Awareness Campaign & GST UPDATE

Dr Mangesh Gondavale
Dy Commissioner of Sales Tax
Problems in Existing Tax System

• Multiplicity of Central and State indirect taxes,
• No comprehensive input tax system,
• Cascading of tax by levy of VAT on Excise Duty, Service Tax,
• No integration between goods and services tax,
• Narrow tax base,
Limitations of current Tax regime

1. Cascading Effect of Tax

Credit of Excise not allowed
Credit of CST Not Available (This should relate to interstate supply. An arrow can be shown from wholesaler in Maharashtra to retailer in Madhya Pradesh)
2. Multiple Registrations

Limitations of current Tax regime:

- Central Excise
- Service Tax
- VAT Registration
- Entertainment Tax
- Luxury Tax
3. Different Points of Taxation

Central Excise (On Manufacturing)

Service Tax (On provision of Service)

VAT (On sale of Goods)
4. Lack of Uniformity

Limitations of current Tax regime:

- **No Entry Tax**
  - Maharashtra
  - Gujarat

- **Entry Tax**
  - Maharashtra: NIL @
  - Gujarat: 4% @

- **Value Added Tax**
  - e.g. on Sugar
5. Goods Vs. Services dilemma?

License
Software in CD

Sale of Food In Restaurant

Limitations of current Tax regime:
What is GST?

One Tax For

- Manufacturing
- Trading
- Services

ONE NATION: ONE TAX
Benefits of GST (1/2)

- Reduction in Cascading of Taxes
- Overall Reduction in Prices
- Common National Market
- Benefits to Small Taxpayers
- Self-Regulating Tax System
- Non-Intrusive Electronic Tax System

- Decrease in Inflation
- Ease of Doing Business
- Decrease in “Black” Transactions
Benefits of GST (2/2)

- Simplified Tax Regime
- Reduction in Multiplicity of Taxes
- Consumption Based Tax
- Abolition of CST
- Exports to be Zero Rated
- Protection of Domestic Industry - IGST

More informed consumer

Poorer States to Gain

Make in India
Changes under GST

- Additional power to levy on services for the State,
- Additional power to levy tax on value addition on goods for the Centre
- Subsuming of several taxes levied by State and Centre
- System of comprehensive set-off relief of CENVAT, VAT and service tax
- Removal of burden of CST and rationalization of rates
- Introduction of destination based inter-State GST
Central Taxes to be subsumed under GST

• Central Excise Duty
• Additional Excise Duties
• Excise Duty levied under the Medicinal and Toiletries Preparation Act
• Service Tax
• Additional Customs Duty, commonly known as Countervailing Duty (CVD)
• Special Additional Duty of Customs - 4% (SAD)
• Surcharges, and
• Cesses.
• VAT including purchase tax
• Entertainment tax (unless it is levied by the local bodies).
• Luxury tax
• Taxes on lottery, betting and gambling.
• State Cesses and Surcharges in so far as they relate to supply of goods and services.
• Entry tax not in lieu of Octroi.
Taxes NOT to be subsumed under GST

• Central Taxes
  • Customs Duty
  • Excise on tobacco products and petroleum products

• State Taxes
  • Excise duty on liquor
  • Octroi
  • Sales Tax on petroleum products (Natural Gas is undecided)
  • Stamp duty
  • Taxes and duties on Electricity
Salient features of GST

• The GST would be applicable **on the supply** of goods or services.
  – other than alcoholic liquor for human consumption and five petroleum products.
• **Destination based consumption tax**
• Exports would be tax-free and imports taxed at the same rate as integrated tax (IGST)
Salient features of GST... (contd.)

• Tax payers with an aggregate turnover in a financial year up to Rs.20 lakhs would be exempt from tax.

- For special category states specified in Article 279A, the threshold exemption shall be Rs. 10 lakhs.
- Tax payers making inter-State supplies or paying tax on reverse charge basis shall not be eligible for threshold exemption.

