

Reconciliations under GST

**Intricacies & Importance
in the light of books closure
& filing of Income tax returns**

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Belagaavi Tax Conference

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Reconciliations under GST

What

- GSTR 3B Vs. 1
- GSTR 3B Vs. 2A
- GSTR 3B/1 Vs. Books
- GSTR 2A Vs. Books
- **Re-look & Re-prepare 3B & cross check**

Why

- Identify Errors
- Make Rectifications
- Early identification lesser interest

How

- Compare relevant tables
- Arrive the correct figures
- Prepare A Recon Statement

Accounts and Records under GST

Section 35 and 36 of CGST Act, 2017
Rules 56 – 58 of the CGST Rules , 2017

Sec. 35 + Rule 56 & 57 :: ACCOUNTS & RECORDS

- **Who must comply**

- Every Registered Person
- (Specified categories of unregistered persons)

- **What to Maintain**

- As per Act
- As per Rules

- **Where to maintain**

- 2(89) Principal Place of Business-mentioned in certificate
- More than One Place in Registration Certificate then , Accounts relating to each place of business shall be kept at such places of business

- **How to Maintain**

- Manual **or** Electronic

- **Penalty**

- for non Maintenance
- for failure to Account as per provisions

Who must maintain??

Registered Persons Vs Unregistered Persons

- **Registered Persons**

- Normal/Regular RP
- Composition RP

Specifications for the following class of persons

- Agent
- Manufacturer
- Service provider
- Works Contractor

- **Whether Registered or Unregistered Persons**

- Owner/Operator of Warehouse / Godown / any Storage of goods
- Carrier/C&F Agent
 - true and correct records in respect of such goods handled
 - produce the details thereof as
- Transporter
 - Must maintain details of
 - Consigner
 - Consignee
 - Relevant details of goods

What to maintain – As per the Act – Section 35 - A snapshot

Sl.No.	Section Ref	Description
1.	35(1)	Details of Accounts & records to be maintained by RP
2.	1 st proviso to Section 35	Books to be maintained at each place of business
3.	2 nd proviso to Section 35	Books may be in electronic form
4.	35(2)	Records to be maintained by owner or operator of warehouse or godown or any other place used for storage of goods and every transporter whether registered or unregistered
5.	35(3)	Commissioner may notify for maintenance of additional documents
6.	35(4)	Commissioner may relax & prescribe
7.	35(5)	Audit & Reconciliation statement by a Chartered Accountant / Cost Accountant when turnover exceeds a prescribed limit
8.	35(6)	Section 73/74 to apply in case of failure to account in accordance with Section 35(1)

Section 36 - A snapshot

Sl.No.	Section Ref	Description
1.	36(1)	Period of retention – 72 months from due date of filing Annual return
2.	1 st proviso to Section 36(1)	In case of Appeal/Revision – 1 year after final disposal of such appeal/revision

What to maintain – As per the Act – Section 35(1)

A true & correct account of

- (a) production or manufacture of goods;
- (b) inward and outward supply of goods or services or both;
- (c) stock of goods;
- (d) input tax credit availed;
- (e) output tax payable and paid; and
- (f) such other particulars as may be prescribed

Is maintenance of Stock details mandatory ???
Regular RP Vs. Composition RP ??

Rule 56 - A snapshot

Sl.No.	Rule Ref	Description
1.	56(1)	Additional details to be maintained by RP
2.	56(2)	Stock details to be maintained by RP (Other than Composition)
3.	56(3)	Accounts related advances received, paid and adjustments
4.	56(4)	RP to maintain details with respect to tax payable, paid, ITC claimed etc.
5.	56(5)	Particulars of Customers, Suppliers, Premises details
6.	56(6)	Taxable goods stored at other than declared place without the coverage of valid documents – Deemed Supply
7.	56(7)	Books to be maintained at principal as well as additional place (electronic form is accepted)
8.	56(8)	Entries in registers, accounts & documents not to be erased, effaced or overwritten, Log for edited/deleted entries in case of electronic records
9.	56(9)	Manual volume of books to be serially numbered
10.	56(10)	Presumption as to documents found in other premises
11.	56(11)	Maintenance of accounts by an Agent

Rule 56 - A snapshot

Sl.No.	Rule Ref	Description
1.	56(12)	Additional accounts by a manufacturer
2.	56(13)	Additional accounts by a service provider
3.	56(14)	Additional accounts by a Works Contractor
4.	56(15)	The records in electronic form to be authenticated by digital signature
5.	56(16)	Various documents to be maintained by RP
6.	56(17)	Records by Custodian of goods as a Carrier or a Clearing & Forwarding Agent
7.	56(18)	Production of books of accounts by RP on demand

Rule 57 & 58 - A snapshot

Sl.No.	Rule Ref	Description
1.	57(1)	Proper electronic back up to be maintained
2.	57(2)	Production of electronic records by RP
3.	57(3)	Providing passwords & explanations to electronic codes
4.	58(1)	Enrolment by transporter/Warehouse owner/operator in Form GST ENR -01
5.	58(1A)	Transporter having multiple GSTINs in different states under same PAN to apply in Form GST ENR -01
6.	58(2)	Enrolment in one state/UT – Deemed enrolment in other states/UT
7.	58(3)	Amendment of details in Form GST ENR -01
8.	58(4)(a)	Transporter to maintain details of consignor, consignee & goods
9.	58(4)(b)	Warehouse owner/operator details of movement of goods
10.	58(5)	Warehouse owner/operator to maintain details item-wise owner-wise

What to maintain – As per the Rules – Rule 56

Sub Rule 1 of Rule 56

- **A true & correct account of**
- goods or services **imported or exported**
- **RCM** supplies
- along with the relevant **documents** incl.
- invoices,
- bills of supply,
- delivery challans,
- credit notes,
- debit notes,
- receipt vouchers,
- payment vouchers and
- refund vouchers.

Sub Rule 2 of Rule 56

- Accounts pertaining to **Stock (Other than Composition RP) – Sec 35 of the Act does not have such exclusion.**
- opening balance,
- receipt,
- supply,
- goods lost, stolen, destroyed, written off or disposed of by way of gift or free sample and
- the balance of stock including raw materials, finished goods, scrap and wastage thereof.

What to maintain – As per the Rules

Sub Rule 3 of Rule 56

- separate account of
- **advances** received,
- paid and
- adjustments made thereto

Sub Rule 4 of Rule 56

- an account,
- containing the details of **tax** payable (including RCM tax details),
- tax collected and paid,
- input tax,
- input tax credit claimed,
- together with a register of tax invoice, credit notes, debit notes, delivery challan issued or received during any tax period

What to maintain – As per the Rules – Sub Rule 5 of Rule 56

- names and complete addresses of **suppliers** of goods or services chargeable to tax under the Act;
- names and complete addresses of the **customers**
- the complete address of the **premises** where goods are stored by him, including goods stored during transit along with the particulars of the stock stored therein.

Vouchers to be Maintained :: Rule 56(16)

Tax Invoice

- Supply of taxable Goods
- Supply of taxable Service

Bill of Supply

- For Supply of exempted goods / services
- Composition supplier

Receipt Voucher

- For receipt of ADVANCE

Refund Voucher

- If advance refunded without supply of service/goods

Revised Invoice

- Newly registered person (>20L)
- For transaction between date of liable to reg. to grant of reg.

Self Invoice – RCM

- URP Purchase
- Exemption: not exceeding 5,000
- Consolidated invoice- Monthly

Payment Voucher. -RCM

- For Payment to URP Vendor

Debit Note

- Upward revision of rate
- No time limit

Credit Note

- Downward revision of rate
- Goods return / deficiency of service
- Time limit

Delivery Challans

- Document for supply
- Other than Supply (repair, JW)

Common Errors in Documentation under GST

Section 31 & 34 of CGST Act, 2017
Rules 46 – 55 of the CGST Rules , 2017

Common errors in Documentation under GST

- Issual of Invoice Cum Bill of Supply to both Registered as well as Unregistered persons
 - (Rule 46A provides that such an invoice may be issued only when both taxable & exempt supplies are supplied to only unregistered person)
- **Non Bifurcation of**
 - GST Receipt Vouchers and Accounting Receipt Vouchers
 - GST Payment Vouchers and Accounting Payment Vouchers
 - GST Credit & Debit Notes and Accounting Credit & Debit Notes
- **Non maintenance of** multiple series of delivery challans
- Vouchers and Documents not containing all the **mandatory fields. (Example – GST Payment Vouchers must include details like Rate of tax, Amount of tax, Place of Supply etc; Similarly Delivery Challans must include Taxable Value, Tax Rate & Tax Amount)**

Note : Presently many assesseees are recording/issuing the documents like Receipt Vouchers, Payment Vouchers, Debit Notes, Credit Notes, Delivery Challan etc. as used in a common parlance.

