

Goods and Services Tax
Return Form 3B
&
Payment of GST

KARVY
SimplyFile

GSP Services to simplify GST filing.

- For the first two months of GST implementation, the tax would be payable based on a simple return (Form GSTR-3B) containing summary of outward and inward supplies which will be submitted before 20th of the succeeding month.
- However, the invoice-wise details in regular GSTR-1 would have to be filed for the months of July and August, 2017 as per the timelines given below –

Month	GSTR – 3B	GSTR -1	GSTR – 2 (auto populated from GSTR-1)	GSTR -3
July, 2017	20 th August	1 st – 5 th September*	6 th –10 th September	15 th September*
August, 2017	20 th September	16 th -20 th September	21 st -25 th September	30 th September

* Facility for uploading of outward supplies for July, 2017 will be available from 15th July, 2017.

- No late fees and penalty would be levied for the interim period.

Key Points to Note:

- As per Section 39, read with Rule 61 of the CGST Rules, 2017, GSTR-3 is required to be furnished by Every registered person other than:

- | | |
|------|---|
| i) | ISD |
| ii) | Non-Resident taxable person, |
| iii) | Composition Supplier |
| iv) | Person liable to deduct tax at source u/s 51 |
| v) | E-commerce Operator Liable to deduct tax at Source u/s 52 |
| vi) | Supplier of OIDAR services located in non-taxable territory supplying services to non-taxable online recipient. |

- The revised return dates will provide an additional 25 days' time for businesses to equip and settle with the various requirements of new indirect tax system.
- Facility to file GSTR-3B opened on August 5 and will close on August 20
- Form GSTR-3B needs to be filed by a taxable person for submitting the provisional assessment of the tax liability.

Remarks on Section 3.1 - Details of "outward supplies" and "inward supplies liable to reverse charge"

- As per Section 2(119) **"taxable supply"** means a supply of goods or services or both which is leviable to tax under this Act;
 - The transaction must involve either goods or services, or both of them;
 - Such goods or services should not be specified under Schedule III (neither a supply of goods nor a supply of services);
 - The transaction should fall within the meaning of 'supply' in terms of Section 7 of the CGST Act;
 - The supply should be leviable to GST – i.e., it should not be covered within the meaning of 'non-taxable supply' as defined under Section 2(78) – i.e., alcoholic liquor for human consumption. This implies that supplies enjoying a full exemption from tax by way of an exemption notification would also be treated as taxable supplies.
- As per Section 2(83) **"outward supply"** in relation to a taxable person, means supply of goods or services or both, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business;

Remarks on Section 3.1 - Details of "outward supplies" and "inward supplies liable to reverse charge"

- As per Section 7(1) of CGST Act the expression “**supply**” includes—
 - (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
 - (b) import of services for a consideration whether or not in the course or furtherance of business;
 - (c) the activities specified in **Schedule I**, made or agreed to be made without a consideration; and
 - (d) the activities to be treated as supply of goods or supply of services as referred to in **Schedule II**.
- **Zero Rated Supply**-Defined under Section 16 of IGST Act
 - **Zero rated supply** means any of the following supplies of goods or services Zero rated or both, namely: —
 - (a) export of goods or services or both; or
 - (b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit

Remarks on Section 3.1 - Details of "outward supplies" and "inward supplies liable to reverse charge"

- **Exempted Supply-**

“exempt supply” means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply;

Remarks:

The meaning of exempt supply is like the meaning assigned to it under the UTGST law with the exception that supplies that are partly exempted from tax under this Act will not be considered as ‘exempt supply’. On the contrary, partially exempted supplies would be considered as ‘exempt supplies’ under the UTGST Act.

Exempt supplies comprise the following 3 types of supplies:

- (a) Supplies taxable at a **‘NIL’** rate of tax;
- (b) Supplies that are wholly or partially (only under UTGST) exempted from CGST or IGST, by way of a notification;
- (c) Non-taxable supplies as defined under Section 2(78) – supplies that are not taxable under the Act (viz. alcoholic liquor for human consumption.)

Nil Rated

No tax will be imposed on items like fresh meat, fish chicken, eggs, milk, butter milk, curd, natural honey, fresh fruits and vegetables, flour, besan, bread, prasada, salt, bindi, Sindoor, stamps, judicial papers, printed books, newspapers, bangles, handloom etc.