• Small taxpayers with an aggregate turnover in a financial year up to Rs. 50 lakhs shall be eligible for composition levy.
• An Integrated GST (IGST) would be levied and collected by the Centre on inter-State supply of goods and services.

• **HSN code** shall be used for classifying the goods under the GST regime.

• Taxpayers whose turnover is above Rs. 1.5 crores but below Rs. 5 crores shall use **2-digit code** and the taxpayers whose turnover is Rs. 5 crores and above shall use **4-digit code**.

• For Services, Service Accounting Codes (SAC) shall be used
GST Rates

• Rates: 0% (on essential items, rice/wheat)
• 5%: (on items of mass consumption)
• 12%/18%: (standard rates covering most manufactured items and Services)
• 28%: (on Consumer Durable Goods, Pan masala, tobacco and aerated drinks etc)
• Basic philosophy behind these rates are that, to the extent possible, the current combined rate of tax levied on individual goods by the Central and the State Governments should be maintained in GST
• Uniform GST rate not possible at this stage as luxury goods and goods consumed by poorer sections of society cannot be taxed at the same rate
• Rates will be notified by Government on recommendations of GST Council.
Compulsory Registration for Each State where business situated

Option to take multiple registration for each business vertical within same state
Mandatory Registration
(irrespective of threshold)

- Persons making inter-State taxable supply
- Persons required to pay tax under reverse charge
- Casual and non-resident taxable persons
- E-Commerce operator / Those required to collect TDS
- Persons supplying goods through e-commerce operator
- Persons making supplies on behalf of a registered taxable person
- Input Service Distributer
- Every person supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person
• Registration (GSTIN) to be granted State-wise.
• PAN mandatory for GSTIN (except for NRTP - here Passport)
• Separate registration permitted for multiple business verticals in a State.
  ➢ Registration deemed to be granted if objection by way of Notice is not communicated within the time of 3 working days.
Transitional Provisions

- Existing taxpayers to be issued Provisional Registration valid for 6 months (extendible)
  - Upon furnishing of prescribed information, final RC to be granted
- Cenvat credit/VAT carried forward in return allowed as ITC under GST
- Un-availed Cenvat/VAT credit on capital goods, not carried forward in return, shall also be allowed as ITC under GST
- Eligible duties and taxes in respect of inputs held in stock permissible as credit to registered persons
Transitional Provisions

• Eligible duties and taxes in respect of inputs held in stock available as credit to taxable person switching over from compounding
• Transitional credit available generally only if both laws permit and invoice is not more than 12 months old
• No tax payable on goods removed/despatched earlier but returned within 6 months after the introduction of GST
• Proceedings under earlier law to be conducted under old law
Job Work

- Registered person may send any inputs or capital goods, without payment of tax, to a job worker for job-work and shall,—
  - bring back inputs within one year
  - capital goods, other than moulds and dies, jigs and fixtures, or tools, in three years,
- supply such inputs from the place of business of a job worker on payment of tax within India, or with or without payment of tax for export, as the case may be:
  - unless the said principal declares the place of business of the job-worker as his additional place of business except in a case—
    - (i) where the job worker is registered under section 25;
- waste and scrap generated during the job work may be supplied by the job worker directly from his place of business on payment of tax, if such job worker is registered, or by the principal, if the job worker is not registered.
Job Work

• Where the inputs or capital goods sent for job work are not received back or are not supplied from the place of business of the job worker it shall be deemed they have been supplied by the principal to the job-worker on the day when they were sent out.

• Input tax credit allowed on inputs and capital goods sent to a job-worker for job-work.

