

# GOODS & SERVICES TAX / IDT UPDATE - 107

## Press Release

### Annual Return (GSTR-9) and Reconciliation Statement (GSTR 9C) for FY 2018-19

- The due date for furnishing of the Annual Return for the FY 2018-19 has been extended till 31.10.2020 vide *Notification No. 69/2020 – Central Tax, dated 30.09.2020*.
- Certain representations have been received stating that the auto populated GSTR-9 for the year 2018-19 (Tables 4, 5, 6 and 7) also includes the data for FY 2017-18. However, this information for FY 2017-18 has already been furnished by the taxpayers in the annual return (GSTR-9) filed for FY 2017-18 and there is no mechanism to show the split of two years (2017-18 & 2018-19) in FORM GSTR-9 for 2018-19.
- In this regard, it is clarified that the **taxpayers are required to report only the values pertaining to Financial Year 2018-19** and the **values pertaining to Financial Year 2017-18** which may have already been reported or **adjusted are to be ignored**. No adverse view would be taken in cases where there are variations in returns for taxpayers who have already filed their **GSTR-9** of Financial Year 2018-19 by including the details of supplies and ITC pertaining to Financial Year 2017-18 in the Annual return for FY 2018-19.
- All the taxpayers are requested to avail the benefit of the extended due date and file their Annual Return (**FORM GSTR-9**) at the earliest to avoid last minute rush. It may be noted that furnishing of the Annual return in **FORM GSTR-9** is mandatory only for taxpayers with aggregate annual turnover above Rs. 2 crore while reconciliation statement in **FORM GSTR-9C** is to be furnished only by the registered persons having aggregate turnover above Rs. 5 crore.

[\[Release ID: 1663175 dated 9<sup>th</sup> Oct, 2020\]](#)

### Clarification of issues relating to application of sub-rule (4) of rule 36 of the CGST Rules, 2017, cumulatively for the months of February, 2020 to August, 2020

The Central Board of Indirect Taxes & Customs vide [Circular No. 142/12/2020- GST dated 9<sup>th</sup> October, 2020](#) has issued the following clarification relating to application of sub-rule (4) of rule 36 of the CGST Rules, 2017 for the months of February, 2020 to August, 2020:-

- Keeping the situation prevailing in view of measures taken to contain the spread of COVID-19 pandemic, vide notification No. 30/2020-CT, dated 03.04.2020, it had been prescribed that the condition made under sub-rule (4) of rule 36 of the CGST Rules shall apply cumulatively for the tax period February, March, April, May, June, July and August, 2020 and that the return in **FORM GSTR-3B** for the tax period September, 2020 shall be furnished with the cumulative adjustment of input tax credit for the said months.

- It is re-iterated that the clarifications issued earlier vide Circular No. 123/42/2019 – GST dated 11.11.2019 shall still remain applicable, except for the cumulative application as prescribed in proviso to sub-rule (4) of rule 36 of the CGST Rules. Accordingly, all the taxpayers are advised to ascertain the details of invoices uploaded by their suppliers under subsection (1) of section 37 of the CGST Act for the periods of February, March, April, May, June, July and August, 2020, till the due date of furnishing of the statement in FORM GSTR-1 for the month of September, 2020 as reflected in GSTR-2As.
- Taxpayers shall reconcile the ITC availed in their **FORM GSTR-3Bs** for the period February, 2020 to August, 2020 with the details of invoices uploaded by their suppliers of the said months, till the due date of furnishing **FORM GSTR-1** for the month of September, 2020. **The cumulative amount of ITC availed for the said months in FORM GSTR-3B should not exceed 110% of the cumulative value of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 of the CGST Act, till the due date of furnishing of the statements in FORM GSTR-1 for the month of September, 2020.**
- It may be noted that availability of 110% of the cumulative value of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37 of the CGST Act does not mean that the total credit can exceed the tax amount as reflected in the total invoices for the supplies received by the taxpayer i.e. the maximum credit available in terms of provisions of section 16 of the CGST Act.
- **The excess ITC** availed arising out of reconciliation during this period, if any, **shall be required to be reversed in Table 4(B)(2) of FORM GSTR-3B**, for the month of September, 2020. Failure to reverse such excess availed ITC on account of cumulative application of sub-rule (4) of rule 36 of the CGST Rules would be treated as availment of ineligible ITC during the month of September, 2020.
- The manner of cumulative reconciliation for the said months in terms of proviso to sub-rule (4) of rule 36 of the CGST Rules is explained by way of illustration, in a tabulated form, below:-

**Table I**

<b>Tax period</b>	<b>Eligible ITC as per the provisions of Chapter V of the CGST Act and the rules made thereunder, except rule 36(4)</b>	<b>ITC availed by the taxpayer (recipient) in GSTR-3B of the respective months</b>	<b>Invoices on which ITC is eligible and uploaded by the suppliers till due date of FORM GSTR-1 for the tax period of September, 2020</b>	<b>Effect of cumulative application of rule 36(4) on availability of ITC.</b>
Feb, 2020	300	300	270	Maximum eligible ITC in terms of rule 36 (4) is
March, 2020	400	400	380	

April, 2020	500	500	450	2450 + [10% of 2450] =2695. Taxpayer had availed ITC of 2750. Therefore, ITC of 55 [2750-2695] would be required to be reversed as mentioned in para 3.4. above
May, 2020	350	350	320	
June, 2020	450	450	400	
July, 2020	550	550	480	
August, 2020	200	200	150	
TOTAL	2750	2750	2450	
<b>ITC Reversal required to the extent of 55</b>				
September, 2020	500	385	350	<b>10% Rule shall apply independently for September, 2020</b>
<b>In the FORM GSTR-3B for the month of September, 2020, the tax payer shall avail ITC of 385 under Table 4(A) and would reverse ITC of 55 under Table 4(B)(2)</b>				

[Circular No. 142/12/2020- GST dated 9<sup>th</sup> October, 2020]

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