Remarks on Section 3.1 - Details of "outward supplies" and "inward supplies liable to reverse charge"

Inward Supplies liable to Reverse Charge –

a) Purchase from Unregistered Suppliers - Section 9 (4) of CGST Act

Notification No.8/2017-Central Tax (Rate) -aggregate value of such supplies of goods or service or both received by a registered person from any or all the suppliers, who is or are not registered, exceeds five thousand rupees in a day.

b) Services and goods covered under reverse charge - Section 9(3) of CGST Act

Services provided by GTA, Services provided or agreed to be provided by an individual advocate or firm of advocates by way of legal services, directly or indirectly, Services provided or agreed to be provided by a director of a company or a body corporate to the said company or the body corporate; etc.

Services – Reverse Charge

Insurance Agent

Services of a director to a company

Manpower Supply

Goods Transport Services

Non-resident service providers

Any service involving aggregators

Goods – Reverse Charge

Notification No.4/2017-Central Tax (Rate) dated 28th June, 2017

Cashew Nuts

Bidi Wrapper Leaves (tendu)

Tobacco Leaves

Silk Yarn

Supply of lottery

Remarks on Section 3.1 - Details of "outward supplies" and "inward supplies liable to reverse charge"

Inward Supplies - Liable to Reverse Charge –

- ✓ As per Section 31(3)(f) of CGST Act, 2017, a registered person who is liable to pay tax under sub-section (3) or sub section (4) of section 9 shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both ;
- ✓ As per Section 31(3)(g) of CGST Act, 2017 a registered person who is liable to pay tax under sub section 3 or sub section 4 of section 9 shall issue a payment voucher at the time of making payment to the supplier.
- ✓ ***Since Composition persons are registered person, reverse charge is not applicable on such supplies.***

Non GST outward supplies - alcoholic liquor for human consumption and 5 specified petroleum products-petrol, diesel, ATF, natural gas, crude petrol

Compensation Cess will be levied on specified goods as luxury car, aerated beverages, Pan Masala, Coal and notified goods

FORM – 3B - Break Up of returns

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

	Place of Supply (State/UT)	Total Taxable value	Amount of Integrated Tax
1	2	3	4
Supplies made to Unregistered Persons			
Supplies made to Composition Taxable Persons			
Supplies made to UIN holders			

UIN Holders – Section 25 (7)

Any specialized agency of the United Nations Organization or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), Consulate or Embassy of foreign countries and any other person or class of persons as may be notified by the Commissioner, shall obtain a Unique Identity Number. The registration shall be for the purpose(s) notified, including seeking to claim refund of taxes paid by them, on the notified supplies of goods and/or services received by them. The supplier supplying to these organization is expected to mention the UID on the invoices and treat such supplies as business to business (B2B) supplies.

FORM – 3B - Break Up of returns

4. Eligible ITC

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

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- **ITC on Inward Supplies from ISD**

As per Section 2(61) of CGST Act, 2017, "Input Service Distributor" means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office.

- **Section 20 of CGST Act, 2017** prescribes the Manner of distribution of credit by Input Service Distributor.
- **Rule 39 (CGST Rules)** - Procedure for distribution of input tax credit by Input Service Distributor
- All other ITC-Input Tax credit on inter state and intra state purchases, stock transfer etc.

Remarks on Section 4 – Remarks on Eligible ITC

- **REVERSAL OF ITC:**

Under this table, you need to capture the ITC reversible on usage of inputs/input services/capital goods used for non-business purpose, or partly used for exempt supplies. Also, if the depreciation is claimed on tax component of capital goods, and plant & machinery, then the ITC will not be allowed.

ITC related to taxable outward supply-100% credit

ITC related to exempt supply – No ITC Allowed (total reversal of ITC)

Common ITC on input goods, input services, and capital goods-proportionate credit to the extent of taxable supplies. Credits relating to exempt supplies has to be reversed

Details given in-

Rule 42 Manner of determination of input tax credit in respect of inputs or input services and reversal thereof.

Rule 43 Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases.

