TERRA INSIGHT

The Reconciliation Manager's Field Guide

A Working Playbook for Indian Finance Teams
Bank, TDS, GSTR-2B, and GSTR-1 vs GSTR-3B
in a 20-Day Monthly Close

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Illustrative figures. Every rupee figure in this guide — from a Rs 47,236 unreconciled bank credit to a Rs 4.32 crore six-month GSTR-2B backlog — is illustrative. Figures are chosen to work through the mechanics of a reconciliation step, not to represent a real transaction or a customer engagement. Every worked example carries the phrase ‘illustrative’ on first use in a chapter.

Not tax or legal advice. This guide is a compilation of operational discipline for reconciliation across bank, TDS, and GST streams under Indian statutory rules current as at August 2026. It is not a substitute for professional tax, accounting, or legal advice. Rates, forms, deadlines, and rule numbers change — always confirm against the current CBIC and CBDT gazette notifications on cbic-gst.gov.in and incometax.gov.in before relying on any statute reference for a live filing.

Product bridges. The guide references Terra Insight's TransactIG (reconciliation infrastructure) and TransactIQ (bank statement intelligence for underwriting) as the continuously refreshed systems the manual runbooks in this guide compose with when the detection surface outgrows spreadsheets. No pricing appears anywhere in this guide; the product descriptions in Appendix C set out posture only.

Author. Terra Insight Editorial Team, Bengaluru, India.

Preface

Most Indian finance teams close the month in the last seventy-two hours. Four reconciliation streams — bank, TDS, GSTR-2B input tax credit, and GSTR-1 versus GSTR-3B — each have a different statutory anchor date, and left to drift, they arrive at month-end in the same three-day window. Bank reconciliation is anchored to the calendar month end. TDS deposit is due by the 7th of the following month. GSTR-1 is due by the 11th. GSTR-3B is due by the 20th. Each date is defensible in isolation. Run together without a sequence, they produce a compression where every stream is late, every stream is under-reviewed, and GSTR-3B is filed at 11:47pm on the 20th with an ITC figure that was not three-way reconciled against the Invoice Management System and the purchase register.

This guide is the alternative. Twenty working days, four sign-off gates, named roles at each gate, and an escalation ladder that runs against the calendar rather than against the reconciliation cycle. It is written for the senior AR or AP executive who runs the extraction, the tax executive who owns the deposit and the receivable ledger, the finance manager who signs off the bank window, the tax manager who reviews TDS and GST, and the controller who carries the Section 16(4) exposure and the GSTR-3B filing.

How to use the guide. Part I lays out the twenty-day framework. Part II is four runbooks — one per window — that read as a working day-by-day sequence. Part III is four Excel and Google Sheets recipes for the working papers each window produces. Part IV is three investigation-shaped chapters against the exceptions the runbooks throw. Part V is three template packs of letters for supplier, deductor, and aggregator recovery. Part VI is the two catch-up manuals for when the cycle broke and a sprint has to run against a statutory deadline. Appendices carry the downloadable-asset index, the statutory reference the guide anchors against, and the Terra Insight product bridge.

Read the guide once as a book. Then keep it on the desk as a reference — every chapter opens with a source-article URL so the full online version can be pulled when the working paper needs a longer form. The escalation ladders, the sign-off ceremony, and the exception categorisation vocabulary are common across all four windows; running the four cycles from one categorisation vocabulary is deliberate and it is what lets a small team hold the cadence.

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The 20-Day Monthly Close Framework

Five streams, four windows, four sign-off gates.

PART I · CHAPTER —

The 20-Day Monthly Close Framework

Why the four reconciliation streams compress at month-end, and the sequence that keeps them apart.

> *In this part: the calendar arithmetic behind the compression, the dependency graph across the four streams, the named owner map, and the four sign-off gates that release the next window.*

Full article: terra-insight.com/insights/reconciliation-playbook-monthly-close-india/

Why most month-ends compress

The four reconciliation streams have four different statutory anchors, and left to their own drift they arrive at month-end in the same three-day window. Bank reconciliation is anchored to the calendar month end. TDS deposit is due by the 7th of the following month under Rule 30 of the Income-tax Rules. GSTR-1 is due by the 11th under Rule 59. GSTR-3B is due by the 20th. Each date is defensible in isolation. Run together without a sequence, they produce a compression where every stream is late, every stream is under-reviewed, and the finance team files GSTR-3B under time pressure rather than under evidence.

