

## GST Actionable for September 2020

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September 2020 marks an important month for completion of major compliances under Goods & Services Tax. We present below the list of activities which should be executed by the registered person in September 2020.

### 1. Amendment in GSTR-1 for FY 2019-20

As per first proviso to Section 37(3) of the CGST Act, 2017, *no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.*

Correspondingly the customers/clients may also be informed about the time limit for amendment in GSTR-1 so that in case any entry need to be amended in GSTR-1 basis the reconciliation undertaken for FY 2019-20, the same can be done while filing GSTR-1 of September 2020. No Amendment in GSTR-1 for the relevant period is allowed after the due date of filing of GSTR-1 of September 2020.

### 2. GSTR-2A Reconciliation for FY 2019-20

GST law has affixed the time limit for availment of Input tax credit for the financial year.

As per Sec 16(4) read with Rule 36(4);

*As per Sec 16(4); A registered person shall not be entitled to take input tax credit in respect of any invoice or debit note for supply of goods or services or both after the due date of furnishing of the return under section 39 for the month of September following the end of financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier.*

Rule 36(4) states that *Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37,*

*shall not exceed 10 per cent of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37.*

Thus , in order to avail complete ITC for FY 2019-20, it is imperative that all the registered person may complete their GSTR-2A reconciliation for FY 2019-20, so that ;

- All the missed out credit may be availed subject to GSTR-2A.
- Credits appearing in GSTR 2A but not availed in purchase register/ GSTR-3B: Eligibility of such credits should be identified and availed on or before filing the return for the month of September 2020. Any left out ITC for the period of 2019-20 may be loss to the registered person if not claimed within the due date of filing GSTR-3B
- In case, the taxpayer has claimed ITC for the inward supply in books of accounts and also GSTR-3B but the credit of the same is not reflected in GSTR-2A, follow up may be undertaken so that it is reflected in GSTR-2A till the filing of GSTR-3B of September 2020.
- The Expenses which are booked under one GSTIN however pertains to other GSTIN of the entity requires ITC reversal on one hand and claim of ITC on other GSTIN. The corresponding amendment need to be made by Vendor in GSTR-1 so that it the amended detail can be reflected in GSTR-2A.

### **3. GSTR-2A Reconciliation from Feb 2020 to Sep 2020 in GSTR-3B of Sep 2020**

As per the proviso to Rule 36(4) inserted vide Notification No. 30/2020–Central Tax dated 03-04-2020; *“the said condition [Rule 36(4)] shall apply cumulatively for the period February, March, April, May, June, July and August, 2020 and the return in FORM GSTR-3B for the tax period September, 2020 shall be furnished with the cumulative adjustment of input tax credit for the said months in accordance with the condition above”*

GSTR-2A reconciliation for the period Feb 2020 to Sep 2020 has to be undertaken cumulatively and total ITC availed in the GSTR-3B from February 2020 to September 2020 cannot exceed more than 10% of eligible credit.

### **3. Reconciliation of Outward Supply between Books of Accounts & Returns for FY 2019-20**

The registered person may also undertake reconciliation between books and return for FY 2019-20 so that all the missed out Outward supply may be reported till Sep 2020

- **Reconcile Outward Supply as declared in Books vs declared in GSTR-1 Return.**  
Any rectification/ modification need to be undertaken till filing of GSTR-1 of Sep 2020

- **Adjustment in GSTR 3B:** Any adjustment (except debit notes) for the last financial year should be made before filing GSTR-3B for month of September. The amendments cannot be made post the due date for the month of September i.e. 20 October 2020. Therefore, it is imperative to file the return on or before the due date.
- **Issuance of credit notes:** As per Section 34(2) of CGST Act, Credit notes pertaining to GST invoices issued in the last financial year cannot be reported under GSTR-1 post filing the return for the month of September 2020 or filing of annual return of relevant FY whichever is earlier. Therefore, any credit notes for FY 2019-20 should be issued by the month of September 2020.

#### **4. Reversal of ITC as per Rule 37 [Non Payment of Consideration within 180 days]**

As per Rule 37, in case the registered person has not paid the full value of inward supply along with tax payable within 180 days from the date of issue of invoice for such inward supply, then ITC claimed on such inward supply need to be reversed.

The registered person may check the creditors ageing as on 30th September, 2020, there should not be any vendor who has not been paid for supplies made in FY 2019-20. ITC has to be reversed for supplies related to FY 2019-20 against which payment has not been made till 30th September, 2020.

#### **5. Actualization of Apportionment of ITC as per Rule 42 & 43 in case of Exempt Supplies**

Rule 42 and Rule 43 lays down the procedure of apportionment of ITC in respect of inputs or input services or capital goods which attract the provisions of sub-section (1) or sub-section (2) of section 17, being partly used for the purposes of business and partly for other purposes, or partly used for effecting taxable supplies including zero rated supplies and partly for effecting exempt supplies.

The apportionment has to be undertaken on monthly basis in GSTR-3B of the relevant month. However, as per Rule 42(2), the apportionment shall be calculated finally for the financial year before the due date for furnishing of the return for the month of September following the end of the financial year to which such credit relates and following may be undertaken;

- If total ITC to be claimed as per Rule 42 / 43 based on total figures for FY is less than cumulative ITC actually claimed in monthly GSTR-3B for the relevant FY then such excess ITC claimed shall be reversed by the registered person in FORM

GSTR-3B or through FORM GST DRC-03 in the month not later than the month of September following the end of the financial year to which such credit relates and the said person shall be liable to pay interest on the said excess amount at the rate specified in sub-section (1) of section 50 for the period starting from the first day of April of the succeeding financial year till the date of payment;

- If total ITC to be claimed as per Rule 42 / 43 based on total figures for FY is more than cumulative ITC actually claimed in monthly GSTR-3B for the relevant FY then additional ITC shall be claimed as credit by the registered person in his return for a month not later than the month of September following the end of the financial year to which such credit relates.

