

Newscast Compliance



List of Compliance under
GST for September 2021

Ever since Pandemic has started, the Government of India has come up with extension of due dates for compliance under various tax laws to grant a relief to taxpayers in terms of filing and payment of interest on taxes and late fees thereon.

The Government of India has recently announced the due dates for GSTR9-Annual Return and for GST9C- Reconciliation and Self Certification form to 31st December 2021, However there has been no such extension relief provided to registered taxpayers for 30th September 2021 due date in terms of filing of unclaimed ITC in GSTR3B and Amendment/Rectification in GSTR1.

Therefore, during these current uncertainty time September month following the end of the financial year mark as a most crucial month for completion of major compliance under GST Law. We have concisely presented here the following requisite list of activities to taken on by registered taxpayer for Financial Year 2020-21(“FY 2020-21”) under GST.



1. Reconciliation of Input as per GSTR3B with GSTR2A and Books of Accounts.

- 1.1. As in every Tax statute, there has been certain prescribed deadlines which required to be followed on closure of financial year. Likewise, in GST, as per section 16(4) CGST Act, 2017, registered taxpayer are only eligible to claim ITC in respect of invoice or debit note of FY 2020-21 on or before September 2021 GSTR3B return or relevant annual return whichever is earlier.
- 1.2. As per the recent amendment notification issued by the Government of India on dated 30/07/2021 wide Notification no. 30/2021, which declares that only liability can be declared and no ITC can be availed for FY 2020-21 in Annual returns. Therefore unclaimed ITC as per GSTR2A and Books of accounts can be availed exclusively through September 2021 GSTR3B return.
- 1.3. Hence, it is Imperative for all registered taxpayers to comply with the Input reconciliation activities for FY 2020-21 to identify the discrepancy and necessary cognizance must be taken.
- 1.4. The Credits which are not reflecting in GSTR2A and Invoices and Credit note which required to amend, should communicate with supplier to reflect in GSTR2A before deadline. Left out credits as per books of accounts and as per GSTR2A may be loss to taxpayer if not claimed within due date of filing of September GSTR3B return.

2. Reconciliation of Outward Supply as per GSTR1 with GSTR3B and Books of Accounts.

- 2.1 The Registered taxpayer should also take on the reconciliation of Supply as per Books of accounts with filed GSTR1 return so that any rectification/amendment can be filed in September 2021 GSTR1 return.
- 2.2 Reconciliation of Books of Accounts with GSTR3B returns should also require to be carried out by registered taxpayer to identify the discrepancy in discharged GST liability and declared supply in GSTR3B return.
- 2.3 Any adjustment/amendment of FY 2020-21 can only be filed in GSTR1 on or before due date of September 2021 GSTR1 return. No amendments can be allowed after due date of September 2021 return month or the actual date of furnishing of return. Therefore it is imperative to file amendment on or before due date of September 2021 GSTR1 return i.e. 11th October 2021.
- 2.4 According to Sec.34(2) of CGST Act, Credit notes related to GST invoices issued in FY 2020-21 can be issued and recorded but not post September 2021 GSTR1 return or filing of annual return whichever is earlier. In conclusion, any credit note for the FY 2020-21 should be issued and filed by the 30th September 2021.

3. Reversal of ITC on account of Non-payment of consideration within 180 Days

- 3.1 According to rule 37 of CGST Act, Registered tax payers are required to reverse the claimed ITC inward supply whose consideration has not been paid within 180 days from the date of issue of invoice.
- 3.2 To distinguish the unpaid inward supply invoices, the taxpayer is required to perform the creditors ageing activity as on 30th September 2021 following the end of FY 2020-21 inward supplies invoices.
- 3.3 Any non-paid inward supply invoices on which ITC has been claimed has to be reversed in September 2021 GSTR3B return.

4. Actualizations of apportionment of ITC as per GST rules 42 & 43 for exempt supplies

- 4.1 Rule 42 & 43 describes the procedure for apportionment of ITC related to input, input services, capital goods, partly used for business purpose and partly used for other purpose or partly used for taxable supplies including taxable supplies and other for effecting exempt supplies.
- 4.2 An apportionment must be filed and undertaken on monthly basis in GSTR3B return of relevant month. However, according to rule 42(2), the apportionment shall also be calculated finally for the FY 2020-2021 before the due date of filing of September return following the end of FY.
- 4.3 Any excess availed ITC must be reversed by registered tax payer in GSTR3B return or in GST Form DRC-03 in the September month following the end of FY along with interest thereon.

4. Actualizations of apportionment Conti...

4.4 In case Total ITC as per rule 42 & 43 of the FY 2020-21 is more than cumulative ITC claimed in respective month GSTR3B returns, additional ITC can be claimed not after than the September month GSTR3B following the end of FY of such related ITC.

5. Cross Charge

5.1 The GST Act has not defined the specific word Cross Charge. However Section 1 of CGST Act, and Section 25 of CGST Act, provides clear view on concept of cross charge that, any supplies made between different GST registrations of the same entity shall be defined as supply and shall attract to discharge GST. Every Supply between the distinct person shall be treated as a cross charge supply. Such supply shall be carried out with proper documentation so that recipient of such supply can avail the GST credit subject to conditions.

5.2 It is advisable that, all cross charge supply invoices related to FY 2020-21 may be raised till September 2021 and ITC of such invoices may be availed by recipient unit till the due date of filing of September 2021 GSTR3B i.e. 20th October 2021.

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