Series for Receipt Voucher

❖ Two Series

- GST Receipt Vouchers

In cases where advances are received and then an Invoice is raised

- Accounting Receipt Vouchers

In cases where Invoice raised first and amounts received later

Reference - Section 31(3)(d) read with Rule 50

Series for Payment Voucher

- ❖ Two Series

- GST Payment Vouchers

In cases where payments are made towards reverse charge supplies - 9(3),9(4),5(3),5(4) whether for registered or unregistered persons

- Accounting Payment Vouchers - Other than the above payments

Reference - Section 31(3)(g) read with Rule 52

Series for Refund Voucher

❖ Two Series

One In case of advances are refunded without getting concluded as supply.
Another for other refunds (if any)

Reference - Section 31(3)(e) read with Rule 51

Series for Delivery Challan

Separate series for movement of goods for

- Job work
- Supply on approval
- liquid gas
- In cases movement other than by Way of supply (Exhibition, Line Sales, Demo etc.)

Reference – Rule 55 read with Rule 59- Sub Rule 1

Series for Debit Notes

Three Series

1. GST Debit Note raised as a supplier in case the value of tax invoice raised earlier is less.
2. Debit Note - raised as a recipient for corresponding credit notes issued by the supplier.
3. Other Accounting Debit Notes which would not have any GST implications.

Reference – Section 34(3) read with Rule 53

Series for Credit Notes

Two Series

1. - GST Credit Note raised as a supplier in case the value of tax invoice raised earlier is more due to following reasons-
 - Taxable value or tax charged is more
 - Goods are returned by the recipient
 - Goods or services supplied are found to be deficient
2. Other Accounting Credit Notes which would not have any GST implications.

Reference – Section 34(1) read with Rule 53

Mandatory fields in the documents & vouchers

Section 31 & 34 of CGST Act, 2017
Rules 46 – 55 of the CGST Rules , 2017

Fields in Tax Invoice – Rule 46

Sl.No.	Fields
1.	Name, Add, GSTIN of Supplier
2.	A Consecutive Serial Number
3.	Date
4.	Name, Add, GSTIN of the Recipient (if Registered)
5.	Taxable Supply Value > 50,000/- Name, Add, Add of delivery, State, State code – even if unregistered
6.	If <50,000 only if recipient requests then the above details
7.	HSN code for Goods/Services
8.	Description of Goods/Services
9.	Quantity (Goods) & UQC

Sl.No.	Fields
10.	Total Value
11.	Taxable Value (post discount/abatement)
12.	Rate of Tax (CGST/SGST/IGST/UTGST/Cess)
13.	Amount of Tax (CGST/SGST/IGST/UTGST/Cess)
14.	Place of Supply with State in case of Inter State Transaction
15.	Add of delivery if Diff from POS
16.	Whether Reverse Charge
17.	Signature/Digital Signature of Supplier/ Authorised Representative

Fields in Bill of supply – Rule 49

Sl.No.	Fields
1.	Name, Add, GSTIN of Supplier
2.	A Consecutive Serial Number
3.	Date
4.	Name, Add, GSTIN of the Recipient (if Registered)
5.	HSN code for Goods/Services
6.	Description of Goods/Services
7.	Value of Supply (post discount/abatement)
8.	Signature/Digital Signature of Supplier/ Authorised Representative

Tax rate, Tax amount, Total Value, POS etc Not Applicable

Interestingly even Quantity not specified in the rule

Fields in Receipt voucher – Rule 50

Sl.No.	Fields
1.	Name, Add, GSTIN of Supplier
2.	A Consecutive Serial Number
3.	Date
4.	Name, Add, GSTIN of the Recipient (if Registered)
5.	Description of Goods/Services
6.	Amount of Advance taken
7.	Rate of Tax (CGST/SGST/IGST/UTGST/Cess)
8.	Amount of Tax (CGST/SGST/IGST/UTGST/Cess)
9.	Place of Supply with State in case of Inter State Transaction

Sl.No.	Fields
10.	Whether Reverse Charge
11.	Signature/Digital Signature of Supplier/ Authorised Representative

Fields in Refund voucher – Rule 51

Sl.No.	Fields
1.	Name, Add, GSTIN of Supplier
2.	A Consecutive Serial Number
3.	Date
4.	Name, Add, GSTIN of the Recipient (if Registered)
5.	Number & Date of Receipt Voucher
6.	Description of Goods/Services
7.	Amount of Refund made
8.	Rate of Tax (CGST/SGST/IGST/UTGST/Cess)
9.	Amount of Tax (CGST/SGST/IGST/UTGST/Cess)

Sl.No.	Fields
10.	Place of Supply with State in case of Inter State Transaction
11.	Whether Reverse Charge
12.	Signature/Digital Signature of Supplier/ Authorised Representative

Fields in Payment voucher – Rule 52

Sl.No.	Fields
1.	Name, Add, GSTIN of Supplier
2.	A Consecutive Serial Number
3.	Date
4.	Name, Add, GSTIN of the Recipient (if Registered)
5.	Description of Goods/Services
6.	Amount paid
7.	Rate of Tax (CGST/SGST/IGST/UTGST/Cess)
8.	Amount of Tax (CGST/SGST/IGST/UTGST/Cess)
9.	Place of Supply with State in case of Inter State Transaction

Sl.No.	Fields
10.	Signature/Digital Signature of Supplier/ Authorised Representative

Fields in Revised tax invoice/ credit note/ debit note – Rule 53

Sl.No.	Fields
1.	Revised Tax Invoice – these words if applicable
2.	Name, Add, GSTIN of Supplier
3.	Nature of document
4.	A Consecutive Serial Number
5.	Date
6.	Name, Add, GSTIN of the Recipient (if Registered)
7.	Name, Add, Add of delivery, State, State code – even if unregistered
8.	Serial Number/Date of Corresponding Tax Invoice/Bill of Supply

Sl.No.	Fields
9.	Value of Taxable Supply/ Rate of Tax/ Amount of Tax Credited/Debited
10.	Signature/Digital Signature of Supplier/ Authorised Representative

Fields in Delivery Challan – Rule 55

Sl.No.	Fields
1.	Date & Number of delivery challan
2.	Name, Add, GSTIN of the Consignor(if Registered)
3.	Name, Add, GSTIN of the Consignee(if Registered)
4.	HSN & description of goods
5.	Quantity(Provisional if not exact)
6.	Taxable Value
7.	Tax rate & Tax amount(CGST/SGST/IGST/UTGST/Cess) , where transportation is for supply to consignee
8.	Place of supply in case of interstate movement
9.	Signature

Agent :: Rule 56(11)

Every Agent shall maintain

- particulars of **authorisation received by him** from each principal
- details of accounts furnished to **every principal**;
- **Activities**
 - Details of **goods or services received** on behalf of every principal;
 - Details of **goods or services supplied** on behalf of every principal;
- **Record**
 - tax paid on **receipts or on supply** of goods or services on behalf of **every** principal.

Registered Manufacturer :: Rule 56(12)

Manufacturer shall maintain

- monthly** production accounts showing
 - quantitative details of **raw materials** used
 - quantitative details of the **manufactured goods** (including the **waste and by products** thereof.)
 - **services** used in the manufacture and

Registered Service Provider:: Rule 56(13)

**Shall
maintain
the
accounts**

- Inward supplies
 - quantitative details of goods used
 - details of input services utilized and
- Outward services supplied.

Works Contractor :: Rule 56(14)

shall maintain

- Details of - **outward**
 - **Names & addresses** of Persons on whose behalf the works contract is executed.
 - **Payment received** in respect of each works contract
- Details of - **inward**
 - **Suppliers** from whom he received goods or services.
 - **Description, value, quantity of Goods or services Received/Utilized** for the execution of works contract.

