C A PROFESSIONALS (Reg.)

"Six things must To Do" in Oct-2019 for every GST registered person"

20th October 2019 is approaching soon & every person registered under GST must be aware that 20th October 2019 is the due date for availing ITC for FY 2018-19. The extract of section 16(4) of CGST Act, 2017 is reproduced below for reference.

"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 invoice relating to such debit note pertains or furnishing of the relevant annual return, whichever is earlier."

As per the aforesaid provision, the time limit for taking an input tax credit for the financial year 2018-19 is up to the filing of GSTR-3B for the month of September 2019. The due date of filing of GSTR-3B for the month of September 2019 is 20/10/2019. Hence any rectification required needs to be done on or before filing GSTR 3B for Sept-19 and GSTR 1 for the month/quarter ending Sept-19. There are so many things to be verified before you can do so and a checklist is summarized as follows:-

1. **Reconciliation of ITC claimed in GSTR 3B**

ITC for all the invoices for FY 2018-19 needs to be availed through GSTR 3B filed for the month of Apr-2018 to Sept-2019. Hence you need to cross verify the same through Invoices and prepare Easy to remember reconciliation in the following format for future reference-

GSTR 3B filed for Month: Apr 18 to March 19

Particulars	IGST	CGST	SGST
FY 2018-19 Invoices ITC	XX	XX	XX
Add: FY 2017-18 Invoices ITC availed in FY 2018-19	XX	XX	XX
Less: FY 2018-19 Invoices ITC Reversal	(XX)	(XX)	(XX)
Less: FY 2017-18 Invoices ITC reversal in FY 2018-19	(XX)	(XX)	(XX)
Total net ITC claimed as per GSTR 3B for FY 2018-19	**XX**	**XX**	**XX**

GSTR 3B filed for Month: Apr-19 to July-19

Particulars	IGST	CGST	SGST
FY 2019-20* Invoices ITC	XX	XX	XX
Add: FY 2018-19 Invoices ITC availed in FY 2019-20*	XX	XX	XX
Less: FY 2019-20*Invoices ITC Reversal	(XX)	(XX)	(XX)
Less: FY 2018-19 Invoices ITC Reversal in FY 2019-20*	(XX)	(XX)	(XX)
Total Net ITC claimed as per GSTR 3B for Apr-19 to July-19	**XX**	**XX**	**XX**

Prepare list of Invoices as per following information

Particulars	IGST	CGST	SGST
Pending ITC to be claimed in GSTR 3B (Aug19/Sept-19) belonging to FY 2018-19	**XX**	**XX**	**XX**
Pending ITC to be claimed in GSTR 3B (Aug19/Sept-19) belonging to FY 2019-20*	**XX**	**XX**	**XX**

Apr-19 to July-19 (Presuming GSTR 3B for Aug-19 & Sept-19 is yet to be filed)

2. **Reconciliation GSTR 2A with books of Accounts**

For the purpose of claiming ITC, the same need to be reflected in GSTR 2A. Hence you need to thoroughly scrutinize the GSTR 2A for FY 2018-19. There may be following issues in respect of GSTR 2A-

1. Invoice not reflecting in GSTR 2A due to any reason e.g. In GSTR 1 counter party has wrongly mentioned incorrect GSTN, reported that invoice as B2C, reported that invoice as Composition Dealer, not reported that invoice at all, not filed GSTR 1 etc.

2. Invoice reflecting in GSTR 2A but with wrong details e.g. Wrong Place of Supply (POS) mentioned in GSTR-1, invoice taxable value & taxes head wrong reported etc.

You need to follow up with the respective vendor at the earliest to rectify the same.

One can also use GST Portal Comparison reports for easy reference.

- Download Comparison of Liability declared & ITC claimed Report for FY 2018-19:.

Services > Returns > Returns Dashboard > FY 2018-19 : March > Comparison of Liability declared & ITC claimed > View > Click on Refresh Button

- Download Credit & Liability Statement along with 'ITC Credit Claimed & Due' available

3. **Reconciliation GSTR 1 with Sales Invoices**

Reconciliation of GSTR 1 with Sales Invoices also required to be carried down so that all of our B2B customers can get their ITC. Failure to do so may lead to disputes & bad relations with customers. There may be following issues in respect of GSTR 1-

1. Invoice not reflecting in GSTR 1 due to any reason e.g. In GSTR 1, we may have wrongly mentioned incorrect GSTN, reported that invoice as B2C, reported that invoice as Composition Dealer, not reported that invoice at all.

2. Invoice reflecting in GSTR 1 but with wrong details e.g. Wrong POS mentioned in GSTR-1, invoice taxable value & taxes head wrong reported etc.

Thus need to rectify the same on or before filing GSTR 1 for the month of Sept-19/ quarter ending Sept-19. The same can be rectified through adding an invoice in GSTR -1 or amending B2B invoice in GSTR-1 as may be applicable.

4. **Reconciliation GSTR 1 with GSTR 3B**

All the invoices as per books of accounts need to be reported through GSTR 1 & tax to be paid through GSTR 3B. Hence a thorough reconciliation is required to be done. You may also use GST Portal Comparison reports for easy reference.

- **Download Comparison of Liability declared & ITC claimed Report for FY 2018-19:.**

Services > Returns > Returns Dashboard > FY 2018-19 : March > Comparison of Liability declared & ITC claimed > View > Click on Refresh Button

- Download Credit & Liability Statement along with 4 Reports available i.e.

1. Liability other than Export/Reverse Charge
2. Liability Due to Export and SEZ Supplies
3. Liability due to Reverse Charge
4. ITC Credit Claimed & Due

In case Tax paid in GSTR 3B is less that GSTR 1 tax liability, the same need to be reported in next GSTR 3B and Tax need to be paid along with Interest.

5. **Ensure filing of GSTR 1 & GSTR 3B for FY 2018-19**

In case you have not filed any of the GSTR 1 and/or GSTR 3B for FY 2018-19, then don't wait now. File the same at the earliest to avoid the adverse implications.

6. **Rectification of Mistakes while filing GSTR 3B**

In case you have committed any mistake while filing GSTR 3B , then the same need to rectified. There may a case that IGST incorrectly reported as CGST / SGST or vice a versa, Zero Rated Export Sales reported as normal sales or vice a versa, ITC wrongly shown in any other head instead of correct head in GSTR 3B. Then it is the time to rectify the same at the earliest in next GSTR 3B.

The above reconciliation is not one time exercise, but should be regular one, in order ensure correct & timely tax compliance.

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