

Nangia Andersen LLP



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List of Important activities to be
completed before 30 September 2021

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September marks an important month from Goods and Services Tax ('GST') perspective as some of the important activities/compliances are required to be completed on or before 30 September. We have provided below a list of key activities required to be undertaken by a taxpayer registered under GST.

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1. GSTR-2A reconciliation and claiming Input Tax Credit ('ITC') pertaining to FY 2020-21

- As per Section 16(4) of the Central Goods and Services Tax Act, 2017 ('CGST Act'), ITC for FY 2020-21 can be claimed before filing of Form GSTR-3B for September 2021 (i.e. 11 October 2021) or Annual Return (December 31, 2021), whichever is earlier.
- Thus, in order to avail full eligible ITC for FY 2020-21, it is imperative that all the taxpayers complete their GSTR-2A reconciliation for FY 2020-21. In case of any discrepancy, appropriate action should be taken.
- It is important to co-ordinate with vendors to ensure that all invoices as well as debit notes pertaining to invoices issued in FY 2020-21 are received/ accounted and ITC of the same is availed within the prescribed timelines.
- As an immediate action step with respect to the return being filed for the month of September, available credit pertaining to FY 2020-21 invoices as well as debit notes should be availed.

2. Rectification of omission or incorrect particulars in GSTR-1 for FY 2020-21

- A taxpayer who discovers any omission or incorrect details in Form GSTR-1 return can rectify such omission or incorrect particulars in return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed.
- However, no rectification is allowed after the due date for furnishing of return for the month of September or the actual date of furnishing of relevant annual return, whichever is earlier.
- Therefore, taxpayers can report / rectify details of outward supplies for FY 2020-21 (omitted or needs amendment) in Form GSTR-1 till due date for filing Form GSTR-1 of September 2021 (October 11, 2021).
- It is also important to inform the vendors about the time limit for amendment in Form GSTR-1 so that in case any entry need to be amended in Form GSTR-1 basis the reconciliation undertaken for FY 2020-21, the same can be done while filing Form GSTR-1 of September 2021.

3. Issue of Credit Note

- As per Section 34 of the CGST Act, a credit note can be issued (in certain circumstances) and reported 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 date of filing annual return, whichever is earlier. Credit notes for supply made during FY 2020-21 should be issued and accounted by September 30, 2021.
- ITC on debit notes pertaining to invoices issued in FY 2020-21 can be claimed on filing of Form GSTR-3B for September 2021 (i.e. on October 20, 2021). Given this and in order to enable customer to claim ITC within the deadline, debit notes should be issued by 30 September 2021 and ITC to be claimed by recipient in September 2021.

4. Actualization of apportionment of ITC on common credits used for exempt supplies

- Rule 42 and Rule 43 of the Central Goods and Services Tax Rules, 2017 ('CGST Rules') provides for monthly reversal of ITC on inputs, input services and capital goods attributable to exempted supplies on provisional basis. This needs to be finalized on yearly basis.
- If total ITC to be claimed as per aforementioned rules based on total figures for FY 2020-21 is more than cumulative ITC actually claimed in monthly Form GSTR-3B for the FY 2020-21, 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.
- Any adjustment (availment / reversal of excess ITC) needs to be done by September 30, 2021.

5. Cross Charge

- It is recommended that all the cross-charge invoices pertaining to FY 2020-21 may be raised on or before September 2021 and the ITC relating to cross charge invoices may be availed by the recipient unit on filing of their Form GSTR-3B of September 2021. (i.e. on October 20, 2021)

6. Reconciliation of Outward Supply between Books of Accounts

- The registered person may also undertake reconciliation between books and return for FY 2020-21 so that all the missed out Outward supply transaction can be reported in the Form GSTR-1 for the month of September 2021.



- Reconcile Outward Supply as declared in Books vs declared in Form GSTR-1 Return. Any rectification/modification needs to be adjusted in filing of Form GSTR-1 for the month of September 2021.

7. Non-Payment of Consideration within 180 days

- As per Rule 37 of CGST Rules in case the taxpayer 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 needs to be reversed.
- The taxpayer is required to keep a check on the creditors ageing as on 30 September 2021, there should not be any vendor who has not been paid for supplies made in FY 2020-21.
- ITC has to be reversed for supplies related to FY 2020-21 against which payment has not been made on 30 September 2021.

8. Export realization or application for extension in terms of Rule 96A

- Rule 96A (1) of the CGST Rules provides that any registered person may export goods or services without payment of Integrated tax after furnishing a LUT / bond and that he would be liable to pay the tax due along with the interest as applicable within a period of fifteen days after the expiry of three months or such further period as may be allowed by the Commissioner from the date of issue of the invoice for export, if the goods are not exported out of India.
- The time period in case of services is fifteen days after the expiry of one year or such further period as may be allowed by the Commissioner from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange.
- It is therefore important that exporters who have not yet realized the export proceeds should rush to the jurisdictional commissioner to seek the extension in terms of Rule 96A of the CGST Rules.





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