



Union Budget 2023-2024



23 MAJOR HIGHLIGHTS OF UB 23

DECIPHERING THE PROPOSALS RELATING TO INDIRECT
TAXES IN THE FINANCE BILL 2023



WELCOME NOTE

Today, February 01, 2023 hon'ble Union Finance Minister Smt. N. Sitharaman laid the Finance Bill 2023 in the Parliament.

Overall, it appeared that the budget was a balanced one with lot of emphasis on building up a robust economy and at the same time having a wider vision of **INDIA@100**.

Here we aim at picking up few crucial and deep rooted amendments proposed in the GST law that may have far reaching effects in the long run.

EDITORIAL TEAM

BRIJESH VERMA	ANIL SHARMA	SHORYA GOYAL	AKANSHA AGARWAL	SAHIL KHANDUJA
Chairman & Managing Partner	Designated Partner	Senior Partner	Senior Associate	Senior Audit Trainee



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This Budget hopes to build on the foundation laid in the previous Budget, and the blueprint drawn for India@100. We envision a prosperous and inclusive India, in which the fruits of development reach all regions and citizens, especially our youth, women, farmers, OBCs, Scheduled Castes and Scheduled Tribes.

Smt. Nirmala Sitharaman

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4. Reversal shall include 'value' in respect of S2P5 items
5. CSR expense (input goods/input services) shall be an inadmissible ITC. Reversal shall be required.
6. Exemption from obtaining registration (S.23) shall now be 'NOTWITHSTANDING' S.22 and S.24

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7. Denial of R1 filing beyond 3 years of due date – Very strict times coming
 8. Denial of R3B filing beyond 3 years of due date – Another clutch
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 10. TCS return too, cannot be filed beyond 3 years of due date. This coupled with new entries in S.122 shall become life miserable for ECOs
 11. Refund to exporters – S.54 – calculation method rationalised to do away with the clause related to provisional acceptance of ITC
 12. Interest on delayed refund shall now be subject to conditions and safeguarded that may be notified

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13. Strict compliance shall be expected from E-commerce operators now. New penalties under S.122 are being introduced especially for ECOs.
 14. Decriminalisation of various offences – a welcome step – S.132
 15. Compounding parameters for various offences under S.138 being rationalised in line with S.132
 16. Every single information – right from registration details to the GSTIN of recipient/supplier/turnover/invoice value/weight/units etc. mentioned in e-way bills or R1 or R3B or R9 or R9C or Registration application – can now be shared with any department (subject to consent from stakeholders)

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17. Definition of 'Non-taxable Online Recipient' has been revamped. Government/Governmental entities etc. have been removed. – S.2 of IGST Act
 18. Anomaly regarding the 'extent of human intervention involved' while supplying OIDAR services – seems to have been addressed now – S.16 of IGST Act.
 19. POS for transportation services
 20. Burning Issues in GST

GST PROPOSALS



My indirect tax proposals aim to promote exports, boost domestic manufacturing, enhance domestic value addition, encourage green energy and mobility. A simplified tax structure with fewer tax rates helps in reducing compliance burden and improving tax administration.

Smt. Nirmala Sitharaman



1. COMPOSITION SCHEME

- ❖ Section 10 shall be amended to allow Composition Dealers to now carry on their businesses through e-commerce also.
- ❖ Earlier there was a restriction and a person opting for composition scheme under S.10 couldn't do so.
- ❖ However, the restriction still remains for small service providers opting for composition scheme.

2. ITC REVERSAL

- ❖ ITC reversal on account of non-payment to supplier within 180 days, shall now be done suo-moto by the recipient of supply.
- ❖ The payment shall be made along with interest under S.50
- ❖ The said amount shall not be added back to his liability as earlier and thus no intimation in this regard shall be given by the concerned authority.
- ❖ The above change may appear procedural/technical in nature but when looked from the stand point of S.74 – this may prove fatal in the long run

3. ITC REVERSAL – EX-BOND

- ❖ The definition of the term 'value of exempt supply' is being revamped.
- ❖ Now, for the purpose of calculating reversal under R.43/44, *'the value of supply of warehoused goods to any person before clearance for home consumption'* shall be treated to be 'exempt supply' and accordingly the value thereof shall be included as exempt while calculating reversal.

4. ITC REVERSAL – S2.P5.

- ❖ The definition of the term 'value of exempt supply' is being revamped.
- ❖ Now, it has been clarified that the value of supply of construction services (land component) shall also be treated to be exempt.
- ❖ Although the provision already existed but in our view, the new verbiage is likely to facilitate a better understanding and will avoid unnecessary anomalies.

5. ITC BLOCKAGE – CSR

- ❖ This amendment to S.17 may prove to be a real setback to India Inc.
- ❖ It has been decided to amend S.17 to state that *notwithstanding anything contained in sub-section (1) of section 16 and subsection (1) of section 18, input tax credit shall not be available in respect of goods or services, or both received by a taxable person, which are used or intended to be used for activities relating to his obligations under corporate social responsibility referred to in section 135 of the Companies Act, 2013*
- ❖ *Thus, CSR expense may now become expensive.*
- ❖ *This amendment shall be PROSPECTIVE (just like all other FB'23 amendments) and therefore, the Government needs to ensure that unnecessary harassment of the taxpayer is not done for any previous period.*

6. EXEMPTION FROM REGISTRATION

- ❖ S.23 has been totally substituted by a new S.23.
- ❖ Since the inception of GST, there has been a debate about parallel applicability of S.23 (exemption from registration) and S.24 (compulsory registration).
- ❖ There have always been 2 schools of thoughts and one of them always had a view that S.24 may override S.23 in certain cases.
- ❖ Now, these anomalies have been adequately addressed and the new S.23 starts with a *NON-OBSTANTE* clause.
- ❖ Therefore, if S.23 is applicable in any case then it shall override S.22 as well as S. 24

7. R1 CANNOT BE FILED BEYOND 3 YEARS

- ❖ S. 37 has been amended
- ❖ It states that any taxable person shall not be allowed to file any R1 if three years have already elapsed from the due date of filing such R1
- ❖ The result will be that from a POV of the recent circular 140 relating to ITC verification of 2017-18 and 2018-19, the statements 2A and 2B shall render ineffective in future for such months where statutory time period has elapsed.
- ❖ Also, direct recovery proceedings shall be commenced in terms of S.75(12)

