L&S UPDATE

An e-update to clients from Lakshmikumaran & Sridharan

SEPTEMBER 7, 2020

GST

IMPORTANT COMPLIANCES DURING SEPTEMBER - OCTOBER 2020

UPDATE NO. 36

Lakshmikumaran & Sridharan attorneys

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RECTIFICATION OF ERRORS & OMISSIONS IN MONTHLY RETURNS

- **Rectification in monthly returns:**
  - As per the proviso to Section 37(3) and Section 39(9) of the Central Goods and Services Tax Act, 2017 (**"CGST Act"**), rectification of errors or omissions in monthly returns (GSTR-1 and GSTR-3B) of FY 2019-20 can be made till the return for the month of September 2020 is furnished.

INPUT TAX CREDIT (ITC)

- **ITC Calculation as per Rule 36(4):**
  - Compliances for restriction in ITC with respect to un-reported invoices as per Rule 36(4) of the Central Goods and Services Tax Rules, 2017 (**"CGST Rules"**) shall be made cumulatively for the period of February 2020 to August 2020 in the month of September 2020.

- **Issuance of Credit Notes:**
  - As per Section 34(2) of CGST Act, credit notes in relation to invoices pertaining to FY 2019-20 can be issued till September 30, 2020.

- **Issuance of Debit Notes:**
  - As per Section 16(4) of CGST Act, debit notes for invoices generated in FY 2019-20 can be issued till September 30, 2020 to enable recipients to avail ITC [*Amendment to Section 16(4) by Finance Act, 2020 is not notified yet*].

- **Availment of ITC:**
  - As per Section 16(4) of CGST Act, any ITC pertaining to invoices or invoices relating to debit notes of FY 2019-20 can be claimed till date of furnishing return for September 2020.

- **ITC adjustment for exempt supplies:**
  - As per Rules 42 and 43 of CGST Rules, ITC attributable to exempted supplies which has been reversed on monthly basis during FY 2019-20 shall be finalized before the due date of furnishing return for September 2020. For any excess reversal, if found, ITC can be reclaimed in GSTR-3B and for short reversal, ITC can be reversed along with 18% interest p.a. from April 01, 2020.

ANNUAL RETURN & AUDIT CERTIFICATE

- **Annual Return for FY 2018-19:**
  - As per Notification No. 41/2020-CT, the Annual Return (GSTR-9) for the FY2018-19 must be filed by September 30, 2020.

- **GST Audit for FY 2018-19:**
  - As per Notification No. 41/2020-CT, Audit Certificate (GSTR-9C) must be furnished by September 30, 2020.

E-INVOICING

- **Preparation of E-invoices:**
  - As per Notification No. 13/2020-CT as amended, electronic invoicing provisions under Rule 48(4) of CGST Rules will be applicable w.e.f. October 01, 2020 for registered person having aggregate turnover of more than INR 500 crores (other than those specified and SEZ units) for supplies made to registered person.

QR CODE FOR DIGITAL PAYMENTS

- **Disclosure of QR Codes:**
  - As per Notification No. 14/2020-CT as amended, affixing of QR Code on invoices under sixth proviso to Rule 46 of CGST Rules will be applicable w.e.f. October 01, 2020 for registered person having aggregate turnover of more than INR 500 crores (other than those specified) for supplies made to unregistered person.

OTHERS

- **Reverse charge liability for FY 2019-20:**
  - As per Section 16(4) of CGST Act, pending liabilities under reverse charge for FY 2019-20 shall be discharged before filing GSTR-3B for month of September 2020 as claiming of ITC related to same after the said period may be disputable.

- **Compliances under erstwhile regime:**
  - Any compliances related to Central Excise, Customs, Customs Tariff, etc. falling due from March 20, 2020 to September 29, 2020 shall be completed by September 30, 2020 [*The Taxation and Other Laws (Relaxation of Certain Provisions) Ordinance, 2020*].

- **Other GST Forms:**
  - Other monthly forms and returns such as GSTR-1, GSTR-3B, GSTR-6 (ISD), GSTR-7 (TDS), GSTR-8 (TCS) are due for filing during September 2020.

CUSTOMS

- **CAROTAR Rules:**
  - As per Notification No. 81-2020-Cus. (NT), Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 [CAROTAR, 2020] which provides detailed procedural framework for governing preferential duty claims will come into effect from September 21, 2020.

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