The fix is not more hours. The fix is a sequence. Each stream has a window inside the twenty-day cycle. Each window ends with a sign-off gate. The next stream does not begin until the previous one is closed or its exceptions have a named owner and an aging rule. Nothing in this framework is new discipline — every Indian finance team has run some version of it — but publishing it as a sequence, with named roles and hard gates, is what turns it from a scramble into a process.

How the four streams interlock

The streams are not independent. Bank reconciliation feeds into TDS receivable ageing because the bank credit is what confirms the TDS-net receipt. TDS deposit reconciliation feeds into GSTR-3B because Table 6.2 reports the TDS collected under Section 51 as an offset to output liability. GSTR-2B input tax credit reconciliation feeds into GSTR-3B Table 4 because ITC claimed cannot exceed the GSTR-2B figure under Rule 36(4). GSTR-1 outward supply must reconcile to GSTR-3B liability under Table 3.1, because the mismatch is what triggers a DRC-01B auto-notice under Rule 88C.

The dependency graph runs bank → TDS → GST, and it runs one way. A missed bank credit that turns out to be a TDS-net customer payment forces a re-run of TDS receivable ageing. A missed IMS action that changes the GSTR-2B figure forces a re-run of the ITC match. A GSTR-1 amendment that changes the outward supply total forces a re-run of the GSTR-3B liability calculation. Every out-of-sequence discovery costs a day. The twenty-day cadence is designed to catch these discoveries in the right window so they do not cascade.

The 20-day sign-off gate calendar

Days	Window	Owner	Sign-off	Statute anchor
1–5	Bank reconciliation	AR + AP analysts	Finance manager	CARO 2020 Clause 3(ii)(b)
6–10	TDS deposit + receivable	Tax executive	Tax manager	Section 200A / Section 201(1A)
11–15	GSTR-2B input tax credit	Indirect tax executive	Controller	Section 16(4) / Rule 36(4)
16–20	GSTR-1 vs GSTR-3B, assembly, filing	GST executive	Controller	Rule 88C / Section 39(9)

Day 0 — the pre-close checklist

Day 0 is the last working day of the month being closed. Before the sequence starts, the following must be true.

- **Bank statements downloaded.** MT940 or CSV extracts from every active current account, dated to the last calendar day of the month. Formats vary bank by bank — HDFC, ICICI, SBI, Axis, and Kotak Corporate Internet Banking each ship a different column layout and a different narration prefix set.
- **ERP extracts scheduled.** GL trial balance, AR ageing, AP ageing, TDS receivable ledger, TDS payable ledger, GST output register, GST input register — all extracts dated Day 0, timestamped, archived in the monthly folder.
- **Vendor and customer master validated.** Any new counterparty added in the month must have PAN, GSTIN, TDS section or payment code, and supply-type captured. PAN validation failures trigger Section 206AA at 20 per cent and must be resolved before deposit.
- **Statutory calendar confirmed.** Deposit dates for the coming month, RBI bank holidays, and any CBIC or CBDT extension notifications are noted.
- **Prior-month rollover items reviewed.** Any exception carried from the previous cycle has a named owner, an age, and a maximum-days-open rule. Anything past the rule is escalated to the controller before Day 1.

Day 0 takes half a day for a mid-market enterprise with three current accounts and one GSTIN. It takes a full day for a multi-GSTIN group with fifteen accounts across four banks. Investing that time is the difference between running the twenty-day cadence and running the seventy-two-hour scramble.

The escalation ladder (calendar-clocked, not cycle-clocked)

Every exception queue in every window has three escalation tiers, and the clock runs on calendar days — not on reconciliation-cycle days. An item that enters a queue on the 5th of April escalates on the 5th of May, the 5th of June, and the 5th of July, regardless of which reconciliation cycle is running.

- **Tier 1 — 30 days.** Escalated to the finance manager. Standard follow-up letter goes out. Working paper updated with the escalation date.
- **Tier 2 — 60 days.** Escalated to the controller. Second follow-up letter, and the counterparty's key account owner is looped in — sales for AR items, procurement for AP items.
- **Tier 3 — 90 days for most items; reverse-calculated from the November 30 Section 16(4) deadline for at-risk ITC.** Escalated to the CFO. Writeoff proposal or provision entry prepared.

