GST we thought about
Actual GST

Goods and Service Tax (GST)

Payment of Taxes

CA. Chandrahasa K.

Payments:

- Tax to be paid on supply of goods or services
- Tax is payable by supplier- forward charge
- Specified rates
- GST rules prescribe return formats
- Common portal will compute taxes
- Basis – outward supply details
- Includes reverse charge
- Delay payment attract interest

Summary of Provisions S.49

S. 49 (1)	• Deposit of tax- ECL
S. 49 (2)	• ITC as self assessed- ECrL
S. 49 (3)	• Utilization of ECL
S. 49 (4)	• Utilization of ECrL
S. 49 (5)	• Order of Utilization- ECrL
S. 49 (6)	• Refund from ECL and ECrL
S. 49 (7)	• Electronic Liability Register
S. 49 (8)	• Order of discharge of tax
S. 49 (9)	• Deemed incidence of tax

Due Dates:

Nature of assesse	Due Date	Section
Composition	18th	39(2)
TDS	10th	39(3)
Non-Resident	20th	39(5)
TCS	10th	56(2)
IDS	13th	39(4)
Others	20th	39(1)

Electronic ledgers under GSTN portal

Electronic liability register S. 49(7)

- All liabilities of a taxable person under this Act are recorded and maintained in this ledger.
- Debits to ECL/ECrL will be credited here
- CGST, IGST, SGST liabilities will be recorded
- Reliefs out of Appellate orders will be recorded

Electronic credit ledger S. 2(46)

- The input tax credit as self-assessed in the return of a registered person shall be credited here.
- Taxpayer will be able to utilize the balance shown in this account only for payment of self assessed output tax.
- Balance cannot be utilized for payment of reverse charge, interest fees etc.

Electronic cash ledger S. 2(43)

- All payment to be credited to Electronic Cash Ledger
- Can be utilized for payment of tax, interest, penalty or fee payable
- Payment by internet banking, Credit/Debit cards, NEFT, RTGS.
- Date of payment – Date of credit to Govt Account
- Challan generated thru GST portal valid for 15 days.
- CIN will be reference

*Payment of less than Rs 10,000 through cash and cheque can be made at the authorized banks.

Electronic Liability Register GST PMT-01- State Specific

- Debit (Dr) (Payable)
  - Tax on outward supplies, Tax under reverse charge, Interest, Late fee and other amount as per return (self assessment).
  - Tax on outward supplies, Tax under reverse charge, Interest, Late fee and other amount as determined by proper officer.
  - Tax and interest payable as a result of mismatch.
  - Any amount of interest that may accrue.
- Credit (Cr) (Paid)
  - Discharge of tax liability out of ECL/ ECrL.

Electronic credit Ledger GST PMT-2 – State Specific

- Permitted debits – Payment towards self assessed tax.
- Not permitted for payment towards interest, fees etc…
- Permitted Credits – Input tax credit.
- Liability of reverse charge cannot be discharged by utilization of credit.
- Column 7- Matched ITC
- Column 8- Mismatched ITC
- Column 9- Provisional ITC- Based on GSTR 2

Electronic Cash Ledger GST PMT-5 – State Specific

- Cash Ledger linked to the registration
  - Balance in the cash ledger can be utilized against the respective State tax liability of IGST, CGST, SGST.
  - Excess balance in one State and tax payable in another State cannot be adjusted.
- Examine the cost of maintaining balances in various States v Excess Input tax in States and tax payable in one State
  - Stock Transfers
  - Timely billing of intra company transactions
- Permitted Debits-Payment towards liability of tax, interest, fees etc…
- Permitted Credits- Transfer of funds, RTGS, NEFT, Limited cash deposits, Card payments, TDS, TCS

Electronic ledgers

- Sequence of Payment- S. 49(7), 49(8),
  - Self Assessed tax + Other dues of previous tax periods
  - Self Assessed tax + Other dues of current tax period
  - Other amounts including demand

- Types of Payment
  - Tax on Outward Supplies
  - Tax on Inward Supplies liable under RCM
  - TDS/TCS – By Government / E-com operators
  - Interest, others.

- Payments to be specified into CGST, SGST, IGST

- 17 Digit Challan – Challan Identification Number
  - Generated by Payer, Departmental Officer, Authorized Representative

Tables in Form GSTR-3

Sl No.	Table No.	Description	Remark
1	6.1	Inter-state supplies to registered taxable person	Auto populated from GSTR -1
2	6.2	Intra-state supplies to registered taxable persons	Auto populated from GSTR -1
3	6.3	Inter-state supplies to consumers	Auto populated from GSTR -1
4	6.4	Intra-state supplies to consumers	Auto populated from GSTR -1
5	6.5	Exports (Including deemed exports)	Auto populated from GSTR -1
6	6.6	Revision of supply invoices/ Credit note/ Debit note and others pertaining to previous tax period (including post sales discounts or any clerical/ other errors)	Auto populated from GSTR -1
7	7.3	Import of services	Auto populated from GSTR -2
8	7.4	Revision of purchase/ Credit note/ Debit note and others pertaining to previous tax period (including post sales discounts or any clerical/ other errors)	Auto populated from GSTR -2
9	7.5	Total tax liability on inward supplies on reverse charge	Auto populated from GSTR -2
10	7.6	ITC Reversal	Auto populated from GSTR -2
11	7.7	Output tax added/reduced on account of non-rectification/ rectification of communicated mismatches	Generated by Govt. system

Tax liability- GSTR 3 (Contd..)