8. R3B CANNOT BE FILED BEYOND 3 YEARS

- ❖ S. 39 has been amended
- ❖ It states that any taxable person shall not be allowed to file any R3B if three years have already elapsed from the due date of filing such R3B
- ❖ The result will be that from a POV of the recent circular 140 relating to ITC verification of 2017-18 and 2018-19, the statements 2A and 2B shall render ineffective in future for such months where statutory time period has elapsed.
- ❖ Also, direct recovery proceedings shall be commenced in terms of S.75(12)

9. R9 CANNOT BE FILED BEYOND 3 YEARS

- ❖ S. 44 has been amended
- ❖ It states that any taxable person shall not be allowed to file any R9 and 9C if three years have already elapsed from the due date of filing such R9 and 9C
- ❖ The result will be that from a POV of the recent circular 140 relating to ITC verification of 2017-18 and 2018-19, the statements 2A and 2B shall render ineffective in future for such months where statutory time period has elapsed.
- ❖ Also, direct recovery proceedings shall be commenced in terms of S.75(12)

10. TCS STATEMENT CANNOT BE FILED BEYOND 3 YEARS

- ❖ S. 52 has been amended
- ❖ It states that any ECO shall not be allowed to file any statement (return) if three years have already elapsed from the due date of filing such return/statement
- ❖ The result will be that the suppliers may face cash loss in terms of the TCS collected from them and no statement is filed.

11. REFUND TO EXPORTERS

- ❖ S. 54 has been amended
- ❖ Since the methodology of 'provisional acceptance of ITC' was done away with (being redundant) in the last Finance Act, hence few rationalising effects have been given under S.54

12. INTEREST ON DELAYED REFUNDS

- ❖ S. 56 has been amended
- ❖ It has now been mentioned that interest on refunds for the period after 60 days of order till the date of actual refund shall be subject to various conditions and safeguards that will be announced/ notified in due course.
- ❖ Interest on refund????????????????? Have we seen it under Indirect Taxes.... EVER????

13. STRICT COMPLIANCES FOR ECOs

- ❖ S. 122 has been amended to explicitly provide for separate penalties for ECOs
- ❖ It has been mandated for all ECOs to check:
 - ❖ Whether the unregistered person dealing through it, is actually eligible for claiming exemption from registration. If not, then ECO shall be liable for penalty if it allows any other unregistered person to transact through it.
 - ❖ Whether a person who makes inter-state supply through it was actually eligible to make an inter-state supply through an ECO. If not, then ECO shall be liable for penalty if it allows any other unregistered person to transact through it.
 - ❖ If the statement filed by it is true and correct

PENALTY may range from 10,000 to 100% of tax

14. DECRIMINALISATION OF VARIOUS OFFENCES

- ❖ S. 132 has been amended to decriminalise the following:
 - ❖ obstructing or preventing any officer in the discharge of his duties under this Act
 - ❖ tampering with or destroying any material evidence or documents
 - ❖ failure to supply any information which is required to be supplied under this Act or the rules made thereunder or (unless with a reasonable belief, the burden of proving which shall be upon the taxpayer, that the information supplied by him is true) supplies false informationNow these shall not be criminal offences and hence no arrest can be made.

- ❖ This is a welcome move, especially for professionals

15. COMPOUNDING OF OFFENCES

- ❖ S. 138 has been amended in order to rationalise with the amendments proposed under S. 132
- ❖ Also, the compounding parameters have been tweaked and set at 25% (minimum) and 100% of tax (as maximum).

16. CONSENSUAL SHARING OF INFORMATION

- ❖ S. 158A is been introduced in the Act.
- ❖ The effect of the new section will be that the COMMON PORTAL shall now have a free hand (with no litigation, whatsoever, solicited) to share:
 - ❖ Details filled by a supplier in his R1
 - ❖ Details filled in R9
 - ❖ Details filled in R3B
 - ❖ Details filled in E-way bill portalThese details can be shared by the PORTAL with any other authority.
- ❖ Does this hint about multi-departmental action on a taxpayer, in future??

17. Definition of NTOR

- ❖ S. 2 of IGST Act has been amended
- ❖ Now it has been specified that the term 'non-taxable online recipient' shall only mean an unregistered person. Thus, the references to Government, local authority etc. has been done away with.

18. EXTENT OF HUMAN INTERVENTION - OIDAR

- ❖ S. 2(17) of IGST has been amended to the effect that the words ‘essentially automated and involving minimal human intervention’ have been deleted from the definition of **online information and database access or retrieval services**
- ❖ To us, it appears to be a welcome change since it aims at removing the anomalies that were arising for off-shore online database suppliers.
- ❖ Now, the **extent of human intervention** will not be a deciding factor in determining whether or not the activity falls under OIDAR or not.
- ❖ However, this also tends to increase the tax base, in times to come.

19. POS FOR TRANSPORTATION

- ❖ S. 12(8) is being amended to omit the proviso.
- ❖ Meaning thereby that POS in case of services of transportation of goods (whether by air, water, land, mail or courier) supplied to an unregistered person shall be – the location where goods are handed over for transportation.
- ❖ Earlier the POS in such case was ‘destination of goods’.
- ❖ Anomalies –
 - ❖ Nature of Tax
 - ❖ Confusion as to ‘export of services’

BURNING ISSUES IN GST

GST – basic philosophy

A tax structure that resolves various issues such as cascading effect of tax, double taxation, tax terror, multiplicity of litigation.

Subsumes various taxes

Flawless ITC chain

Check posts and other road-blocks

A self-check mechanism (heavy emphasis on 'self-assessment')

GST – we were told vs. we are given

A seamless mechanism with 1, 2 & 3

- We have 1, 2A, 2B and 3B

There will be self-check mechanism for identifying good suppliers

- We still have no 'Compliance rating' mechanism in force.

Automatic return preparation with minimal professional intervention

- Heavy dependency on professionals, Professionals under tremendous pressure. Not just pressure but under scanner as well (especially after new 122).

Common portal solving all compliance issues

- Portal itself unable to solve its own issues.