• If inputs or capital goods are sent directly to a job worker, the period of one year shall be counted from the date of receipt of inputs by the job worker.
Resource Material

- CGST /IGST/ UTGST Bills
- Nine Rules on Valuation, Compensation, Returns, Registration, Composition, Invoice, Payment, Refund, Transition
- Various Formats of returns/ registration
- FAQs on GST
- Migration
  - GSTN FAQs on migration
  - FAQs on Migration to GST by CBEC
  - Step by Step guide to taxpayers
  - Migration PPT
Resource Material - Links

- [https://www.gst.gov.in/](https://www.gst.gov.in/)
- [http://www.gstn.org/](http://www.gstn.org/)
- [http://tutorial.gst.gov.in](http://tutorial.gst.gov.in)
Help lines

• [www.gst.gov.in](http://www.gst.gov.in)  
  ➢ Helpline number: 0124-4688999  
  ➢ [helpdesk@gst.gov.in](mailto:helpdesk@gst.gov.in)

• [www.aces.gov.in](http://www.aces.gov.in) : for migration of existing assesses and getting provisional ID & Password

• [cbecmitra.helpdesk@icegate.gov.in](mailto:cbecmitra.helpdesk@icegate.gov.in) : for migration issues  
  ➢ Helpline toll free number: 1800-1200-232

• CBEC GST Mobile App at Google Play Store
Returns for Taxpayers
Why Returns?

• Means of compliance verification
• Mode for transfer of information to tax administration
• To declare tax liability for a given period
• Providing necessary inputs for taking policy decision
Features of Tax Returns in GST

- Based on transactions – Invoice based
- Designed for system based matching of Input Tax Credit and other details (import, export etc.)
- Auto-population from details of outward supplies
- Auto-reversal of ITC in case of mismatch
- Concepts of ledgers – cash, ITC and liability
- No revised returns – changes through rectifications and reported in the return for the month in which error detected
# Overview of GST Returns

## Monthly
- **GSTR 1** Statement of Outward Supplies
- **GSTR 2** Statement of Inward Supplies
- **GSTR 3** Monthly GST Return
- **GSTR 5** Non-resident taxable persons
- **GSTR 6** Input Service Distributor (ISD) Return
- **GSTR 7** Tax Deduction at Source (TDS) return
- **GSTR 8** Tax Collection at Source (TCS) Return
- **GSTR 11** Inward Supplies for Government Bodies

## Quarterly
- **GSTR 4** Compounding taxpayer

## Annual
- **GSTR 9** Annual GST Return
- **GSTR 9A** Annual return for Compounding Taxpayer
- **GSTR 9B** Reconciliation Statement

## Unscheduled
- **GSTR 10** Final return after cancellation, **within three month of cancellation**
GSTR 1, GSTR 2, & GSTR 3: Due Date for Filing

- **GSTR 1**: 10th of every month
- **GSTR 2**: 15th of every month
- **GSTR 3**: 20th of every month

**Please note**: The tax period for the monthly deadlines is the previous calendar month.
Returns for Taxpayers

GSTR 4, GSTR 5, & GSTR 6: Due Date for Filing

**GSTR 4**
18th of the month following end of financial quarter

**GSTR 5***
20th of every month

**GSTR 6**
13th of every month

*Important: For GSTR 5 non-resident taxable persons, final return must be filed by the 20th of the succeeding calendar month or within 7 days of expiration of registration whichever is earlier.

Please note: The tax period for the monthly deadlines is the previous calendar month.
GSTR 7, GSTR 8, & GSTR 9: Due Date for Filing

**GSTR 7**
10th of every month

**GSTR 8**
10th of every month

**GSTR 9**
31st December

*For previous financial year

Please note: The tax period for the monthly deadlines is the previous calendar month
GSTR 1: Statement for Outward Supplies

- A Supplier Taxpayer is required to prepare GSTR 1 wherein they will report invoice level information
  - GSTIN of recipient, Invoice, Number, date, HSN/SAC, ....Value, Taxable value.... POS, Tax – IGST, CGST, SGST/UTGST – Rate and Tax amount

- GSTR 1 needs to be filed even if there is no business activity (i.e. Nil Return) during the period of return.

- Supplier Taxpayer will file return in electronic form only.

- Invoices for IGST, CGST/SGST will be issued separately (in other words, one invoice can’t have IGST as well as SGST/CGST).

- An invoice can’t have two different places of supply. POS should be a mandatory field in the inter-state invoice.