Sl No.	Table No.	Description	Remark
1	6.7	Total tax liability on outward supplies	Auto populated from the tables (Table 6.1 to 6.6 & 7.3 to 7.7)
2	7.5	Total tax liability on inward supplies on reverse charge	Auto populated from GSTR -2
3	7.6	ITC Reversal	Auto populated from GSTR -2
4	7.7	Output tax added/reduced on account of non-rectification/ rectification of communicated mismatches	

GSTR 3- Part B										
11. Tax, interest, late fee and penalty paid (auto-populated from cash and ITC ledger)										
(figures in Rs)										
Part (a)										
S. No.	Description	Tax payable	Debit entry in Cash Ledger				Debit entry in Credit Ledger			
			Debit no.	IGST Paid	CGST Paid	SGST Paid	Debit no.	IGST Paid	CGST Paid	SGST Paid
(1)	(2)		(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1.	IGST									
2.	CGST									
3.	SGST									
Part (b)										
	S. No.	Payable			Debit entry in Cash Ledger					
		IGST	CGST	SGST	Debit no.	IGST Paid	CGST Paid	SGST Paid		
	(1)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
4.	Interest									
5.	Late fee									
6.	Others (Please Specify)									

Utilization of Credit

IGST

- First to pay IGST
- Next to pay CGST
- Next to pay SGST
- or Union territory tax

CGST

- First to pay CGST
- Next to pay IGST
- CGST shall not be utilized for payment of SGST

SGST

- First to pay SGST
- Next to pay IGST
- SGST shall not be utilized towards payment of CGST

Ledgers to be maintained- (Financial)

CGST, SGST and IGST – Input

CGST, SGST and IGST – Credits to be distributed in ISD

CGST, SGST and IGST – Output

CGST, SGST and IGST – Accrued but not due (CG)

Electronic Cash Ledger

Electronic Credit Ledger

Electronic Liability Register

Interest on delayed payment of tax

- Regular interest rate - S. 50(1)
- Interest rate- not exceeding 18%

- Interest is calculated in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid- S. 50 (2)

- Penal interest rate in case of undue or excess claim of ITC/ undue or excess reduction of OTL - S. 50(3)
- Interest rate- not exceeding 24%

Levy of Late fees- S. 47

- Outward Supply S.37, Inward Supply S.38, Returns S. 39, S. 45
- INR 100 per day subject to a maximum of INR 5,000

- Annual Return (S. 44) INR 100 per day subject to a maximum of 0.25 % of the aggregate turnover of the defaulter

Goods and Service Tax (GST)

Returns

Summary Provisions- CHAPTER IX

S. 37	• Outward supplies
S. 38	• Inward supplies
S. 39	• Furnishing of returns
S. 40	• First Return
S. 41	• Claim of ITC and provisional acceptance
S. 42	• Matching, reversal and reclaim of ITC
S. 43	• Matching, reversal and reclaim of reduction in OTL
S. 44	• Annual Return
S. 45	• Final Return
S. 46	• Notice to return defaulters
S. 47	• Levy of late fee

Returns under GST

Format	Return Type	Return Filing due date	Tax Payment due date
GSTR 1	Outward Supply	10th of next month	No Tax Payment
GSTR 2	Inward Supply	10th-15th of next month	No Tax Payment
GSTR 3	Monthly Return	20th of next month	On or before filing the return
GSTR 4	Composition Tax Payers	18th of next month (Quarterly)	On or before filing the return
GSTR 5	Non Resident Tax payers	20th of next month or < 7 days from expiry of Regn. Whichever is earlier	On or before filing the return
GSTR 6	ISD	13th of next month	No Tax Payment
GSTR 7	TDS	10th of next month	On or before filing the return
GSTR 8	TCS- e Com operators	10th of next month	On or before filing the return
GSTR 9	Annual Return	31st December of next FY	On or before filing the return
GSTR 10	Final Return	Within 3 month of the date of cancellation of registration	On or before filing the return
GSTR 11	Inward supplies of persons having unique identity number	Along with application for refund	No Tax Payment

First, Annual and Final Return

First Return

Every registered taxable person who has made outward supplies between date of liability to register to date of grant of registration

Filed after grant of registration

Annual Return

Every registered dealer to furnish annual return by 31st December except:

- ISD
- casual taxable person
- Person deducting tax
- Non-resident taxable person

Reconciliation statement to be furnished along with the statutory audited report and annual return.

Final Return

Every registered dealer opting for cancellation to furnish a final return To be furnished within 3 months from date of cancellation or date of cancellation order, whichever is later

GST Returns- Important to Note

- Rectification allowed till due date of filing of return for September of next FY or date of filing of annual return which ever is earlier- S. 37 (3), 38(5), 39(9).

- Cancellation of registration for non-filing of returns for 3 consecutive tax periods (composition) or 6 months for all other taxable persons- S. 29(2)(b)/(c)

- Notice to non-filers of returns FORM GSTR-3A

GST Returns- GSTR 1

- Invoice level details-
  - inter-State and intra-State supplies made to RP
  - inter-State supplies with invoice value > Rs. 2.50 Lakhs to URP;

- consolidated details of all -
  - intra-State supplies made to URP for each rate of tax; and
  - State wise inter-State supplies with invoice value < Rs. 2.50 Lakhs to URP; for each rate of tax; and
- debit and credit notes, if any issued during the month for invoices issued previously.

- The details of outward supplies shall be made available electronically to the concerned recipients in **Part A** of **FORM GSTR-2A,4A,6A** through the Common Portal.

- The details of inward supplies added, corrected or deleted by the recipient in his **FORM GSTR-2 ,4** shall be made available to the supplier electronically in **FORM GSTR-1A** through the Common Portal,
  - and such supplier may either accept or reject the modifications made by the recipient and **FORM GSTR-1** furnished earlier by the supplier shall stand amended to the extent of modifications accepted by him.