What went wrong

- A slightly hasty decision?
- King alone isn't responsible for his statesmen's deeds
 - R1
 - Fake invoicing
 - Undue ITC
 - Circular Trading
- Restrictive measures – need of the hour but gone too far
 - ITC
 - R1
 - Recovery
 - E-invoice
 - Capping refunds

Major Legal Complexities needing thorough research and review

1. Whether ITC can be restricted, blocked, disallowed, made subject to a time-line?
2. Whether refunds in case of inverted structure be given a differential treatment?
3. What is the extent of power that can be exercised by tax officials?
4. Interest liability computation
5. Has the scope for professionals really reduced after abolishment of 9C?
6. COVID and GST
7. Unknown and unintended supplies
8. Reversal of CENVAT Credit (input services) along with GST ITC by developers on obtaining CC
9. Double jeopardy to genuine recipients

Restriction on ITC – Sec 16

Restriction on ITC – Sec 16

- ❑ The condition to avail ITC u/s 16(2) has been further tightened and a new clause (aa) has been inserted u/s 16(2).
- ❑ Initially there were 4 conditions to avail ITC:
 - Possession of tax invoice/ debit note or such other tax paying document
 - Receipt of goods/services
 - Payment of tax by the supplier (in a way .. supplier should have filed his GSTR 3B)
 - Filing of 3B by the person intending to avail ITC
- ❑ A new condition u/s 16(2)(aa) is being added which states the 5th vital condition for Availment of ITC i.e. apart from the 4 conditions as originally placed, now ITC shall be available only if the supplier has furnished the details of such invoices/debit notes through form GSTR-1 in the manner prescribed u/s 37

- The new condition seems quite a strict conditions and comes at a time when the condition of following GSTR 2B in place of GSTR 2A as a guiding line for availing ITC is already activated on the common portal.
- Another interesting thing to note here is the specific mention of the words “in the manner specified u/s 37”. When the new section 16(2)(aa) is read with the first proviso to section 37(1) it becomes crystal clear that now for any month only the **static** GSTR 2B as auto generated on 14th of the next month, will be the relevant detail of ITC for mapping with books and availing ITC in GSTR 3B.
- **EFFECT OF RULE 21**

ITC Availment more strict (R.36(4) amended)

- ∅ Taxpayer shall not be able to avail more than 5% ITC in respect of such invoices that have not been furnished by his suppliers through their GSTR 1.
- ∅ Earlier this limit was 10% and was reduced to 5% and initially it was 20%.
- ∅ In other words, if total ITC being shown in GSTR 2B is Rs. 10 Crore and ITC entered in books of account on the basis of invoices is 11 Cr it means that ITC invoices amounting to 1Cr have not been furnished by suppliers of the taxpayer. In this case, the taxpayer can avail only 10 Cr (matched entries) + 5% of 10 Cr i.e. 50 Lakhs = total 10.5 Lakhs as ITC in 3B for that month as against 11 lakhs of which valid tax invoices are available.

Restriction on use of electronic credit ledger (mandatory 1% cash payment)

- ∅ W.e.f. 01.01.2021, if the value of taxable supply (other than exempt supply and zero-rated supply) in a month exceeds 50 Lakh, a registered person shall not be allowed to utilise more than 99% of the available amount in his electronic credit ledger to discharge his liability for that month.
- ∅ This restriction shall not apply if:
 - ∅ The taxpayer or its proprietor, karta, MD, partner have paid income tax more than 1 lakh in each of the last 2 FY.
 - ∅ The taxpayer has received a refund of more than 1 lakh in the preceding FY on account of unutilised ITC u/e 54(3)(i) or (ii)
 - ∅ The taxpayer has cumulatively (till that month) paid cash liability in excess of 1% of the total cumulative output liability during the current FY.
 - ∅ The taxpayer is:
 - ∅ A Govt. Deptt
 - ∅ A PSU
 - ∅ A local authority
 - ∅ A Statutory body



Cancellation of registration – R. 21 made more stringent w.e.f 22.12.2020

Registration can now also be cancelled if:

- ∅ The taxpayer avails ITC in violation of section 16 or the rules made thereunder.
 - ∅ *In our view, if this provision is not used prudently, it may prove to be an unfettered axe in the hands of the lawman. The conditions mentioned in section 16 when read with the rules made thereunder, are extremely stringent and taxpayers across the country are already facing tough times in following these in pith and substance. Not to forget, that the very confusing Rule 36(4) also pertains to ITC which has undergone amendment very recently and the same has yet **again been amended w.e.f. 01.01.2021** (check later part of this update document for rule 36(4))*
- ∅ The outward supplies declared in GSTR-1 for one or more tax period is in excess of the outward supplies declared in GSTR 3B for those tax periods
- ∅ If the taxpayer violates the provisions of the new rule **86B inserted w.e.f. 01.01.2021**.
 - ∅ This new rule states that if the value of taxable supplies (excluding exempt and exports) exceeds 50 lakhs in a month then the taxpayer can only utilise 99% from total ITC to pay-off the tax liability.



Suspension of Registration

R. 21A amended w.e.f. 22.12.2020

- ∅ W.e.f. 22.12.2020, a taxpayer's registration can be suspended without 'giving any opportunity of being heard.'
 - ∅ *This is again a draconian provision and Government must monitor the usage of it so as to ensure ease of doing business and also to ensure that genuine taxpayers are not unnecessarily harassed.*

- ∅ Where the officer finds significant differences or anomalies indicating contravention of the provisions of the Act or the rules, leading to cancellation of registration of the said person then the officer **SHALL suspend the registration** and grant 30 days time to the taxpayer to explain as to why the registration should not be cancelled.
 - ∅ *This suspension will happen if:*
 - ∅ *The officer compares the taxpayer's GSTR 1 and 3B and finds significant differences or anomalies*
 - ∅ *The officer compares taxpayer's GSTR 3B with his GSTR 2B/2A or with his suppliers GSTR 1 and finds significant differences or anomalies*
 - ∅ *The officer carries out any other such analysis and finds significant differences or anomalies*



USPENDED

Consequences of suspension of registration (R. 21A & 22 amended w.e.f. 22.12.2020)

A taxpayer whose registration has been suspended:

- ∅ Shall not issue a tax invoice or collect tax on any invoice during the entire period of suspension
- ∅ Shall not be able to file GSTR 3B during such period
- ∅ Shall not be granted any refund u/s 54 during this period

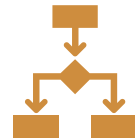


CONSEQUENCE

STRINGENT PROVISIONS RELATING TO GSTR – 1



A taxpayer shall not be able to file his GSTR-1 for any month if he has not filed his GSTR – 3B for preceding 2 months.