- Bulk upload facilities are available for suppliers who have above specified entries per month.
GSTR 2A: Draft of GSTR 2

- GSTR 2A contains an auto populated list of all invoices received from all Suppliers Taxpayers’ corresponding returns for the given tax period; these invoices can be acted upon directly in the GSTR 2 before filing.

- Before filing the GSTR 2, Receiver Taxpayer shall take action on all the invoices received in the GSTR 2A.

- Receiver Taxpayer can accept, reject, & modify any pending invoices received in the GSTR 2A. Also, receivers can park items for next tax period & such items will roll over to next month’s GSTR 2.

- Accepted & Modified Invoices will flow to GSTR 2 & in case of Rejection only an intimation will be sent to Taxpayer & Tax Officer.

- GSTR 2A is a read-only document & will be available for view even after the tax period is over.
GSTR 2: Statement of Inward Supplies

- Receiver Taxpayer can Add any missing invoices in the GSTR 2.

- GSTR 2 is editable until receiver taxpayer has acted upon all the invoices received from all the supplier taxpayers (bulk approval/rejection is possible in GSTR 2).

- Receiver taxpayer may choose to not act upon one or more invoices which will carry the ‘pending’ status & may be acted upon in subsequent tax periods.

- After executing all the necessary actions, receiver taxpayer can file the GSTR 2.

- GSTR 2 needs to be filed even if there is no business activity (i.e. Nil Return) during the period of return. Receiver Taxpayer will file return in electronic form only.

- GSTR 2 can be filed only after 10\textsuperscript{th} of the succeeding month.
GSTR 1A: Addendum to GSTR 1

- In the event of any amendment to an invoice or addition (in GSTR 2 of Receiver Taxpayer), the amended/added invoice(s) will auto populate the GSTR 1A of the Supplier Taxpayer.

- This will happen in case of any error or discrepancy in the invoice level details at supplier’s end.

- The Supplier Taxpayer can Accept or Reject the amended/added invoice.

- If Supplier Taxpayer accepts the amendment/addition, their GSTR 1 will be auto-amended & liabilities will be updated accordingly.

- In case they reject the amendment/addition, there will be no impact on their GSTR 1 & associated liabilities.
Monthly Returns: Data Flow

GSTR 1 → GSTR 1A → GSTR 2/2A

- **GSTR 2/2A of Subsequent Tax Period**
- **Modify Added Invoice**
- **Accept**
- **Modify or Add**
- **Reject**
- **Mismatch**

GSTR 2/2A → GSTR 1 → GSTR 1A

- **GSTR 5 (NRTP)**
- **GSTR 6 (ISD)**
- **GSTR 7 (TDS)**
- **GSTR 8 (TCS)**

- **File GSTR 2**
GSTR 3

• Auto-populated based on GSTR-1 and GSTR-2
• Outward Supplies
  – All B2B inter and intra state supplies
  – All B2C inter-State supplies above the value of Rs. 2.5 lacs
  – Exports
  – Revision of tax of previous periods
• Inward Supplies
  – Inter and intra state supplies received
  – Imports
  – Amendment to tax of previous periods
  – Credit to ITC Ledger
Correction in returns

• No Revision of returns
  ➢ As per the return taxes have already been paid and fund transfers already settled
  ➢ No significance as the basis now is individual transaction

• All changes through rectifications reported in subsequent returns

• If an invoice has been left out in GSTR-1 or GSTR-2: can be uploaded in subsequent returns but to pay interest for any tax not paid on this account

• If any invoice has been wrongly entered but remains unmatched – can be amended in subsequent returns
Correction in returns

• Post transaction changes to be done through debit or credit notes
• Other details like B2C supplies can be amended in subsequent returns
• Delayed uploading coupled with payment of interest
• All changes, credit or debit notes to be carried out before September of the next financial year
  ➢ To enable any auto-reversal before Annual Return
Annual Return