Rule 44 Manner of reversal of credit under special circumstances

Apportionment of ITC:-

- Partial usage of Goods & Services sec 17 (1)- Only for Business Purpose.
- ITC in case of Taxable Supply, Zero Rated Supply but not on Exempt supplies sec 17 (2)
- Banking, NBFC's & financial institution have two options- either comply with (2) of sec 17 or 50% of eligible credit.

Blocked Credits:-

- Motor Vehicle or Other Conveyance- **NO ITC**

YES - Used for supply of such vehicles or conveyance, transportation of passengers, training on driving, navigation, transportation of goods.

- Food & Beverages, Outdoor Catering, Beauty treatment, health services, cosmetic & plastic surgery- **No ITC**

YES - Inward supply of these services are used by a registered person to make outward supply.

- Membership of a club, health & Fitness Centre- **NO ITC**

- Rent-a-cab, life & Health Insurance- **NO ITC**

YES- Government notifies for the welfare of Employee.

- Work Contracts for immovable property-**No ITC BUT** Where it is an input service for further supply

YES - used for Plant & Machinery

- Work Contracts for immovable property on his own account – **No ITC**

YES - used for Plant & Machinery

- Composition Services u/s 10- No ITC.

Goods/ Services received by Non- Resident taxable person – No ITC

YES - if Goods are imported by Him

For Personal Consumption- **No ITC**

Goods lost, Stolen, Destroyed, written off or disposed of by way of gift or free samples- **No ITC**

Any tax paid in accordance with section 74 (Fraud), 129(Detention, Seizure and release of goods and conveyance n transit) & 130 (Confiscation of goods or conveyance by paying penalty) – **NO ITC**

Availability of Credit in

Circumstances (Sec 18)

- In case of Voluntary Registration- ITC from date of Reg.
In case of Compulsory:-
 - >30 days- NOT ITC only from date of reg.
 - <30 days- Claim ITC against stock.
- A person ceases to pay tax u/s 10- ITC, immediately preceding the date .
- Exempt supply becomes Taxable supply- ITC
- Sale, Merger, Demerger, Amalgamation, Lease or Transfer of the business- ITC get transfer .
- In case of opting Section 10 or exempt goods- ITC will have to pay equivalent to that amt or remaining will lapse.

FORM – 3B - Break Up of returns

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

Nature of supplies	Inter-State supplies	Intra-State supplies
1	2	3
From a supplier under composition scheme, Exempt and Nil rated supply		
Non GST supply		

- Already discussed the concepts of composition dealer, exempt supply and nil rated supply above. They were outward supply above. These are Inward Supply.
- The value of above discussed supplies need to be captured separately for interstate and intrastate supplies.

FORM – 3B - Break Up of returns

6.2 TDS/TCS Credit

Details	Integrated Tax	Central Tax	State/UT Tax
1	2	3	4
TDS			
TCS			

Verification (by Authorised signatory)

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

Instructions:

- 1) Value of Taxable Supplies = Value of invoices + value of Debit Notes – value of credit notes + value of advances received for which invoices have not been issued in the same month – value of advances adjusted against invoices
- 2) Details of advances as well as adjustment of same against invoices to be adjusted and not shown separately
- 3) Amendment in any details to be adjusted and not shown separately.