Similarly, a taxpayer furnishing quarterly returns shall not be able to file his GSTR-1 for any quarter if he has not filed his GSTR – 3B for **preceding tax period**.



Every taxpayer to whom the newly inserted rule 86B applies taxpayer shall not be able to file his GSTR-1 for any month if he has not filed his GSTR – 3B for **preceding tax period**.



Details furnished in R1 but not in R3B shall be liable for recovery – Sec. 75(12)

Details furnished in R1 but not in R3B shall be liable for recovery– Sec. 75

- Section 75(12) states that where any amount of self-assessed tax or applicable interest remains unpaid then recovery of such amount can be made through modes prescribed u/s 79.
- An explanation has now been added to this section to specify that the expression 'self-assessed tax' shall include the tax payable in respect of the supplies furnished in GSTR 1 but were not included in GSTR 3B by the taxpayer.
- Effect of E1 to 74 read with new 75(12)
- **Effect of changes made in Rule 21 w.e.f. 22.12.2020 – cancellation of registration**

**HAS PROFESSIONAL SCOPE REDUCED DUE
TO 9C CERTIFICATION BEING SCRAPPED**

GST Audit by CA/CWA abolished– Sec. 35(5)

- Sub-section (5) from section 35 has been omitted.
- This was the sub-section that mandated that every registered person whose turnover during a financial year exceeds the prescribed limit shall get his accounts audited by a chartered accountant or a cost accountant and shall submit a copy of the audited annual accounts, the reconciliation statement under sub-section (2) of section 44 and such other documents in such form and manner as may be prescribed.
- The effect of this amendment seems far reaching and may serve as a blow to professionals in the short run but over a period of time it may act as a favourable change especially after the changes introduced lately in the penal provisions and casting of responsibilities on allied persons.
- What about 2020-21 ???

Interest on net liability – Sec. 50

Provided that the interest on tax payable *in respect of supplies made during a tax period* and *declared in the return for the said period* furnished after the due date in accordance with the provisions of section 39, except

Interest on net liability – Sec. 50

- After a lot of hue and cry, the lawmakers made an amendment to section 50 whereby it was specified that interest shall be charged only on net liability in case of delayed filing of returns,
- The said proviso was challenged time and again for its applicability and various field formations were taking negative views.
- The proviso has now been categorically added ab-initio i.e. retrospectively from 01.07.2017.

ISSUES

- Recourse with law-abiding tax payers
- Evaders' Paradise?

Interest on reversal of ITC

- Whether 24% flat rate always?
- Only if the case falls under 42(10) or 43 (10) .. i.e. where after matching of ITC/output excess ITC claim is communicated to the taxpayer.

Attachment of property (scope enhanced) – Sec. 83

Attachment of property (scope enhanced) – Sec. 83

- Prior to this amendment, attachment proceedings could be initiated only in respect of any proceeding u/s 62 (assessment of non-filers) or u/s 63 (assessment of unregistered persons) or u/s 64 (protective assessment) or u/s 67 (search and seizure proceedings) or u/s 73 or 74 (assessment after SCN of income escaping assessment).
- The scope of attachment proceedings has been enhanced considerably by including all proceedings under Chapters 12, 14 and 15 of the CGST Act. This means that all types of action taken under these chapters may culminate into attachment if such action is deemed fit for protecting the interest of Government revenue.
- Further, now **attachment proceedings shall not be limited to only the taxable persons property but will also include the property of the persons specified u/s 122(1A) i.e. the persons taking benefit of the restricted transactions or who aid or abet the default.**

Previous Coverage

Section 62 (Ch 12)

[Assessment of non-filers of returns.](#)

Section 63 (Ch 12)

[Assessment of unregistered persons.](#)

Section 64 (Ch 12)

[Summary assessment in certain special cases.](#)

Section 67 (Ch 14)

[Power of inspection, search and seizure.](#)

Section 73 (Ch 15)

[Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful-misstatement or suppression of facts.](#)

Section 74 (Ch 15)

[Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilful-misstatement or suppression of facts.](#)

Chapter: XII

ASSESSMENT

Section 59	:	<u>Self-assessment.</u>
Section 60	:	<u>Provisional assessment.</u>
Section 61	:	<u>Scrutiny of returns.</u>
Section 62	:	<u>Assessment of non-filers of returns.</u>
Section 63	:	<u>Assessment of unregistered persons.</u>
Section 64	:	<u>Summary assessment in certain special cases.</u>

Chapter: XIV

INSPECTION, SEARCH, SEIZURE AND ARREST

Section 67	:	<u>Power of inspection, search and seizure.</u>
Section 68	:	<u>Inspection of goods in movement.</u>
Section 69	:	<u>Power to arrest.</u>
Section 70	:	<u>Power to summon persons to give evidence and produce documents.</u>
Section 71	:	<u>Access to business premises.</u>
Section 72	:	<u>Officers to assist proper officers.</u>

Chapter: XV

DEMANDS AND RECOVERY

Section 73	<u>Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason other than fraud or any wilful-misstatement or suppression of facts.</u>
Section 74	<u>Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any wilfull-misstatement or suppression of facts.</u>
Section 75	<u>General provisions relating to determination of tax.</u>
Section 76	<u>Tax collected but not paid to Government.</u>
Section 77	<u>Tax wrongfully collected and paid to Central Government or State Government.</u>
Section 78	<u>Initiation of recovery proceedings.</u>
Section 79	<u>Recovery of tax.</u>
Section 80	<u>Payment of tax and other amount in instalments.</u>
Section 81	<u>Transfer of property to be void in certain cases.</u>
Section 82	<u>Tax to be first charge on property.</u>
Section 83	<u>Provisional attachment to protect revenue in certain cases.</u>
Section 84	<u>Continuation and validation of certain recovery proceedings.</u>

UNFETTERED POWERS???

