



ANNUAL RETURN UNDER GST – OPERATIONAL TIPS – GSTR 9 & 9C

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We all CMA got golden opportunities as auditor certification under GST especially in annual return GSTR 9 C which can be considered as brand building task by providing value addition services by us during audit certification as this is assessment job being performed by deptt during pre GST regime has been entrusted to CA/CMA.

It became more important to check and verify all transaction thoroughly to ensure that assessee remain GST compliant and Deptt remain full satisfied with our job.

To ensure better compliance we have following important provisions to understand and keep our ground work ready to achieve timely and correctly.

GSTR 9 – Annual Return

Annual return under GST need to understand table wise line item and respective instructions given at end of the format against each table line items to ensure correct compliance.

Further annual return can be summarized in following major section

1. Outward supply made during the financial year
2. ITC availed during the year with break up as input, capital goods, and input services
3. Details of Tax paid during the financial year
4. Transaction for previous FY declared in Return of April to Sept of Current FY or up to date of filing annual return of previous FY
5. Other information such as HSN wise summary of outward supply & inward supply having value more than 10%

Annual return contains 12 tables containing 100 rows and 5 column which means total 500 boxes need to be entered after compilation.

Out of that at 5 rows will be auto populated means balance 95 rows need to be filled up manually by taking data from GSTR1 or GSTR 3 B etc.

GSTR 9 C - PART A – Reconciliation Statement

Now if we see GSTR 9 C it can be summarized in following ways

1. Reconciliation of turnovers
2. Reconciliation of ITC and reason of difference
3. Reconciliation of tax and reason of difference
4. Auditor recommendations-Part B

Now reconciliation is required because some items like

(a) Interest, sale of land etc not attract GST but will form part of turnover /P&L as per books of accounts.

GST important provisions can be understood in following way also.

Place of Supply (To decide taxability) provisions are like heart of GST.

Input tax credit (ITC) provisions are like two eyes of GST need 200% checking before availment.

Annual Return is like Brain of GST as it need utmost care and reconciliation of return data with books of accounts data.

If above three are ensured timely and properly business can have satisfactory level of compliance maintenance under GST.

As per 31st GST council meeting, important decision relating to annual returns are.

- (a) Due date for annual return in FORM GSTR-9 ,9A and reconciliation statement in FORM GSTR9C for FY 2017-18 extended till **30.06.2019**.
- (b) ITC in relation to invoices issued by supplier during FTY 2017-18 may be availed till due date for furnishing FORM GSTR3B for the month of **March 2019**.

Auditor certification PART B in GSTR9 C

Assesse having turnover above 2 CRS need to get their return audited from Chartered accountant or cost accountant and file the annual return in GSTR 9 form along with GSTR 9 C (reconciliation format having auditor certification)

If we see the language of auditor certification in part B of GSTR 9C it is like

Auditor have examined the ----

- (a) Balance sheet as on----
- (b) Profit & loss account/income and expenditure account for the period-----
- (c) The cash flow statement for the period ----
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2. REGISTERED PERSON - has maintained following accounts/records/documents as required by GST Act

It means auditor has examined all the records and returns as per GST act and rules.

Moreover audit definition is audit of accounts records as per GST act and any other law for time being in force which means auditor has more responsibility to audit not only compliance under GST but other act also like mining act etc.

Conclusion

All trade & business may keep data in format ready before 31.03.2019 so any ITC is not lapsed and get the data audited well in advance from auditor to avoid any last minute rush or audit qualification if any.

It is to be noted that due date for credit note /debit note raising for last FY 2017-18 is not extended.

Before filing correct data each line item of table need to understand by reading instruction given against same at the end of GSTR9 which can be understood in group discussion during knowledge sharing or study circle meetings.

Master data sheet can be created by trade & business considering all scenarios and requirement under GST Annual return so required data can be compiled by making pivot table etc.

Further table 10 of GSTR 9C need reconciliation of ITC Declared in Annual return (GSTR 9) with ITC availed on expenses as per audited annual financial statement or books of accounts.

Moreover as per CGST Rule 56(2) every registered person has to maintain accounts of stock ,receipt, supply, goods lost, stolen, destroyed written off of disposed off by way of gift or free sample ----- means 17(5) items record to be kept separately as per record rule as well as annual return format.

Above is very comprehensive exercise and need mapping of expenses with annual return. Trade & Business can have self-explanatory grouping of expenses to avoid major mismatches. It is most important as all monthly return GSTR1 and GSTR3B data are already with deptt on GSTN portal and deptt can use these data as analytics to cross check with annual return.

All CMA need to consider GST annual return as very important value added prestigious task to prove CMA as best expert on subject by conceptual clarity to keep us ahead from others in present competitive digital environment will help in enhancing brand value of CMA profession as well as support mission of revenue deptt in promoting honest tax payer through transparent GSTN portal.