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GST Payment Due Dates

6.1 Payment of tax

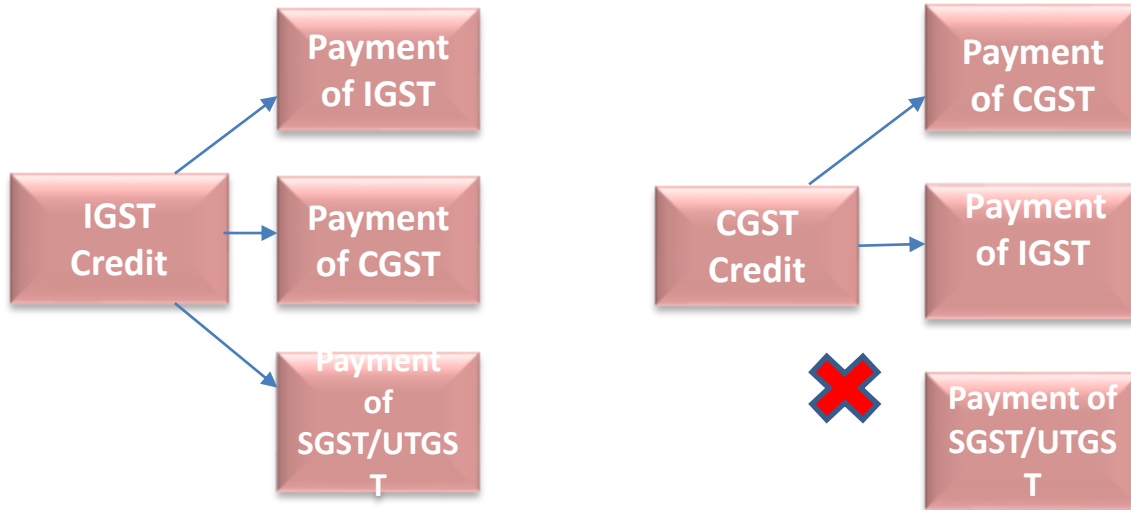
Description	Tax payable	Paid through ITC				Tax paid TDS./TCS	Tax/Cess paid in cash	Interest	Late Fee
		Integrated Tax	Central Tax	State/UT Tax	Cess				
1	2	3	4	5	6	7	8	9	10
Integrated Tax									
Central Tax									
State/UT Tax									
Cess									

Type of Taxpayer	GST Payment Due Dates
General	20 th of Next Month
Composition	18 th of Next Month of the quarter

How to make Payment of Output Tax Liability?

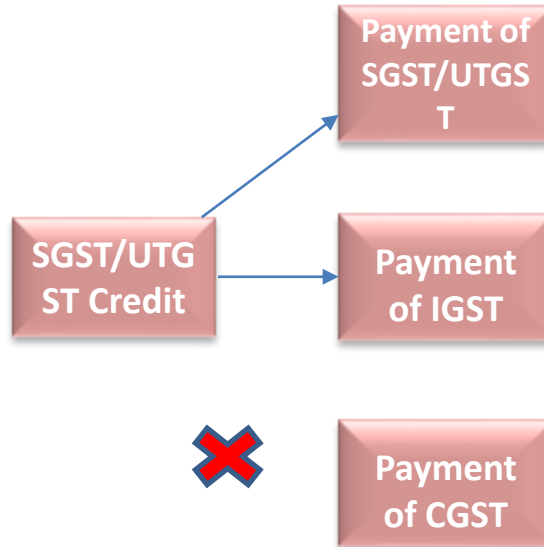
- Firstly, we will utilize input tax credits paid on inward supplies to pay our output tax liability.
- We will have credits of IGST, CGST, SGST, UTGST and compensation cess.
- Credit of Compensation Cess can only be utilized against compensation Cess.

Manner of Utilization of Credit



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Manner of Utilization of Credit



Modes of Payment of Tax- Rule 87(2) and 87(3)

Valid for 15 days

Generate Challan in Form GST PMT-06

Enter Details of the amount to be deposited towards tax, interest, penalty, late fees or any other amount.

Modes of Deposit

Internet Banking

Authorised Bank

Credit or Debit Card

Authorised Bank

NEFT or RTGS

Any Bank

OTC by Cash, Cheque or DD

Authorised Bank

Upto Rs. 10,000 per Challan per Tax Period

- Proviso to Rule 87(3)(iv)- **No restriction for deposit up to ten thousand rupees per challan in case of an Over the Counter payment** in case of deposit to be made by –
 - (a) Government Departments or any other deposit to be made by persons as may be notified by the Commissioner in this behalf;
 - (b) Proper officer or any other officer authorised to recover outstanding dues from any person, whether registered or not, including recovery made through attachment or sale of movable or immovable property.
 - (c) Proper officer or any other officer authorised for the amounts collected by way of cash, cheque or demand draft during any investigation or enforcement activity or any ad hoc deposit.