WHERE AFTER THE INITIATION OF ANY PROCEEDING UNDER CHAPTER XII, CHAPTER XIV OR CHAPTER XV

VS

WHERE DURING THE PENDENCY OF ANY PROCEEDINGS UNDER SECTION 62 OR SECTION 63 OR SECTION 64 OR SECTION 67 OR SECTION 73 OR SECTION 74

EXPORTS – CASHFLOWS

Probable cash flow issues with exporters– Sec 16

- Section 16(1)(b) has been amended to include the words ‘for authorised operations’.
- Now refund on account of zero-rated supply made to a SEZ unit or developer shall be available only if such supply is for ‘authorised operations’ within the SEZ.
- In a major change, sub-section (3) of section 16 has been replaced by a new sub-section (3) which will now provide refund only under the “LUT MODE” i.e. now exporters can claim refund only in respect of exports made by them without payment of tax under bond or letter of undertaking.
- New sub-section (4) provides that the Government may specify the class or persons or the class of goods which can adopt the ‘payment of tax on export’ route and claim refund of the tax so paid.

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IN OUR VIEW, THIS AMENDMENT WILL HAVE SERIOUS REPURCUSSIONS ON THE ONGOING SMOOTH MECHANISM. MORE PARTICULARLY, THIS AMENDMENT MIGHT ACT AS AN HINDERANCE TO CLAIM REFUND OF ITC OF CAPITAL GOODS WHICH IS BEING INDIRECTLY CLAIMED CURRENTLY AFTER UTILIZING THE SAME AGAINST OUTPUT LIABILITY

PARADOX OF CONSTRUCTION

- Sale of land Vs. Sale of developed plots
 - Land of any type is under Sch3?
 - Can a Non-GST transaction and a taxable supply together be called 'composite supply'.
- Leviability of tax on 'land rights' – when?
- Leviability of tax on construction service to Landowner's designated units – when? value
- Leviability of tax on sale of own designated units by the landowner – When?
- Completion/ Occupancy Certificate – ITC reversal (CENVAT ALSO?)
 - How to reverse, when to reverse

COVID and GST

Challenges

- **Contract revision – before tax payment, after tax payment, ccs, force majeure (treatment as post supply discount?)**
- Cancellation – tax deposited/ tax not deposited (refund to recipient)
- ITC on personal protective gear (face mask, sanitizers etc.) Given to employees
- ITC bottlenecks – expired goods, shipments stopped/cancelled, inputs of perishable nature, shelf life of final products

Rentals – an area of major concern

- Rent free lockdown period – force majeure
- Lower rent for upcoming period
- Entitlement of ITC to landlord for rent free period – constructive view by courts

Statutory barriers – 17(5), 16(2)

Moh order 40 (15.4.20) – ITC on health insurance

- Partial ITC to employer – family health insurance

Payment of tax on detention of vehicle

- ❖ Position of law prior to 01.01.2022
- ❖ 100% tax + 100% penalty
- ❖ ITC issues
- ❖ 200% penalty now

Composite VS. MIXED

- Are these the only two methods of classification
- Can two taxes be charged on same invoice (nature of tax)
- Can two tax rates be in same invoice (is boards circular 47/21/2018 relevant only in particular case)

DISCOUNTS/INCENTIVES

- ❖ 92/2019 – March 2019
 - ❖ Free Samples
 - ❖ BOGO
 - ❖ Volume Discounts – when already established/agreed
 - ❖ Secondary Discounts – Financial CN/DN

- ❖ 105/2019 – June 2019
 - ❖ Further clarification only for post supply and secondary discounts (also incentives)
 - ❖ Mis-clarified

- ❖ 112/2019 – October 2019
 - ❖ Withdraws 105/2019

OTHER LEGAL ISSUES

Medical services vs. GST

Services by an employee to employer

- Reimbursement of expenses
- Charge for owned assets

Services by an employer to employee

- In the course of business
- Forms part of employment agreement?

Unintended/hidden supplies

- Cash back offers
- Acting on the basis of sales promotion/incentives



OTHER LEGAL ISSUES

- Insurance claim received for loss of car in accident – taxability
- Where to register
- Guarantees given by md for company – taxability
- Supplies at MRP by a composite dealer
- Donations – name displayed (taxable religious trust)

OTHER LEGAL ISSUES

- Negative values in 3B – various methods being adopted (may prove to be against 16 and then related consequences)
- Different values of ITC not accepted in 3B – Service tax period service value now refunded
- Genuine buyer – how to prove innocence

OTHER LEGAL ISSUES

- ITC on immovable property – the SAFARI effect
- Denial of registration on non-payment of appropriate stamp duty
 - [https://tutorial.gst.gov.in/userguide/registration/index.htm#t=Apply for Registration Normal Taxpayer.htm](https://tutorial.gst.gov.in/userguide/registration/index.htm#t=Apply_for_Registration_Normal_Taxpayer.htm)
- Negative values in case of B2C supplies
- Reversal of ITC in case of CD/TD
- Renting of office by director to company – RCM??

ITC Availment

- ITC availment is being viewed extremely seriously
- New condition makes it tougher
- How to cope up with 36(4) – How relevant it remains after S.16 amendment
- 20-10-5 challenge
- 1% cash blockage – Working capital challenge
- R.86B – read with R.21 (amended) – A new challenge to continue the registration

Challenge to remain registered

- R. 21
- R. 21A
- S. 16 rw 75(12) rw R. 59
 - No R1 if no 3B for 2 months
 - No R1 if no 3B for last month (if R.86B applies)
 - Latest amendments under 37, 39,44,52

Nature of Inquiries being made vide ASMT – 10 issued u/s 61

2A vs 3B

R1 vs. 3B

Balance Sheet vs. 9

5'O' of 9C

Late fees – GSTR 1

Overdue Debts 16(4) – Law vs. contractual obligations

Transitional Credit

Builders' Service Tax refund – ST period

Nature of Inquiries being made vide ASMT – 10 issued u/s 61

- Land Value
- Monthly turnover matching
- R42 & 43
- 26 AS
- Table 6A of 9 – ITC of previous year not to be included (press release)
- Fake Invoices (but genuine buyer)
- R1 vs. E-way
- Why no cash payment – totally disregarding 86B exemptions
- IBC Creditors – Deptt inquiring about reversal
- R9 vs. R1 – Although R1 defects settled at R9, still demanding

Unfettered Powers ???