Rule 56(17):Carrier or clearing & forwarding agent

Any person having custody over the goods
in the capacity of a carrier or
a clearing and forwarding agent
for delivery or dispatch thereof to a recipient on behalf of any registered person

shall maintain

true and correct records in respect of such goods handled by him on behalf of
such registered person and

shall **produce the details** thereof as and when required by the proper officer

Rule 58: Transporter : Whether Registered or NOT

Shall maintain, subject to the provisions of Rule 56

1. records of **goods transported, delivered** and **goods stored in transit** by him
2. **GSTIN** of the registered **consigner and consignee** for each of transporters branches
3. Books of accounts with respect to the period for which particular goods remain in the warehouse, including the particulars relating to **dispatch, movement, receipt and disposal** of such goods.
4. Common Ware house : The owner or the operator of the godown shall store the goods in such manner that they can be **identified item-wise and owner-wise** and shall facilitate any **physical verification** or inspection by the proper officer on demand.

Note: If not registered, register on e-way bill portal in **FORM GST ENR-01 & obtain unique enrolment number**

If Books Maintained Manually

1. Each volume of books of account maintained manually shall be **serially numbered**.
2. Any entry in registers, accounts and documents **shall not be erased**, effaced or overwritten.
3. All incorrect entries shall be scored out under **attestation** and thereafter, the correct entry shall be recorded if those are not a clerical nature.

If Books Maintained Electronically

1. **LOG** : Where the registers and other documents are maintained electronically, a **log** of every entry edited or deleted shall be maintained
2. **Authentication** – All the accounts and records may be maintained in electronic form and the record so maintained shall be authenticated by means of a digital signature.
3. **Place to keep books of accounts** – Accounts and documents are to be kept at every relating to additional place of business mentioned in the certificate of registration.

Electronic Records

- **Backup** - Proper electronic back-up of records shall be maintained and preserved in such manner that the information can be restored within a reasonable period of time.
- Produce **Hard copy on demand** - The registered person maintaining electronic records shall produce, on demand, the relevant records or documents, duly authenticated by him, in hard copy or in any electronically readable format.
- Provide **Password for access** - Where the accounts and records are stored electronically, he shall, on demand, provide the details of such files, passwords of such files and explanation for codes used, wherever necessary.
- In the event of **destruction** - of such records due to accidents or natural causes, the information can be **restored** within a reasonable period of time.

Other Points to Note

1. If any taxable goods are found to be stored at any place(s) other than those declared under sub-rule (5) without the cover of any valid documents – **Deemed Supply**
2. If any documents, registers, or any books of account belonging to a registered person are **found at any premises** other than those mentioned in the certificate of registration, such documents, registers or any books of account shall be presumed to be maintained by the said registered person unless it is proved that it is not related to said registered person
3. Every registered person shall, on demand, **produce the books of accounts** which he is required to maintain under any law for the time being in force

Any relaxation....

- **Commissioner**
- any class of taxable person is not in a position to keep and maintain accounts permit **such class of taxable persons** to maintain accounts in such manner as may be prescribed.
- may notify a class of taxable persons to maintain **additional accounts** or **documents** for such purpose as may be specified therein

Penal Consequences....

- **Non Maintenance of books**
- Sec 122(xvi) : ~ INR 10,000/- or amt equivalent to tax evaded (WIH)
- **Failure to account the goods as per the provisions**
- Section 35(6) – Other than 17(5)(h) cases - goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples
- where the registered person fails to account for the goods or services or both , the proper officer shall determine the amount of tax payable on the goods or services or both that are not accounted for
- As if it is **deemed supply & Section 73 & 74 applies for determination of tax**

Determination of tax not paid/short paid/ excess ITC availed etc

Section 73

- Other than fraud, suppression etc
- Tax + Interest (18%) + Penalty
- Penalty = 10% of tax or Rs. 10,000/- WH (Section 73(9))

Section 74

- Fraud, Suppression etc
- Tax + Interest (18%) + Penalty
- Penalty = Tax (Section 74(1))
- Before service of notice suo motto – Penalty = 15%
No notice by officer
- If within 30 days of notice pays – penalty = 25%
- If within 30 days of order pays – penalty = 50%

How Long to Keep the Records Sec 36

- Period of Retention of Documents
 - **72 months** from due date of filing of annual return i.e. 31st Dec 20xx
 - **6 years and 9 months** from end of the year
 - Party to Appeal / Revision/other proceeding -1 year after the Final disposal or period specified above, which ever is later.

Issues in Maintaining Books

Issues

- Place of Maintenance
 - Head office has all records, Branches and Godowns do not maintain all records
- Method of Keeping
 - Different Software within the organisation
 - { Billing, Inventory, Production, Financial Books }
 - Partly
 - Online / Offline
 - Manual / Electronic
 - Industry Specific Software vs customised software
- Single Books
 - All GSTIN's are maintained in one common ERP

**Are we filing the GSTR 3B
correctly????**

A Recap – An Introspection

GSTR 3B: List of Tables

Table No	Description
1	GSTIN
2	Legal Name of Registered person
3.1	Liability = Outward Supplies + Inward Supplies liable to Reverse Charge
3.2	Interstate supplies to Unregistered, Composition taxable persons and UIN Holders
4	Eligible ITC = Total ITC – (T1+T2+T3) subject to apportionments
5	Exempt, Nil rated and Non-GST inward supplies
6.1	Payment of Tax
6.2	TDS/TCS Credit

General Instructions before filing GSTR-3B

- **Value of Taxable Supplies** = Value of { Invoices + Debit Notes – credit notes + Advances received and not Invoiced- Advances Adjusted}
 - Details of advances as well as adjustment of same against invoices to be adjusted and not shown separately
 - Amendment in any details to be adjusted and not shown separately.

3.1 Tax on outward and reverse charge inward supplies

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

3.2 Inter-state supplies

Taxable Value	Integrated Tax
₹0.00	₹0.00

4. Eligible ITC

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

5. Exempt, nil and Non GST inward supplies

Inter-state supplies	Intra-state supplies
₹0.00	₹0.00

5.1 Interest and Late fee

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS
₹0.00	₹0.00

6. Payment of tax

Balance Liability	Paid through Cash
₹0.00	₹0.00
Paid through Credit	
₹0.00	

7. TDS/TCS Credit

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	

Important Message

You can fill and save the form now. You can also deposit the tax by using payment facility at the portal. Facility for setting off the payment against liability and filing the return form shall be made available shortly.

Table 3.1: Details of Outward Supplies + Inward RCM Supplies

Dashboard > Returns > GSTR3B > Outward and Reverse Charge Inward

English

3.1 Details of Outward Supplies and inward supplies liable to reverse charge

Nature of Supplies	Total Taxable value (₹)	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(a) Outward taxable supplies (other than zero rated, nil rated and exempted)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(b) Outward taxable supplies (zero rated)	₹0.00	₹0.00			₹0.00
(c) Other outward supplies (Nil rated, exempted)	₹0.00				
(d) Inward supplies (liable to reverse charge)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(e) Non-GST outward supplies	₹0.00				

CANCEL

CONFIRM

Table 3.2 B2C IGST Turnover + Composition + UIN

Dashboard > Returns > GSTR3B > Inter-state Supplies

English

3.2 Of the supplies shown in 3.1 (a), details of inter-state supplies made to unregistered persons, composition taxable person and UIN holders

Supplies made to Unregistered Persons

+

Supplies made to Composition Taxable Persons

+

Supplies made to UIN holders

-

<input type="checkbox"/>	Place of Supply (State/UT)	Total Taxable value (₹)	Amount of Integrated Tax (₹)
<input type="checkbox"/>	Select ▼	₹0.00	₹0.00