Other Points

- Challan Identification Number (CIN) is generated after successful payment.
- If the CIN is not generated or not communicated to the common portal then Form GST PMT-07 can be filed by the person.
- As opposed to previous taxes, now online payments made after 8 pm will also be credited to the taxpayer's account on the same day.
- Physical Challans will not be accepted for the payment of GST. Challan has to be generated from gst.gov.in only

Interest on Late Payment of GST-Section 50 of CGST Act

- Interest will be applicable at the rate of 18% if the payment is not done within the due date from the date succeeding the day tax was due to be paid.
- A rate of 24% interest will be applicable in the case when a taxpayer **claims undue or excess of input tax credit** or **makes a excess or undue reduction in the output tax liability** on such undue or excess of input tax credit or on such excess or undue reduction in the output tax liability.

Penalty Provisions for the Late Payment of GST- Section 122(2) of CGST Act

- A penalty of rupees 10000 or 10% of the tax whichever is higher will be applicable as stated in the provision of Section 122 of the CGST Act. The penalty is applicable in the case of no payment of taxes generated after the three months of the due date.
- A penalty of rupees 10000 or 100% of tax will be levied on all the unpaid GST if the case belongs to a fraud or willful misstatement or suppression of facts to evade tax.

Electronic Cash Ledger

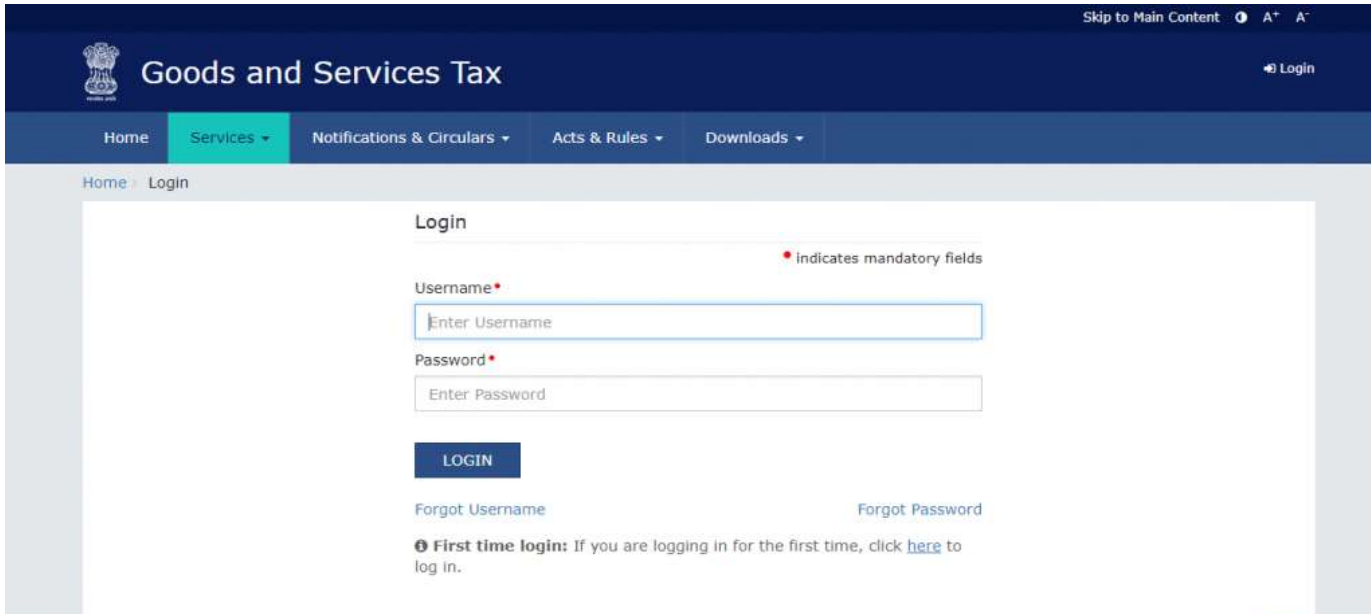
- The payment made towards tax, interest, penalty, fee or any other amount by internet banking, credit card, NEFT, RTGS or any other mode shall be credited to electronic cash ledger of the person.
- The amount standing in a person's electronic cash ledger may be used for the payment of tax, interest, penalty, fee or any other amount payable under this act.