Un-updated 2A being used

Reversals not being accounted for

Previous year ITC not being verified at 9 level itself and TP questioned

Arrest in every case

Summon to Directors

More than one field formation doing same scrutiny

OBH/PNJ

No ground work being done by officers themselves

Unfettered Powers ???

Circulars are not considered as binding (CCE vs. Dhiren Chemical – SC 2002)

State department disregarding central circulars

Eligibility of ITC paid on face masks and sanitizers to employees

- The ITC on health care services provided to the employees is disallowed for claims. Also, ITC on goods and services used for personal consumption is blocked.
- But none of these specifically cover personal protective equipment distributed by a company to its employees to follow the social distancing norms placed by the **Ministry of Home Affairs, India**.
- Even though the face masks or gloves are for personal use, these are used either when travelling to work or while at work.
- Further, the exception to Section 17(5) states that any service or goods provided by the employer to an employee as per a **mandate** of law shall still be allowed for ITC claims. Therefore, the same can be availed taking into this consideration



COVID 19 Test of employees by Path Labs – GST & ITC

On this issue, there are two contradictory decisions of AAR which are given below:

- 2019 (23) G.S.T.L. 509 (A.A.R. - GST) = 2019 (4) TMI 303 - AUTHORITY FOR ADVANCE RULING, MADHYA PRADESH IN RE : J.C. GENETIC INDIA PVT. LTD. : Taxable
- 2019 (30) G.S.T.L. 257 (A.A.R. - GST) = 2019 (10) TMI 1019 - AUTHORITY FOR ADVANCE RULING, KARNATAKA IN RE : MATRIX IMAGING SOLUTIONS INDIA PVT. LTD.: Exempt

1. COMPARISON OF TAX LIABILITY OTHER THAN EXPORT/REVERSE CHARGE

Tax Period	Tax liability declared in GSTR-3B during the month [as per table 3.1(a)]				Tax liability declared in GSTR-1/IFF (other than reverse charge supply) during the month [as per table 4A, 4C, 5, 6C, 7, 9A, 9B, 9C, 10, 11]				Shortfall (-)/ Excess (+) in liability (GSTR-3B - GSTR-1/IFF)			
	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS
Apr-22	0.00	8,122.89	8,122.89	0.00	0.00	8,122.89	8,122.89	0.00	0.00	0.00	0.00	0.00
May-22	0.00	11,293.22	11,293.22	0.00	0.00	11,293.22	11,293.22	0.00	0.00	0.00	0.00	0.00
Jun-22	0.00	17,191.02	17,191.02	0.00	0.00	17,191.02	17,191.02	0.00	0.00	0.00	0.00	0.00
Jul-22	0.00	30,949.13	30,949.13	0.00	0.00	30,949.13	30,949.13	0.00	0.00	0.00	0.00	0.00
Aug-22	0.00	27,839.83	27,839.83	0.00	0.00	27,839.83	27,839.83	0.00	0.00	0.00	0.00	0.00
Sep-22	0.00	44,144.71	44,144.71	0.00	0.00	44,144.71	44,144.71	0.00	0.00	0.00	0.00	0.00
Oct-22	0.00	29,190.02	29,190.02	0.00	0.00	29,190.02	29,190.02	0.00	0.00	0.00	0.00	0.00
Nov-22	0.00	39,685.12	39,685.12	0.00	0.00	39,682.27	39,682.27	0.00	0.00	2.85	2.85	0.00
Dec-22	0.00	56,706.21	56,706.21	0.00	0.00	56,703.12	56,703.12	0.00	0.00	3.09	3.09	0.00
Jan-23					0.00	35,359.28	35,359.28	0.00	0.00	-35,359.28	-35,359.28	0.00
Feb-23												
Mar-23												
Total	0.00	265,122.15	265,122.15	0.00	0.00	300,475.49	300,475.49	0.00	0.00	-35,353.34	-35,353.34	0.00

Contd.....

- ❖ In this comparison, GSTN portal has provide the facility of comparing the periodic outward tax liability disclosed in Form GSTR-1/IFF and GSTR-3B.
- ❖ In the said comparison, values of GSTR-3B has been derived from table 3.1(a) i.e., Outward taxable supplies (other than zero rated, nil rated and exempted) and the values of GSTR-1 has been derived from various tables i.e., 4A, 4C, 5, 6C, 7, 9A, 9B, 9C, 10, 11.
- ❖ This comparison helps in easily identifying the monthly differences arised between outward supplies disclosed in GSTR-1/IFF and GSTR-3B and it also indicates any short or excess payment of tax. So, that the taxpayer can make the relevant adjustments in corresponding GSTR-1/IFF and GSTR-3B. One of the important role of this comparison is to identify and compare the effects of adjustments made in GSTR-1 and 3B and it also saves time because the relevant data is directly available at one place.

2. COMPARISON OF TAX LIABILITY DUE TO REVERSE CHARGE

2. Tax liability due to reverse charge												
Tax Period	Tax liability declared in GSTR-3B during the month [as per table 3.1(d)]				Amount auto-drafted in GSTR-2B during the month [As per table B2B, B2BA, CDNR, CDNRA]				Shortfall (-)/ Excess (+) in liability (GSTR-3B - GSTR-2B)			
	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS
Apr-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
May-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jun-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jul-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Aug-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sep-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Oct-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Nov-22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dec-22	0.00	450.00	450.00	0.00	0.00	450.00	450.00	0.00	0.00	0.00	0.00	0.00
Jan-23					0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Feb-23												
Mar-23												
Total	0.00	450.00	450.00	0.00	0.00	450.00	450.00	0.00	0.00	0.00	0.00	0.00

Contd.....

- ❖ This comparison provides the facility of comparing the inward supply (liable to reverse charge) declared in Form GSTR-3B with corresponding RCM liability reflected in form GSTR-2B.
- ❖ In the said comparison, values of GSTR-3B has been derived from table 3.1(d) i.e., Inward supplies (liable to reverse charge) and the values of GSTR-2B has been derived from the outward supplies disclosed by suppliers on which tax liable to be paid under reverse charge mechanism (RCM) in their respective GSTR-1.
- ❖ This comparison helps in identifying the transaction on which tax is liable to be paid under reverse charge mechanism (RCM). It also aids in timely payment of tax under RCM due to which no burdun of interest has been imposed on the taxpayers related to late payment of tax.