ADD

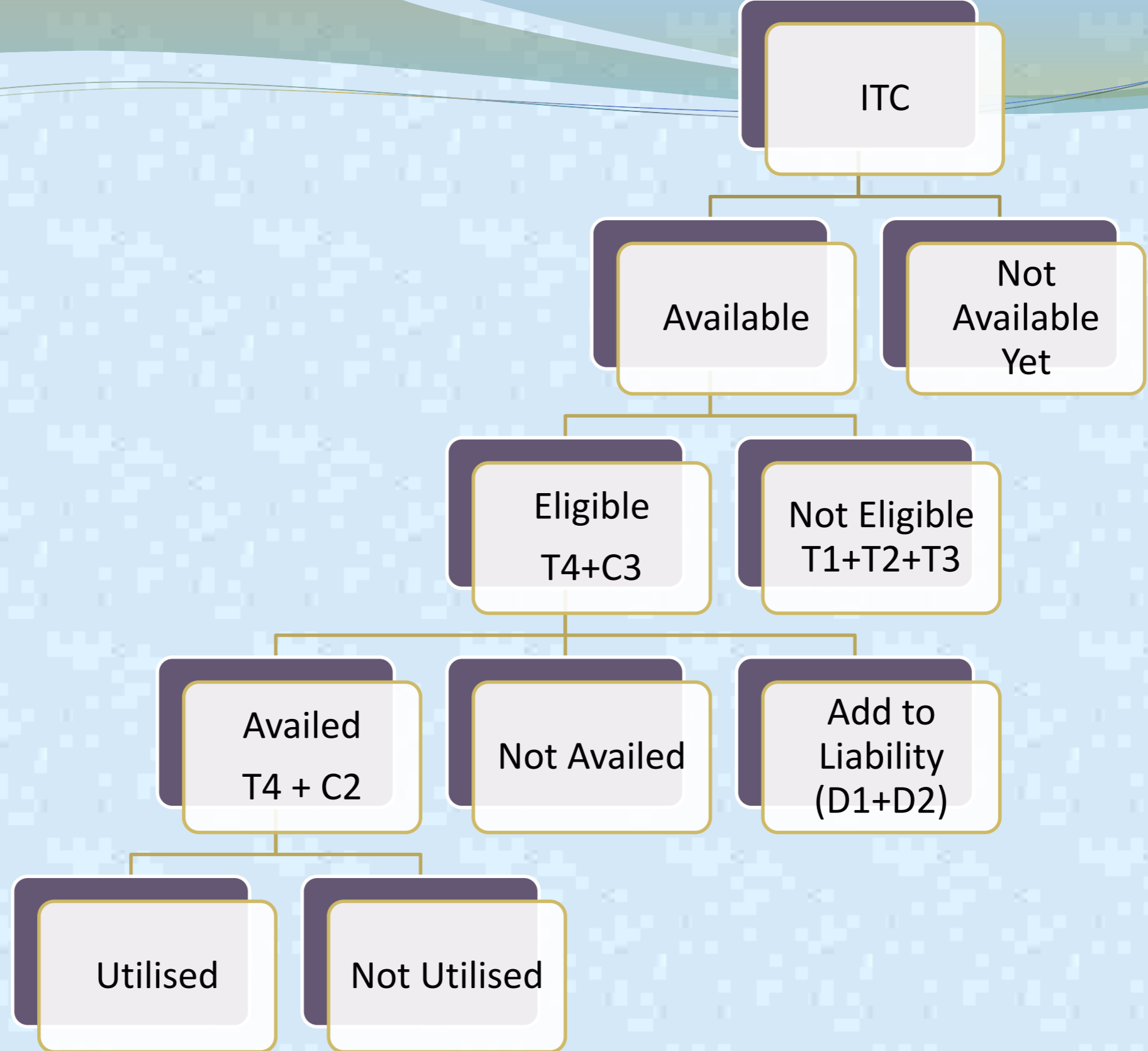
REMOVE

CANCEL

CONFIRM

Table 4 Eligible ITC

Table 4 Eligible ITC



Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(A) ITC Available (whether in full or part)				
(1) Import of goods	₹0.00			₹0.00
(2) Import of services	₹0.00			₹0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	₹0.00	₹0.00	₹0.00	₹0.00
(4) Inward supplies from ISD	₹0.00	₹0.00	₹0.00	₹0.00
(5) All other ITC	₹0.00	₹0.00	₹0.00	₹0.00
(B) ITC Reversed				
(1) As per Rule 42 & 43 of CGST/SGST rules	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00
(C) Net ITC Available (A) - (B)	₹0.00	₹0.00	₹0.00	₹0.00
(D) Ineligible ITC				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00

Table 4B ITC Reversal

Table 4 Eligible ITC

4(B)(1) : Rule 42 of CGST Act

Let Total Input Tax credit on inputs and input services be “T”

- “T1” be inputs and input services intended to be used exclusively for the purposes other than business
- “T2” be inputs and input services intended to be used exclusively for effecting exempt supplies
- “T3” be inputs and input services on which credit is not available under sub-section (5) of section 17
- Amount of input tax credit credited to the electronic credit ledger of registered person, be denoted as ‘C1’ and calculated as- **$C1 = T - (T1 + T2 + T3)$**
- “T4” be input tax credit attributable to inputs and input services intended to be used exclusively for effecting supplies other than exempted but including zero rated supplies
- “C2” be common Credit = **$C1 - T4$**
- Amount of input tax credit attributable towards exempt supplies, be denoted as ‘D1’= **$(E \div F) \times C2$**
where ‘E’ is the aggregate value of exempt supplies during the tax period, and
‘F’ is the total turnover in the State of the registered person during the tax period
- the amount of credit attributable to non-business purposes if common inputs and input services are used partly for business and partly for non-business purposes, be denoted as ‘D2’=**5% of C2**

Thus amount equal to aggregate of ‘D1’ and ‘D2’ shall be added to the output tax liability of the registered person

GSTR 2 Table 4 & 5 – Apportionment of ITC

Rule 42

T

Used Exclusively
Other than
Business
Eg. Furniture

T1

Used for
Exempted
Supply
Eg. Related to
Agri

T2

Restricted items
under 17(5)
Eg. Rent A Cab

T3

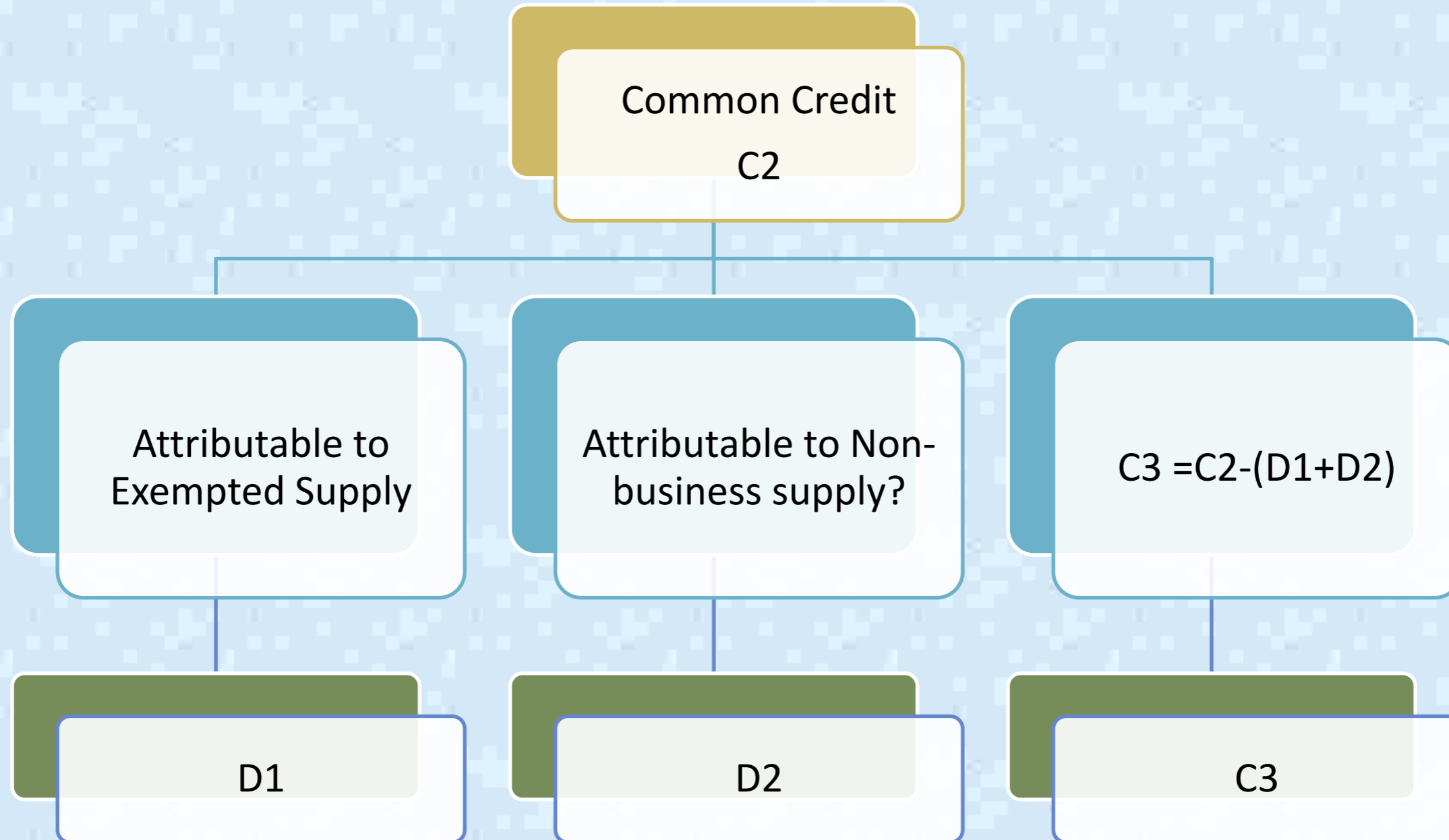
Exclusively used
for Taxable
Supply & Zero
rated (Export &
SEZ)