Electronic Credit Ledger

- The amount [Input Tax Credit \(ITC\)](#) as filed by the person in his return shall be credited to electronic credit ledger.
- The amount standing in electronic credit ledger may be used for payment of tax only.
- A person upon noticing any discrepancy in his electronic credit ledger should communicate it to the officer through form GST PMT-04

Steps for Payment of GST on GST Portal:

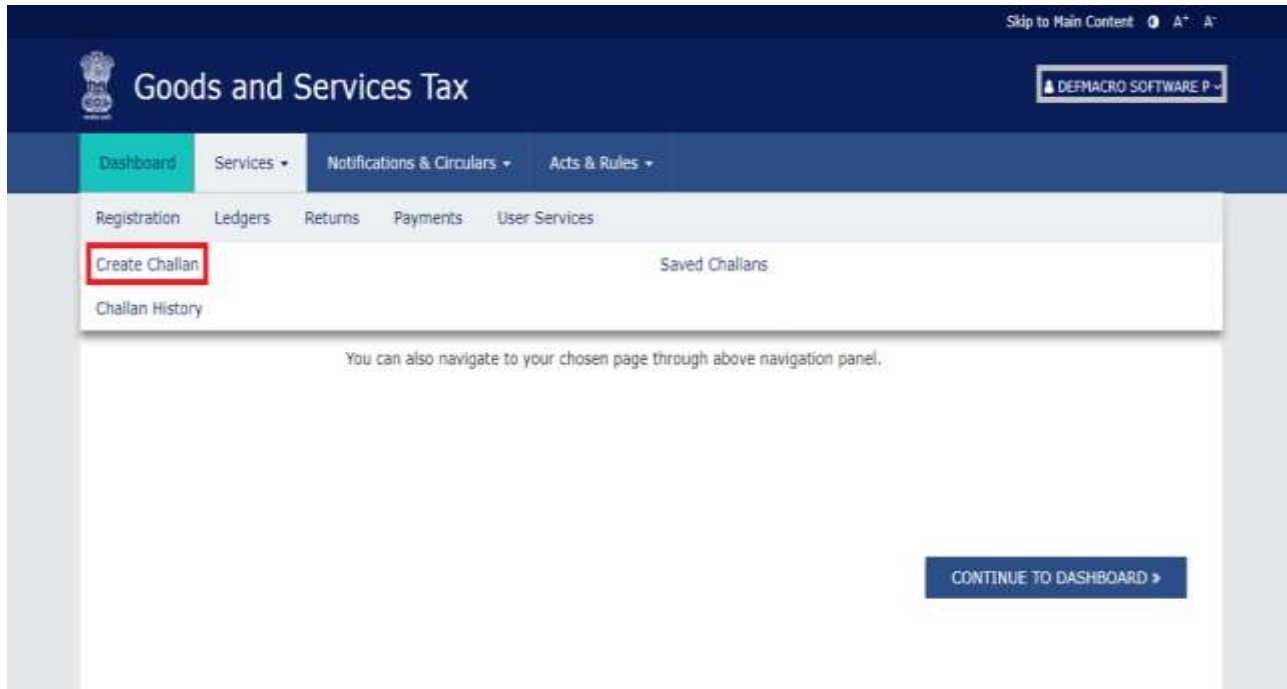
Step 1 – Login to the GST Portal. Enter your username, password, and captcha code



The screenshot shows the GST Portal login interface. At the top, there is a dark blue header with the Government of India logo and the text "Goods and Services Tax". To the right of the header, there are links for "Skip to Main Content", "A+ A-", and "Login". Below the header is a navigation bar with "Home" selected and "Services", "Notifications & Circulars", "Acts & Rules", and "Downloads" as dropdown menus. The main content area is titled "Login" and contains a form with the following elements:

- A red dot indicating mandatory fields.
- A "Username*" label above a text input field containing "Enter Username".
- A "Password*" label above a text input field containing "Enter Password".
- A blue "LOGIN" button.
- Links for "Forgot Username" and "Forgot Password".
- A note: "First time login: If you are logging in for the first time, click [here](#) to log in."

Step 2 – Once you log in go to Services > Payments > Create Challan



The screenshot shows the 'Goods and Services Tax' portal interface. At the top right, there is a 'Skip to Main Content' link and font size controls. The main header includes the 'Goods and Services Tax' title and a 'DEFMACRO SOFTWARE P' dropdown menu. Below the header is a navigation bar with 'Dashboard' (highlighted in teal), 'Services', 'Notifications & Circulars', and 'Acts & Rules'. A dropdown menu is open under 'Services', showing 'Registration', 'Ledgers', 'Returns', 'Payments', and 'User Services'. The 'Create Challan' option under 'Payments' is highlighted with a red box. Other options in the dropdown include 'Saved Challans' and 'Challan History'. At the bottom right, there is a 'CONTINUE TO DASHBOARD >' button.