GSTR-1A contents

Details of inward supplies added, corrected or deleted by the recipient in Form GSTR - 2/GSTR-4

GST Returns- GSTR 2

- **Form and manner of furnishing details of inward supplies:**
  - on the basis of details contained in **Part A(Supplier) Part B(ISD) Part C (TDS)and Part D(TCS)** of **FORM GSTR-2A**,
  - prepare such details and furnish the same in **FORM GSTR-2**
  - specify the ineligible input tax credit in **FORM GSTR-2**

- Every registered person shall include the details of unmatched transactions communicated to him in **FORM GSTR-2 and pay tax due**. **(rectification of errors/omissions)**
  - To include ISD credit
  - To include TDS credit
  - To include TCS credit

- GSTR-2 to include-
  - invoice wise details of all inter-State and intra-State supplies received from registered persons or unregistered persons;
  - import of goods and services made; and
  - debit and credit notes, if any, received from supplier

- Every registered person shall include the details of unmatched transactions communicated to him in **FORM GSTR-1 and pay tax due**. **(rectification of errors/omissions)**

GSTR-2A contents

Part A- **Details of outward supplies furnished in GSTR-1**

Part B-Details of invoices furnished by an ISD in his return in **FORM GSTR-6**

Part C-Details of tax TDS furnished by the deductor in **FORM GSTR-7**

Part D-details of TCS furnished by an e-commerce operator **FORM GSTR-8**

GST Returns- GSTR 3

- **Form and manner of submission of monthly return GSTR-3,**
  - **Part A** of the return electronically generated on the basis of **FORM GSTR-1, FORM GSTR-2 ,**
  - **To include** liabilities of preceding tax periods based on matching exercise (S. 42/43),
  - Discharge his liability towards tax, interest, penalty, debiting the ECL or ECrL(As permitted)- details in **Part B** of the return in **FORM GSTR-3**,
  - May claim such refund in **Part B,** such return shall be deemed to be an application for refund,
  - **FORM GSTR-3B** may be filed wherein time for filing GSTR-1,2 extended.

Note: *Non resident taxable person, ISD & registered person opting composition scheme - not required to file return of Inward Supplies*

GST Returns- GSTR 4

- **Form and manner of submission of quarterly return by the composition supplier GSTR-4**

  - Based on information outward supply details from GSTR 1, after adding, correcting or deleting the details in **FORM GSTR-4A**, furnish a quarterly return in **FORM GSTR-4**
  - shall discharge his liability towards tax, interest, penalty, fees debiting ECL
  - (a) invoice wise inter-State and intra-State inward supplies received from RP,URP;
  - (b) import of goods and services made;
  - (c) consolidated details of outward supplies made; and
  - (d) debit and credit notes issued and received, if any

GST Returns- GSTR 5

- **Return by non-resident taxable person GSTR-5**
  - details of outward supplies and inward supplies
  - pay the tax, interest, penalty, fees
  - within twenty days after the end of a tax period ***or***
  - within seven days after the last day of the validity period of registration, whichever is earlier

GST Returns- GSTR 6

❖ **Return by an ISD GSTR-6**

- Based on information outward supply details from GSTR 1, after adding, correcting or deleting the details contained in **FORM GSTR-6A**,
- containing the details of tax invoices on which credit has been received.