T4

Common
Service
(T-T1-T2-T3-T4)
Eg. Security

C2

GSTR 2 Table 4 & 5 – Apportionment of ITC



The amount equal to 'D1' and 'D2' shall be added to the output tax liability of the registered person;

4(B)(1) : Rule 43 of CGST Rules – Capital Goods

- ITC on Capital Goods
 - used for non business and exempt supplies exclusively – In Eligible (*Table 3, Col 12 GSTR 2*)
 - Exclusively for taxable supplies incl. zero rated – Fully Allowed
 - Common credit (T_c)– treat as follows:
 - Amount attributable to tax period for a particular CG(T_m) = $T_c \div 60$
 - Total of all such $T_m = Tr$
 - Amount of credit attributable to exempt supplies = $T_e = (E \div F) \times Tr$
 - (E – exempt supplies and F – Total turnover for tax period)
 - Such T_e along **with interest** is to be added to output tax liability (*Table 11 A d GSTR 2*)
 - Earlier Used for Taxable Supply , now partly used for Exempt Supply
 - Computation as mentioned above $CG(T_m) = T_c \div 60$
 - Such T_e along **with interest** is to be added to output tax liability (*Table 11 A d GSTR 2*)

4B Others : Rule 37 and 39 of CGST Act

- Rule 37: Reverse ITC availed in case of non payment to vendor within 180 days – Display – Statement of Accounts –Outstandings - Payables
- Rule 39: In case of receipt of credit note by ISD, the ISD shall
 - Reduce such amount in same ratio as that of original apportionment, in the credit to be distributed.
 - After such reduction, if the credit to be distributed for the month is negative, same shall be added to the output liability of the recipient.

Table 4D in-eligible ITC

1. 17(5) = T3
2. Others
 1. T1 = Exclusively Used for Non – Business Purposes
 2. T2 = Exclusively Used for Exempted Supplies

Table 5: Exempt, Nil Rated and Non-GST Inward Supplies

5. Values of exempt, nil-rated and non-GST inward supplies

Nature of Supplies	Inter-State Supplies (₹)	Intra-State Supplies (₹)
From a supplier under composition scheme, Exempt and Nil rated supply	₹0.00	₹0.00
Non GST supply	₹0.00	₹0.00

CANCEL

CONFIRM



5.1 Interest & late fee payable

5.1 Interest & late fee payable

i Declare interest payable on tax liabilities on supplies attracting reverse charge as well as other than reverse charge ✕

Description	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
Interest	₹0.00	₹0.00	₹0.00	₹0.00
Late Fees		₹0.00	₹0.00	

CANCEL

CONFIRM

Reconciliation of Outward Supplies

3B Filing – Table 3

Table 3 : Detail of Outward Supplies and Inward supplies liable to reverse charges

- a) Outward taxable supplies (other than zero rated, Nil rated and exempted)
- b) Outward taxable supplies (zero rated)
- c) Other outward supplies, (Nil rated, exempted)
- d) Inward supplies (liable to reverse charge)
- e) Non GST outward supplies

GSTR 1 Relevant Table

Table No	Description
4	B2B Invoices including RCM & E-commerce
5	B2CL Supplies to unregistered persons (Inter - state) Large Invoices > 2.5 Lacs
6	Exports , SEZ Supplies and Deemed Exports
7	B2CS (Net of debit and credit notes) other than supplies covered in Table 5
8	Exempt : Nil rated, Exempted and Non GST outward supplies*
9	Amendments in Table 4, 5 and 6 for earlier tax periods
10	Amendments in Table 7 for earlier tax periods
11	Tax Liability (Advances received) & Adjustment of advances

GSTR 3B & 1 – Tables Comparison

Sl.No.	Description	GSTR 3B Table reference	GSTR 1 Table reference
1.	Outward taxable Supplies (other than zero rated, Nil rated and exempted)	3(a)	4 – B2B 5 – B2C Large 6C – Deemed Export 7 – B2C Small 9 &10 - Amendments to the above Tables of earlier tax periods. Debit and credit notes of B2B 11 - Advances
2.	Outward taxable supplies (zero rated)	3(b)	6A - Exports 6B – SEZ Supplies
3.	Other outward supplies, (Nil rated, exempted)	3(c)	8
4.	Non GST outward supplies	3(e)	8

Sample Reconciliation with Books

	Total Credits in statement of profit and loss	XXX
Less:	Not Goods / Not Services - eg Dividend Income	(XXX)
Less:	Sch III Items which is not a Supply eg : Land & Building etc	(XXX)
Less:	April - June Supplies	(XXX)
Add:	Sch I Supplies like Branch Transfer to Distinct Persons, Consignment Agent Sales	XXX
Add:	Receipts capitalised but taxable to GST (like Subsidy other than Government etc)	XXX
Less :	Profit on Sale of Capital Goods	(XXX)
Add :	Taxable Value of Supply of Capital Goods	XXX
Add:	Advance (Net of Taxes) received during the Current Period	XXX
Less:	Advance of earlier period adjusted during the Current period	(XXX)
Less:	Closing unbilled revenue recognised - But Time of Supply did not arise	(XXX)
Add:	Opening unbilled revenue (Billed during the period/Time of supply falls in the month)	XXX
+/-	Other simialr adjustments	XXX
	Total Value in GSTR 1	XXX

Issues in Taxable Outwards Supplies

- Possible Reconciliation issues
 - Debit Note / Credit note of erst while law – Tax Rate changes
 - **Purchases** related debit note & credit note erroneously reported
 - In case of a business dealing majorly with goods, some of the income like commission, Incentive, Repairs etc – GST may not have been charged.
 - Monthly reconciliation vs Year To Date (YTD) Reconciliation
 - YTD reconciliation from July 2017 till date i.e FY 2018-19 also
 - For Credit Note time limit is as per Sec 34(2)
 - Wrong reporting between interstate and intra state.
 - Advances paid and not adjusted/reported after supply
 - Exempt Supplies not reported

Reconciliation of Taxes Collected

- Taxes collected as per Ledger Balances
- Taxes liability disclosed in Returns
- Reconciliation
 - Debit Notes / Credit Notes
 - Inter adjustment
- Adjustments of
 - RCM Inward not in outward supply side of books

Reconciliation of Inward Supplies

3B Filing – Table 4

(A) ITC Available (whether in full or part)

- (1) Import of goods
- (2) Import of services
- (3) Inward supplies liable to reverse charge (other than 1 & 2 above)
- (4) Inward supplies from ISD
- (5) All other ITC

(B) ITC Reversed

- (1) As per rules 42 & 43 of CGST Rules
- (2) Others

(C) Net ITC Available (A) – (B)

(D) Ineligible ITC

- (1) As per section 17(5)
- (2) Others

Import of Goods

- 3B
 - 4A(1) : Import of goods
- ICE Gate Portal

<https://www.icegate.gov.in/epayment/locationAction.action>

e-Payment

- Unpaid Challans
- Incomplete Transactions
- Print Transaction Receipt
- Today Transaction
- Transaction Report
- Home

Transaction Report

Transaction Report

Location Code:

Start Date (yyyy/mm/dd):

