

GST: Don't miss the last chance to rectify errors of FY 2017-18

GST Law has given us a chance to rectify any errors crept in GST returns filed for the financial year 2017-18 till date of filing of September 2018 return.

Month of September, is last chance to add/correct/delete/ modify any details of either outward supplies or inward supplies pertaining to previous financial year i.e. any rectifications in the details already furnished in returns of July 2017 to March 2018 may be corrected/added in the return to be filed for the month of September 2018. Details of outward supplies can be modified on or before 31.10.2018 (being due date for filing GSTR 1) and details of inward supplies on or before 20.10.2018 (being due date for filing GSTR 3B).

Outward Supplies:-

1. Invoice pertaining to FY 2017-18 missed in GSTR 1 –

The invoice may be added in GSTR 1 along with invoices of September 2018 in Table 4 with original date. If the tax pertaining to invoice is also not paid, the same may be added to taxable value and tax of the month of September, 2018 and pay the tax along with interest from due date of payment of tax till date of actual payment. However, the Annual return format i.e. GSTR 9 does not have a facility to add these type of missing invoices but the most suitable disclosure may be in Part V, Point 10 of Form GSTR 9.

2. B2B Invoice details wrongly entered in GSTR 1 –

Here is a case where the invoice details are entered in GSTR 1 but some fields are wrongly mentioned. Some of the situations are:-

Error in GSTIN i.e. Invoice is in name of Mr. X but GSTR 1 is filed mentioning GSTIN of Mr. Y, Error in taxable value, Error in tax rate, etc.,

These details may be modified in Table 9A, 9B, 9C of GSTR 1. The same may be disclosed in Part V, Point 10 or 11 in GSTR 9.

3. B2C details wrongly entered in GSTR 1–

There will be again 2 types of errors in B2C details.

3A. B2B invoice entered as B2C –

If a B2B invoice pertaining to month of January 2018 entered as B2C in GSTR 1 of January 2018, this error can be rectified by adding the invoice details in GSTR 1 of September 2018 along with September B2B invoices and amending the B2C supplies of January 2018 using Table 10 of GSTR 1. To correct B2C details of a month,

Step 1 – Select the financial year and month (2017-18 & January, in this case)

Step 2 – Amount of B2C supplies already disclosed in January 2018 return appears

Step 3 – Reduce the B2C amount with the taxable value as per B2B invoice.

Then, B2C details of January 2018 stand corrected.

If the invoice is already declared in GSTR 3B correctly, the liability is not affected and the same needs not be disclosed anywhere in GSTR 9.

3B. B2C Intra-state supplies entered as Inter-state –

If B2C supplies of an assessee from the state of Karnataka entered as B2C supplies of Andhra Pradesh i.e. Intra state entered as inter-state, the same may be rectified using Table 10 of GSTR 1. However, if the same error is also continued in GSTR 3B too, the liability may be affected since IGST is paid instead of CGST+SGST. This can

be rectified by paying CGST+SGST and claiming refund of IGST. The same needs to be disclosed in Part V, Point 10 of GSTR 9.

3C. B2C Inter-State supplies wrongly entered as different state–

If B2C supplies made to Andhra Pradesh was entered as B2C supplies to Telangana by a supplier registered in Odisha; the tax liability doesn't change but the state mentioned is wrong. This also doesn't affect the liability but the wrong details needs to be rectified for correct disclosure.

Inward Supplies:-

1. Failed to avail ITC–

Did you miss claiming ITC on any invoice pertaining to FY 2017-18. No Worries, the same can be claimed upto the month of September 2018. Include the same in GSTR 3B of September 2018 and the ITC can be availed and utilised. These details are to be declared in Point 13 of Part V of GSTR 9.

2. GSTR 2A Vs GSTR 3B –

Monthly data of GSTR 2A can be downloaded in Excel format now. Many have been ignoring the reconciliation of ITC as per GSTR 3B with details available in GSTR 2A. This reconciliation exercise should be a continuous process since it is a time consuming one but major outcomes are as under:-

Unearthing any missed credits i.e. supplies on which ITC is available but not availed will come into light when the reconciliation is done. It is important to note that the ITC pertaining to FY 2017-18 cannot be availed after the return for the month of September 2018 is filed. There may be situations where ITC has been claimed as per Invoice issued by the supplier but the supplier failed to file GSTR 1. If supplier doesn't file

GSTR 1, the invoice details doesn't appear in GSTR 2A. This exercise helps us to follow up with the supplier and intimating/educating them to file their GSTR 1.

It is appropriate to mention here that minimum requirements for eligibility of invoice to avail ITC have been relaxed recently. The following details are minimum requirements to avail ITC.

Tax charged, Description of goods or services, Total value of supply of goods or services or both, GSTIN of the supplier and GSTIN of recipient and Place of supply in case of inter-State supply

3. Excess ITC claimed –

There may be situations where excess ITC would have been claimed due to error. For example, instead of entering only tax amount in ITC IGST column in GSTR 3B, amount of purchases may be entered which inflates IGST ITC. The same may be rectified now by reversing the excess ITC availed by entering the amount to be reversed in Table 4(B)(2) of GSTR 3B for the month of September 2018 and the same may be disclosed in Part V Point 12 of GSTR 9.

Hence please be cautious and re visit all the returns filed, reconcile with books of accounts and GSTR 2A and claim the missed ITC and also rectify any errors that were made while filing the returns for FY 2017-18.

THANKING YOU.