> **Why calendar time, not cycle time**
>
> The 5th-of-the-month controller inbox carries every 30-day and 60-day escalation across every queue simultaneously. This is the single control that most reliably prevents the permanent-loss silent-drift pattern — where an item enters a queue, moves through the sequence once, and is never re-surfaced because the cycle has moved on.

The weekly failure review

The twenty-day cycle produces an exception queue. The queue is a stream of raw data. Turning the data into process improvement requires a weekly review. Every Friday at 4pm, the tax manager and the finance manager review the week's new exception entries and the escalations that fired. The review has three questions.

1. **What new failure mode does this expose?** If the exception is a class the process design register has not documented, it enters the register as a new row and gets scored on Severity, Occurrence, and Detection.
2. **What existing control failed?** If an exception surfaced without the documented detection control firing, the control needs to be re-scored on Detection or replaced.
3. **What prevention change would stop the recurrence?** If the failure mode has surfaced more than once in three months, the prevention control needs to change — ERP field enforcement, template redesign, cutoff calendar amendment, training refresh.

The weekly review is thirty minutes if the cycle is clean. It is two hours if the cycle produced ten new exception classes. Either way, the review is the loop that keeps the design register and the operational cadence connected — the design informs the runbook; the runbook exceptions update the design.

When the manual cadence outgrows itself

The framework is designed for a finance team that runs its own reconciliation manually or with light Excel automation. Three thresholds are where the manual runbook stops holding cleanly.

- **200-plus vendors under GSTR-2B.** The IMS action cadence, the vendor GSTR-1 follow-up queue, and the at-risk ageing queue against the November 30 deadline consume disproportionate analyst time.
- **Multi-GSTIN, multi-entity groups.** Cross-GSTIN reconciliation and intercompany elimination produce a coordination overhead that compresses the twenty-day cycle into a fifteen-day cycle for the group controller.
- **Aggregator-heavy revenue models.** Above four platforms — restaurants running Zomato, Swiggy, Magicpin, Dunzo; hotels running MakeMyTrip, Goibibo, Booking.com; sellers running Amazon, Flipkart, Ajio, Myntra — the platform settlement window bleeds into every other window.

The response is not to give up the framework — the discipline is what makes any reconciliation infrastructure defensible in the first place. The response is to move the detection layer from the analyst's eye to a continuously refreshed system, freeing the twenty-day cycle from the failure modes it was quietly absorbing. Appendix C sets out the Terra Insight product bridge for this step.

Cross-reference

Chapters 1–4 walk each window day by day. Chapters 5–8 are the working-paper recipes each window produces. Chapters 9–11 are the investigations against exceptions the runbooks throw. Chapters 12–16 are the templates and catch-up manuals. Appendix B is the statutory reference the whole guide anchors against.

PART II

The Four Runbooks

Day by day, one window at a time.

Bank Reconciliation Runbook

Days 1 to 5. AR analyst runs debits, AP analyst runs credits, tax analyst joins on Day 3, finance manager signs off on Day 5.

> *In this chapter: the five-day sequence for the bank window, the five-bucket exception categorisation that lets Day 5 close on categorisation rather than on resolution, and the sign-off gate that unlocks the TDS window on Day 6.*

Full article: terra-insight.com/insights/bank-reconciliation-runbook-days-1-5-india/

Why bank goes first

The bank window carries no permanent-loss statute. Nothing in the Companies Act 2013 or the Income-tax Act or the CGST Act turns a bank reconciliation kept open for an extra week into an irreversible loss. This is exactly the reason the window drifts — a finance team facing a compressed calendar defers the bank sign-off from Day 5 to Day 8, then Day 10, and by the time the TDS window is meant to open, the bank data underneath is a week stale. The Day 3 tax-analyst handoff never happens, the Day 4 platform-settlement split gets skipped, and the exception queue does not get categorised.

Bank goes first because the downstream dependency graph runs bank → TDS → GST and it runs one way. A missed bank credit that turns out to be a TDS-net customer payment forces a re-run of TDS receivable ageing in Days 6–10. A missed platform settlement carrying Section 194O TDS forces a re-run of the receivable and the output GST register. A missed bank charge carrying GST at 18 per cent forces a re-run of the ITC claim in Days 11–15.

