

M/s Ashish B & Associates

Chartered Accountant

Office No. B-401, Mukta Mahek,

90 Feet Road, Thakur Complex, Kandivali (East), Mumbai - 400101

Mobile No. 7709937987; Emailid – ashish@ashishbassociates.in

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I. Important Points to be considered before filing GSTR-3B for the month of September 2021

1. Availment of Input Tax Credit in respect of invoice/debit notes pertaining to Financial year 2020-21 on or before due date of filing of GSTR-3B Return for September 2021

As per section 16(4) of CGST Act 2017, the input tax credit in respect of invoice or debit note pertaining to Financial Year 2020-21 shall be taken before happening of following two events:

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- (i) Due date of Filing of GSTR-3B for the month of September 2021 i.e. 20 October 2021
- (ii) Filing of Annual Return for the Financial Year 2020-21

Therefore, all clients are advised that the return in Form GSTR-3B for September 2021 should be filed within the due date i.e 20th October 2021 (for availment of credit on invoices / debit note of 2020-21) to avoid any action of reversal of credit from the department.

The following activities can be carried out by the company for each GST registration before filing the GSTR-3B of September 2021 and avail the pending eligible ITC otherwise the ITC on the same shall lapse.

- (i) **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.
- (ii) **Reconciliation of ITC availed in GSTR-3B with ITC available as per GSTR-2A:** Presently, there is no requirement to file or verify GSTR 2A return. However, there may be many reasons for difference between credit availed under GSTR-3B & credit appearing under GSTR-2A. For example:
 - a) 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.

- b) 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.
- c) 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 2021.
- d) There may be instances where the goods have been received in 2020-21 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 2021 return within the due date.

II. Important Points to be considered before filing GSTR-1 for the month of September 2021

1. **Rectification of error or omission of invoices:** In case of any errors made while filing GSTR-1 for any period pertaining to 2020-21, the company can rectify the details in GSTR-1 in subsequent months. However, as per section 37, rectification of such details for 2020-21 can be made before filing GSTR-1 for the month of September 2021 OR before filing annual return, whichever is earlier. Thus, the details which have to be rectified pertaining to financial year 2020-21 must be rectified at the time of filing of GSTR-1 for the month of September 2021.
2. **Credit Notes:** The credit notes for the period 01-04-2020 to 31-03-2021 have to be issued & uploaded in GSTR-1 before filing annual return OR before filing GSTR-1 for the month of September 2021, whichever is earlier. If such credit notes are not uploaded on or before filing GSTR-1 for September 2021, then the liability cannot be reduced to that extent.

Should you require any further clarification, please contact us. We will be glad to serve you better.

Regards,

For M/s Ashish B & Associates

Ashish Bajaj

Chartered Accountant