



23rd August, 2019

GCCI/SG/GST/2019-20/7929

To
Shri Ajay Jain
Chief Commissioner- CGST,
Ahmedabad,
Gujarat.

Subject: 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

Respected Sir,

Sir, as you are kindly aware, Gujarat Chamber of Commerce and Industry (GCCCI) is the apex trade and industry body for the progressive state of Gujarat. It represents the interest of trade and industry across the State through its membership strength of more than 6000 direct and around 2,00,000 indirect members.

Sir, 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. Taxpayers and tax professionals are struggling with compliance for F.Y. 2017-18 for filing the Annual Return called GSTR-9, Annual Return due date is extended from 30th June, to 31st August, 2019 for F.Y. 2017-18.

Sir, we are already into the third year of GST implementation. We appreciate the various steps which have been taken on the part of Government to clarify issues raised. However, there are still many issues which have not been resolved which makes the compliance by the tax payers difficult. We are hereby highlighting some major issues which needs your kind attention.

A) Downloaded GSTR 2A Credit does not match with table 8A auto-populated ITC of 30.04.2019

As taxpayers are able to download their 2A Credit as of date, figures reflected in table 8A are of 30.04.19. There is a difference and the taxpayers are not easily able to identify the difference. As a result, table 8 is not properly filled in. It also results in time consuming efforts.

B) GSTR 9, Table 17 outward HSN Details related issues:

As per the notification issued, HSN is required to be mentioned where turnover is in excess of Rs. 1.5 crore till Rs. 5 crores for 2 digits or if turnover is more than that then for 4 digits. However, in the GSTR 9 it is mandatory to select HSN to 6 digits, it takes too much of time to find out in small traders trading in multiple products and not as per simplification measure.

While filling GSTR 9 system requires to enter amount in HSN (TABLE 17) in two decimals. Section 170 of the CGST Act requires taxpayer to round off the tax in nearest Rupees. Hence, showing figures in decimal will result in difference of tax paid and payable figures also.

While reporting in HSN summary in Table 17 where taxpayer is dealing in both supply of goods and services as a different supply it considered it as a composite supply and considered value twice.

There are currently errors while filling 9 and 9C and taxpayers are not able to file the same.

To find out HSN or SAC of the taxpayers now is taking much efforts where it was not captured and hence, it involves much time.

C) Issues related to Signing in 9C and Pay Load Error:

The signing of GSTR 9C is a clumsy process. It requires specifications of software and excel utility. Further every version change needs a new specification. Downloading the offline utility is only option to file GSTR 9 C. While downloading GSTR 9 C, version of the file depends on the browser from which it is downloaded and thus if not working from same computer taxpayer will always face error. Further even the files are not to be uploaded from the server of taxpayer and they have to take files to their desktop. Various other issues with regards to emsigner are also faced. Even in certain cases when you try to file, the system portal throws an error saying Payload Summary Invalid.

Other Technical issues with respect to GSTN

GSTN portal is the backbone for GST. Any glitches/issues on the portal hampers smooth and efficient filing of various returns by the tax payers. Some of the issues are as under:

- i. Signing issues in GSTR – 9/9C by digital signature
- ii. Validation issues in the excel utility of GSTR – 9/9C
- iii. Issues while uploading Financial Statements in GSTR – 9C

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- iv. Issues while making payment for Annual Return via DRC – 03
- v. Issues related to the non-availability of list of transactions of the auto-populated input tax credit amounts in GSTR – 9 making matching nearly impossible.
- vi. Issues related to payments made via DRC – 03 not getting auto-populated in GSTR – 9.

D) Clarification of eligibility of RCM GST payment made during filling of GSTR 9 is required.

The CBIC has issued a press release stating that any RCM paid in 18-19 should be and can be availed only in 2018-19. Now there is an issue. If a taxpayer liable to pay RCM has not made payment of his liability and discharge it through DRC 03 in August, 2019. But there is no clarity about how to avail the credit. As there are various confusing views, taxpayers are not able to file the returns and need more time.

E) Bifurcation of Expenses on which ITC is availed in Table 14 of GSTR 9C:

ITC is to be bifurcated expenses wise, the same is time consuming. As in table 14 requires compilation of profit and loss account in fixed field of expenses and insertion of only 4 additional rows are allowed. The same requires clubbing of many expense heads and consume major time of the industries in non-productive work, it is hurdle for filling quick returns.

F) Additional Details to be compiled for the Annual Returns

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.

There are so many details which the taxpayers had not compiled while filing monthly returns but are required to compile at the time of filing Annual Returns:

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

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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. Further for SME enterprises it is not possible to maintain/ segregate details in such depth.

All these requires much more time to compile. As a result normal businessman has to give 3 working days where turnover is less than Rs.1.5 crores. This is the major reason for the lesser number of returns being filed till date.

G) Rectification is not possible checking required

Since in GSTR 9, 9A and 9C revision rectification is not possible taxpayer have to be cautious and it takes too much of time in verification. Moreover, GSTR 9C is not available till GSTR 9 is not filed, simultaneous preparations are not possible by the taxpayer and it involves much time and delay in preparation.

H) Due date of Income tax returns

Due date of Income tax returns filing and Tax Audit for F.Y 2018-19 are 31-08-2019 and 30-09-2019 respectively. As major working hours are consumed in finalizing our income tax returns, tax audit, company audit it is advisable to give stress free compliance environment to businesses.

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I) New return form and lack of awareness programme

New return form will be introduced from October 2019 which require time for training and understanding where in governments revenue will be affected. In annual return and audit revenue will not be generated as tax has been already discharged. Moreover, awareness programme for filing these annual returns are lately started from 20th August 2019, where hardly 10 days are left to 31st August, 2019.

Sir, in view of the above-mentioned difficulties, it is evident that members of the industry and commerce cannot be expected to comply with the due date of GST annual return and audit. We therefore seek your early recommendation to extend above referred due dates to 31-12-2019.

We look forward to your positive intervention in the matter.

With Regards,

Sincerely,

Tanmay Mehta
Secretary General

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President

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