

# GST IMPACT- FINALISATION OF ACCOUNTS

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# Statutory Requirements

Section 35 (5) prescribes for audit in case turnover exceeds the prescribed limit.

Rule 80(3) provides limit of 2cr.

Section 44(2) provides to furnish,  
≠ annual return  
≠ copy of the audited annual accounts and  
≠ reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement,  
≠ and such other particulars as may be prescribed.

# Reconciliation between 3B,GSTR 1 and Books of Accounts

Matching of Out ward Supply 3B vs. GSTR 1

Matching of Input tax 3B vs 2A

How to Correct  
errors as Revision  
is not permissible



Circular No.  
26/2017 dated  
29<sup>th</sup> Dec 2017

Type of Transaction	Scenario No.	Particulars
Forward Charge Mechanism	1	Taxable Value and Corresponding Taxes was over reported
	2	Only Taxes was over reported
	3	Taxes paid under wrong head (CGST and SGST instead of IGST)
	4	Taxable Value and Corresponding Taxes was over reported
	5	Only Taxes was under reported
Export Supplies	6	Export supplies not reported in GSTR-3B
	7	Export supplies under reported in GSTR-3B
	8	Export supplies over reported in GSTR-3B
Input Tax Credit (ITC)	9	Over reported ITC in GSTR-3B
	10	Under reported ITC in GSTR-3B
Reverse Charge Mechanism	11	Taxable Value and Corresponding Taxes was over reported
	12	Only Taxes was over reported
	13	Taxes paid under wrong head (CGST and SGST instead of IGST)
	14	Taxable Value and Corresponding Taxes was over reported
	15	Only Taxes was under reported

## Scenario-1: FCM-Taxable value and corresponding taxes was over reported

Company X has filed their return for the month of Apr'18 with over reported taxable value Rs.5,00,000/- and corresponding taxes i.e CGST & SGST Rs.45,000/- each *instead of* taxable value Rs. 50,000/- and corresponding taxes i.e CGST & SGST Rs.4,500/- each. What can they do in current period return or in next period return?

In this case

- Company X will adjust its difference taxable value and tax liability in the return of next month i. e May'18 or refund may be claimed where adjustment is not feasible.
- Taxable value will be reduced or adjusted by Rs.4,50,000/- and taxes i.e. CGST & SGST will be Reduced by Rs. 40,500/- each.

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

Help ?

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)	₹5,00,000.00	₹0.00	₹45,000.00	₹45,000.00	₹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				

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

Help ?

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)	₹50,000.00	₹0.00	₹4,500.00	₹4,500.00	₹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				

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Report in May'18 corresponding to Apr'18 (If data available in May' 2018 otherwise there will be no adjustment)

Scenario-1

Dashboard > Returns > GSTR3B > Outward and Reverse Charge Inward

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

Help ?

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)	₹3,00,000.00	₹0.00	₹27,000.00	₹27,000.00	₹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				

May'18 Actual	7,50,000
Less for adjustment-Apr'18	(4,50,000)
May'18 Reported	3,00,000

May'18 Actual	6,75,00	67500
Less for adjustment-Apr'18	(40,500)	(40,500)
May'18 Reported	27,000	27,000

## Scenario-2 : FCM-Only taxes was over reported

**Company X has filed their return for the month of Apr'18 with taxes i.e CGST & SGST Rs. 45,000/- each *instead of* taxes i.e CGST & SGST Rs. 30,000/- each. What can they do in current period return or in next period return?**

In this case

- Company X will adjust its difference tax liability in the return of next month i.e. May'18 or refund may be claimed where adjustment is not feasible.
- Taxes i.e. CGST & SGST will be Reduced by Rs. 15,000/- each.

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

Help ?

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)	₹5,00,000.00	₹0.00	₹45,000.00	₹45,000.00	₹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				

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

Help ?