3. COMPARISON OF TAX LIABILITY DUE TO EXPORT AND SEZ SUPPLIES

3. Tax liability due to Export and SEZ supplies						
Tax Period	Tax liability declared in GSTR-3B during the month [as per table 3.1(b)]		Tax liability declared in GSTR-1/IFF (Export and SEZ) during the month [as per table 6A, 6B, 9A, 9B, 9C]		Shortfall (-)/ Excess (+) in liability (GSTR-3B - GSTR-1/IFF)	
	IGST	CESS	IGST	CESS	IGST	CESS
Apr-22	0.00	0.00	0.00	0.00	0.00	0.00
May-22	0.00	0.00	0.00	0.00	0.00	0.00
Jun-22	34,776,511.14	0.00	34,776,511.14	0.00	0.00	0.00
Jul-22	0.00	0.00	0.00	0.00	0.00	0.00
Aug-22	33,246,816.84	0.00	33,246,816.84	0.00	0.00	0.00
Sep-22	32,847,634.56	0.00	32,847,634.56	0.00	0.00	0.00
Oct-22	0.00	0.00	-565,711.86	0.00	565,711.86	0.00
Nov-22	19,773,404.34	0.00	20,339,116.20	0.00	-565,711.86	0.00
Dec-22	25,451,950.00	0.00	25,451,940.36	0.00	9.64	0.00
Jan-23	20,538,421.44	0.00	20,538,421.44	0.00	0.00	0.00
Feb-23						
Mar-23						
Total	166,634,738.32	0.00	166,634,728.68	0.00	9.64	0.00

Contd....

- ❖ This comparison provides the facility of comparing Zero rated supplies (Export Sales) declared in Form GSTR-3B with corresponding Zero-rated supplies declared in GSTR-1.
- ❖ In the said comparison values of GSTR-3B has been derived from table 3.1(b) i.e., Outward taxable supplies (Zero rated) and the values of GSTR-1 has been derived from multiple tables of the said form i.e., 6A, 6B, 9A, 9B, 9C. Values reflected in this comparison are net off Debit/Credit notes and amendments made during the said tax period. One of the important point to note here is that the values of zero-rated supplies includes both supplies made with payment of tax and without payment of tax.
- ❖ This comparison helps in identifying monthly differences arised between outward taxable supplies (zero rated) disclosed in GSTR-1 and GSTR-3B and it also indicates any short or excess payment of tax. So, that the taxpayer can make the relevant adjustments in corresponding GSTR-1 and GSTR-3B. One of the important role of this comparison is to identify and compare the effects of adjustments made in GSTR-1 and 3B.

4. COMPARISON OF INPUT TAX CREDIT CLAIMED AND DUE (OTHER THAN IMPORT OF GOODS)

4. Input tax credit claimed and due (Other than import of goods)												
Tax Period	ITC claimed in GSTR-3B [Table 4A(4)+4A(5)-4B(1)-4B(2)] [Valid for April to July]*				ITC auto-drafted in GSTR-2B during the month [as per table B2B, B2BA, CDNR, CDNRA] (Excluding RCM supplies), ISD, ISDA				Shortfall (-) /Excess (+) in ITC [GSTR-3B - GSTR-2B] [Valid for April to July]*			
	ITC claimed in GSTR-3B excluding ITC Reversal [Table 4A(4)+4A(5)-4D(1)] [Valid from August onwards]**								Shortfall (-) /Excess (+) in ITC [GSTR-3B - GSTR-2B] excluding ITC Reversal [Valid from August onwards]**			
	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS
Apr-22	1,015,708.48	6,576,325.01	6,576,325.01	0.00	1,462,326.02	6,979,576.10	6,979,576.12	34.14	-446,617.54	-403,251.09	-403,251.11	-34.14
May-22	1,495,272.09	7,307,636.43	7,307,636.43	0.00	1,565,901.13	7,895,027.74	7,895,027.74	226.46	-70,629.04	-587,391.31	-587,391.31	-226.46
Jun-22	741,973.36	7,584,541.44	7,584,541.44	0.00	931,529.69	7,922,701.19	7,922,701.19	29.58	-189,556.33	-338,159.75	-338,159.75	-29.58
Jul-22	1,556,702.18	5,992,667.53	5,992,667.53	0.00	2,290,937.13	6,525,212.59	6,525,212.59	0.00	-734,234.95	-532,545.06	-532,545.06	0.00
Aug-22	1,691,018.50	7,686,950.33	7,686,950.33	0.00	1,826,168.79	7,952,476.48	7,952,476.48	126.51	-135,150.29	-265,526.15	-265,526.15	-126.51
Sep-22	1,356,617.61	9,644,610.76	9,644,610.76	0.00	1,480,795.70	10,544,859.66	10,544,859.66	132.35	-124,178.09	-900,248.90	-900,248.90	-132.35
Oct-22	1,699,178.08	7,303,622.77	7,303,622.77	0.00	3,953,247.22	7,223,382.81	7,223,382.81	234,605.54	-2,254,069.14	80,239.96	80,239.96	-234,605.54
Nov-22	1,828,012.55	5,648,558.86	5,648,558.86	0.00	1,625,785.34	6,384,474.24	6,384,474.24	126,613.67	202,227.21	-735,915.38	-735,915.38	-126,613.67
Dec-22	1,394,398.27	6,299,475.44	6,299,475.44	0.00	1,284,297.06	6,489,856.23	6,489,856.23	0.00	110,101.21	-190,380.79	-190,380.79	0.00
Jan-23	1,295,844.04	6,267,788.56	6,267,788.56	0.00	1,609,464.64	6,288,349.61	6,288,349.61	0.00	-313,620.60	-20,561.05	-20,561.05	0.00
Feb-23												
Mar-23												
Total	14,074,725.16	70,312,177.13	70,312,177.13	0.00	18,030,452.72	74,205,916.65	74,205,916.67	361,768.25	-3,955,727.56	-3,893,739.52	-3,893,739.54	-361,768.25

Contd....