Day 0 — pre-close checklist

- MT940 or CSV extracts from every active current account dated to the last calendar day.
- ERP AR and AP snapshots with the customer master carrying PAN, GSTIN, and TDS section or payment code — extracts timestamped.
- Prior-month sign-off filed and rollover exceptions reviewed against their maximum-open rule.
- Forex rate table for every foreign currency in the exporter's EEFC accounts.
- Platform dashboard credentials confirmed on every merchant portal — locked-out credentials on Day 4 kill the platform-settlement window.

The owner map

Role	Owns	Days
AR analyst	Debits — customer receipts, TDS-net splits, platform settlements, aggregation queue	1 to 4
AP analyst	Credits — vendor payments, bank charges, GST on charges, forex conversion, NACH bounce	1 to 4

Role	Owns	Days
Tax analyst	TDS-net customer receipts, receivable pre-populate for Day 6 handoff	3
Finance manager	Independent review, exception queue sign-off	5
Controller	Co-sign for any item above Rs 10 lakh or aged above 60 days	5

Day 1 — auto-match against ERP AR and AP

The AR analyst loads the MT940 or CSV into the reconciliation tool or working sheet and matches auto-cleared items — standing instructions, salary NACH, EMI collections, direct customer transfers with a clean 16-character NEFT UTR reference. The exact match criteria are three-factor: UTR present in narration, amount identical to the paise, counterparty name or reference matchable to a specific ERP AR entry. Any two out of three is not a Day 1 match; it is a Day 2 aggregation candidate.

The AP analyst runs the credits side in parallel — NACH batches with batch reference, RTGS wires above Rs 2 lakh with the RTGS UTR, cheques cleared against the payment voucher. Bank charges are booked to expense and the GST on charges (typically 18 per cent) is booked to input tax credit for the Day 11–15 GSTR-2B match. Expect roughly 60 to 75 per cent of credits and 70 to 80 per cent of debits to clear on Day 1 for a well-mastered ERP.

Day 2 — multi-invoice aggregation

A corporate customer settles four invoices for an illustrative Rs 3,42,000 with a single NEFT wire, and the bank credit carries no per-invoice split. The AR analyst pulls the remittance advice from one of three sources — email attachment from the customer's AP team, downloaded remittance file from the customer's supplier portal, or phone-and-email chase to the customer's payables desk. Once the advice is in hand, the credit is split across the invoice tags in the ERP and the split totals reconcile to the paise.

Aggregation is the most common source of Day 2 friction because remittance advice is not universal in Indian B2B. Where the advice does not arrive within Day 2, the credit is flagged as 'aggregation pending' and enters Bucket A of the exception queue with the Tier 1 escalation date set 30 days from the bank date.

Day 3 — TDS-net receipts and the tax-analyst handoff

The tax analyst joins the reconciliation and works with the AR analyst through every credit that arrived net of TDS. Two payment-code buckets dominate the Indian B2B pattern.

- **Code 1031 — Section 194Q, 0.1 per cent above Rs 50 lakh.** An illustrative Rs 62 lakh gross invoice settled by a Section 194Q deductor produces a Rs 62,000 TDS and a Rs 61,38,000 bank credit. The tax analyst tags the credit against the invoice, pre-populates the receivable with Rs 62,000, and files the deductor's PAN for the quarterly Form 168 match.
- **Code 1011 — Section 194O, 1 per cent e-commerce operator.** Payouts from Amazon, Flipkart, or Meesho arrive net of the 1 per cent TDS and the applicable platform commission. Day 3 pre-populates the receivable; Day 4 splits the commission stack.

The handoff is bidirectional

The tax analyst does not receive a document dump. Tax reviews the tagged credits with the AR analyst and flags any credit whose deduction pattern does not match the expected payment code for the counterparty — a Section 194C contractor whose customer sends a Section 194J-shaped deduction is a tag error that needs correction on Day 3 before it enters the TDS ledger.