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)	₹5,00,000.00	₹0.00	₹30,000.00	₹30,000.00	₹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				

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Report in May'18 corresponding to Apr'18 (If data available in May' 2018 otherwise there will be no adjustment)

## Scenario-2

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)	₹3,00,000.00	₹0.00	₹12,000.00	₹12,000.00	₹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				

Reduced by 15,000 each

May'18 Actual	27,000	27,000
Less for adjustment-Apr'18	(15,000)	(15,000)
May'18 Reported	12,000	12,000

### Scenario-3 : FCM-Paid under wrong head

Company X has filed their return for the month of Apr'18, After submission of the return the company realise that they had shown intra state supply as inter state supply with taxes i.e CGST & SGST Rs. 45,000/- each ***instead of*** tax i.e IGST of Rs. 90,000/- . What can they do in current period return or in next period return??

In this case

- Company's IGST liability will be increased by Rs 90,000/- and amount wrongly entered in CGST and SGST will either be adjusted or claim as refund in the return of next month i. e May'18.
- CGST and SGST will be claim as refund.
- Such reported liability will be subject to interest u/s 50.

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

Help ?

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)	₹5,00,000.00	₹0.00	₹45,000.00	₹45,000.00	₹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				

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

Help ?

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)	₹5,00,000.00	₹90,000.00	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				

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Report in May'18 corresponding to Apr'18 (If sufficient data available in May' 2018 otherwise there will be no adjustment)

## Scenario-3

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

Help ?

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)	₹2,70,000.00	₹90,000.00	₹24,300.00	₹24,300.00	₹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				

Increased By 90,000

Reported IGST will be subject to interest u/s 50

Wrongly reported CGST and SGST in Apr'18 will be claimed as refund.

	Taxable Value	IGST	CGST	SGST
May'18 Actual	270000		24300	24300
Add liability -Apr'18		90000		
May'18 Reported	270000		24300	24300

## Scenario-4: FCM-Taxable value and corresponding taxes was under reported

Company X has filed their return for the month of Apr'18 with under reported taxable value Rs. 4,00,000/- and corresponding taxes i.e CGST & SGST Rs. 36,000/- each *instead of* taxable value Rs. 5,00,000/- and corresponding taxes i.e CGST & SGST Rs. 45,000/- each. What can they do in current period return or in next period return?

In this case

- Company X will increased its taxable value and tax liability by under reported taxable value and tax liability in the return of next month i.e. May'18.
- Taxable value will be Increased by Rs.1,00,000/- and taxes i.e. CGST & SGST will be increased by Rs. 9000/- each.
- Such under reported liability will be subject to interest u/s 50.

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[e-Way Bill System](#)
[Dashboard](#) > [Returns](#) > [GSTR3B](#) > [Outward and Reverse Charge Inward](#)
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### 3.1 Details of Outward Supplies and inward supplies liable to reverse charge

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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)	₹4,00,000.00	₹0.00	₹36,000.00	₹36,000.00	₹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				

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

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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)	₹5,00,000.00	₹0.00	₹45,000.00	₹45,000.00	₹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				

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# Report in May'18 corresponding to Apr'18

Scenario-4

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

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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)	₹3,00,000.00	₹0.00	₹27,000.00	₹27,000.00	₹0.00
(b) Outward taxable supplies (zero rated )	₹0.00	₹0.00		Increased by 9,000 each	₹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				

May'18 Actual	200000
Add Liability-Apr'18	100000
May'18 Reported	300000

May'18 Actual	18000	18000
Add Liability-Apr'18	9000	9000
May'18 Reported	27000	27000

## Scenario-5 : FCM-Only taxes was under reported

Company X has filed their return for the month of Apr'18 with taxes i.e CGST & SGST Rs. 35,000/- each *instead of* taxes i.e. CGST & SGST Rs. 36,000/- each. What can they do in current period return or in next period return?

