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Directorate General: Doordarshan
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Copernicus Marg, New Delhi.

No. DD/GST/Circular/2019-20

Dated:- 05.10.2020

Office Memorandum

Sub:- Five things must to do in Sept-2020 GST Returns, by SNOs

September has always been a month of reconciliation in the GST regime. In this blog we have tried to brief few reconciliations in the form of "Five Critical things must Do in Return" of Sept-20 by every SNOs, 20th October 2020 is approaching soon & every person registered under GST must be aware that the 20th October 2020 (up to 24th Oct in some cases) is the due date for availing ITC for FY 2019-20.

1. Section 16(4): *A registered person shall not be entitled to take the 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.*

Impact of the above provision

The GST Return for the month of September is the LAST return (*unless otherwise extended*) within which any claim of ITC has to be made for all transactions pertaining to FY 2019-20.

Action to be taken before filing of return

- The SNOs should reconcile the Input Tax Credit (ITC) availed in GSTR- 3B, available in GSTR-2A, and as per books of account.
- Avail the balance ITC in the September month pertaining to FY 2019-20 if not availed in any of the Previous Month.
- Ask the vendor to upload invoices or differential invoices in the month of September if not reflected in GST-2A.

2. Section 34(2): *Any registered person who issues a credit note in relation to a supply of goods or services or both shall declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier, and the tax liability shall be adjusted in such manner as may be prescribed:*

Provided that no reduction in output tax liability of the supplier shall be permitted if the incidence of tax and interest on such supply has been passed on to any other person.

Impact of the above provision:

The GST Return for the month of September is the LAST return (*unless otherwise extended*) for declaration of a credit note for the supply made in FY 2019-20.

Action to be taken before filing of return

Ensure that all the credit notes for the supply made in FY 2019-20 are declared on or before September months return.

3. Proviso to Section 37(3): *Provided that 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. Explanation-For the purposes of this Chapter, the expression "details of outward supplies" shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period.*

Impact of the above provision:

September Months' GST return is the Last return for correcting all the error or rectification with respect to GSTR-3B and GSTR-1 pertaining to FY 2019-20.

Action to be taken before filing of return

- Reconcile all the value disclosed in the GSTR-1 and GSTR-3B with the books of account. Error if any in the disclosure of GST Return for FY 2019-20 is required to be corrected on or before September months' return.
- Check the GSTIN of the customer disclosed in the GSTR-1 and corrects if any, the same in the return.
- Check whether any supply is reported as B2B instead of B2C and vice versa.
- Refer detailed analysis of Circular No. 26/26/2017-GST issued by the GST council for correction of various errors occurred.

4. Rule 42: *The input tax credit determined under sub-rule (1) 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, in the manner specified in the said sub-rule.*

Impact of the above provision:

The final reversal ratio as prescribed pertaining to the outward supply of FY 2019-20 shall be required to be computed in the month of September.

Action to be taken before filing of return

- Ensure Common Credits in relation to exempted supplies, non-GST supply, free supply, etc. pertaining to FY 2019-20 are recomputed on the basis of yearly final ratio.
- The excess amount reversed shall be claimed as a credit in the September months' return. On another way in case of short reversal reverse the balance ITC in the month of September.

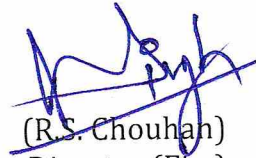
5. **Rule 36(4):** *Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of section 37, shall not exceed [10 per cent] of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37. Provided that the said condition shall apply cumulatively for the period Feb to Aug, 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.*

Impact of the above provision:

The cumulative computation of 10% eligible credit for the period from February 2020 to August 2020 shall be required to be computed with the month of September and shall be made effect in the return for the month of September.

Action to be taken before filing of return

- The SNOs to prepare a reconciliation of GSTR-2A with ITC availed in the books for the period from February 2020 to September 2020 cumulatively. The effect can be made while filing of GST Return for the month of September 2020.
- This will help the SNOs to track the non-filer (supplier) of GSTR-1 return and ensure to get file the returns.



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To,

All State Nodal Officers

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