- ❖ This comparison provides the facility of comparing Input tax credit (ITC) claimed in GSTR-3B and ITC reflected in GSTR-2B. The value of ITC reflected in this comparison is excluding the values of ITC related to IGST on import of goods.
- ❖ In the said comparison, values of GSTR-3B has been derived from various table i.e., 4A(4), 4A(5), 4B(1) and 4B(2) till July 22 from August onwards the values has been derived from table 4A(4), 4B(5) and 4D(1).
- ❖ This comparison helps in identifying monthly differences arised between ITC claimed in GSTR-3B and ITC reflected in GSTR-2B and it also indicates monthly values of any short or excess ITC claimed. One of the important role of this comparison is to strimline the process of claiming ITC according to the boundation of law i.e., GSTR-2B. A taxpayer can easily comapre the values of ITC claimed in 3B and ITC refileted in 2B of the corresponding month.

5. COMPARISON OF INPUT TAX CREDIT CLAIMED AND DUE (IMPORT OF GOODS)

5. Input tax credit claimed and due (Import of goods)						
Tax Period	ITC claimed in GSTR-3B during the month [as per table 4A(1)]		ITC auto-drafted in GSTR-2B during the month [As per table IMPG, IMPG (SEZ)]		Shortfall (-)/ Excess (+) in ITC (GSTR-3B - GSTR-2B)	
	IGST	CESS	IGST	CESS	IGST	CESS
Apr-22	2,782,369.00	0.00	2,644,741.00	0.00	137,628.00	0.00
May-22	1,431,977.00	0.00	1,370,050.00	0.00	61,927.00	0.00
Jun-22	4,051,909.00	0.00	63,098.00	0.00	3,988,811.00	0.00
Jul-22	554,612.00	0.00	0.00	0.00	554,612.00	0.00
Aug-22	2,607,898.00	0.00	218,407.00	0.00	2,389,491.00	0.00
Sep-22	4,473,033.00	0.00	1,998,233.00	0.00	2,474,800.00	0.00
Oct-22	7,927,025.00	0.00	8,539,332.00	0.00	-612,307.00	0.00
Nov-22	1,541,088.00	0.00	1,226,279.00	0.00	314,809.00	0.00
Dec-22	2,166,664.00	0.00	2,469,348.00	0.00	-302,684.00	0.00
Jan-23	1,684,421.00	0.00	1,681,096.00	0.00	3,325.00	0.00
Feb-23						
Mar-23						
Total	29,220,996.00	0.00	20,210,584.00	0.00	9,010,412.00	0.00

Contd....

- ❖ This comparison provides the facility of comparing Input tax credit (ITC) related to import of goods claimed in GSTR-3B and ITC reflected in GSTR-2B.
- ❖ In the said comparison values of GSTR-3B has been derived from table 4A(1) i.e., ITC Available (Import of goods).
- ❖ This comparison helps in identifying monthly differences arised between ITC related to import of goods which was claimed in GSTR-3B and corresponding ITC reflected in GSTR-2B and it also indicates monthly values of any short or excess ITC claimed.

6. Comparison of Reverse Charge (RCM) Declared and ITC claimed Thereon

6. Reverse charge liability declared and Input tax credit claimed thereon												
Tax Period	ITC claimed on inward RCM supplies in GSTR-3B [as per table 4(A)(2) + 4(A)(3)]				Reverse charge liability declared in GSTR-3B [as per table 3.1(d)]				Shortfall (-)/ Excess (+) in ITC (ITC claimed - Liability declared)			
	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS
Apr-22	30,894.00	95,746.00	95,746.00	0.00	14,889.00	2,776.00	2,776.00	0.00	16,005.00	92,970.00	92,970.00	0.00
May-22	14,889.00	2,776.00	2,776.00	0.00	14,647.00	23,772.00	23,772.00	0.00	242.00	-20,996.00	-20,996.00	0.00
Jun-22	14,647.00	23,772.00	23,772.00	0.00	14,686.00	28,503.00	28,503.00	0.00	-39.00	-4,731.00	-4,731.00	0.00
Jul-22	14,686.00	28,503.00	28,503.00	0.00	2,771.00	45,568.00	45,568.00	0.00	11,915.00	-17,065.00	-17,065.00	0.00
Aug-22	2,771.00	45,568.00	45,568.00	0.00	12,776.00	33,149.00	33,149.00	0.00	-10,005.00	12,419.00	12,419.00	0.00
Sep-22	12,776.00	33,149.00	33,149.00	0.00	5,971.00	36,330.00	36,330.00	0.00	6,805.00	-3,181.00	-3,181.00	0.00
Oct-22	5,971.00	36,330.00	36,330.00	0.00	9,148.00	31,700.00	31,700.00	0.00	-3,177.00	4,630.00	4,630.00	0.00
Nov-22	9,148.00	31,700.00	31,700.00	0.00	20,975.00	38,530.00	38,530.00	0.00	-11,827.00	-6,830.00	-6,830.00	0.00
Dec-22	20,975.00	38,530.00	38,530.00	0.00	4,677.35	43,499.90	43,499.90	0.00	16,297.65	-4,969.90	-4,969.90	0.00
Jan-23	4,677.35	43,499.90	43,499.90	0.00	11,264.00	36,965.00	36,965.00	0.00	-6,586.65	6,534.90	6,534.90	0.00
Feb-23												
Mar-23												
Total	131,434.35	379,573.90	379,573.90	0.00	111,804.35	320,792.90	320,792.90	0.00	19,630.00	58,781.00	58,781.00	0.00

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- ❖ This comparison provides the facility of comparing Reverse Charge Liability declared in Form GSTR-3B and corresponding Input Tax Credit Claimed thereon in form GSTR-3B.
- ❖ In the said comparison, values of ITC claimed on supplies liable to RCM has been derived from table 4(A)(3) of Form GSTR-3B and the payment of Inward Supplies (liable to Reverse Charge) have been derived from Table 3.1(d) of Form GSTR-3B.
- ❖ This comparison helps in identifying monthly differences of tax paid under RCM and corresponding ITC claimed thereon. One of the important role of this table is to identify the tax paid under RCM during the previous month which is to be claimed as ITC in current tax period. One can easily identify/compare tax paid under reverse charge and its corresponding ITC.

CONTACT



brijesh@bvalegals.com

9897057757



BVA EDULEX



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