Workshop on Goods and Services Tax

Payments, Returns & Matching of input tax credits

KSCAA Workshop

CA Siddeshwar Yelamali
27.05.2017

Payment

Payments under GST – A glance

Types of Payments of Tax	Due Date
Tax – CGST/ SGST/ UTGST/ IGST	Regular taxpayers - 20th of the following month Compounding taxpayer - 18th of the month following the quarter
Tax Deducted at Source (TDS)	10th of the month following the quarter
Tax Collected at Source (TCS)	

Types of Other Payments
Interest
Penalty
Fees
Any other payment

Types of ledgers
Electronic Credit Ledger
Electronic Cash Ledger

Payment modes

Modes of Payment of Tax
Internet banking through authorised banks
Credit / debit card through authorised banks
NEFT / RTGS from any bank
Over The Counter (OTC) thorough authorised banks up to Rs.10,000/- per challan per tax period

Notes:-

1. Payments made using the above modes will be credited into the electronic cash ledger.
2. Date of credit to the account of Government will be considered as date of deposit of tax.

Steps for making e-Payment

Key in the details relating to payment of taxes – CGST, SGST, IGST can be paid concurrently

↓

Generate draft challan (From GST PMT 5)and save. (Can be edited before finalisation)

↓

After finalisation – generate challan. Challan is valid for 15 days

↓

CIN will be generated on successful credit

↓

On receipt of CIN, amount will be credited to electronic cash ledger

Note: In cases where amount is debited but no CIN is generated or CIN is generated but not communicated to common portal – represent in Form GST PMT-07 through common portal to bank

Over The Counter (OTC) Payments

- It will enable the taxpayers to make payment of the taxes at the "**Authorized Bank"** counter.
- This will be beneficial for small Tax Payers who do not have access to internet banking facilities.
- This mode of payment will be available for payments upto Rs. 10,000/- per challan per tax period.
  - Not applicable to Govt departments or persons notified by Commissioner or proper officer authorized to recover outstanding dues
- The taxpayer should preferably carry two copies of the challan, one for the bank's record and another for himself to get it acknowledged.

Electronic tax liability register

Form GST PMT – 1 to be maintained on the common portal

Debits	Credits
Returns: Tax, interest, late fee or any other amount	Liability: Sum of amounts debited to electronic credit ledger and electronic cash ledger
Proceedings: Tax, interest, penalty or any other amount	TDS, TCS (e-com), RCM and composition: Tax, interest, penalty, fee or any other amount payable
Tax and interest ▪ Mismatch of input tax credit with the output tax ▪ Reduction of output tax by way of issuing credit notes with the input tax credit ▪ Details of supplies by e-commerce that do not match with the outward supplies furnished by the supplier	Appellate Authority: Amount to be credited upon reduction in tax liability Amount of penalty: If the tax and interest and penalty is paid in the manner specified.

Electronic Credit Ledger

- To be maintained in Form GST PMT 2 in the common portal;
- Summary of input tax credit as per the inward supply register;
- Matched, mis-match, provisional input tax credit – to be recorded separately
- Any discrepancy in electronic credit ledger to be communicated by the registered person to the jurisdictional officer through common portal in Form GST PMT-04

Debits	Credits
Discharge of liability (tax, interest, penalty and other amounts).	Claim of input tax credit on inputs, capital goods, reverse charge claimed in return, ISD, merger, pre-registration
Claim of refund of tax	Refund claim rejected – by order in Form GST PMT-03

Electronic Cash Ledger…

To be maintained in common portal in Form GST PMT – 05

Debits	Credits
Payment made towards tax, interest, penalty, fee or any other amount	Amount deposited as tax, interest, penalty, fee or any other amount
Refund of any amount claimed from electronic cash ledger	Rejected claim of refund
-	TDS and TCS claimed in the return filed in Form GSTR-2

Electronic Cash Ledger…

- Payment to be made by generating a challan in Form GST PMT – 06 on the common portal;
- Challan shall be valid for 15 days;
- Commission for making payment shall be borne by taxable person;

Modes of deposits	Internet banking through authorised banks
	Credit / debit card through authorised banks
	NEFT / RTGS from any bank
	Over The Counter (OTC) thorough authorised banks up to Rs.10,000/- per challan per tax period

Electronic Cash Ledger…

- OTC – payment exceeding Rs. 10,000/- can be deposited:
  - Govt. departments;
  - Persons notified by the Board / Commissioner (SGST);
  - Proper office / authorised officer to recover outstanding dues;
  - Recovery made through attachment or sale of movable or immovable properties;
  - Amounts collected by way of cash / cheque at the time of investigation by proper officer / authorised officer;