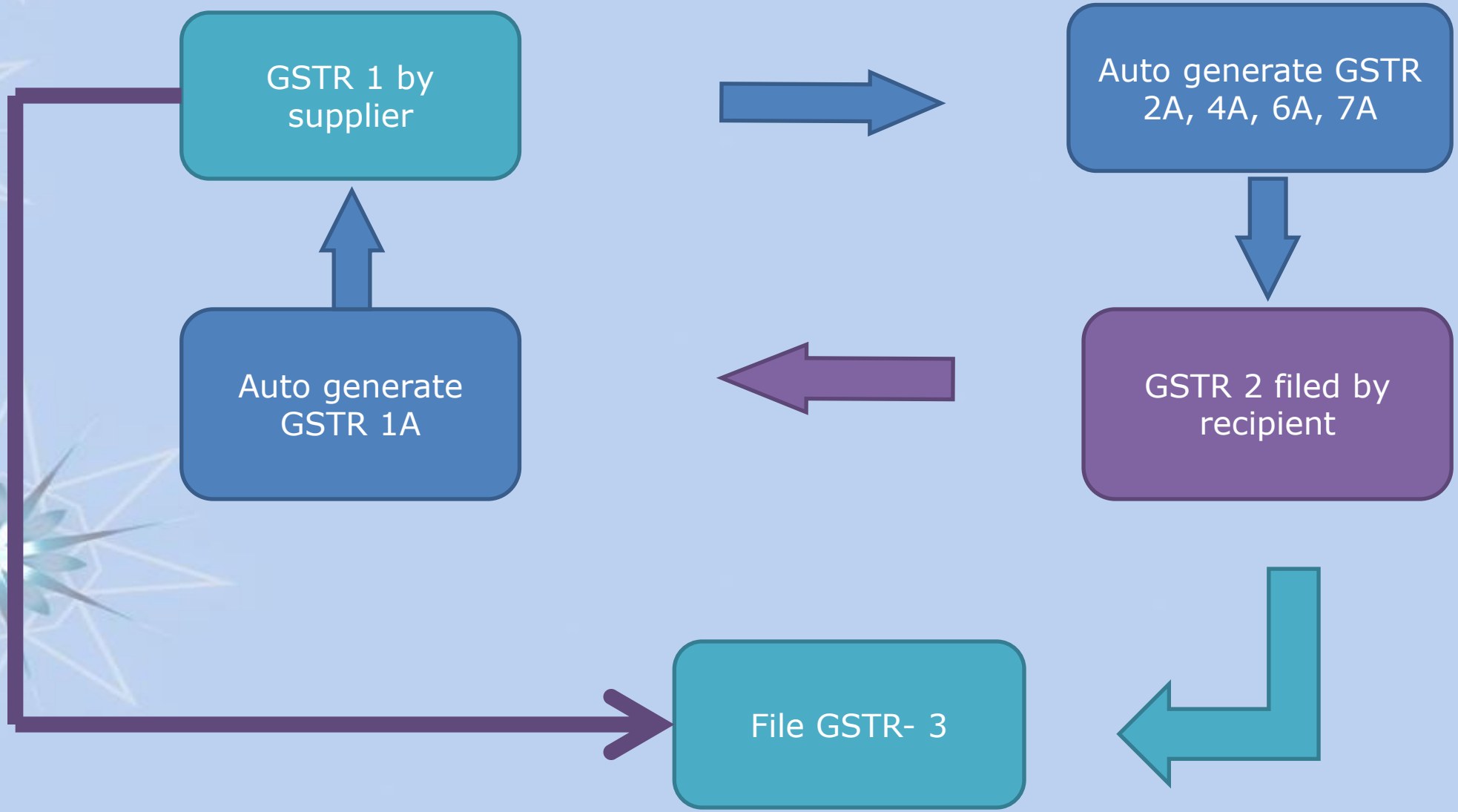
GST Returns- GSTR 7

- **Return by a person required to deduct tax at source GSTR-7**
  - Details will be included in Part C of FORM GSTR-2A, After the due date of filing of **FORM GSTR-7**
  - Shall deposit the TDS within 10 days of succeeding month

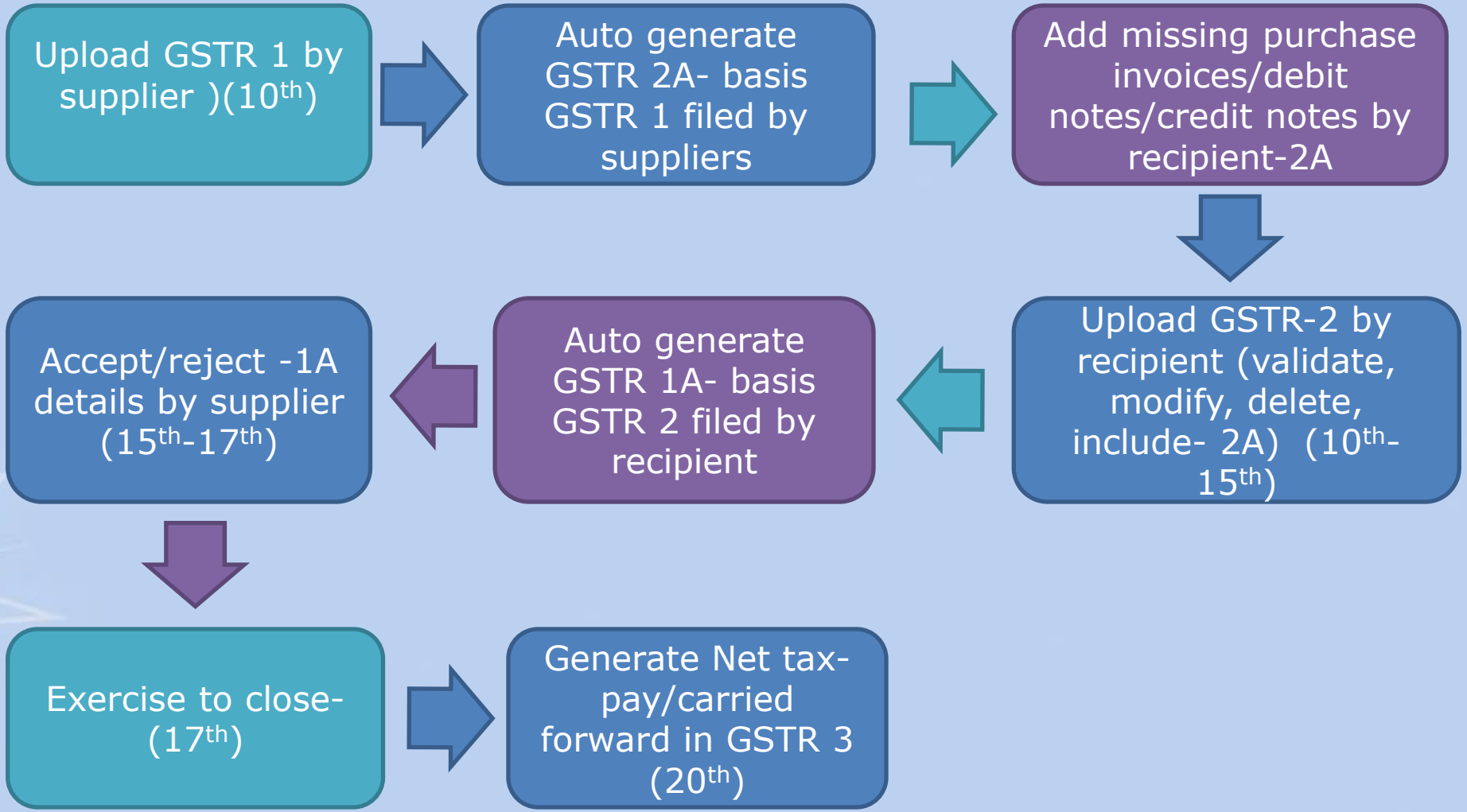
GST Returns- GSTR 8

- **statement of supplies by an e-commerce operator GSTR-8**
  - details of supplies effected through such operator and the amount of tax collected
  - Shall deposit the TCS within 10 days of succeeding month.
  - Supplier entitled for credit in to ECL

GSTR Returns- How it works?



