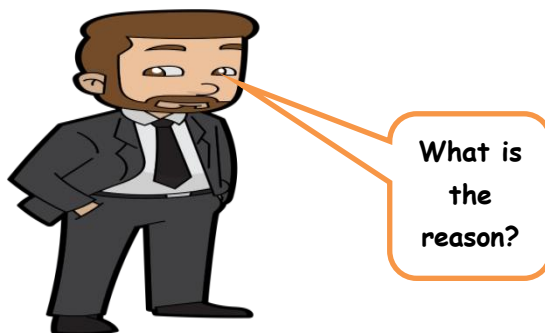
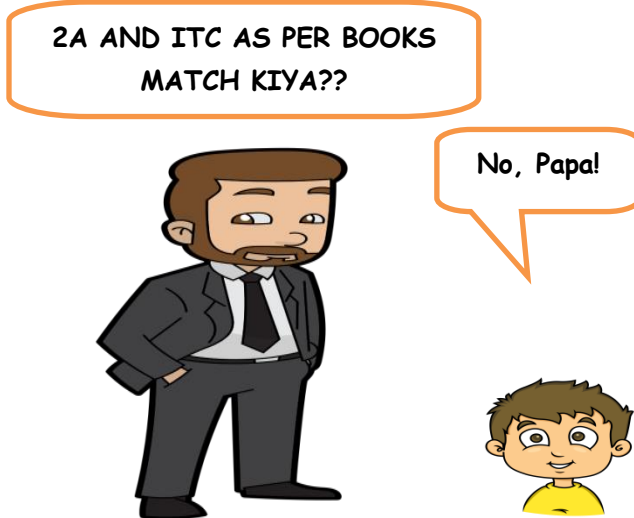
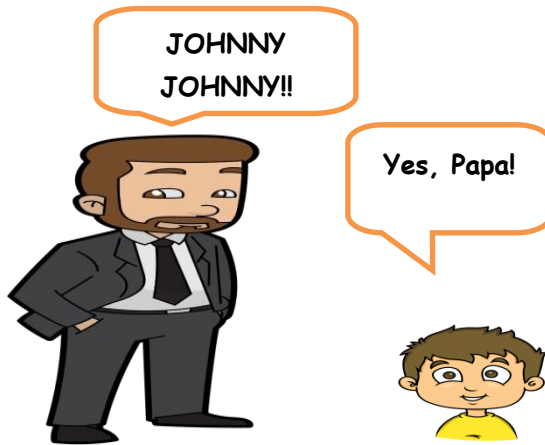


# GST and JOHNNY- UPDATE No.4



This Papa-:

The Government has taken a pre-emptive action to curb incorrect ITC claims after various frauds were unearthed on fake invoices. To implement the same, they have restricted the credit as appearing in GSTR-2A (means the supplier has uploaded the invoice) by virtue of introduction of Rule 36(4) of CGST Rules. But this provision is very easy to hear but very cumbersome to implement. This can be explained with an example. Suppose, we have to file the return for the month of October 2019 and have credit of Rs. 10 Lakh in our books then we have downloaded GSTR-2A on 12.11.2019 having bills of Rs. 6 lakh. We can take credit of Rs. 6 lakh plus 1,20,000/- (20%). But the real problem starts on next month return. Suppose, same figures come in November. But now certain suppliers have late filed GSTR-1 returns of October also and uploaded bills of Rs.2 Lakh. But these invoices will come in GSTR-2A for the month of October only. Hence, we have to reconcile the figures of October and November also. Even after reconciliation, we have to find the new invoices came in the month of October and take credit on the same after deducting 20% amount. This position of every month will be repeated for all earlier months. Suppose, we are filing the return of January 2020 then we have to reconcile the book figures with GSTR-2A for the month of October, November, December and January. Then find out the new invoices for earlier month and then take credit. Thus, the work keep on increasing. Hence, filing of GSTR return will be a hurchulous task. Even ineligible credit invoices, RCM invoices, quarterly retrun filers invoices adds fuel to the fire.

CA Pradeep Jain