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Step 3 – Enter the amounts and select the method of payment i.e. e-payment, over the counter or NEFT/RTGS. Click on Generate Challan once all the details have been filled in.

Dashboard | Payment | Create Challan English

Create Challan Saved Challan Challan History

Tax Liability

	Tax (₹)	Interest (₹)	Penalty (₹)	Fees (₹)	Other (₹)	Total (₹)
CGST(0005)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
IGST(0008)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
CESS(0009)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
Delhi SGST(0006)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
Total Challan Amount:	₹ 0					
Total Challan Amount (In Words):						

Payment Modes *

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

Step 4 – A summary page will appear containing all the details of the challan. Here select the method of payment by choosing the bank through which payment will be made. Click on Make Payment. This will take you to the net banking account of the bank specified by you.

GST Challan

CPIN [REDACTED]	Challan Generation Date 02/08/2017 14:21:15	Challan Expiry Date 17/08/2017
Mode of Payment :-	E-Payment	

Details Of Taxpayer

GSTIN [REDACTED]	Email Address [REDACTED]	Mobile Number [REDACTED]
Name [REDACTED]	Address [REDACTED]	

Details of Deposit

	Tax (₹)	Interest (₹)	Penalty (₹)	Fees (₹)	Other (₹)	Total (₹)
CGST(0005)	0	0	0	0	0	1
IGST(0008)	0	0	0	0	0	0
CESS(0009)	0	0	0	0	0	0
Delhi SGST(0006)	0	0	0	0	0	1
Total Challan Amount:						
Total Challan Amount (In Words):						

 Select Mode of E-Payment *
 Net Banking

DOWNLOAD

MAKE PAYMENT

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Step 5 – Make online payment of GST through Net-Banking

(Once the payment is made you will receive a challan containing all the details of tax paid. Thereafter the tax paid challan (CIN) will be credited to the cash ledger account of the taxpayer.)

Other Rules/Points Regarding Challan

- Any change in the amount of the Challan will not be allowed on the bank's portal after generation of CPIN (Common Portal Identification Number). **Any new or saved challan can be edited or modified before it is generated (before CPIN is generated)**. You will need to create a new challan for any change in amount. The Challan with incorrect data, if unused, will automatically expire in after 15 days.
- A separate cheque or DD has to be issued for each and every Challan separately.

- BRN or bank Reference Number is the transaction number given by the bank for a payment against a Challan
- You can save partially filled Challan in the post-login mode. After the Challan is saved, you can access the Challan using the path – Services > Payments > My Saved Challans. You can save a maximum of 10 Challans on the GST Portal at any point in time. The validity period for a saved Challan is 7 days.
- If you have generated but unpaid OTC Challans in a given tax period amounting to INR 10,000 the system will not let you generate any more OTC Challans until the unpaid Challans automatically expire or cancelled by the taxpayer. ()

- The date of realization in case of cheque, DD is treated as the payment deposit date.
- You can issue a cheque directly in favour of 'YOURSELF FOR NEFT' for NEFT or 'YOURSELF FOR RTGS' for RTGS along with the completely filled mandate form and the bank will debit the payment from your account and transfer it to **GST's RBI account**.
- UTR(Unique Transaction Reference Number) will be used for reconciling the NEFT/RTGS transaction with the RBI. UTR has to be linked if the payment status has not been updated on the GST Portal within 2 hours of making the payment. You can link the UTR by opening your NEFT/RTGS Challan available under Challan History. The option to Link UTR will be there on the landing page of the NEFT/RTGS Challan.

- In the pre-login mode, taxpayers can track their payment/s using the Track Payment Status facility on the GST portal under **Services > Payments > Track Payment Status**. In the post-login mode, taxpayers can access their challan History under **Services > Payments > Challan History**.
- A third party can make payments on behalf of a taxpayer.

THANK YOU

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