GSTR Returns- Process to be followed



Returns- S, 37,38,39

GSTR 1

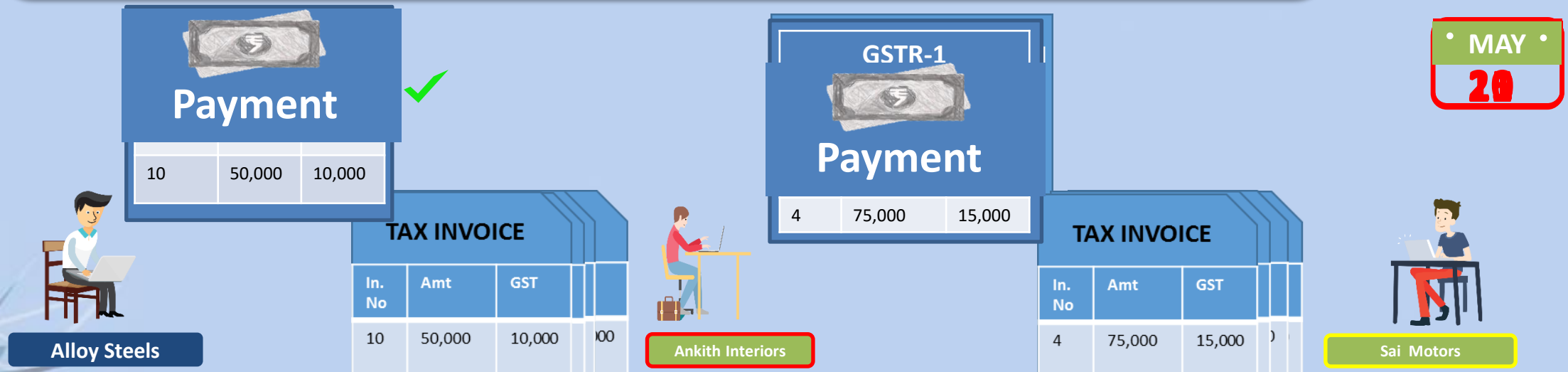
- Supplier
- By 10th file GSTR 1 S. 37(1) (Not b/w 11-15th)
- GSTR 1A to supplier by portal
- Accept or reject GSTR 1A details
- 16-17th S. 37(2)
- Unmatched error or omission may be rectified by 20th Oct of next FY or before AR S. 37(3).

GSTR 2

- Recipient
- Validate, modify, delete or add in GSTR 2A- S. 38(1)
- 11-15th
- file GSTR 2 by 15th S. 38(2)
- Unmatched error or omission may be rectified by 20th Oct of next FY or before AR S. 38(5).

GSTR 3

- By 20th of next month file GSTR 3- S. 39(1)
- Unmatched error or omission may be rectified by 20th Oct of next FY or before AR S. 39(9)



Inward Supplies Register

Inv. No.	Amount	GST
6	1,00,000	20,000
7	50,000	10,000
8	25,000	5,000
10	50,000	10,000

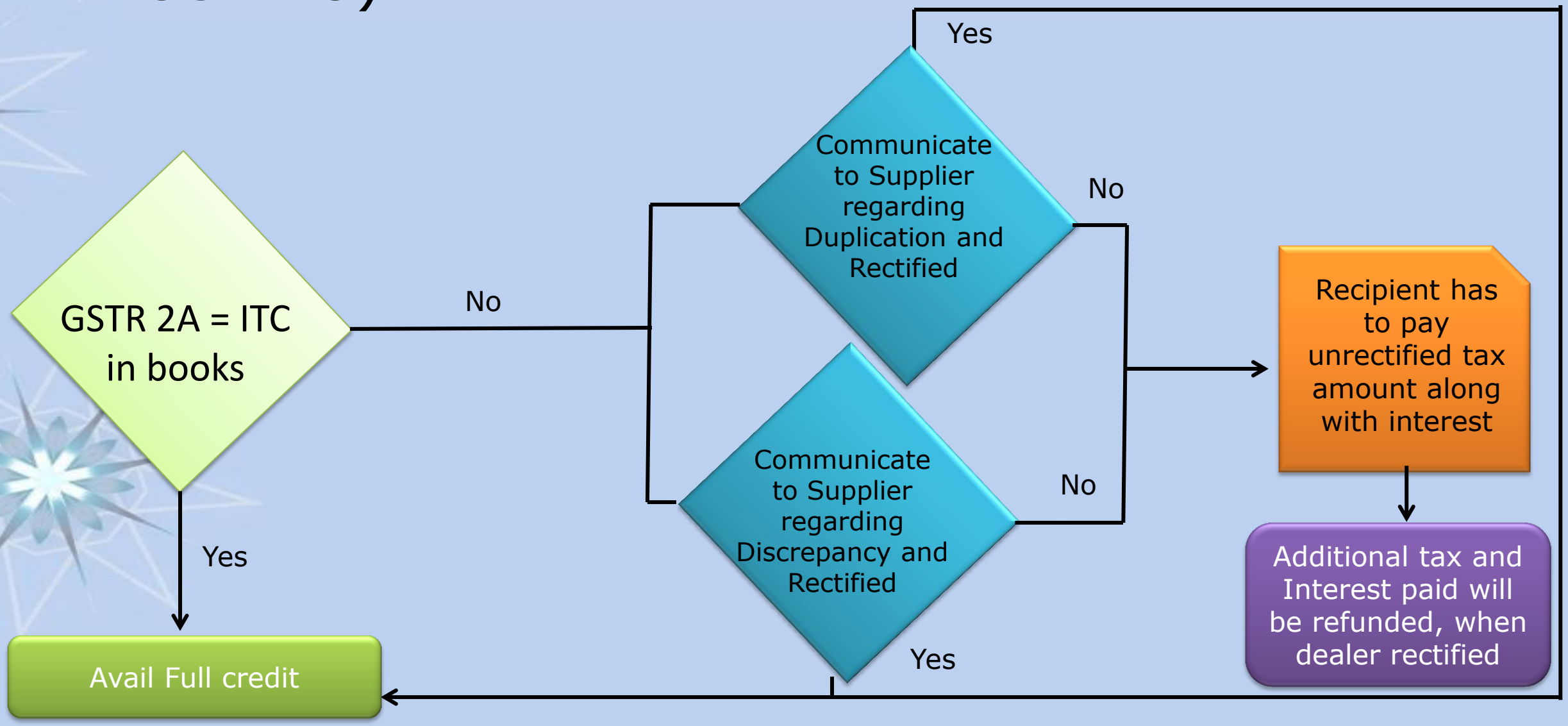
Books of Ankith Interiors for April

GSTR-2		
7	50,000	10,000
8	25,000	5,000
10	50,000	10,000
6	1,00,000	20,000

Outward supplies Register

Inv. No.	Amount	GST
1	1,25,000	25,000
2	75,000	15,000
3	40,000	8,000
4	75,000	15,000

