance received but supplies not made
- Inward supplies on which tax is payable on account of reverse charge

2. Outward Supplies Without Payment of Duties

The taxpayers can report the supplies made to SEZ or SEZ Developers, Exports, or Supplies on which the Recipient has to pay taxes can be reported net of Debit / Credit Notes & Amendments. These supplies are falling in table 5A to 5C

3. Consolidated reporting for Exempted, Non-GST, and Nil Rated Supplies

All the supplies related to Exempted, Non-GST, and Nil Rate Supplies, which are to be reported in Table 5D to 5F, can now be reported in Table 5D, i.e., Exempted as a consolidated amount optionally if the taxpayer has any challenges in deriving these amounts individually. These can be reported net of Debit / Credit Notes & Amendments rather than reporting them separately.

4. Input Tax Credit

Inward supplies from other than imports or from SEZ Units, imports and liable for reverse charge which are to be reported in Table 6B separately for Inputs, Capital Goods & Services can now be reported as a consolidated amount in Table 6B – “Inputs” if the taxpayer is not able to provide the breakup of the same.

Inward supplies received from unregistered suppliers liable for reverse charge are to be reported separately for Inputs, Capital Goods & Services can now be reported as a consolidated amount in Table 6C – “Inputs” if the taxpayer is not able to provide the breakup of the same. The amount to be reported here is only for the taxes paid and eligible amounts.

Inward supplies received from registered suppliers liable for reverse charge are to be reported separately for Inputs, Capital Goods & Services can now be reported as a consolidated amount in Table 6D – “Inputs” if the taxpayer is not able to provide the breakup of the same. The amount to be reported here is only for the taxes paid and eligible amounts.

Inward supplies from SEZ Units are to be reported separately for Inputs & Capital Goods can now be reported as a consolidated amount in Table 6E – “Inputs” if the taxpayer is not able to provide the breakup of the same. The amount to be reported here is only for the taxes paid and eligible amounts.

5. Reversal of Input Tax Credit

Taxpayers are required to reverse the input tax credit if the supplier is not paid within 180 days as per provisions of Rule 37, Input Service Distributor as per provisions of Rule 39, reversal in cases where the goods or services or both used partially for taxable supplies and partially for non-business purpose or exempted supplies as per provisions of Rule 42 and for transfer or sale of capital goods as per provisions of Rule 43, Blocked input tax credit under Provisions of Section 17(5) of the CGST Act 2017 were supposed to be reported separately in Tables 7A to 7E can now be reported as a single amount in Table 7H.

6. Refunds

The taxpayers are required to fill the amount for Refund Claimed, Refund Sectioned, Refund Rejected & Refund Pending are to be reported in Table 15A to 15D, now the taxpayers have the option of not reporting the same.

7. Demands

Taxpayers are required to fill the amount of Demand raised, Amount of Demand Paid, and Pending amounts in Table 15E to 15G, now the taxpayers have the option of not reporting the same.

8. Reporting of other Supplies

Taxpayers were required to report the supplies from Composition Tax Payers, Total amount of material not received from job work, which is considered as deemed supplies and goods shipped on approval basis but received within specified period are not returned are required to report in Table 16A to 16C and now the taxpayers have an option of not reporting the same.

9. HSN Summary for Inward & Outward Supplies

Taxpayers were required to provide the HSN Summary for the Inward Supplies and Outward Supplies in Table 17 & Table 18, and now the taxpayers have the option of not reporting the same.

10. Applicability of the optional reporting

In almost all the sections where details are required to be reported, but now the same has been made optional. The flexibility applies only from 1st July 2017 to March 2018 and from 1st April 2018 to 2019. Thereby meaning that the taxpayers have to file the detailed amounts for the year 2019-20.

Simplifications in GSTR – 9C

GSTR – 9C is a reconciliation statement between the GST Returns and the Financial Statements. As part of the reconciliation statement, there is also a requirement to the return certified by a practicing Cost Accountant or Chartered Accountant, the wording used in the same are also modified to shift the onus from the GST Auditor to the Taxpayer.

