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Amendments / Corrections / Rectification of Errors committed in GSTR-3B

By Anirudh R

CA Akshay M Hiregange

It was previously clarified in Circular No. 7/7/2017- GST dated 1st September 2017 that errors committed while filling Form GSTR-3B may be rectified while filling Form GSTR-1 and Form GSTR-2 of the same month. Further, the circular had also clarified that the system will automatically reconcile the data provided in Form GSTR-3B with Form GSTR-1 and Form GSTR-2, and the variations if any will either be offset against output tax liability of the subsequent month of the registered person.

Since the dates for filling GSTR -1 and GSTR -2 for the period July 2017 to March 2017 would be worked out by Committee of officers, the system based reconciliation prescribed under Circular No. 7/7/2017 can be operationlised after the relevant notification is issued. Therefore, the said circular is to be kept in ambience until such time.

The common errors while filling Form GSTR -3B and the steps needed to rectify the same are provided below as specified in **Circular No. 26/26/2017-GST** dated 29th December 2017. The registered person needs to decide at which stage of filling of Form GSTR -3B and also the error committed by him.

If the registered person has committed any error before offsetting the liability, in such cases, there is an option to reset GSTR-3B which would allow the taxpayer to edit the figures keyed in by him. However, if the taxpayer has offset his liability the option of editing the data would not be available. It is utmost important that the taxpayers ensure the accuracy of figures before offsetting the liability.

It is important to note, if the mistake has been carried forward in the GSTR 1 of the month, it may be corrected through the amendment table in the subsequent month GSTR 1 (Table 9)

The below note provides the procedure to be followed if any error is committed in the GSTR-3B after the return has been filled of the particular month (Error after filing only is mentioned below)-

1. Liability was under-reported

Any underreported liability of particular month may be added to the liability of the subsequent month GSTR 3B. However, it is to be noted that interest at the rate of 18% per annum shall be applicable to the extent of such under reported liability.

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If rectification is performed only through GSTR 1,2 & 3, interest cost is extended up to reconciliation and settlement of GSTR 3. Note: Status of GSTR 2 & 3 has not yet been decided and this option is not advisable now.

2. Liability was over-reported

(Over reported under the correct tax head. Ex: IGST 2,00,000 paid instead of Rs.1,00,000)

If the liability of a particular month was overstated, liability may be adjusted in the return of subsequent month GSTR 3B by reducing the liability to the extent of overstated amount. Refund of taxes paid may be claimed where adjustment option is not feasible. Refund option can be found under "Services" tab in the GST portal. Form RFD-01A with ARN receipt to be submitted manually to jurisdictional officer.

3. Liability was wrongly reported

(Wrongly reported under another tax head. Ex: IGST 2,00,000 paid instead of CGST + SGST of Rs.1,00,000 each)

For instance, liability would get wrongly reported if the registered person discloses inter-state supply as intra-state supply and vice versa. To avoid late fee and penalty, payment was made as intra-state supply. The registered person shall have to report the correct type of supply in the subsequent month GSTR 3B return and adjust the wrong taxes paid. If the option of adjusting the wrong taxes is not feasible the registered person may claim the refund of wrong taxes paid. However it is to be noted that no interest shall be liable in this case.

4. Input tax credit was under-reported

If the registered person has understated the input tax credit in a particular month, the input tax credit which was not reported may be availed while filling the return of subsequent month GSTR 3B.

5. Input tax credit was over-reported

If the input tax credit was over reported and utilized the registered person shall have to reverse such over reported input tax credit along with interest. It is to be noted that the applicable rate of interest in the above case would be 24% per annum.

Where credit availed but not utilized, interest may not be liable. This is disputable, as section 73(1) specifies that authorities can demand interest even for wrong utilization. Although, circular and the concept of adjustment of cash/credit ledger against filing valid return could be used for rebuttal.

6. Input tax credit of the wrong taxes taken

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If the registered person avails credit of wrong taxes he shall have to do the following adjustments while filling the return of subsequent month-

    i.   Reverse wrongly reported input tax credit

    ii.   Avail the Input tax credit of correct taxes

It is to be noted that the registered person need not reverse along with interest if he has not utilized the wrongly availed input tax credit.

Various scenarios have been mentioned in the circular attached, with the procedure to be followed in various stages such as:

- Return after submitted but before filing
- Cash ledger treatment
- Return after filing with DSC/EVC

It is always suggested to follow these steps for any error made:

- Raise a compliance request mail to gst@helpdesk.gov.in
- Where required, query/complaint on company letter head to be posted through RPAD to the jurisdictional officer.
- Keep relevant screenshots, workings for documenting the error and changes made thereto.