• Annual summary of all transactions
• Accounts to be certified by Chartered Accountant etc. if turnover more than Rs. 2 Crore
• Personal Details
• Details of Expenditure
  ➢ Purchases – goods/services – intra/inter state
  ➢ Imports
• Details of Income
  ➢ Supplies – goods/services – intra/inter state
  ➢ Exports
• Not to be filed by ISD, TDS Deductor, Casual Taxpayer, and Non resident taxpayer
First and Final Returns

- **First Return**
  - Required when the liability to register and pay tax arose before grant of registration

- **Final Return**
  - On closure of business
  - Reversal of credit on goods in stock
Filing GSTR 1: Demonstration Using Application
Filing GSTR 1: Demonstration Using Application

In the Services Menu, click on Returns > Returns Dashboard
Filing GSTR 1: Demonstration Using Application

1. Select Financial Year & Return Filing Period (Calendar Month)

2. Click SEARCH
Taxpayer’s Interface: View E-filed Returns

1. Taxpayer logs into GST portal & clicks ‘View e-filed Returns’ in Returns section under the Services menu.

2. On making the selection, the taxpayer will be able to view returns filed for a selected period as per the criteria in the screenshot.

3. Based on selected criteria, system will display valid returns filed during that period.
3. Select GSTR 1 – Outward supplies made by the taxpayer by clicking on PREPARE ONLINE
4. Click on **B2B Invoices** & you will be directed to the Add Invoice Page
Filing GSTR 1: Demonstration Using Application

5. Click on ADD INVOICE
6. Enter Receiver GSTIN & Receiver Name will get auto populated. Enter the other mandatory details
7. Proceed to add line item-wise data in dropdown that appears after entering GSTIN (next slide)
8. Enter all the mandatory details like HSN Code (Goods) or SAC (Services), CGST + SGST or IGST (depending on whether Inter-state or Intra-state supply), CESS etc.
9. Click ADD to add the line item
10. Once all line items are added for a particular invoice, click SAVE to add the invoice
4. The Summary wise details for the data uploaded will be available in this screen where the taxpayer will be able to view the summary of all data uploaded & processed.
9. When you click on supplier name, you will see the above screen

10. There are 3 categories - uploaded by Supplier, uploaded by Taxpayer (Receiver), & modified by Supplier

11. Select one or multiple invoices to Accept & then to Reject (if any)

12. Use the action button against each invoice to edit the invoice if necessary
15. Similar process will be followed for the other sections of the GSTR 2, & upon completion of correctly uploading all invoice level details in all sections or modifying the invoice level details received from various sources in the auto populated sections, Receiver Taxpayer is ready to file the monthly GSTR 2.
18. Once user clicks on File GSTR-2 button the below message for confirmation to proceed will appear.
19. Once user clicks on Confirm button, the Acknowledgment Reference Number will be generated & the pop-up message will appear as shown in screenshot.
1. From the landing page of returns, select return filing period (Financial Year + Month)
2. Click on GENERATE under GSTR 3
1. On clicking GENERATE, Taxpayer will be directed to GSTR 3 Dashboard where a summary of GSTR 3 will be displayed if the GSTR 1 and GSTR 2 for the tax period have been filed by the taxpayer. This summary will be generated based on the details filed in GSTR 1 and GSTR 2.
Filing GSTR 3: Demonstration Using Application

<table>
<thead>
<tr>
<th>Details Name</th>
<th>Total Taxable Value (₹)</th>
<th>Total IGST (₹)</th>
<th>Total CGST (₹)</th>
<th>Total SGST (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter-State Supplies to Registered Taxpayers</td>
<td>1,89,86,600.00</td>
<td>37,97,320.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intra-State Supplies to Registered Taxpayers</td>
<td>2,00,53,300.00</td>
<td></td>
<td>20,05,330.00</td>
<td>20,05,330.00</td>
</tr>
<tr>
<td>Inter-State Supplies to Consumers</td>
<td>50,27,060.00</td>
<td>10,05,412.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intra-State Supplies to Consumer</td>
<td>40,50,000.00</td>
<td></td>
<td>23,50,000.00</td>
<td>23,50,000.00</td>
</tr>
<tr>
<td>Revision of Invoices</td>
<td>4,30,000.00</td>
<td>98,000.00</td>
<td>23,50,000.00</td>
<td>23,50,000.00</td>
</tr>
<tr>
<td>Total Tax Liability on Outward Supplies</td>
<td>5,89,18,190.00</td>
<td>51,74,232.00</td>
<td>25,79,168.00</td>
<td>25,79,168.00</td>
</tr>
<tr>
<td>Total Tax Liability on Outward Supplies</td>
<td>5,89,18,190.00</td>
<td>51,74,232.00</td>
<td>25,79,168.00</td>
<td>25,79,168.00</td>
</tr>
</tbody>
</table>