Simplifications announced in GSTR – 9C

1. Revenue Reconciliation

Taxpayers have to reconcile the revenue between the GST Returns and the Financial Statements. The tax payment is based on the Time of Supply for the GST Returns, and for the Financial Statements, they are based on the Accounting Standards; as a result, there will be a difference between both the revenues and the same is required to be reconciled and reported in GSTR – 9C. The reconciliation in the GSTR – 9C is required to classify under the following sections

- a) Unbilled Revenue at the end of the Financial year
- b) Unbilled Revenue at the beginning of the Financial year
- c) Supplies treated as Deemed Supplies as per Schedule – 1
- d) Credit Notes issued for the supplies in the next financial year, not reflected in the GST Returns
- e) Trade Discounts accounted in the Financial Statements, but they are ineligible as per GST and not reflected in the GST Returns
- f) Turnover from 1st April to 30th June 2017
- g) Credit Notes accounted in the Financial Statements, but they are ineligible as per GST and not reflected in the GST Returns
- h) Adjustments on account of supply of goods by SEZ units to DTA Units
- i) Turnover for the period under composition scheme
- j) Adjustments in the turnover under section 15 and rules thereunder
- k) Adjustments in turnover due to foreign exchange fluctuations

All these are required to be reported in Table 5A to 5N of the GSTR – 9C, now the taxpayers have an option to report the same separately as a consolidated amount in Table 5O.

2. Input Tax Credit Reconciliation

Input tax credit reconciliation is required to be provided in Table 12, and as a part of it in 12 B, ITC booked in earlier Financial Year claimed in current Financial Year is not mandatorily required to be reported. Taxpayers have the option of not reporting it also.

In table 12 C, ITC availed as per audited financial statements or books of accounts, taxpayers have an option of not reporting it also.

3. Expense wise reporting of Input Tax Credit

In Table 14 of GSTR – 9C, taxpayers are required to report the input tax credit based on various accounting/expense heads mandatorily, now taxpayers have the option of reporting the same.

4. Certification from GST Auditor

GST Audit has to be certified by GST, a practicing Cost Accountant or Chartered Accountant, who is certifying the audit. The format and the content of the Certificate are the same except for the change of wordings from “true and correct” to “true and fair.” This gives a lot of breather for the practicing members as they are not coming forward to come and certify that the information provided by them is correct.

The simplification of the GSTR – 9 and GSTR – 9C is applicable only for the FY 2017-18 & 2018-19, and the extension of the due dates have been notified through the Removal of Difficulties [Order No. 08/2019-Central Tax](#) dated 14th Nov 2019. As per the current provisions, it is clear that the taxpayers will not be allowed to file

the Annual Returns after the due date. It is recommended to file the same before the due date to avoid the last-minute rush.

From the above, it makes it clear that the Government wants all the eligible taxpayers to file the GST Annual and Audit returns. Once the filing is completed, the Government may be taking up the assessment to ascertain the correctness of the data being furnished by the taxpayers and also detect any tax evasion which might have taken place. After the rollout of GST, to date, the taxpayers have not completed at least one audit or assessment.

Though it is optional to submit the data for the filing of the GST Annual Return and Audit, the same information may be asked by the department at the time of Audit / Scrutiny after the returns are filed. Then, the taxpayer has to prepare all the data and reconciliation statements and provide the same. It is the only postponement of the work but not total elimination. If we read the wordings used in the notification is “Optional” for reporting purpose only. Think Twice before your file or advise clients on utilizing the provision of the “Optional” filing of data.

Disclaimer

Any views or opinions represented above are personal and belong solely to the author and do not represent those of people, institutions or organizations that the author may or may not be associated with in professional or personal capacity unless explicitly stated. Any views or opinions are not intended to malign any religion, ethnic group, club, organization, company, or individual.