Matching of input tax - S. 37 (Before filing GSTR 3)

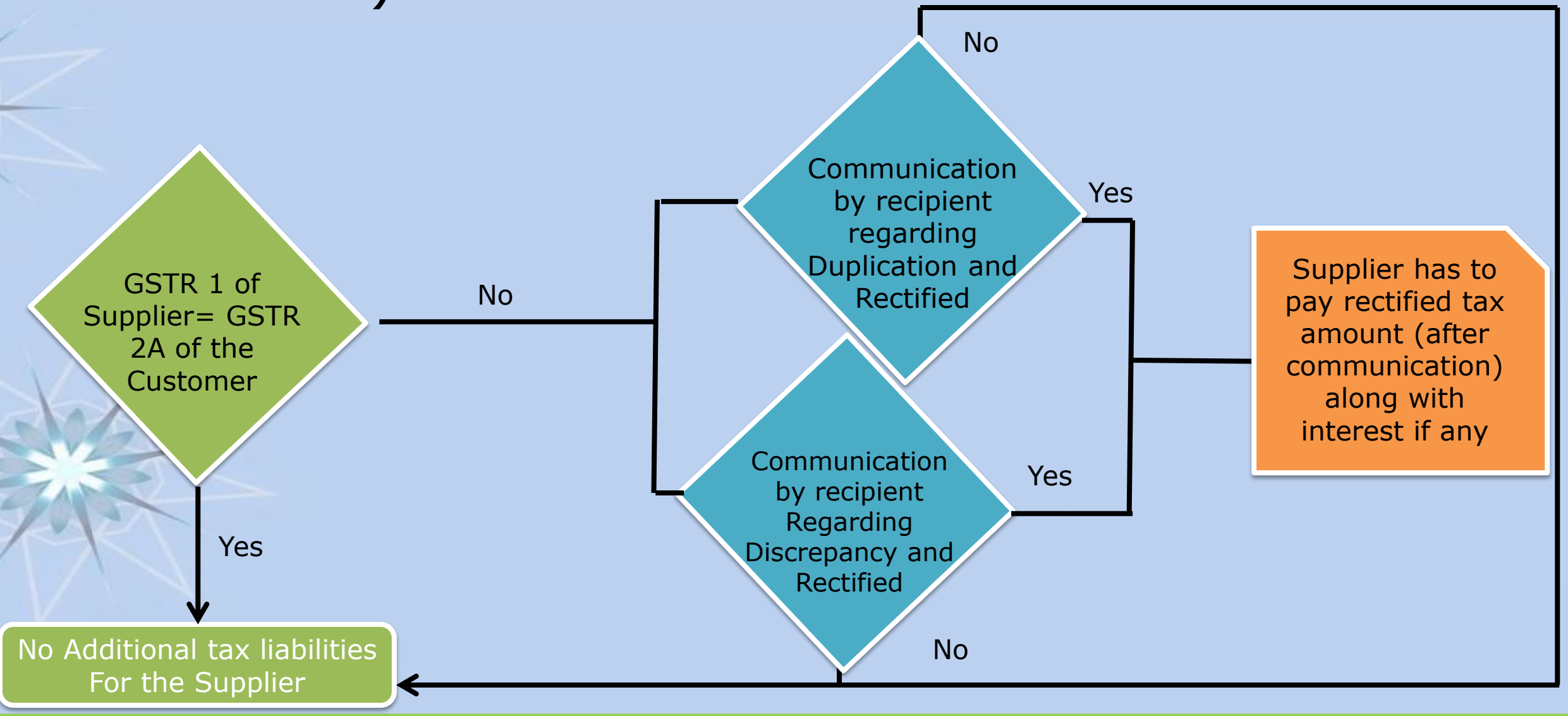


Matching of input - S. 37 (Before filing GSTR 3)

Supplier is correct		
Supplier – GSTR 2A	**Recipient Books of accounts**	**Remarks**
1,00,000	100,000	Avail full credit
120,000	1,00,000	Recipient can avail balance credit of Rs.20,000
80,000	1,00,000	Recipient has to pay additional liability of Rs.20,000

Recipient is correct		
Vendor – GSTR 2A	**Recipient Books of accounts**	**Remarks**
1,00,000	100,000	Avail full credit
120,000	1,00,000	Avail credit of Rs. 1,00,000 – communicate Discrepancy
80,000	1,00,000	Communicate the discrepancy with supplier. Customer can avail the credit only when supplier makes the payment. If the Supplier is not rectifying. Pay Rs. 20,000 and interest if any and Rs.20,000 and interest paid if any will be refunded.

Matching of output tax - S. 38 (Before filing GSTR 3)



Matching of output tax - S. 38 (Before filing GSTR 3)

Supplier is correct		
Supplier –GSTR 1	**Recipient GSTR- 2A**	**Remarks (Supplier point of view)**
1,00,000	100,000	No additional tax liabilities
120,000	1,00,000	No additional tax liabilities
80,000	1,00,000	No additional tax liabilities

Recipient is correct		
Supplier –GSTR 1	**Recipient GSTR- 2A**	**Remarks (vendor point of view)**
1,00,000	100,000	No additional tax liabilities
120,000	1,00,000	If Supplier agreed , he can take the credit of Rs.20,000 .
80,000	1,00,000	If the supplier agreed , he has to pay the additional liability of Rs.20,000 . If supplier does not agrees there is no additional liability for time being but in future he has to pay tax of Rs.20,000 along with interest and recipient can take the credit .