Day 4 — platform settlements

Every payment gateway (Razorpay, PayU, Cashfree, BillDesk), every e-commerce operator (Amazon, Flipkart, Meesho, Ajio, Myntra), and every marketplace aggregator (Zomato, Swiggy, Magicpin, Dunzo, MakeMyTrip, Goibibo) posts a net settlement after deducting a stack of components. A worked illustrative Razorpay settlement:

Component	Amount (illustrative)
Gross transaction total	Rs 8,50,000
Less: MDR commission at 2%	Rs 17,000
Less: GST on MDR at 18% (ITC-eligible)	Rs 3,060
Less: Refunds initiated in settlement window	Rs 12,820
Net bank credit	Rs 8,17,120

Aggregator platforms carry an additional Section 194O layer. A Zomato or Swiggy payout to a restaurant partner is TDS-net at 1 per cent under code 1011, and the platform commission (typically 18 to 25 per cent plus GST at 18 per cent) is a separate stack. Above four aggregator platforms in the month, the Day 4 window fragments — each platform's settlement file has its own format, its own commission structure, and its own settlement cadence (daily, weekly, or fortnightly).

Day 5 — the five-bucket categorisation

Every unreconciled item at the end of Day 4 lands in exactly one of five mutually exclusive buckets. Every bucket has an owner, an age, and an escalation rule.

Bucket	Description	Owner	Escalation clock
A — Aggregation pending	Lump-sum credit against multiple invoices, remittance advice not arrived	AR analyst	30/60/90 days
B — TDS-net awaiting Form 168	Credit tagged TDS-net on Day 3, deductor challan not yet posted	Tax analyst	Quarterly Form 168
C — Unidentified credit	No UTR, no counterparty match, no remittance advice	AR analyst	30/60/90 days
D — Disputed debit	Bank charge, GST on charge, forex mark-up, NACH bounce reversal being contested	AP analyst	30/60/90 days
E — Timing difference	Cutoff item; bank date and ERP date on opposite sides of the closed month	AR/AP	No clock (self-resolves next cycle)

The sign-off ceremony

The finance manager reviews the categorisation on Day 5 afternoon, samples the bucket-population working papers, and signs off. Where the exception queue carries any item above Rs 10 lakh or aged above 60 days, the finance manager co-signs with the controller. The sign-off releases the TDS window to open on Day 6 and closes the CARO 2020 evidence base for the monthly bank statement.

Cross-references

The parser recipe for the Day 1 narration processing is in Chapter 5. The eight-pm chase against a Rs 47,236 residual is in Chapter 9. The Day 4 platform settlement decomposition workbook is in Chapter 8. The aggregator dispute letter pack is in Chapter 14.

PART II · CHAPTER 2

TDS Reconciliation Runbook

Days 6 to 10. Extract, deposit, match, receivable pre-populate, tax-manager sign-off; quarterly Form 168 overlay in June, September, December, and March.

> *In this chapter: the five-day monthly cadence and the quarterly Form 168 overlay, the four Day 10 exception categories, and the cross-era two-key match discipline that FY 2025-26 residuals still require.*

Full article: terra-insight.com/insights/tds-reconciliation-runbook-monthly-quarterly-india/

The Section 393 payment code shift

From 1 April 2026, the Income-tax Act 2025 shifts the classifier from the legacy Section 194 series to the new Section 393 payment code schedule running 1001 to 1092, and Form 26AS gives way to Form 168 as the quarterly deductee credit statement. The TDS window absorbs three changes across every day of the sequence — the payment code replaces the section code, Form 168 replaces Form 26AS, and every FY 2025-26 residual still carries the legacy code while every FY 2026-27 deduction carries the new code. The workbook must therefore run two-key match logic: try the payment code first, then the legacy section code.

Section (legacy)	Payment code (FY 2026-27+)	Description
194C	1002	Contractor payments to bodies corporate
194J	1005–1008	Professional and technical services
194H	1015	Commission and brokerage
194I	1019	Rent
194Q	1031	Purchase of goods above Rs 50 lakh threshold at 0.1%
194O	1011	E-commerce operator payments at 1%
194A	1021	Interest other than on securities

Day 6 — extract and classify

The tax executive extracts two ledgers on the morning of Day 6 — the TDS payable ledger for every deduction the entity made in the month, and the TDS receivable ledger for every deduction a customer made against a payment due to the entity. Every line on both ledgers gets classified against the Section 393 schedule. FY 2025-26 residuals still carry the legacy code. A March 2026 professional-services invoice paid in April 2026 belongs under Section 194J at the legacy rate, not under codes 1005 to 1008 at the successor rate. The two-key discipline holds throughout, and the ledger carries both fields for at least four full quarters after transition.