1. User can cross verify the prefilled data of Outward Supply
**Filing GSTR 3: Demonstration Using Application**

User can cross verify the prefilled data of inward Supply.

- **Details of Inward Supplies are auto-populated from GSTR-2**
- **Details Name** | **Total Taxable Value (₹)** | **Tax Credit (₹)**
  | | **IGST** | **CGST** | **SGST** |
  **Inter-State Supplies Received** | 21,50,039.00 | 4,30,008.00 | - | - |
  **Intra-State Supplies Received** | 10,25,125.00 | - | 1,02,612.00 | 1,02,612.00 |
  **Imports** | 32,86,123.00 | 6,57,225 | - | - |
  **ITC Reversal** | - | (123,000.00) | 0.00 | 0.00 |
Filing GSTR 3: Demonstration Using Application – Business Rules

1. Post generation of GSTR-3, the liability (tax/interest/late fees/penalty) of the Taxpayer & ITC will be computed & updated in then Tax liability Register & Electronic Credit Ledger.

2. If GSTR 3 is filed with Short/No Payment of liability, it will be treated as an Invalid Return & mismatch of recipients will be generated as if GSTR 3 for that tax period has not been filed.
Mismatch Reports

- The purpose of this report is to capture the mismatch reported by the Supplier Taxpayer & Receiver Taxpayer.

- The Mismatch Report will capture the details of all such line items of the invoices & will be available as a Report for the supplier and receiver Taxpayer’s information & convenience.

- This system generated report will only be available for viewing & will not be liable for any manipulations by the viewer. The jurisdictional Tax Authorities will also be eligible to view the Mismatch Report.

- Mismatch Report will be generated for every tax period on filing of valid GSTR 3 by the Taxpayer or 21st day of (M+1) whichever is later.

- Communication will be sent to both the parties (Supplier & Receiver) on generation of Mismatch Report.
Role of GSTN: The IT Backbone of GST

- 70 to 80 Lakhs taxpayers;
- 260 to 300 Crores B2B invoice data per month
- More than 120,000 tax officials to work
- Monthly filing of returns
- Credit of ITC
- Creation of Business Intelligence reports and Analytics
- Both Central and States Tax Departments

- Strong IT Infrastructure
- Independent
- Flexibility of Pvt Sector
- Strategic Control of Govt
a. Section -25 (section has changed under the new Company Act), non-Government, Private Limited company

b. Provide common Registration, Return filing and e-Payment services to the taxpayers

c. Ensure integration of the GST Common Portal with existing tax administration systems of Central / State Governments and other stakeholders

d. To run the clearing-house mechanism for IGST amongst Centre and States

e. Provide Analytics and Business Intelligence to tax authorities

f. Carry out research, study best practices and provide training to the stakeholders
GST IT Strategy

- Core Services
  - Registration
  - Returns
  - Payments
- Helpdesk support
- Information on Inter-State supply and cross-credit utilization
- Analytics
- IGST Settlement

- Approval of Registration
- Assessment
- Refunds
- Audit and Enforcement
- Adjudication
- Internal workflows to support above functions
- Recovery
- Analytics and BI

Harmonization of Business Processes and Formats

Common & Shared IT Infrastructure

Autonomy of back-end systems of States and Centre

Centre/States Tax IT Systems

IT Interfaces

Non-Statutory Functions

Statutory Functions
Where can I file my GST Returns?