Auto population of credit and verification

Sl. No	Table No. of GSTR- 2	Description
1	5	Import of capital goods or input
2	6	Import services where invoice is received
3	7	Details of credit/debit notes
4	9	IGST credit
5	10	TDS/TCS received
6	11	ITC credit on invoices which were partially taken earlier
7	13	Tax already paid on reverse charge where invoice is received now

Declaration of inward supplies S. 38 (2) (GSTR 2)

Sl No.	Table No.	Description of table
1	4	From Registered Taxable Persons including supplies received from unregistered person in case of reverse charge
2	4A	Amendments to details of inward supplies received in earlier tax periods
3	5	Goods /Capital goods received from Overseas (Import of goods)
4	5A	Amendments in Goods/ Capital goods received from Overseas (Import of goods) of earlier tax periods
5	6	Services received from a supplier located outside India (Import of services)
6	6A	Amendments in Services received from a supplier located outside India (Import of services) of earlier tax Periods
7	7	Details of Credit/Debit note
8	7A	Amendment to Details of Credit/Debit Notes of earlier tax periods
9	8	Supplies received from composition taxable person/unregistered person & other exempt/nil/non GST supplies
10	9	ISD credit received
11	10 (1)	TDS Credit received
12	10 (2)	TCS Credit received
13	11	ITC Received on an invoice on which partial credit availed earlier
14	12	Tax liability under Reverse Charge arising on account of time of Supply without receipt of Invoice
15	12A	Amendment in Tax liability under Reverse Charge arising on account of time of Supply without receipt of Invoice
16	13	Tax already paid under Reverse Charge in earlier tax periods on account of time of supply for which invoices issued in the current period
17	14	ITC Reversal
18	14A	Amendment to ITC Reversal

Declaration of outward supplies S. 37 (1) (GSTR 1)

Sl No.	Table No.	Description of table	Purpose
1	5	Taxable outward supplies to a registered person	To provide credit ot the recipient of goods or service
2	5A	Amendments to details of Outward Supplies to a registered person of earlier tax periods	Any amendments of information furnished in table 5
3	6	Taxable outward supplies to a consumer where Place of Supply (State Code) is other than the State where supplier is located (Inter-state supplies) and Invoice value is more than Rs 2.5 lakh	Statistical data about the sale of goods of hight value
4	6A	Amendment to taxable outward supplies to a consumer of earlier tax periods where Place of Supply (State Code) is other than the State where supplier is located (Inter-state supplies) and Invoice value is more than Rs 2.5 lakh	Any amendments of information furnished in table 6
5	7	Taxable outward supplies to consumer (Other than 6 above)	-
6	7A	Amendment to Taxable outward supplies to consumer of earlier tax periods (original supplies covered under 7 above in earlier tax period (s))	Any amendments of information furnished in table 7
7	8	Details of Credit/Debit Notes	Variation in value of supplies declared in tables 5, 6 and 7 which affect tax liability
8	8A	Amendment to Details of Credit/Debit Notes of earlier tax periods	Any amendments of information furnished in table 8
9	9	Nil rated, Exempted and Non GST outward supplies*	Statistical information about good on which tax is payable
10	10	Supplies Exported (including deemed exports)	Export of supplies
11	10A	Amendment to Supplies Exported (including deemed exports)	Any amendments of information furnished in table 10
12	11	Tax liability arising on account of Time of Supply without issuance of Invoice in the same period	Tax laibility before making supply
13	11A	Amendment to Tax liability arising on account of Time of Supply without issuance of Invoice in the same tax period.	Any amendments of information furnished in table 11
14	12	Tax already paid (on advance receipt/ on account of time of supply) on invoices issued in the current period	Tax paid earlier but supplies made now
15	13	Supplies made through e-commerce portals of other companies	

Goods and Service Tax (GST)

Matching of Credit

Matching, Reversal and Reclaim- ITC

Matching

Details of inward supply furnished by a recipient to be matched with details of outward supplies furnished by corresponding supplier -42(1)

ITC of matching entries to be accepted- 42(2)

Reversal

Details if not matching- discrepancy to be communicated to both supplier & receiver- 42(3)

GST MIS-1, MIS-2

Details communicated but not rectified by supplier to be added to the output tax liability of recipient- 42(5)

Duplication resulting in excess also to be added to output tax liability of recipient- 42(4)/(6)

Reclaim

Recipient entitled to reduce output tax liability if the supplier declares the details in his valid return- 42(7)

Matching, Reversal and Reclaim- Reduction in OTL

Matching

Details of credit note relating outward supply furnished by a supplier to be matched with the corresponding reduction in the claim for ITC by recipient- 43(1)

Claim for reduction in OTL that matches with corresponding reduction in the claim for ITC to be accepted- 43(2)

Reversal

Details if not matching- discrepancy to be communicated to both supplier & receiver- 43(3) GST MIS-3, MIS-4

Details communicated but not rectified by recipient to be added to the output tax liability of supplier- 43(5)

Reduction of OTL on account of duplication also to be added to output tax liability of supplier- 43(4)/(6)

Reclaim

Supplier entitled to reduce his output tax liability if the recipient declares the details in his valid return- 43(7)

Matching of inward and outward supply

- Every inward supply of recipient shall be matched,

  a) With the corresponding details of Outward supply of supplier (in valid his return),

  b) With IGST paid u/s 3 of CTA, 1975 on imports,

  c) For duplication of claims of ITC.

Rule 10- Matching of Input Tax Credit

a) GSTIN of supplier.
b) GSTIN of the recipient
c) Invoice/ Debit Note date
d) Invoice/ Debit Note number
e) Taxable Value
f) Tax amount

*Explanation 1: The claim of input tax credit in respect of invoices and debit notes in **FORM GSTR-2** that were accepted by the recipient on the basis of **FORM GSTR-2A** without amendment shall be treated as matched if the corresponding supplier has furnished a valid return.*

*Explanation 2: The claim of input tax credit shall be considered as matched, where the amount of input tax credit claimed is **equal to or less than** the output tax paid on such tax invoice or debit note by the corresponding supplier. .*

Communicating discrepancy- Rule 12(1)

a) To be communicated to recipient in form GST MIS 1,

b) To be communicated to supplier in form GST MIS 2,

c) On or before last date of the month in which matching is carried out.

