
Points to consider before filing GSTR-3B/GSTR-1 for September 2019

1. Pending Input Tax Credit to be availed before filing GSTR- 3B of Sept '19:

Section 16 (4) of Central Goods and Services Tax Act, 2017 provides that the Input Tax Credit (ITC) on the invoices raised during April 2018 to March 2019 can be availed by the registered person on earliest of the following dates:

- i. On or before the due date of furnishing the return for the month of September 2019 i.e. 20-10-2019 (unless extended). OR
- ii. Before filing of annual return for July 2017 to March 2018.

Therefore, the last date of availing the ITC on invoices pertaining to the period April 2018 to March 2019 shall be the due date of filing of GSTR-3B for September 2019 i.e. 20-10-2019 (unless extended).

Therefore, the registered person is advised to avail the pending ITC pertaining to invoices raised in April 2018 to March 2019 by the vendor within the due date of filing the return of September 2019.

Therefore, all registered persons are advised that the return in Form GSTR-3B for September 2019 should be filed within the due date i.e. 20th October 2019 (for availment of credit on invoices / debit note of 2018-19) to avoid any action of reversal of credit from the department.

The following activities has to be carried out by the company for each GST registration before filing the GSTR-3B of September 2019 and avail the pending eligible ITC otherwise the ITC on the same shall lapse.

A. Reconciliation of ITC availed in GSTR-3B with the books:

Reconciliation of ITC availed in books and that availed in GSTR-3B. There may be instances where due to human/system error, the ITC has not been availed in GSTR-3B.

Such invoices are required to be traced so that the ITC can be availed within the time frame.

B. Reconciliation of ITC availed in GSTR-3B with ITC available as per GSTR-2A:

There may be many reasons for difference between credit availed under GSTR-3B & credit appearing under GSTR-2A.

For example:

There may be cases where vendor has sent the invoice which the company has not received at all. In such cases, the company is required to follow up with the vendor and get the invoices and then avail ITC within the time prescribed above.

In many cases, ITC on bank charges have not been taken as invoice may not be received from Bank. In such cases, the company is required to follow up with the bank and get the invoices and then avail ITC within the time prescribed above.

There have been instances where GSTIN number was not provided to the vendors initially resulting in issuance of invoice as B2C. In such cases, the company must get the invoices amended from the vendor as B2B before availing the ITC and assure that the vendor rectifies the same in his GSTR-1 not later than GSTR-1 for the month of September' 2019.

There may be instances where the goods have been received in 2018-19 but the same has not yet been cleared by the quality & inspection department and thus the purchases have not yet been booked. In such case, the quality & inspection department must take place immediately so that the ITC can be availed within the time frame. A reconciliation between ITC as per GSTR-2A and as per books will reveal such differences (if any). Hence, such activity may be carried out to avail credit at the time of filing September 2019 return within the due date.

C. ITC available on distribution by ISD:

All the recipient units are required to avail the ISD credit based on the invoices issued by ISD. It is advised that all such ITC distributed on ISD invoices issued in April 2018 to March 2019, shall be availed on or before due date of Sept 2019 return.

D. Debit note issued during 2019-20 by vendor for invoices issued in 2018-19:

As per section 16 (4) of Central Goods and Services Tax Act, ITC on debit note issued by vendor during the current year i.e. 2019-20 which is pertaining to invoices raised in 2018-19 has to be availed before due date of filing of annual return OR before due date of filing GSTR-3B for the month of September'19, whichever is earlier.

Therefore, the company has to evaluate all the debit notes issued during the period 1st April 2019 to 30th September 2019 pertaining to the original invoices issued during the period 01-04-2018 to 31-03-2019.

E.g. ITC on debit note issued by vendor in April'19 against the original invoice pertaining to March'19 has to be availed on or before due date of Sept 2019 return.

2. Other important points to be considered before filing GSTR-3B/GSTR-1 of Sept'19:

i. Rectification of error or omission of invoices:

In case of any errors made while uploading Invoices in GSTR-1, the company can rectify in GSTR-1 in subsequent months. However, as per section 37, rectification of such invoices can be made before filing GSTR-1 for the month of September OR before filing annual return, whichever is earlier. Similarly, the invoices which have been missed in GSTR-1 for April 2018 to March 2019 can be uploaded in GSTR-1 of September 2019.

Further corrections in GSTR-3B could also be done till the return of September 2019.

ii. Credit Notes:

The credit notes for the period 1st April 2018 to 31st March 2019 have to be issued & uploaded in GSTR-1 before filing annual return OR before filing GSTR-1 for the month of September, whichever is earlier. If such credit notes are not uploaded on or before filing GSTR-1, then the liability cannot be reduced to that extent.

3. Other Important Points:

i. Cross-charging:

The Head office provides administration/business support services (Tax/HR/Legal/Finance Team) to other units/branches located in different states or different registrations i.e. distinct persons which is considered as supply of services and accordingly GST has to be charged on the same. Therefore, Head office has to cross charge and pay GST on the same (if not done) to all distinct persons at the earliest.

ii. Reverse charge liability paid under normal registration on behalf of ISD unit:

Reverse charge liability cannot be discharged under ISD and therefore the same has to be paid under the normal registration in the state in which ISD is registered.

Thereafter, an invoice has to be raised on ISD as per rule 54 (1A) for common input services so that the same can be distributed to distinct persons at the earliest. It is advisable that the invoice shall be raised on ISD in the month in which ITC is availed under the normal registration.