- GST Portal
  www.gst.gov.in

- Through a GSP
  GST Suvidha Provider

- GST Offline Utility Software
What is a GSP?

- GST Suvidha Provider (GSP) is an additional mechanism available for taxpayers to facilitate uploading invoices as well as filing returns & act as a single stop shop for GST related services.
- Currently there are 34 approved GSPs (including companies like Tally, TCS, Deloitte)
- Taxpayers can choose services of one or multiple GSP based on their requirement & offerings of the GSP.
- GSP can create their own unique products like Mobile apps, User interface, ERP solutions to help their clients be GST compliant.
- GSPs will communicate data directly to GST Core system (& not through GST website available for all taxpayers).
GSP Ecosystem

- Web Portal
- Mobile App
- Accounting Package
- ERP
- Custom Apps

Tax Payer:
- Registration
- Challan Generation
- Invoice
- Uploading
- Return Filling
- Ledger

GSP-GST Server

GST Server
Electronic Cash Ledger

Cash Receipts (Credit)
- IGST, CGST, SGST, Cess
- Cash receipts using Online/other mode
- TDS
- TCS

Liability Payments (Debit)
- IGST, CGST, SGST, Cess
- Tax
- Interest
- Penalty
- Fee
- Other Amounts
Electronic Cash Ledger: Important Note

- **Date of Deposit:** The date on which taxpayer deposits funds into the Electronic Cash Ledger

- **Date of Payment:** The date on which funds are utilised from the Electronic Cash Ledger to make a GST payment

- **Important:** *Date of deposit is not considered when calculating liabilities; only Date of Payment is considered*

- This means even if you have funds in your Electronic Cash Ledger, until you utilise these funds towards a payment, they will not be considered as payments made against your liabilities
## Create Challan Screenshot

### Challan Details

<table>
<thead>
<tr>
<th>Minor Heads</th>
<th>Tax (₹)</th>
<th>Interest (₹)</th>
<th>Penalty (₹)</th>
<th>Fees (₹)</th>
<th>Other (₹)</th>
<th>Total (₹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGST(0001)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IGST(0002)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cess(0003)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SGST(0004)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Challan Amount:** ₹ 0

**Total Challan Amount (In Words):** Rupees

### Payment Modes

- E-Payment
- Over The Counter
- NEFT/RTGS

**Major Heads**

**Minor Heads**
Utilising Cash & ITC: Business Rules

Payment through ITC

1. Provisional/Final ITC can be utilised for payment of tax only.

2. Provisional/Final ITC cannot be utilised for payment of reverse charge liabilities.

3. Provisional/Final ITC cannot be utilised for payment of TDS, TCS, interest, penalty, fee etc.

4. Provisional ITC availed for the current tax period can be utilised only for return related liability of the current tax period only. Once taxpayer files Valid GSTR 3/5, the said ITC would be available for payment of other liabilities.

5. The amount allowed to be entered for utilisation of credit can’t be more than the amount of balance available.
Utilising Cash & ITC: Business Rules

Payment through CASH

1. The amount of Cash deposited for CGST/SGST/IGST/Cess can be used only for payment of CGST/SGST/IGST/Cess liabilities respectively. No inter-head adjustment is allowed for major-minor heads.

2. Cash deposited under the minor head i.e., Tax/Interest/Fee/Penalty/Others can only be utilised for payment of Tax/Interest/Fee/Penalty/Others respectively. It implies that no inter-head adjustment is allowed.

3. The amount allowed to be entered for utilization of cash can’t be more than the amount of balance available under the respective major/minor head of tax.

4. Amount under Cash Ledger will be used in the following priority order:
   a. Self-assessed tax, & other dues related to returns of previous tax periods;
   b. Self-assessed tax, & other dues related to return of current tax period;
   c. Any other amount payable under the Act or the rules made thereunder including the demand determined under section 66 or 67.
Utilising Cash & ITC: Business Rules

Payment through ITC

Order of Priority 1 2
THANK YOU