Rectification of discrepancy- Rule 12(2)

a) Supplier may rectify the discrepancy in the statement of outward supply to be furnished in the month in which discrepancy made available.
b) Recipient may rectify the discrepancy in the statement of inward supply to be furnished in the month in which discrepancy made available.
c) If the recipient or supplier rectifies the error inward and outward supply will match, and credit to will accepted.

Explanation 1: Rectification by supplier means adding or correcting the details of an outward supply in his valid return.

Explanation 2: Rectification by recipient means deleting or correcting the details of an inward supply.

Note: Same procedure is done for duplication of claim. Such duplication shall be communicated in GST MIS-1.

Final acceptance- Rule 11

a) Details of inward supply received by recipient to be matched with the details of outward supply declared by supplier,

b) Credit to be accepted and report shall be provided to person making claim in form GST-MIS-1,

c) Amount matched credit shall be indicated in GST-PMT-2.

Credit Mismatch

Supplier	Tax Charged	Uploaded	Credit Claimed	Section	Action
1	100,000	100,000	100,000	42(2)	No Action
2	200,000	NIL	200,000	42(3)	Change to be accepted by the supplier
3	150,000	95,000	150,000	42(3)	Change to be accepted by the supplier
4	50,000	50,000	75,000	42(2)/(6)	To be modified by the recipient or else to be added to OTL of recipient
5	300,000	300,000	150,000	42(3)	No issues – Recipient claimed lower ITC

Matching- S. 37/38 (Before filing GSTR 3)

Supplier OPT 1,00,000- GSTR 1

S. 37(1)

Recipient ITC 1,10,000- GSTR 2

S. 38(2), (3)

Rejected by supplier GSTR 1A

S. 37(2)

Recipient- ITC provisional credit 1,10,000

(S.41)

Rectification to be followed under matching S.42

Matching- S. 42 (after filing GSTR 3)

Supplier OPT 1,00,000

Recipient ITC 1,10,000

Mismatch communicated

No action by supplier

10,000 added to OTL of recipient

Supplier OPT 1,00,000

Recipient ITC 1,10,000

Supplier modified OPT to 90,000

No action by recipient

Supplier will not get refund of 10,000 and,

10,000 added to OTL of recipient

Supplier OPT 1,00,000

Recipient ITC 1,10,000

Recipient modified 1,20,000

No action by supplier

Recipient to pay 20,000 plus interest

Rating and compliance profile

- Continuous rating system for dealers
- Based on parameters such as promptness in e-return filing, discrepancies detected where dealer has had to make corrections, making prompt payment in lieu of reversed ITC etc.
- Profile of all dealer will be posted in public domain to aware the dealer community
- System of blacklisting highlights deviant behaviour after it crosses a certain threshold
- System updated dealer profile will serve as a continuing rating mechanism.

Black Listing

- Regulating ITC by others
- A dealer will blacklisted if dealer's rating falls below the prescribed limit.
- Notified by auto-sms to all dealers who have preregistered this dealer as their supplier
- To be prospective
- Blacklisted GSTINs cannot upload purchase details
- ITC reversal in the hands of buyer for disowning any tax invoice with date prior to effect of blacklisting
- Buyers can avail unclaimed ITC of blacklisted dealer once blacklisting is lifted. Subject to upload of sales details along with tax and interest.

Questions

1. Is there provision to round off the tax payment?

   Ans: Yes u/s 170 of CGST.

2. Is it mandatory to utilize ECrL balance for payment of self assessed tax or it is a choice with taxable person?

   Ans: The GSTN portal will first adjust ITC available in ECrL. If there is still OPT payable then ECL balance will be utilized.

   Part B of GSTR 3

   11. Tax, interest, late fee and penalty paid (auto-populated from cash and ITC ledger)

3. Is it mandatory that period of interest shall be one month or multiples of months instead of number of days ?

   Ans: For practical purpose it appears to be one month or multiples of month However, it may be a shorter period (No. of days) based return filing.

4. How to get refund from ECL?

   Ans: S. 54 procedure to get refund.

5. Does the format of ECL is prescribed?

   Ans: Format is yet to be published.

6. Whether GSTR 3 can be filed more than once in a tax period ?

   Ans: There is no provision for revised return. Hence only once in a tax period.

7. Can matched entries be corrected, deleted, reversed or modified?

   Ans: Since they are auto populated there is no scope for intervention.

8. If GSTR 3 is filed on 1st of subsequent month without waiting for GSTR- 1A, 4A, 6A, 7A details. Then, what are the consequences?

Ans: a) Changes has to be to be reflected in GSTR- 3 u/s 39(9) in the next tax period,

b) Tax+ interest u/s 50(1) to be paid.

9. If GSTR 3 is filed without furnishing GSTR- 2. Then, what are the consequences?

Ans: a) ITC, if any, to be claimed in next return u/s 39(9),

b) Consequences of suppliers action i.e. accept/ reject u/s 37(2) will decide ITC.

10. Is it possible to file GSTR 3 without furnishing GSTR- 1?

Ans: a) No, u/s 39(8) it is mandatory to furnish returns every month,

b) Nil return may be furnished.

11. If ETLR shows tax liability of 1,00,000/- & ECL has balance of 50,000, will it be automatically adjusted or any action required by preparer?

Ans: Yes, it will be automatically adjusted

Part B of GSTR 3

11. Tax, interest, late fee and penalty paid (auto-populated from cash and ITC ledger)

13. Can a taxable person having filed GSTR-1, delete a invoice details (Line item) after filing GSTR-1 in the same tax period?

Ans: No, Errors if any can be modified in subsequent tax period u/s 37 (3).

Thank You!