

How to file GSTR-9: Preparing the first-ever annual return for financial year 2017-18

With the extended time limit, taxpayers who are yet to submit GSTR-9 must proceed only after ensuring that all the GST Returns applicable to their business during FY 2017-18 are filed.

The filing of the first annual return for FY 2017-18 is due in roughly three months. It covers a period of nine months from July 2017 to March 2018, as against twelve months in a financial year. But many taxpayers still dread the preparation of annual return forms because the declaration of information in the annual returns has multiple implications.

The last date has been extended to June 30, 2019, but it is important to know that GST Annual returns in GSTR-9, GSTR-9C or GSTR-9A cannot be revised once filed. Moreover, any incorrect information can attract tax demands and interest or even penalties; leave alone the long-term litigations that can follow years later.

GSTR-9 is an annual summary of the sales, tax paid thereon, purchases, input tax credit (ITC) claimed, ineligible credits, demands and refunds. If the form was just a replica of the monthly GSTR-3B summarised at a yearly level, it would have been an easy task. Using monthly GSTR-3Bs already filed by a taxpayer, the annual form could be auto-populated for the twelve months of the financial year. However, being the first and perhaps the last GSTR-9 format under the present set up of GSTR-1 and GSTR-3B, every taxpayer must gear up to make an accurate declaration of transactions.

GSTR-9 auto-populates two fields. An option to auto-fill from table 4A of GSTR-3B is available to report the ITC declared as per GSTR-3B in the Table 6A of the GSTR-9. Further, the annual summary ITC reflected in GSTR-2A is auto-filled in Table 8A of the GSTR-9. Rest of the fields must be taken care of by the businesses. Due to the decisions taken in the 31st GST council meeting, a taxpayer may have a GSTR-9 that is not exactly the sum of details reported in GSTR-1 or GSTR-3B. So, the taxpayer can now declare values as accounted in books for a particular transaction(s). Taxpayers must weigh the pros and cons of declaring a different figure that does not total up to the values as per GSTR-3B or GSTR-1 already filed for the specified period. These differences must have an explanation and any short payment of taxes at the end of the year must first be paid in cash in form DRC-03 after which the GSTR-9 must be filed.

The same council meeting had also addressed that irrespective of the month of filing, the table 8A (field that auto-populates GSTR-2A information) in GSTR-9 will reflect ITC as reported by all the suppliers of a tax filer. For invoices raised in FY 2017-18. Amid these developments, CBIC issued orders by the end of December 2018. These hold significance for filers of FY 2017-18 who have not finished compliance and those who desire to make corrections or claim ITC to already-filed returns. These are:

- Any GST returns for July 2017 to September 2018 if not filed earlier, can now be filed up to 31st March 2019 without late fees.

- The input tax credit against purchase invoices of FY 2017-18 can be claimed before filing the GSTR-3B for the return period of March 2019.
- Portal has allowed amendments for B2B outward supplies which happened between July 2017-March 2018 in any GSTR-1 filed after September 2018, but up to March 2019.

With the extended time limit, taxpayers who are yet to submit GSTR-9 must proceed only after ensuring that all the GST Returns applicable to their business (GSTIN) during FY 2017-18 are filed. In addition to this, businesses can make necessary amendments related to FY 2017-18 in GSTR-1 or GSTR-3B being filed for present months till March 2019 return period and claim any missed but eligible ITC. Further, they can nudge their suppliers to upload invoice details in GSTR-1 for those genuine ITC of FY 2017-18 which were not appearing in GSTR-2A between period July 2017 to September 2018.

Taxpayers must reconcile data of FY 2017-18 throughout the year from July 2017 to September 2018 to identify differences if any between returns and between the book of accounts and returns. Advances paid or received must accordingly be adjusted at the year-end against invoices issued and balance must only be reflected. ITC reversals must be done at the end of the year as per CGST rules.

One may find it difficult to report the HSN wise summary for purchases in GSTR-9, where it is not maintained in the books of accounts while raising an invoice. Reporting of a particular HSN is required if the value under one HSN is more than 10% of the total value of all HSNs put together. This was never a requirement in GSTR-3B. Use of a tool along with the sorting and filter feature can help identify HSN and summarise for GSTR-9 details. Technology can thus come to the rescue of taxpayers, who want to do this efficiently.

All this can be easy with the help of a sturdy reconciliation tool that can easily identify mismatches, duplication of entries, match credit/ debit notes against respective invoices, correct the reporting into wrong tax heads, non-reporting and so on. Hence, taxpayers especially those subject to audit under GST must ensure that a certified reconciliation statement in GSTR-9C is obtained from the auditor who is a chartered accountant or the cost accountant as soon as possible and is filed along with GSTR-9.

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