Electronic Cash Ledger

- Payment to be made by unregistered dealer on generating temporary identification through common portal;
- NEFT / RTGS payment: mandate to be generated and to be submitted to the bank. Mandate is valid for a period of 15 days;
- CIN will be generated on successful credit of the amount to Government account;
- CIN not generated on successful payment – representation in Form GST PMT – 7 through common portal or electronic gateway;
- On receipt of CIN , the amount will be credited to electronic cash ledger;
- Receipt to be generated on common portal;

Returns

Introduction

- Highlights
- Provisions relating to filing of returns
- Provisions relating to matching of ITC
- Formats of Returns
- Payments under GST

Highlights…

Sl. No	Form GSTR	Details	Due date of Filing
1	1	Details of outward supplies of taxable goods and/or services	10th of succeeding month
2	2A, 4A, 6A	Details of outward supplies filed by taxable person in Form GSTR – 1 is made available to recipient in Form GSTR – 2A, 4A and 6A	Auto-drafted outward supplies collated from Form GSTR -1 filed by the taxable person after due date of GSTR - 1
3	2	Details of inward supplies of taxable goods and/or services claiming input tax credit	15th of succeeding month
4	1A	Details of inward supplies as added, corrected or deleted by the recipient in Form GSTR - 2	Auto-drafted inward supplies filed by recipient, shared with the taxable person filing Form GSTR – 1

Highlights…

Sl. No	Form GSTR	Details	Due Date for Filing
5	3	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax	20th of succeeding month
6	3A	Notice to a registered taxable person who fails to furnish return under Section 39 and 45	None
7	4	Quarterly Return for compounding taxable persons	Within 18 days from the after the end of quarter

Highlights…

Sl. No	Form GSTR	Details	Due Date of Filing
8	4A	Details of inward supplies made available to the recipient registered under composition scheme on the basis of Form GSTR-1 furnished by the supplier	Auto-drafted details collated from Form GSTR-1furnished by the registered taxable person
9	5	Return for non-resident foreign taxable person	Earliest of the following: ▪ Within 20 days after the end of calendar month; or ▪ 7 days after the last day of validity period of registration
10	6	ISD return	Within 13 days after the end of month
11	6A	Details of inward supplies made available to the ISD recipient on the basis of Form GSTR-1 furnished by the supplier for adding. Correcting or deleting details	Auto-drafted details collated from Form GSTR-1 furnished by the registered taxable person

Highlights…

Sl. No	Form GSTR	Details	Due date of filing / details
12	7	Return for authorities deducting tax at source	Within 10 days after the end of month
13	7A	TDS Certificate	Auto-drafted details collated from details filed by the deductee
14	8	Details of supplies effected through e-commerce operator and the amount of tax collected as required under sub-section (1) of section 43C	Within 10 days after the end of month
15	GST-MIS-1,2	Communication of discrepancy or duplication of input tax credit claim to the person claiming input tax credit (GST-MIS-1) and the supplier (GST-MIS-2)	Communicated during the month in which matching has been carried out
16	9	Annual Return	31st December following the end of the financial year

Highlights

Sl. No	Form GSTR	Details	Due date of filing
17	9A	Simplified Annual return by compounding taxable persons registered under section 8	31st December following the end of the financial year
18	9B	Audited annual accounts and reconciliation statement	Due date not specified
19	10	Final return	Within 3 months from the date of cancellation of registration/ cancellation order
20	11	Details of inward supplies to be furnished by a person having UIN	28th of the following month

Outward supplies - Sec 37…

- To be filed by every registered person by 10th of the month following the tax period*

Not required to be filed by
Input service distributor (ISD)
Non-resident taxable person
Composition dealer
Person deducting tax (TDS)
Persons collecting tax (TCS)

***Note:** "Tax period" means the period for which returns are filed.

Outward supplies - Sec 37…

- To be furnished electronically in Form GSTR-1;
  - Details of outward supplies of goods / services effected during tax period – includes details of invoices, debit notes and credit notes issued in relation to outward supplies;
  - Details of errors and omission discovered during the tax period of outward supplies of goods / services effected in earlier tax period;
- Rectification of error or omission resulting in additional tax liability – to be remitted along with interest
- Rectification of error / omission not later than September following the end of the financial year or filing of annual return whichever is earlier

Outward supplies – Sec 37

- Details of outward supplies filed by taxable person in Form GSTR – 1 shall be made available to recipient in Form GSTR – 2A;
- Time limit for filing details of outward supplies may be extended by the Commissioner
- Details of outward supplies to be furnished
  - Invoice wise details of all
    - Inter-state and intra-state supplies made to registered dealers
    - Inter-state supplies with invoice value of more than Rs. 2.5 lakhs to unregistered persons
  - Consolidated details of all
    - Intra-state supplies made to unregistered persons for each rate of tax
    - State wise inter-state supplies with invoice value less that Rs.2.5 lakhs to unregistered persons for each rate of tax
  - Debit / credit notes issued during the month for invoices issued during the previously