End Date (yyyy/mm/dd):

Get Report

S.No.	Plot Code	BE No.	BE Date	Challan No.	Ref ID	Bank Name	Duty Paid	Date of Payment	Bank Code	Transaction ID	Status
1	IIVFD6	20180923	2017	20180923	IG290717064907790964	Corporation Bank	1327057	29/07/2017 18:48	0350596	170729276529773	Y
2	IIVFD6	20180923	2017	20180923	IG050717011221057784	Corporation Bank	656290	05/07/2017 15:00	0350596	170705276170482	Y
3	IIVFD6	20180923	2017	20180923	IG170717010106797750	Corporation Bank	1013182	17/07/2017 13:11	0350596	170712276364489	Y
4	IIVFD6	20180923	2017	20180923	IG120717114438470656	Corporation Bank	99167	12/07/2017 11:45	0350596	170712276291802	Y
5	IIVFD6	20180923	2017	20180923	IG170717123946811081	Corporation Bank	1575230	17/07/2017 12:37	0350596	170712276364027	Y
6	IIVFD6	20180923	2017	20180923	IG220717051407247933	Corporation Bank	597139	22/07/2017 17:10	0350596	170722276438389	Y
7	IIVFD6	20180923	2017	20180923	IG220717070650261840	Corporation Bank	425814	22/07/2017 19:03	0350596	170722276439148	Y

Import of Services & Other RCM

- **3B**

- **4A(2)** : Import of Services
- **4A(3)** : Inward supplies liable to reverse charge

- **3B**

- **Table 3 (d)** Inward supplies (liable to reverse charge)

ISD Credits

- **3B**
 - **4A(4) : Inward supplies from ISD**
- **GSTR 2 A : PART B**
 - **Table 6 : ISD credit (including amendments thereof) received**

All other ITC

- **3B**
 - **4A(5)** : All other ITC
 - **4B** : Ineligible ITC
- **GSTR 2 A : PART A**
 - **Table 3** : Inward supplies received from a registered person other than the supplies attracting reverse charge
 - **Table 4** : Inward supplies received from a registered person on which tax is to be paid on reverse charge
 - **Table 5** : Debit / Credit notes (including amendments thereof) received during current tax period

Sample Reconciliation with Books : Expenses

GSTR 2 : RECON WITH BOOKS	Total debits in statement of profit and loss	XXX
Less: Schedule III items (Ex: Salary expense)		(XXX)
Less: Depreciation and Amortization		(XXX)
Less: Accrued expenses and month end provisions, not credited to party account		(XXX)
Add: Invoices recd and adjusted for Expenses provision made earlier		XXX
Add: Capital Expenses		XXX
Add: Advance paid to unregistered dealers -Expenses Not Booked		XXX
Less: Purchases booked for URD Advances paid in earlier periods		XXX
Total Taxable value in GSTR 2		XXX

Reconciliation of Input Tax

- Input Taxes Paid on Inward Supplies as per Ledger Balances
- ITC Credit Availed in Table 4A of GSTR 3B
- Reconciliation of
 - Missing credits
 - Reversal as per Rule 42 and Rule 43
 - Reversal as per sec 16(2) non compliance
 - Re-availment of reversed credits
 - **Credit Notes & Debit Notes issued by the supplier not considered – Cross check with 2A & consider in the present month returns **with interest****
- Adjustments of
 - RCM Inward supplies

GSTR 2A – View/Download

[Dashboard](#)[Services ▾](#)[GST Law](#)[Search Taxpayer ▾](#)[Help ▾](#)[e-Way Bill System](#)[Dashboard](#) > [Returns](#)[English](#)

File Returns

• Indicates Mandatory Fields

Financial Year •

2017-18 ▾

Return Filing Period •

July ▾

SEARCH

Details of outward supplies of goods or services

GSTR1

Status- **Filed**

VIEW GSTR1

PREPARE OFFLINE

Auto Drafted details (For view only)

GSTR2A

VIEW

DOWNLOAD

Monthly Return

GSTR3B

Status- **Filed**

VIEW GSTR3B

PREPARE OFFLINE

GSTR 2A – View/Download

PART-A

** Important Notice: If the invoices are more than 500, please check [here](#)

B2B Invoices

Credit/Debit Notes

Amendments to B2B Invoices

Amendments to Credit/Debit Notes

PART-B

ISD Credits

Amendments to ISD Credits

PART-C

TDS Credits

TCS Credits

GSTR 2A – View/Download

Dashboard Returns GSTR2A

English

Credit/Debit Notes- Summary

Uploaded by Supplier

Note Type	Credit/Debit Note No	Credit/Debit Note Date	Original Invoice No	Original Invoice Date	Pre GST Regime	Applicable Percentage(%)	Taxable Value (₹)	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CES (₹)
C	KN5040000215A	31-07-2017	KNHS001720	18-07-2017	N	-	4,950.00	0.00	693.00	693.00	0.0
C	KN5040000380A	31-07-2017	KNHS001720	18-07-2017	N	-	35.35	0.00	4.95	4.95	0.0
C	KN5040000380B	31-07-2017	KNHS001720	18-07-2017	N	-	7.07	0.00	0.99	0.99	0.0
C	KN5040000509A	31-07-2017	KNHS001720	18-07-2017	N	-	900.00	0.00	126.00	126.00	0.0

BACK

Reconciliation of Other Items

Other Items of Reconciliation

Rule No	Particulars	To be added/Reduced to output tax liability
37(2)	Section 16(2) – payment to supplier not made – 180 days	Added to OTL
39(1)(j)(2)	ISD – apportioned is in negative because of credit note received by the ISD	Added to OTL
42(1)(m)	Proportionate reversal of credit on common input tax and other than business purpose input tax (D1+D2)	Added to OTL
43(1)(h)	Proportionate reversal of credit on common capital goods	Added to OTL
42(2)(a)	Provisional reversal is less than the actual reversal to be made	Added to OTL
42(2)(b)	Provisional reversal is more than the actual reversal to be made – before Sept	Reduced from OTL
	Any other liability	Added to OTL

Other Issues

- Credit Not Availed on
 - Fixed Asset purchase
 - Expenses covered under RCM
 - Bank Charges
- Credit Availed on
 - Sec 17(5) Blocked Credit
 - Attributable to Exempted Supplies
 - Expenses where Place of Supply in different state
- Re Assessment
 - Annual Calculation of Rule 42 and Rules 43

Other Issues

- Common Credits Not identified
- Reversed credit not re-availed
- Reverse charge
 - Liability paid credit not availed
 - Not reported at all
- URD Purchases
 - Upto 12th Oct RCM liability not identified
 - Subsequent purchases not reported as “Exempt Inward supplies”
- Wrong Classification of
 - Non – GST inwards / Exempted inwards / Blocked purchases / Personal Expenses

Rectification of errors in Returns : Circular 26/2017

What is the Error?

Liability was under reported

Liability was over reported

Liability was wrongly reported

Input tax credit was under reported

Input tax credit was over reported

Input tax credit of the wrong tax was taken

Cash Ledger wrongly updated

Which stage of filing ?

Confirmed Submission

Cash Ledger Updated

Offset Liability

Return Filed

Circular No. 26/26/2017-GST

	Stage of Return Filing (GSTR - 3B)			
	Stage 1	Stage 2	Stage 3	Stage 4
	Confirmed Submission	Cash Ledger Updated	Offset Liability	Return Filed
Common Error-I	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
	Use "Edit" facility to add under reported liability.	Use "Edit" facility to add such liability and additional cash, if required (i.e. where sufficient balances are not available in the credit or cash ledgers) may be deposited in the cash ledger by creating challan in FORM GST PMT-06 .	Liability may be added in the return of subsequent month(s) after payment of interest.	
Liability was under reported	<p><i>Company A has four units in Haryana, while filing their return for the month of July, they inadvertently, missed on details of a last minute order. Since, they had already submitted and confirmed their output supply details, they were not sure of how to proceed. What can they do?</i></p> <p><i>The company may use the 'edit return' facility to add such liability in their submitted return and then proceed for filing of their return.</i></p>	<p><i>Company A has four units in Haryana, while filing their return for the month of July, they inadvertently, missed on details of a last minute order. Since, they had already submitted and confirmed their output supply details, but were not sure of how to proceed. They added cash in the cash to the extent of their under reported liability. What can they do?</i></p> <p><i>The company may use the 'edit return' facility to add such liability in their submitted return. Further, the company may generate a fresh challan under FORM GST PMT-06 to additional cash or utilize their credit and furnish their return.</i></p>	<p><i>Company A has four units in Haryana, while filing their return for the month of July, they inadvertently, missed on details of a last minute order. The Company had filed their returns in order to not pay late fee and other penalties. What can they do?</i></p> <p><i>In this case, they may report this additional liability in the return of next month and pay tax with interest.</i></p>	
Change in FORM GSTR-1	If such liability was not reported in FORM GSTR-1 of the month/quarter, then such liability may be declared in the subsequent month's/quarter's FORM GSTR-1 in which payment was made.			

