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17th August 2019

Smt. Nirmala Sitharaman
Union Minister of Finance, Government of India &
Chairperson - GST Council
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Sub: Request for extension of due date for filing of GST Annual Return & Reconciliation Statement (form GSTR -9, 9A and 9C) for F.Y. 2017-18

Dear Madam/Sir,

The Chamber of Tax Consultants (CTC), Mumbai was established in 1926. CTC is one of the oldest voluntary non-profit making organizations in Mumbai – in its 93rd year - formed with the object of educating and updating its members on Tax and other Laws. It has robust membership strength of about 4000 professionals, comprising Advocates, Chartered Accountants and Tax Practitioners. The Chamber also has created a niche with the government and other regulatory agencies. It is the one of the leading institution for making effective representation with respect to Income Tax and Allied laws. It acts as catalyst for bring out necessary change both from the perspective of Government as well as Tax payers.

The Chamber sincerely believes that GST is in the best interest of the nation and the tax paying community at large. However, online technological infrastructure required for smooth implementation of GST is lagging behind and is resulting into hardship to the taxpayers in complying with the provisions of law.

The GST Council had extended the due date of filing GST Annual Return and Reconciliation statement, namely GSTR-9, 9A and 9C for the period 1st July 2017 to 31st March 2018, from 30th June 2019 to 31st August 2019 vide Order No.6/2019-Central Tax dated 28 June 2019.

Your good office will appreciate that till date very few taxpayers have been able to file their GST Annual Returns (Form GSTR 9, 9A) and GST Reconciliation Statement (Form GSTR 9C) for FY 2017-18. This itself indicates that tax payers are facing bonafide issues and hardships in filing the said forms.

In this context, we would like to appraise your good office with the following points which necessitate the extension of due date for filing of GST Annual Returns for F.Y. 2017-18 :

1.0. TECHNICAL ISSUES :

1.1. We would like to highlight that the GST portal technical issues, due to which the extension was granted earlier are still persistent. Some of the instances are as follows:

- a. In many instances, the Json file required for offline preparation of GSTR – 9 is taking more than 1 hour for generation, though site states that it would take 20 minutes.
- b. There are lots of issues faced by a taxpayer while downloading Json file from the GST portal and then uploading the same in offline utility tool. Many errors such as ‘Download in process. Please check after 20 mins’, ‘File generation is in progress, please try again after some time’ are being faced.
- c. The Json file of error report generated post uploading of GSTR – 9C does not provide any error details. Since the system is unable to provide the details of the error, the taxpayer is not able to identify the exact reason as to why the Json file is not getting processed successfully.
- d. The digital signature of auditor who is certifying the reconciliation in GSTR – 9C is not getting signed. It was observed that one of the solutions for error was that of downloading Note pad++ and thereafter making manual change in utility folder of GSTR-9C. We request you to kindly address the issue by way of either updating the utility or publicizing technical options in case of difficulties in digitally signing the file.

2.0. CONTINUOUS CLARIFICATIONS FROM GOVERNMENT AND GST PORTAL REGARDING FILING OF GSTR 9 & GSTR 9C

2.1. We would like to highlight that there have been significant clarifications in the form of press releases, GSTN advisory notes which have been issued in recent past which clarify certain positions qua filing of GSTR 9 & GSTR 9C. Few examples are narrated below:

- Clarification regarding Annual Returns and Reconciliation Statement Posted On: 03 JUL 2019 5:03PM by PIB Delhi
- Advisory note on filing of GSTR-9 by GSTN in June 2019
- Advisory note on filing of GSTR-9C by GSTN in June 2019

2.2. Thus, in such an event of constant clarifications, the auditors and tax payers would require some additional time to arrive at a conclusion with respect to correct reporting in GSTR 9 & GSTR 9C. Having made available latest clarification on 3rd July, industry at large is of the opinion that a conclusive GST audit cannot be accomplished till 31st August 2019.

