

## Form GSTR 9C – Reconciliation Statement – An Easy Understanding

### INTRODUCTION –

Goods and Service Tax was introduced in India on 1<sup>st</sup> July, 2017 and filing of GST returns has always been the talk of the town due to frequent format changes and its frequent due date extension.

Currently, the filing of an **annual return in FORM GSTR-9** is stealing all the lime light. Since after various due date extension, finally the annual return is made available on the GST portal and at present the final due date of filing of first **annual return in FORM GSTR-9** is 30<sup>th</sup> June, 2019.

All the normal registered taxable person under GST, irrespective of aggregate turnover, are required to file an **annual return in FORM GSTR-9**. Only taxable persons like input service distributor, the person paying tax u/s 51 or 52, casual taxable person and non-resident taxable person are exempted from filing of an annual return in FORM GSTR-9.

Coming to the filing of a **reconciliation statement in FORM GSTR-9C**, it is important to note that only those registered taxable person whose aggregate turnover during a financial year exceeds INR 2 Crore are required to file **reconciliation statement in FORM GSTR-9C** along with the filing of **an annual return in FORM GSTR-9**.

Recently, GST portal provided offline utility for filing of **reconciliation statement in FORM GSTR-9C** and the same along with the applicable provisions are being taken up in the present article.

### RELEVANT PROVISIONS UNDER GST WITH REGARD TO FILING OF A RECONCILIATION STATEMENT –

Provisions of section 44 (2) of the Central Goods and Service Tax Act, 2017, mandates the registered person to file a reconciliation statement provided he is required to get his accounts audited under GST. **In short, a registered person who is required to mandatorily get his accounts audited under GST is also required to furnish a reconciliation statement. The Reconciliation Statement is to be filed in FORM GSTR-9C.**

Now it is important to understand the category of registered person who is mandatorily required to get his accounts audited under GST. As per rule 80 (3) of the Central Goods and Service Tax Rules, 2017, all those registered person whose aggregate turnover during a financial year exceeds INR 2 Crore is required to get his account audited and is required to furnish a copy of audited annual accounts, reconciliation statement and such other documents.

### DUE DATE OF FILING OF A RECONCILIATION STATEMENT IN FORM GSTR-9C –

The **reconciliation statement in FORM GSTR-9C** is to be filed at the time of filing of the **annual return in FORM GSTR-9**, thus the due date of filing of FORM GSTR-9 would be the due date of filing of **reconciliation statement in FORM GSTR-9C**.

As per section 44, the due date of filing of **annual return in FORM GSTR-9**, like-wise of **reconciliation statement in FORM GSTR-9C**, is on or before 31<sup>st</sup> December following the end of the financial year. Hence for Financial Year 2017-2018, the due date would be 31<sup>st</sup> December, 2018, however, the due date has been extended till 30<sup>th</sup> June, 2019.

### **THINGS TO BE RECONCILED IN THE RECONCILIATION STATEMENT –**

**GST Reconciliation statement in FORM GSTR-9C**, basically, reconciles the data / figures declared in an annual return filed in FORM GSTR-9 and figures as presented in the audited annual financial statement of the taxpayer.

Part A of FORM GSTR-9C contains the reconciliation details and the same is divided into 5 sub-parts. One sub-part contains the basic details and last sub-part contains the details of recommendation as given by the auditor, remaining, 3 sub-parts contains the reconciliation of following –

- Reconciliation of the turnover declared in the Audited annual financial statement with the turnover declared in the Annual Return (GSTR-9);
- Reconciliation of tax paid; and
- Reconciliation of input tax credit.

In nut-shell, in FORM GSTR-9C, the taxpayer needs to provide the reconciliation of turnover, tax paid and input tax credit.

### **CERTIFICATION OF FORM GSTR-9C –**

Reconciliation statement in FORM GSTR-9C needs to be certified by either a chartered accountant or a cost accountant.

Part – B of the reconciliation statement contains the certification part. The said part – B is divided into the following two parts –

I – Certification in cases where the reconciliation statement is drawn up by the person who has conducted the audit of the accounts; and

II – Certification in cases where the reconciliation statement is drawn up by the person other than the person who has conducted the audit of the accounts.

### **OFFLINE UTILITY TOOL –**

Recently, after much wait, finally, the offline utility tool for filing of **reconciliation statement in FORM GSTR-9C** was made available. Following is the basic system requirement for effective use of the offline tool –

- Operating system of Windows 7 or above; and
  - Microsoft Excel 2007 and above version.
- The offline tool can be downloaded without logging into the GST account, by following below mentioned steps –
- Visit site <https://www.gst.gov.in/>.
  - Navigate the path Downloads > Offline Tools > GSTR-9C Offline Tool

## **ONLINE AND OFFLINE FILING OF RECONCILIATION STATEMENT IN FORM GSTR-9C –**

- Online and offline filing of **reconciliation statement in FORM GSTR-9C** is now available on the GST portal;
- Following steps need to be followed for online filing of FORM GSTR-9C –
  - Visit site <https://www.gst.gov.in/>.
  - Provide appropriate user id and password.
  - Navigate path Services > Returns > Annual Returns
  - Select Financial Year as 2017-18 from the drop-down list and click SEARCH.
  - Reconciliation Statement in GSTR-9C can be filed / prepared online by clicking on 'INITIATE FILING' or after preparing offline can be filed by clicking on 'PREPARE OFFLINE'.
- It is important to note here that the prior to the filing of **reconciliation statement in FORM GSTR-9C**, filing of **annual return in FORM GSTR-9** is mandatory. Unless annual return in FORM GSTR-9 is filed, the option for online filing of GSTR-9C would not be available.

Source courtesy:TaxGuru