Circular No. 26/26/2017-GST

	Stage of Return Filing (GSTR - 3B)			
	Stage 1	Stage 2	Stage 3	Stage 4
	Confirmed Submission	Cash Ledger Updated	Offset Liability	Return Filed
Common Error - II	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Liability was over reported	Use "Edit" facility to reduce over reported liability.	Use "Edit" facility to reduce over reported liability and cash ledger may be partially debited to offset such liability. Remaining balance may either be claimed as refund or used to offset future liabilities.	Liability may be adjusted in return of subsequent month(s) or refund may be claimed where adjustment is not feasible.	
	<p><i>Company B had reported an inter-State sale but realized that the same sale was counted twice and hence was not to be reported. But the return form was already submitted and no change could be done to the liabilities. What can company B do?</i></p> <p><i>In this case, Company B has the option to use the "edit" facility to reduce such liability and proceed to file their return.</i></p>	<p><i>Company B had reported an inter-State sale but realized that the same sale was counted twice and hence was not to be reported or taxed. But the return form was already submitted and no change could be done to reduce the liabilities. Further, the company had already deposited cash in their cash ledger before realizing this error. What can company B do?</i></p> <p><i>In this case, Company B has the option to use the "edit" facility to reduce such liability. Once, this is done, they can partially debit their cash ledger to offset their tax liability. Further, remaining balance can either be claimed as refund or used to offset future liabilities.</i></p>	<p><i>Company B had reported an inter-State sale but realized that the same sale was counted twice and hence was not to be reported or taxed. But the return form was already filed and no change could be done to reduce the liabilities. What can company B do?</i></p> <p><i>In this case, they may reduce this liability in the return of subsequent months or claim refund of the same.</i></p>	
Change in FORM GSTR-1	Where the liability was over reported in the month's / quarter's FORM GSTR-1 also, then such liability may be amended through amendments under Table 9 of FORM GSTR-1			

Circular No. 26/26/2017-GST

Stage of Return Filing (GSTR - 3B)

	Stage 1	Stage 2	Stage 3	Stage 4
Common Error - III	Confirmed Submission	Cash Ledger Updated	Offset Liability	Return Filed
	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Liability was wrongly reported	Use "Edit" facility to rectify wrongly reported liability.	Use "Edit" facility to rectify wrongly reported liability and cash ledger may be debited to offset new liability, where sufficient balances are not available in the credit ledger. Remaining balance, if any may be either claimed as refund or used to offset future liabilities.	Unreported liability may be added in the next month's return with interest, if applicable. Also, adjustment may be made in return of subsequent month(s) or refund may be claimed where adjustment is not feasible.	
	<p><i>Company C is registered in the State of Haryana. While entering their outward supplies in FORM GSTR-3B, the company realized that they had inadvertently, shown inter-State supply as intra-State supply and submitted the return. What can they do?</i></p> <p><i>In this case, the company will have to rectify wrongly reported liability using the edit facility. Here, the company will reduce their Central Tax / State tax supplies and liability and add integrated tax liability and proceed to file their return.</i></p>	<p><i>Company C is registered in the State of Haryana. While entering their outward supplies in FORM GSTR-3B, the company realized that they had inadvertently, shown inter-State supply as intra-State supply and submitted the return. Further, they also had updated their Central Tax and State tax cash ledgers. What can they do?</i></p> <p><i>In this case, the company will have to rectify wrongly reported liability using the edit facility. The company will reduce their Central Tax / State tax liability and add integrated tax liability. Further, they will have to pay integrated tax and update their cash ledger. They may seek for Central Tax / State tax cash refund in due course or use the same for offsetting future liabilities.</i></p>	<p><i>Company C was registered in the State of Haryana. While entering their outward supplies in FORM GSTR-3B, the company realized that they had inadvertently, shown inter-State supply as intra-State supply and submitted the return. The company paid their wrong liability and filed their return in order to avoid late fee and penalty? What can they do?</i></p> <p><i>Since, the return has already been filed, then the company will have to report the inter-State supply in their next month's liability and adjust their wrongly paid intra-State liability in the subsequent months returns or claim refund of the same.</i></p>	
Change in FORM GSTR-1	Such taxpayers will have to file for amendments by filling Table 9 of the subsequent month's / quarter's FORM GSTR-1.			

Circular No. 26/26/2017-GST

	Stage of Return Filing (GSTR - 3B)			
	Stage 1	Stage 2	Stage 3	Stage 4
	Confirmed Submission	Cash Ledger Updated	Offset Liability	Return Filed
Common Error - IV	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Input tax credit was under reported	Use 'Edit' facility to add un-availed input tax credit. Input tax Credit will be added to the credit ledger and may be used for offsetting this month or subsequent month's liability.	No Action required in cash ledger	Input tax credit which was not reported may be availed while filing return for subsequent month(s).	
	<p><i>Company D, while filing their FORM GSTR - 3B for the month of July, inadvertently, misreported Input tax credit of Rs. 1,00,00,000/- as Rs. 10,00,000/-. They had confirmed and submitted their return. What can they do?</i></p> <p><i>The company may use the "edit" facility to add more Input tax credit to their submitted FORM GSTR-3B. Once, this is done, such credit will be reflected in their Electronic Credit ledger and may be utilized to offset liabilities for this month or for subsequent months.</i></p>	No Action required in cash ledger	<p><i>Company D, while filing their FORM GSTR - 3B for the month of July, inadvertently, misreported Input tax credit of Rs. 1,00,00,000/- as Rs. 10,00,000/-. They had filed their return and paid Rs. 90,00,000/- in cash. What can they do?</i></p> <p><i>Since, the return has already been filed, Company D may add such Input tax credit in their return for subsequent month(s).</i></p>	
Change in FORM GSTR-1	No Action			

Circular No. 26/26/2017-GST

Common	Stage of Return Filing (GSTR - 3B)			
Error - V	Stage 1 Confirmed Submission	Stage 2 Cash Ledger Updated	Stage 3 Offset Liability	Stage 4 Return Filed
	Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
	Use "Edit" facility to rectify the over reported input tax credit	Additional cash, if required, may be deposited in the cash ledger by creating challan in FORM GST PMT-06	Pay (through cash) / Reverse such over reported input tax credit with interest in return of subsequent month (s).	
Input tax credit was over reported	<p>While filing their FORM GSTR 3B for the months of July, 2017, Company E inadvertently, reported their eligible input tax credit, as Rs. 20,00,000/- instead of Rs. 10,00,000/-. What can they do?</p> <p>Since, the company has submitted details of their input tax credit but not used such credit for offsetting their liabilities, they can reduce their input tax credit by using the "edit" facility.</p>	<p>While filing their FORM GSTR 3B for the months of July, 2017, Company E inadvertently, reported their eligible input tax credit, as Rs. 20,00,000/- instead of Rs. 10,00,000/-. What can they do?</p> <p>Since, the company has submitted details of their input tax credit but not used such credit for offsetting their liabilities, they can reduce their input tax credit by using the "edit" facility. Since, they have deposited Rs. 10,00,000/- only in their input tax credit ledger they may deposit additional Rs. 10,00,000/- in the cash ledger by creating challan in FORM GST PMT-06.</p>	<p>While filing their FORM GSTR 3B for the months of July, 2017, Company E inadvertently, reported their eligible input tax credit, as Rs. 20,00,000/- instead of Rs. 10,00,000/-. Company E also utilized their additional input tax credit and filed their returns. What can they do?</p> <p>Since, the company had utilized ineligible credit to offset such liabilities, the company will have to pay (through cash) / Reverse such over reported utilized input tax credit with interest.</p>	
Change in FORM GSTR-1	No Action			