Inward supplies - Sec 38…

- To be filed by every registered person by 15th of the month succeeding the tax period

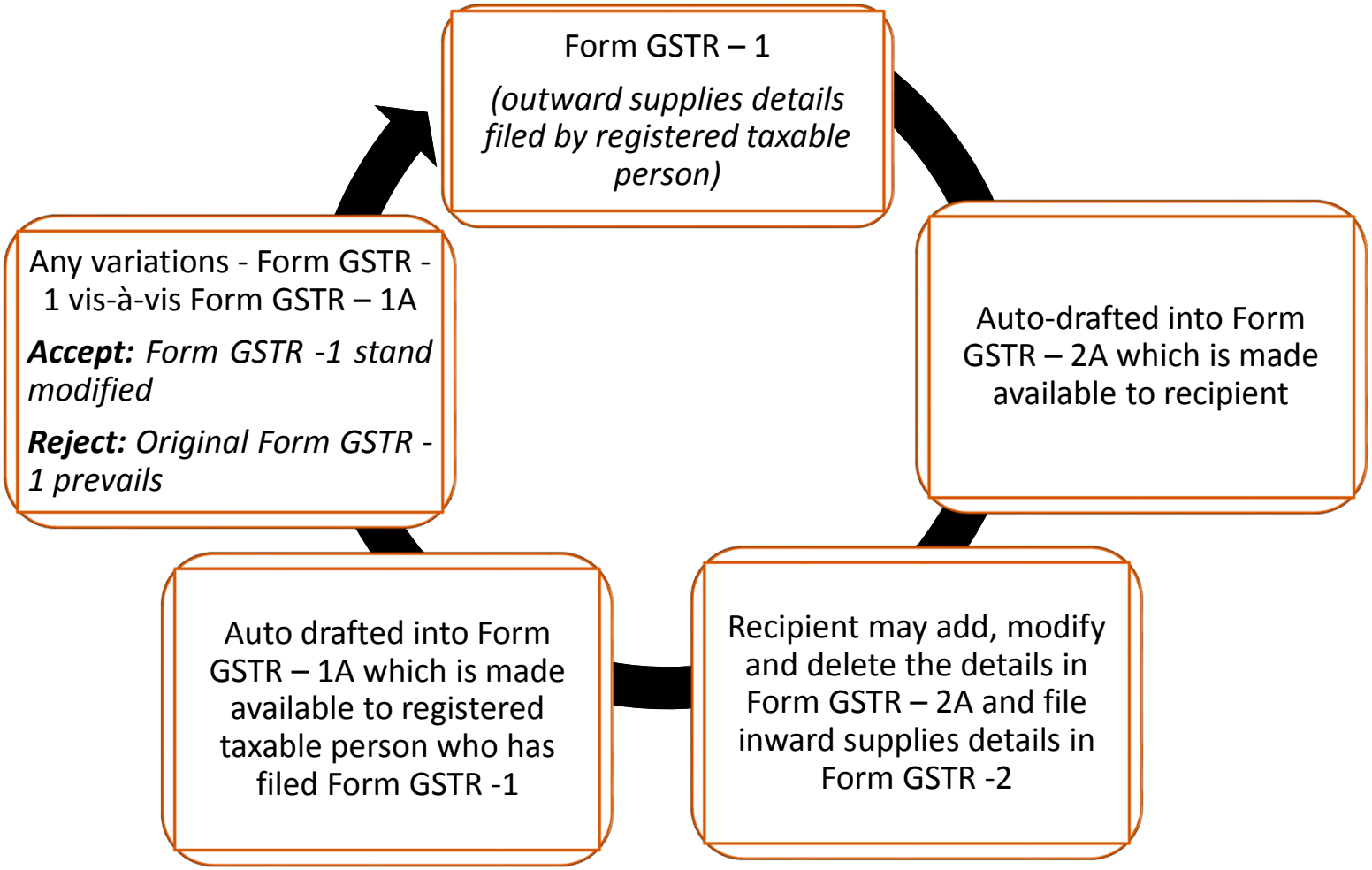
Not required to be filed by
Input service distributor (ISD)
Non-resident taxable person
Composition dealer
Person deducting tax (TDS)
Persons collecting tax (TCS)

- To be filed in Form GSTR – 2;
- Details of inward supplies in Form GSTR -2 to be filed based on Form GSTR – 2A;

