
**ADVISORY ON ONLINE COMPLIANCE ON LIABILITY/
DIFFERENCE APPEARING IN GSTR 1 - 3B (DRC-01B): GSTN**

The Goods and Services Tax Network ('GSTN') has issued an advisory dated 29.06.2023 on the GST Portal, wherein a new functionality has been introduced i.e., to intimate the taxpayers regarding the differences between liabilities declared in GSTR 1 and GSTR 3B returns.

Summary:

1. The functionality compares the liability declared in GSTR-1 with the liability paid in GSTR-3B, for each return period. In case the declared liability exceeds the paid liability by a pre-defined limit or the percentage difference exceeds the configurable threshold, taxpayer will receive an intimation in Form DRC-01B.
2. Upon receipt of intimation, the taxpayer is required to file reply in Form DRC-01B Part B, clarifying the reasons for discrepancy.

VA Comments:

The aforesaid functionality although would act as a check mechanism, however, the same may increase the compliance burden on the taxpayers. It may however be noted that in case the reply in Form DRC-01B Part B is not filed for a tax period, then the taxpayers will not be able to file GSTR 1 for subsequent tax period.

Taxpayers may refer to detailed manual issued by GSTN on the following link:

https://tutorial.gst.gov.in/downloads/news/return_compliance_in_form_drc_01b.pdf

For any further information/ clarification, please feel free to write to:

- Mr. Shammi Kapoor, Senior Partner shammi@vaishlaw.com
- Mr. Manik Sharma, Associate manik@vaishlaw.com

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