Day 7 — challan preparation and deposit

The 7th of the month following deduction is the statutory challan deposit deadline under Rule 30(2). Running the extraction on Day 6 and deposit on Day 7 leaves no operational buffer against a portal outage. Teams that prefer a buffer run extraction on Day 5 (in the bank window's last hours) and deposit on Day 6. Either sequence works as long as the gate discipline is preserved. The Challan Identification Number (CIN) — a three-part identifier of BSR code, deposit date, and challan serial — is captured on the working paper as the primary key for Day 8 reconciliation.

Day 8 — challan-to-ERP match

This is where short-deduction, wrong-section, and wrong-payment-code entries surface. Three variance patterns:

- **Short deposit.** Fixed by filing a supplementary challan.
- **Wrong section or wrong payment code.** Fixed by filing a Section 154 read with Section 200A correction statement before the quarterly return is furnished.
- **Circular 23/2017 violation.** Deduction on the GST-inclusive amount produces an excess deduction on the deductee side and a corresponding excess payable on the deductor side. The correction is a refund reconciliation, not an automatic setoff.

Day 9 — receivable ledger match

Every TDS-net customer receipt in the month should produce a matching receivable entry. The Day 3 pre-population from the bank window is what makes Day 9 tractable — the AR analyst has already tagged the receipts against the invoice-with-TDS pattern and pre-populated the receivable with the expected credit and the customer's PAN. Day 9 is a confirmation exercise, not a discovery exercise.

Day 10 — the four exception categories

Category	Owner	Next action	Escalation tier
Awaiting Form 168 posting	Deductor's finance team	Follow-up on deductor's return filing date	Next quarterly cycle
Deductor short-deducted	Deductor's finance team	Written request for corrected challan under Section 154	30 days to tax manager
Section 206AA PAN mismatch	Deductee	PAN correction request and fresh challan filing	15 days to tax manager
Circular 23/2017 violation	Deductee	Refund reconciliation against deductor for GST-inclusive excess	15 days to tax manager

Quarterly Form 168 overlay

In the third month of every quarter — June, September, December, and March — the Days 6 to 10 window absorbs an additional half day for the Form 168 pull against the quarter-accumulated receivable ledger. Every receivable line falls into one of five buckets: fully credited on Form 168; partially credited; not credited but supported by an interim Form 131 certificate; not credited and unsupported; or credited but not booked on the receivable ledger. The unsupported bucket enters the 180-day maximum-open aging queue with escalation to tax manager at 30 days, controller at 60, and CFO at 90 with a provisioning proposal.

Cross-references

The TDS receivable aging workbook is in Chapter 7. The twelve-check investigation against a Form 168 shortfall is in Chapter 10. The deductor query letter pack is in Chapter 13. The pre-March 31 correction sprint for FY 2018-19 through FY 2022-23 residuals is in Chapter 16.

PART II · CHAPTER 3

GSTR-2B ITC Reconciliation Runbook

Days 11 to 15. IMS actions, GSTR-2B pull, three-way match with five buckets, reversals and blocks, controller sign-off — Severity 10 anchor, controller signs.

> *In this chapter: the five-day window with the only Severity 10 anchor in the cadence (Section 16(4) permanent time bar), the four-way match after IMS went live in October 2024, the five categorisation buckets, and the at-risk queue against the November 30 deadline.*

Full article: terra-insight.com/insights/gstr-2b-itc-runbook-days-11-15-india/

Why the controller signs (not the tax manager)

Section 16(4) of the CGST Act permanently forfeits any ITC that is not claimed by the 30th of November following the end of the financial year to which the invoice relates. There is no rectification, no condonation, and no refund mechanism. Every other window in the twenty-day cadence carries at most a Severity 9 anchor — Section 200A notices are recoverable through correction, DRC-01B replies work inside a seven-day window. The GSTR-2B window is the only window where a mistake produces an irreversible cash outflow. The sign-off must be at the level of executive accountability, not at the level of process ownership. The controller signs; the tax manager runs the review.

The pre-IMS three-way and the post-IMS four-way

Before October 2024, the reconciliation ran across three snapshots — purchase register, GSTR-2A (dynamic), and GSTR-2B (static, generated on the 14th). After IMS went live, it runs across four — purchase register, GSTR-2B, IMS action log, and the GSTR-3B claim register. IMS adds a decision axis. Every inbound invoice must carry an explicit Accept, Reject, or Pending action before the 14th auto-lock. Missing an action defaults the invoice to Accept — the single most common recipient-side failure mode in the post-IMS regime.