In this case

- Company X will increase its tax liability by the under reported taxes in the return of next month i.e. May'18.
- Taxes i.e. CGST & SGST will be Reduced increased by Rs. 1000/- each.
- Such under reported liability will be subject to interest u/s 50

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[e-Way Bill System](#)
[Dashboard](#) > [Returns](#) > [GSTR3B](#) > Outward and Reverse Charge Inward

[English](#)

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

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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)	₹4,00,000.00	₹0.00	₹35,000.00	₹35,000.00	₹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				

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

[Help ?](#)

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)	₹4,00,000.00	₹0.00	₹36,000.00	₹36,000.00	₹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				

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

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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)	₹3,00,000.00	0.00	₹28,000.00	₹28,000.00	₹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				

Increased by 1000 each

May'18 Actual      27,000      27,000

Add Liability-Apr'18      1,000      1,000

May'18 Reported      28,000      28,000

## Scenario-6 : Export Supplies not reported in GSTR 3B

**Company X has filed their return for the month of Apr'18 at the time of reconciliation with GSTR1 the company realise that they had shown zero rated outward taxable supply as NIL . What can they do in current period return or in next period return?**

In this case

- Company will be report both taxable value and IGST amount in the return of next month i. e May'18.
- Interest payable on not reported liability shall be applicable.

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

Help ?

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)	₹4,60,941.00	₹45,384.00	₹18,793.00	₹18,793.00	₹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)	₹1,00,438.00	₹0.00	₹9,039.00	₹9,039.00	₹0.00
(e) Non-GST outward supplies	₹0.00				

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

[Help ?](#)

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 )	₹1,00,000.00	₹18,000.00			₹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				

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

[Help ?](#)

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)	₹3,00,000.00	0.00	₹27,000.00	₹27,000.00	₹0.00
(b) Outward taxable supplies (zero rated )	₹2,42,000.00	₹43,560.00			₹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				

May'18 Actual	1,42,000
Add -Apr'18	1,00,000
May'18 Reported	2,42,000

May'18 Actual	2,55,60
Add liability-Apr'18	1,80,00
May'18 Reported	43,560

## Scenario-7 : Export Supplies under reported in GSTR 3B

Company X has filed their return for the month of Apr'18, at the time of reconciliation with GSTR1 the company realise that they had shown zero rated outward taxable supply as under reported taxable value Rs.10,000/- and corresponding taxes i.e IGST Rs.18,00/- ***instead of*** taxable value Rs. 100,000/- and corresponding taxes i.e IGST Rs.18,000/- . What can they do in current period return or in next period return?

In this case

- Company will increase its both taxable value and tax amount subsequent month i.e. May'18.
- Taxable value will be increased by Rs 90,000 and IGST amount by Rs 16,200.
- Interest payable on under reported liability shall be applicable.

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

[Help](#) ?

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 )	₹10,000.00	₹1,800.00			₹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				

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

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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 )	₹1,00,000.00	₹18,000.00			₹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				

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

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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)	₹3,00,000.00	0.00	₹27,000.00	₹27,000.00	₹0.00
(b) Outward taxable supplies (zero rated )	₹2,42,000.00	₹43,560.00			₹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				

Increased by 90,000

Increased by 16,200

May'18 Actual	1,52,000
Add -Apr'18	90,000
May'18 Reported	2,42,000

May'18 Actual	27,360
Add liability-Apr'18	16,200
May'18 Reported	43,560

## Scenario-8 : Export Supplies over-reported in GSTR 3B

Company X has filed their return for the month of Apr'18, after the return the company realise that they had shown zero rated outward taxable supply as over reported taxable value Rs.2,00,000/- and corresponding taxes i.e IGST Rs.36,000/- ***instead of*** taxable value Rs. 100,000/- and corresponding taxes i.e IGST Rs.18,000/-. What can they do in current period return or in next period return?

