



# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

10<sup>th</sup> September, 2020

ICAI/IDTC/2020-21/Rep/14

Shri S K Rahman,  
Joint Secretary,  
Goods and Services Tax Council,  
5<sup>th</sup> Floor, Tower II, Jeevan Bharti Building,  
Janpath Road, Connaught Place,  
New Delhi-110 001



Esteemed Sir,

**Subject: Mechanism for accepting part payment of taxes and/or adjustment from cash ledger to boost revenue during COVID-19 time**

Greetings. The Institute of Chartered Accountants of India (ICAI) has been proactively supporting the Government by providing its suggestions, creating awareness and disseminating knowledge of GST among various stakeholders.

Under the present system, the taxpayer is required to file return in GSTR-3B and make the payment through input credit, and short fall, if any, is met from the cash ledger. Only after filing the Return in GSTR-3B, it is presumed that payment has been made by the taxpayers and there is no relevance of the balances lying in the cash ledger of the registered person, although payment has already been credited to the Government.

It has been observed that many taxpayers are not filing their Return in GSTR-3B on timely basis because they are facing difficulties in paying full taxes and managing their working capital as they are receiving late payment generally over a period of 4-6 months from their customers especially in B2B supplies more so because of epidemic Covid- 19 and law demands payment on accrual basis. Therefore, it is suggested to devise a mechanism for receiving part payment of taxes till the industry recover and stabilises from the effect of Covid-19, which could be a win-win situation for both the Government, as they will receive early payment of taxes and at the same time taxpayers will not be required to pay interest on the part payment made by them. One of the ways could be treating payment in cash ledger as payment towards taxes. Other way could be developing a new mechanism for accepting part payment towards return for a particular month/period.

Hoping that our suggestions would be considered positively in the interest of taxpayers and suitable mechanism for accepting part payment would be devised. We shall be glad to provide any further input as may be required and your office may reach us at [gst@icai.in](mailto:gst@icai.in) or 9310542608.

Warm regards,

Yours faithfully,

CA. Rajendra Kumar P  
Chairman  
GST & Indirect Taxes Committee