## 6. GST Audit for FY 2018-19

As per Notification No. 41/2020 – Central Tax dated 05-05-2020, the time limit for furnishing of the annual return specified under section 44 of the CGST Act read with rule 80 of the CGST rules, electronically through the common portal, for the financial year 2018-2019 extended till 30.09.2020. Thus the due date of filing GSTR-9 and GSTR-9C for FY 2018-19 is as follows;

Form	Due Date	Exemption( if any)
<b>GSTR-9</b>	30-09-2020	Registered Person whose Aggregate turnover in FY 2018-19 does not exceed INR 2 crores have the option not to file GSTR-9 [Notification No. 47/2019 – Central Tax dated 09-10-2019]
<b>GSTR-9C</b>	30-09-2020	Registered Person whose Aggregate turnover in FY 2018-19 does not exceed INR 5 crores are not required to audit their accounts as per Sec 35(5) and furnish the reconciliation statement. [Notification No. 16/2020 – Central Tax dated 23-03-2020]  Foreign Airlines Exempted from Furnishing Reconciliation Statement in FORM GSTR-9C [Notification No. 09/2020– Central Tax dated 16-03-2020]  GST Audit is not applicable on any department of the Central Government or a State Government or a local authority, whose books of account are subject to audit by CAG or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force.. - Inserted vide Central Goods and Services Tax (Amendment) Act, 2018 w.e.f. 01-02-2019.

## 7. E-Invoicing w.e.f. 01-10-2020 for registered persons having aggregate turnover exceeding Rs 500 crores

The CBIC vide Notification No. 61/2020–Central Tax dated 30th July 2020 has notified that the e-invoicing shall be applicable in case of registered person having aggregate turnover exceeding Rs 500 crores in a financial year with effect from 1st October 2020.

However, the following registered persons shall be exempted from e-invoicing provisions;

- Special economic zones
- insurance company, banking company, financial institution, non-banking financial institution,
- goods transport agency,
- passenger transportation service and
- admission to exhibition of cinematograph films in multiplex screens;

**The Scheme for the same has also been notified** vide Notification No. 60/2020–Central Tax dated 30<sup>th</sup> July 2020. The Tax payers falling in the specified turnover bracket may need to customize their accounting software to generate E-invoice.

## 8. Due Date for Compliances extended as part of COVID -19 Relief measures

There has been host of relief measures announced by Government of India on account of COVID-19. The list of such relief measures culminating in September 2020 are as follows;

**Assessee Type: Taxpayers with Aggregate Turnover more than INR 5 Crs**

**Return Type : GSTR-3B**

Tax Period	Statutory Due Date	Conditional Date for Waiver of Late Fee [NTN 52/2020-CT dt 24-06-2020]	Late Fee [Max INR 500 , Nil for Nil Returns] if filed till 30 <sup>th</sup> Sep 2020
Feb-20	20-03-20	24-06-20	[NTN 57/2020-CT dt. 30-06-2020]
Mar-20	20-04-20	24-06-20	
Apr-20	20-05-20	24-06-20	
May-20	27-06-20	NA	
Jun-20	20-07-20	NA	

Jul-20	20-08-20	NA
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**Assessee Type:** Taxpayers with Aggregate Turnover Upto INR 5Cr having Place of Business in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep

**Return Type :** GSTR-3B

Tax Period	Statutory Due Date	Conditional Date for Waiver of Late Fee [NTN 53/2020-CT dt 24-06-2020]		Interest waiver date	Interest beyond Waiver Date [NTN 51/2020-CT Dated 24-06-2020]
Feb-20	22-03-20	30-06-20	<u>Late Fee [Max INR 500, Nil for Nil Returns] if filed till <b>30-09-2020</b></u> [NTN 57/2020-CT dt 30-06-2020]	30-06-20	Nil till the 30-06-2020 and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
Mar-20	22-04-20	03-07-20		03-07-20	Nil till the 03-07-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
Apr-20	22-05-20	06-07-20		06-07-20	Nil till the 06-07-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
May-20	12-07-20	12-09-20		12-09-20	Nil till the 12-09-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
Jun-20	22-07-20	23-09-20		23-09-20	Nil till the 23-09-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
Jul-20	20-08-20	27-09-20		27-09-20	Nil till the 27-09-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%

**Assessee Type:** Taxpayers with Aggregate Turnover Upto INR 5CrS having Place of Business in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi

**Return Type :** GSTR-3B

Tax Period	Statutory Due Date	Conditional Date for Waiver of Late Fee [NTN 52/2020-CT dt 24-06-2020]		Interest waiver date	Interest beyond Waiver Date [NTN 51/2020-CT Dated 24-06-2020]
Feb-20	24-03-20	30-06-20	Late Fee [Max INR 500 , Nil for Nil Returns] if filed till <b>30-09-2020</b>  [NTN 57/2020-CT dt 30-06-2020]	30-06-20	Nil till the 30-06-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
Mar-20	24-04-20	05-07-20		05-07-20	Nil till the 05-07-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
Apr-20	24-05-20	09-07-20		09-07-20	Nil till the 24-05-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
May-20	14-07-20	15-09-20		15-09-20	Nil till the 15-09-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
Jun-20	24-07-20	25-09-20		25-09-20	Nil till the 25-09-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%
Jul-20	20-08-20	29-09-20		29-09-20	Nil till the 29-09-2020 , and 9 percent thereafter till the <b>30-09-2020</b> post that 18%

It may be noted that the above compliances are in addition to the regular compliances.

**DISCLAIMER:**

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