Circular No. 26/26/2017-GST

		Stage of Return Filing (GSTR-3B)			
		Stage 1	Stage 2	Stage 3	Stage 4
		Confirmed Submission	Cash Ledger Updated	Offset Liability	Return Filed
Common Error - VI		Return liabilities / Input tax credit availed were confirmed and submitted and therefore no change can be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
		<ul style="list-style-type: none"> • "Edit" facility to be used to rectify such liability. • New Input tax credit will be added to the credit ledger. • Input tax credit reduced will be adjusted in the credit ledger without any additional liability. 	Additional cash, if required, may be deposited in the cash ledger by creating challan in FORM GST PMT-06	Pay(through cash) / Reverse any wrongly reported input tax credit in return of subsequent month(s). For under reported input tax credit, the same may be availed in return of subsequent month(s).	
Input Tax Credit of the wrong tax was taken.	<p>While filing their FORM GSTR 3B for the months of July, 2017, Company E inadvertently, reported their Central Tax credit of Rs. 20,00,000/- as Integrated tax. What can they do?</p> <p>Use edit facility to claim correct central tax credits under the right head.</p>	<p>While filing their FORM GSTR 3B for the months of July, 2017, Company E inadvertently, reported their Central Tax credit of Rs. 20,00,000/- as Integrated tax. What can they do?</p> <p>They can use "edit" facility to correct central tax credit under the right head. For offsetting any integrated tax liability, additional cash may be deposited in the cash ledger by creating challan in FORM GST PMT-06.</p>	<p>While filing their FORM GSTR 3B for the months of July, 2017, Company E inadvertently, reported their Central Tax credit of Rs. 20,00,000/- as Integrated tax credit. In order to avoid late fee and penalties, they paid Rs. 20,00,000/- Central Tax in cash and did not utilize their Integrated tax credit. What can they do?</p> <p>Since, the company has filed the returns and there is an unutilized Integrated tax credit of Rs. 20,00,000/- which was inadmissible to them, they will have to pay / reverse such credit in the return of subsequent month(s). Further, Central Tax credit of Rs. 20,00,000/- can be availed in return of subsequent month(s).</p>		
	Change in FORM GSTR-1	No Action			

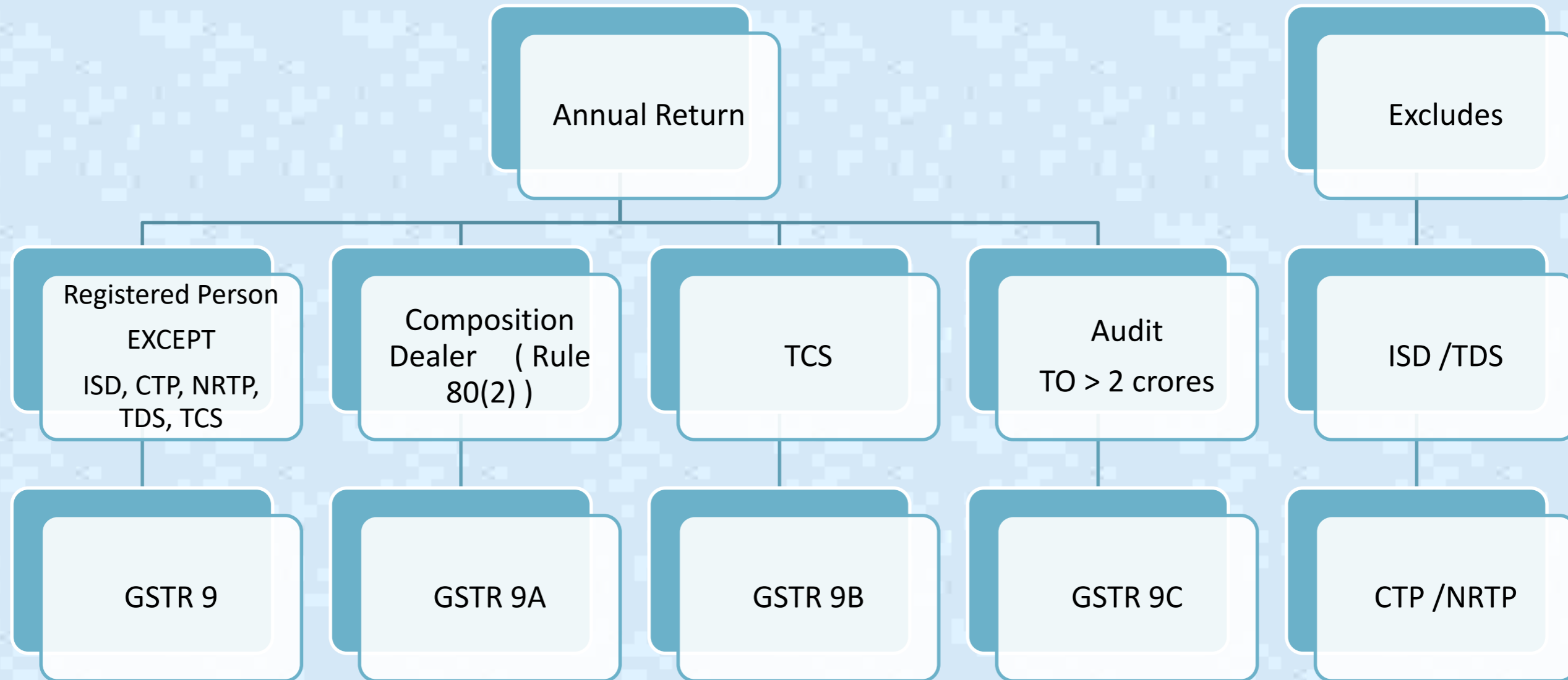
Circular No. 26/26/2017-GST

Stage of Return Filing (GSTR -3B)

	Stage of Return Filing (GSTR -3B)			
	Stage 1	Stage 2	Stage 3	Stage 4
	Confirmed Submission	Cash Ledger Updated	Offset Liability	Return Filed
Common Error - VII	Return liabilities / Input tax credit availed were reported correctly and thereafter confirmed and submitted. Therefore no change is required to be done to the liability. No action was taken after this step.	Cash was added to the electronic cash ledger as per the return liability. No action was taken after this step.	All liabilities were offset by debiting the cash and credit ledger. No action was taken after this step.	Return was filed.
Cash ledger wrongly updated	No Action	Add cash under the right tax head and seek cash refund of the cash added under the wrong tax head.	No Action	
	No Action	While filing their FORM GSTR-3B return, Company F while generating payment challan added Rs. 5,00,000/- under the Central Tax head, while they wanted to deposit Rs. 5,00,000/- under the Integrated tax head. What can they do? Since, they have already filed their challan, they will have to add Rs. 5,00,000/- in their integrated tax head and file their return. Further, they may seek refund of Rs. 5,00,000/- from their cash ledger.	No Action	
Change in FORM GSTR-1				No Action

Annual Returns & GST Audit

Annual Return & Audit – GSTR-9ABC



➤ Last date - 31st December following the end of the financial year

Draft Annual Return Format : Table Wise

1. Identification Particulars
2. List of goods and services dealt during the year
3. Details of the goods and services supplied (excluding RCM supplies)
4. Details of the sold goods returned (excluding RCM supplies)
5. Details of the goods and services received (including RCM supplies)
6. Details of the purchased goods returned (including RCM supplies)
7. Input Tax Credit availed, reduced and reclaimed
8. Tax payable and paid
9. Details of refund claimed

Checks & Balances

- Book Balance and Department Ledger Not Reconciling
 - A Reconciliation statement similar to BRS is must.
- 2A Related
 - 2A Not Matching, Vendor Not traceable
 - Vendor considered my supplies as B2C
 - Records uploaded in different period

Checks & Balances

- Payments
 - Check if all IDT payments are paid.
 - Check if all liabilities are recognized including RCM payments
- Credits
 - Check if all eligible credits have been claiming within stipulated time.
- Filing
 - Check if all returns are filed within the due date with appropriate disclosure of credits and liabilities.
- Benefits
 - Check if all export benefits are claimed within due date.
- Procedures
 - Check if goods with job workers are reconciled with appropriate treatment for credits
 - Correctness of Trans 1 and Trans 2 Filing



For queries please reach at
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