In this case

- Firstly, Company will adjust such over reported Taxable value and tax liability in the next month against export supplies.
- If there is no data of export supplies available in the next month, then company should be reduce that over reported export amount from Domestic Taxable value & Tax amount i.e. IGST in subsequent month i.e. May'18.
- Taxable value of Domestic supply will be reduced by Rs 1,00,000 and IGST amount by Rs 18000.
- Interest payable on under reported liability

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[Dashboard](#) > [Returns](#) > [GSTR3B](#) > Outward and Reverse Charge Inward

[English](#)

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

[Help ?](#)

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)	₹5,00,000.00	₹72,000.00	₹9,000.00	₹9,000.00	₹0.00
(b) Outward taxable supplies (zero rated )	₹2,00,000.00	₹36,000.00			₹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				

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

[Help ?](#)

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 )	₹1,00,000.00	₹18,000.00			₹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				

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# Report in May'18 corresponding to Apr'18

Scenario-8

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

[Help ?](#)

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)	₹3,00,000.00	0.00	₹27,000.00	₹27,000.00	₹0.00
(b) Outward taxable supplies (zero rated )	₹50,000.00	₹9,000.00			₹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				

Reduced by 100000

Reduced by 18000

May'18 Actual	1,50,000
Less for adjustment-Apr'18	1,00,000
May'18 Reported	50,000

May'18 Actual	27,000
Less for adjustment -Apr'18	18,000
May'18 Reported	9,000

## Scenario-9 : Over reported ITC in GSTR 3B

Company X has filed their return for the month of Apr'18. After the return the company realise that ITC claimed as over reported taxes i.e IGST Rs.10,000/- ,CGST & SGST Rs, 3,000/- each *instead of* taxes i.e IGST Rs.5,000/- ,CGST & SGST Rs, 2,000/- each . What can they do?

In this case

- Company will pay over reported liability which will be payable through debit in Electronic cash Ledger along with interest.
- Over reported GST ITC should be reversed from its respective head, i.e. CGST ITC will only be reversed from CGST ITC.
- Interest payable on under reported liability

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
<b>(A) ITC Available (whether in full or part)</b>				
(1) Import of goods	₹10,000.00			₹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	₹3,000.00	₹3,000.00	₹0.00
<b>(B) ITC Reversed</b>				
(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
<b>(C) Net ITC Available (A) - (B)</b>	₹10,000.00	₹3,000.00	₹3,000.00	₹0.00
<b>(D) Ineligible ITC</b>				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
<b>(A) ITC Available (whether in full or part)</b>				
(1) Import of goods	₹5,000.00			₹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	₹2,000.00	₹2,000.00	₹0.00
<b>(B) ITC Reversed</b>				
(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
<b>(C) Net ITC Available (A) - (B)</b>	₹5,000.00	₹2,000.00	₹2,000.00	₹0.00
<b>(D) Ineligible ITC</b>				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00



## Scenario-10 : Under-reported ITC in GSTR 3B

**Company X has filed their return for the month of Apr'18, after the return the company realise that ITC was not taken in GSTR 3B. What can they do?**

In this case

- Company will availed ITC in subsequent month i.e. May'18.
- ITC should be adjusted against respective head i.e. CGST only against CGST.
- If import ITC was not taken in GSTR 3B of a month it should be taken in subsequent month to avoid possible mismatch with bill of entry on ICEGATE portal.

## 4. Eligible ITC

[Help ?](#)

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
<b>(A) ITC Available (whether in full or part)</b>				
(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>(B) ITC Reversed</b>				
(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
<b>(C) Net ITC Available (A) - (B)</b>	₹0.00	₹0.00	₹0.00	₹0.00
<b>(D) Ineligible ITC</b>				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00

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Actual – Apr' 2018 and to be claimed in May' 2018

Scenario-10

4. Eligible ITC

Help ?