Inward supplies - Sec 38

- Inward supplies added, corrected or deleted by the recipient filed in Form GSTR – 2 shall be made available to the supplier in Form GSTR – 1A;
- Rectification of error or omission resulting in additional tax liability – to be remitted along with interest;
- Rectification of error or omission discovered after the return filed for the month of September following the end of the financial year or filing of annual return whichever is earlier – not possible;
- Time limit for filing inward supplies may be extended by Commissioner;

Outward and inward supplies



Monthly return - Sec 39

- Monthly return to be filed in Form GSTR – 3;
- Commissioner may for valid and sufficient reasons may extend the time limit for certain class of taxable persons;
- Return to be filed by remitting the tax due as per the return;
- No taxable supplies in a tax period - **return to be furnished**;
- Errors or omission:
  - Rectify in the month in which errors or omission are discovered;
  - Such error or omission is not identified on account of scrutiny, audit, inspection or enforcement activity;
  - Additional tax liability – to be remitted along with interest;
  - Not possible for rectification – in the event the error or omission is discovered after the due date for furnishing the return for the month of September or second quarter following the end of the financial year or the actual date of furnishing the return whichever is earlier.

Other returns

- **First Return - Sec 40**
  - Details of outward supplies for the period between the date on which a person is liable for registration till the date of registration

- **Annual Return - Sec 44**

  Due date: December 31 of the subsequent year;

  Format of annual return:

  - Regular taxable person: Form GSTR – 9;
  - Composition supplier: Form GSTR 9A

Not required to be filed by
Input service distributor
Person deducting tax (TDS)
Person collecting tax (TCS)
Casual taxable person
Non-resident taxable person

Other returns…

- **Audited Annual Accounts - Sec 35(5) and 44**
  - Due date: Not specified;
  - To be filed in Form GSTR 9B along with reconciliation statement;
  - Applicable to all registered taxable person whose aggregate turnover exceeds rupees one crore;

- **Final Return - Sec 45**
  - Applicable to registered taxable person seeking cancellation of registration;
  - Due date: Within 3 months of the date of cancellation; or Date of cancellation order – whichever is later;

Matching of Input Tax Credit

Input tax credit

- Input tax credit claim to be provisional – can be utilised for payment of self-assessed output tax liability - Sec 41
- Matching, reversal and reclaim of ITC - Sec 42
  - Inward supply furnished by taxable person – to be matched with:
    - Corresponding details of outward supply furnished by supplier;
    - IGST paid under section 3 of the Customs Tariff Act, 1975 in respect of imported goods;
    - Duplication of claims of input tax credit.
  - Claim of input tax credit to be accepted finally – if matching with corresponding outward supplies;

Input tax credit…

- Matching of input tax credit – after filing return in Form GSTR – 3;

The following details will be matched
GSTIN of the supplier
GSTIN of the recipient
Invoice/Debit Note date and number
Taxable value and tax amount

- Deemed cases of matching:
  - Changes accepted by registered taxable person supplying goods based on the Form GSTR – 2A;
  - Input tax credit claimed is less than output tax liability;

Input tax credit…

Consequences of mismatches:-

To be communicated to supplier and recipient in Form GST MIS - 1

↓

Non-rectification of mismatches as communicated above in the month of communication – such amount of tax will be added to output tax liability of the recipient

↓

Such mismatch amount should be paid along with interest from the date of availing credit till the corresponding additions

↓

The output tax liability will be reduced, if the supplier declares the details of such invoices – interest, if any paid will be refunded by crediting the amount in corresponding head of the electronic cash ledger

↓

Subsequent contravention of the provisions – addition in output tax liability and liable for interest

Input tax credit…

- Time limit for rectification – earliest of the following:
  - Due date for furnishing the return for the month of September following the following the end of the financial year or second quarter, as the case may be; or
  - Actual date of furnishing the relevant annual return.

Reduction in output tax liability

- Credit note relating to outward supply:
  - Corresponding reduction in claim of input tax credit by recipient in his valid return for the same tax period or any subsequent tax period;
  - Duplication of claims.
- Claim of input tax credit to be accepted finally – if matching with corresponding outward supplies;

The following details will be verified for claim of reduction in output tax liability:-
GSTIN of the supplier
GSTIN of the recipient
Credit Note date and number
Taxable value and tax amount

Reduction in output tax liability

- Credit note not declared:
  - discrepancy shall be communicated to the supplier and recipient;
  - Such output tax liability to be paid with interest - amount to be added to the output tax liability in the return for the month succeeding the month in which discrepancy is communicated;
  - If Recipient declares credit note:
    - output tax liability will be reduced in the month in which credit note is declared;
    - Interest paid will be refunded by way of crediting to electronica cash ledger;

Thank you

Singhvi, Dev & Unni
siddeshwar@sduca.com