Day 11 — complete IMS actions

- **Accept.** Invoice matches an inward supply booked in the closed month. Credit is intended; the invoice will flow into GSTR-2B on the 14th.
- **Reject.** Invoice does not match an inward supply, or the GSTIN is wrong, or the line is a duplicate, or the supply is on a Section 17(5) block-class category the recipient does not want to draw into the claim.
- **Pending.** Invoice is real but not yet booked, or the recipient wants to defer the credit for cash-flow reasons, or the invoice carries an unresolved dispute.

Day 11 closes with a completeness check — count of open pending items for the closed month must be zero, or every open item must have a documented reason. This is the gate that stops the default-to-Accept failure mode.

Day 12 — pull GSTR-2B and extract purchase register

GSTR-2B is generated on the 14th of the following month but is subject to intra-day updates on generation date. The runbook pulls on the 15th to work against a stable snapshot. The purchase register is extracted from the ERP dated to the last calendar day of the closed month — the extract carries invoice number, invoice date, supplier GSTIN, taxable value, CGST, SGST, IGST, cess, place of supply, HSN, and the AP booking date (which drives the Rule 37 180-day payment clock on Day 14). Both extracts are archived with a timestamp and a hash.

Day 13 — the five categorisation buckets

Bucket	Rule	Downstream action
1 — Matched	In purchase register + in GSTR-2B + IMS Accept	Claim in GSTR-3B Table 4 net of Section 17(5) and reversals
2 — Supplier not filed	In purchase register, not in GSTR-2B	At-risk queue against Section 16(4) November 30 deadline
3 — Ghost or missed AP	In GSTR-2B, not in purchase register	Investigate same day — fraud vector or AP booking miss
4 — IMS Reject	In GSTR-2B, action = Reject	No claim; reviewer confirms reject reason
5 — IMS Pending	In GSTR-2B, action = Pending	Deferred to subsequent month; no claim this cycle

Day 14 — reversals and blocks

- **Rule 42 and Rule 43 common credit.** ITC on inputs and input services used partly for exempt supplies is reversed at the exempt-turnover ratio; capital goods reverse over 60 months.
- **Rule 37 — 180-day non-payment.** Any invoice above the 180-day AP-age threshold that carries booked ITC is reversed with interest under Section 50. Reclaim on payment.
- **Rule 37A — supplier non-filing.** Supplier who fails to file GSTR-3B by September 30 following the FY end triggers recipient-side reversal in November. Cured on subsequent filing.
- **Section 17(5).** Motor vehicles below the seating threshold, food and beverage other than in specified circumstances, works contract for immovable property, club memberships, gift/free samples — excluded regardless of GSTR-2B ceiling.

Day 15 — controller sign-off and the at-risk queue

The controller signs off the ITC figure that will populate GSTR-3B Table 4. The signature releases the figure to the Day 18 assembly and fixes the ceiling for the month. The at-risk queue is the second Day 15 deliverable — every Bucket 2 invoice enters the queue keyed to invoice date, supplier GSTIN, and days remaining to November 30. The queue is a standing register — it does not close at the end of the window. Escalation runs against calendar dates:

- **Tier 1 — 30 days after missed 2B.** Standard supplier follow-up letter.
- **Tier 2 — 60 days.** Controller escalation; supplier's key account owner in procurement is looped in.
- **Tier 3 — reverse-calculated from November 30.** For a March invoice with a September Tier 2 firing, Tier 3 lands in September or October to leave a two-month buffer before the permanent-loss trigger.

Cross-references

The three-way ITC Excel workbook is in Chapter 6. The DRC-01B 72-hour triage is in Chapter 11. The vendor GSTR-1 follow-up letter pack is in Chapter 12. The 90-day GSTR-2B catch-up sprint (for a six-month backlog) is in Chapter 15.

GSTR-1 vs GSTR-3B Runbook

Days 16 to 20. Filed-return reconciliation, GSTR-3B assembly from four signed-off working papers, four cross-stream tolerance checks, controller sign-off, 11am filing.