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
<b>(A) ITC Available (whether in full or part)</b>				
(1) Import of goods	₹5,000.00			₹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	₹2,000.00	₹938.00	₹938.00	₹0.00
<b>(B) ITC Reversed</b>				
(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
<b>(C) Net ITC Available (A) - (B)</b>	₹7,000.00	₹938.00	₹938.00	₹0.00
<b>(D) Ineligible ITC</b>				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00

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## Correction of errors

- **Is March 2018 was last return for correction of errors for 2017-18?**

### CASE STUDY

- ✓ A Company has filed Form GSTR - 3B and discharged liability from Jul 2017 to March 2018.
- ✓ The company has not claimed input tax credit (ITC) during the year although such credits can be seen in Form 2A.

Now Can the eligible input tax credit of previous FY be set off against tax liability in the month of April 2018 or onwards and till when , and if yes, how to report the same in Form GSTR - 3B what all other steps are required?

# Accounting Standards/Accounting Policies

## **IND AS or AS**

- Revenue Recognition-AS -9/IND AS 18
- Cost of Inventory-AS-2/IND AS-2
- Provisions AS- 29/ IND AS-37
- Financial Statements- IND AS-32
- Government Grant AS-12/IND AS-20

# Revenue Recognition AS and GST

**Under Ind AS**, revenue from sale of goods is recognised when the significant **risks and rewards of ownership is transferred** to the buyer and there is no effective control over goods.

**Under GST** Time of Supply provisions determine the time to pay GST. Earliest of the following dates is time of Supply of Goods:

- Date of issue of invoice by the supplier. If the invoice is not issued, then the last date on which the supplier is legally bound to issue the invoice with respect to the supply , an invoice for supply of goods needs to be issued before or at the time of removal of goods.
- Date on which the supplier receives the payment

Thus raising an invoice at the time of dispatch of goods would **give rise to GST liability, it may not lead to revenue recognition in the books of account** if the risks and rewards of the goods sold are not transferred to the buyer.

# Revenue Recognition IND AS and GST- Deferment of Revenue

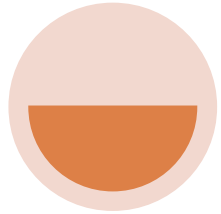
**Under IND AS** when the selling price of a product includes an identifiable amount for subsequent servicing, that amount is deferred and recognised as revenue over the period during which the service is performed. For example in case of customer loyalty arrangements where every sale may entitle the buyer for certain loyalty points/credits, which in turn can then be redeemed by the buyer for free services/ products in future. Accordingly, in such situations some portion of the revenue from each sale would be deferred and would be recognised as revenue when the free services/products are delivered in future.

However, for **GST purposes transaction invoice value** would be the basis of charge without any consideration to the accounting revenue.

## Supply without Consideration:

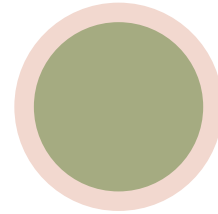
Cases	Revenue Recognition as per AS-9	Supply as per GST
Branch Transfer	No	Yes
Supply by principal to agent, agent undertakes to supply on behalf of principal	No	Yes
Supply by agent to principal, agent undertakes to receive on behalf of principal	No	Yes
Permanent transfer of business asset without consideration, gift to an employee > Rs. 50,000/-	No	Yes

## Goods Sent on Approval:



### As per AS-9

Revenue should not be recognized until the goods have been formally accepted or time for rejection has elapsed or where no time has been fixed, a reasonable time has elapsed.



### As per GST

Invoice will be issued after 6 months from the date of removal or date of acceptance whichever is earlier.

# Delivery Subject to Inspection/Installation:

As per  
AS-9

- Revenue should not be recognized until the customer accepts delivery and installation and inspection are complete.
- However, when installation process is very simple, revenue should be recognized.

As per  
GST

- Invoice will be made at the time of removal of goods.

## Consignment Sale:

As per AS-9

Revenue should not be recognized until the goods are sold to a third party

As per GST

It will constitute supply on the movement of goods from place of supply