3.0. ADDITIONAL DETAILS TO BE COMPILED FOR IN THE ANNUAL RETURNS

3.1. It was expected that the data to be filled in Annual Returns would flow from monthly returns filed by taxpayer i.e. GSTR-3B and GSTR-1. Given below is a list of details which the taxpayers had not compiled while filing monthly returns but are required to compile at the time of filing Annual Returns:

- a. Details of ITC availed as declared in returns filed during the financial year (GSTR – 9, Para 6)

While filing monthly GST 3B returns, taxpayer was required to provide details of ITC availed in para 4 with following break up:

(A) ITC Available

(1) Import of Goods

(2) Import of Services

(3) Inward supplies liable to reverse charge

(4) Inward supplies from ISD

(5) All other ITC

In GSTR-9, the ITC availed as per returns to be given with following break up:

6B. Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)

6C. Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed

6D. Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed

6E. Import of goods (including supplies from SEZ)

6F. Import of services (excluding inward supplies from SEZs)

6G. Input Tax credit received from ISD

6H. Amount of ITC reclaimed (other than B above) under the provisions of the Act

The above detail needs to be provided with further sub - categorization into Inputs, Input Services and Capital Goods.

Taxpayers were not required to give such details while filing monthly returns. Compilation of above referred details is time consuming.

- b. Other ITC related information (reconciliation between ITC availed as per GSTR-3B and GSTR-2A (GSTR – 9 Para 8)

The form auto populates figures reflected in GSTR-2A and compares with ITC availed through monthly GST returns by taxpayer.

It was clarified by CBIC that the figures from GSTR-2A which is auto populated in GSTR-9 does not include ITC of those invoices wherein supplier has filed monthly returns after 30 April 2019.

It may be noted that GSTR-2A downloaded from GST portal is updated till the date of download. **Taxpayers cannot download GSTR-2A which provides details for as on 30 April 2019.** Thus, taxpayers are not in position to do reconciliation and understand as to for which invoices the differences are arising.

We request you to either enable taxpayers to download line wise details of figures arrived from GSTR-2A or to remove respective Para from the form.

- c. HSN wise summary of Inward Supplies (GSTR – 9, Para 18)

Since HSN wise details of inward supplies was not required for filing of monthly GST returns, many taxpayers have not maintained it. F.Y. 2017-18 being 1st year of implementation of GST, we request to remove this requirement from the form as compiling of said details is time consuming.

- d. Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account (GSTR – 9C, Para IV, Table 14)

Taxpayers do not maintain expense head wise ITC accounts. Form-GSTR 9C requires – expense wise eligible and ineligible ITC details. You will appreciate that compilation of these details almost requires re-writing of ITC accounts. This is indeed cumbersome and time consuming for taxpayers.

F.Y. 2017-18 being 1st year of implementation of GST, we request to remove this requirement from the form or grant sufficient extension.

4.0. HEAVY RAINS AND FLOOD LIKE SITUATION

- 4.1. You are aware about heavy rains and flood like situation in various parts of India (Kerala, Karnataka, Western Maharashtra, Gujarat, Uttarakhand etc.). It has brought the life of affected people at standstill. The tax payers located in such areas would not be in position to file Annual Returns on or before due date. It will expose them to penalties for delay in filing Annual Returns.

5.0. It should also be noted that the due date for filing of Income Tax Returns (non-Audit cases) is 31st August ,2019 and the due date for filing of Tax Audit Reports is 30th September,2019.

6.0. We would like to emphasise on the fact that extending the due dates for filing of GST Annual Returns for F.Y. 2017-18 will not lead to deferment of any revenue to government as taxpayers have already discharged their GST liability on monthly basis at the time of filing of GSTR-3B. However it will assist in compiling and submitting the details to the government authorities in a better manner.

7.0. In view of the above, we request your good office:

- a. To address technical problems faced by taxpayers while uploading and filing of Annual Returns.
- b. To relax information called for in Annual Returns which were not required to be compiled or be kept at the time of filing of monthly returns.
- c. To extend the due date for filing of GST Annual Returns and Reconciliation Statement for F.Y. 2017-18 for two months i.e upto 31st October,2019. This will ease the hardship faced by the business community and assist in compiling quality data while filing the GST Annual Returns and Reconciliation Statements.

Thanking you,

Sincerely yours,

For THE CHAMBER OF TAX CONSULTANTS

Sd/-

**Vipul K. Choksi
President**

Sd/-

**Mahendra Sanghvi
Chairman
Law & Representation Committee**

Sd/-

**Apurva Shah
Co-Chairman**