> *In this chapter: the assembly discipline that nothing is calculated for the first time on Day 18, the five-bucket Day 17 categorisation, the four cross-stream tolerance checks on Day 19, and the 11am Day 20 filing (not 11:47pm).*

Full article: terra-insight.com/insights/gstr-1-3b-runbook-days-16-20-india/

Prerequisites — three sign-offs and a filed GSTR-1

- Day 5 bank sign-off from the finance manager.
- Day 10 TDS sign-off from the tax manager — Table 6.2 Section 51 figure is fixed.
- Day 15 GSTR-2B controller sign-off — Table 4 ITC figure is fixed.
- GSTR-1 filed by the 11th of the following month.

If any of the three sign-offs is missing, Day 16 cannot start cleanly. The window either re-opens the earlier cycle or documents a scope reduction — filed against a provisional working paper with a written escalation note on the controller's desk. There is no third option; running Day 16 to 20 against unsigned working papers is what produces the 11:47pm filing.

Day 16 — GSTR-1 filing recap and output register extraction

The GST executive downloads the filed GSTR-1 as JSON (reconciliation input) and PDF (audit archive). The JSON carries the B2B invoice detail, B2C large invoice detail, B2C consolidated summary, export invoice detail (with LUT-vs-with-payment classification), credit note and debit note detail, and the Tables 9A/9B/9C amendment blocks. The ERP output register is extracted for the same period. Both go into the Day 17 working paper.

Day 17 — Table 3.1 reconciliation with five buckets

Bucket	Rule	Resolution
1 — Matched	In GSTR-1 and in ERP register on all keys	Flows to Table 3.1 as declared outward liability
2 — In GSTR-1 not ERP	Wrong-period ERP posting or GSTR-1 wrong-period declaration	Correct ERP or flag for Table 9A amendment
3 — In ERP not GSTR-1	Most dangerous bucket; three common causes	Declare in following GSTR-1 Table 9A/9B, subject to Section 39(9) N
4 — Rate or value variance	Invoice in both but tax figures differ	Correct via amendment or document as accepted variance within Rule 8
5 — Credit note timing diff	Section 34 credit note booked current month, original invoice earlier month	Declare in GSTR-1 Table 9B keyed to original month, subject to Sectio

Day 18 — GSTR-3B assembly

Day 18 is assembly, not calculation. Every table pulls from a signed-off working paper from an earlier window. Nothing is calculated for the first time on Day 18. This is the discipline that separates a defensible filing from a fingers-crossed filing.

- **Table 3.1.** From Day 17 reconciliation.
- **Table 4.** From Day 15 GSTR-2B controller sign-off.
- **Table 5.** From Day 14 exempt-turnover working paper.
- **Table 6.1.** Day 17 outward liability minus Day 15 ITC ceiling — challan prepared for cash-ledger offset with a refresh buffer before 20th.
- **Table 6.2.** Deductor GSTR-7 filings for Section 51 (government departments), plus GSTR-8 filings for Section 52 TCS from e-commerce operators.
- **Table 3.1(d).** Reverse-charge inward supply from the RCM working paper.

Day 19 — four cross-stream tolerance checks

1. **Bank credits minus TDS receivable versus ERP revenue.** Should tie within tolerance (typically five basis points for a stable business). A gap wider signals a bank exception the Day 5 sign-off missed or an ERP revenue-recognition anomaly.
2. **ERP output GST versus GSTR-1 declared liability.** Re-checked at Day 19 against a fresh ERP pull. Any invoice booked or amended between Day 17 and Day 19 that changed the total must be corrected on the portal or deferred to next GSTR-1.
3. **GSTR-3B ITC versus purchase register within Rule 36(4).** Fresh purchase register extract catches any invoices booked between Day 15 and Day 19; the extras are excluded from the current cycle and deferred.
4. **Section 51 GST TDS versus deductor GSTR-7 credit.** Re-checked against the deductor's GSTR-7 filing on the 12th. Any deductor who filed late or short-deducted produces a Table 6.2 shortfall for the current GSTR-3B.

Day 20 — controller sign-off and the 11am filing

The controller signs at 8am after a final ledger check — electronic cash ledger reflects the Day 18 challan in full, electronic credit ledger reflects the Day 15 ITC figure after any Rule 37 or 37A reversal triggered between Day 15 and Day 20, and any DRC-01B or DRC-01C intimation on the portal is checked. The four-hour buffer between the 8am signature and the 11am filing is what allows a portal issue, a payment lag, or a last-minute correction to be handled without missing the statutory deadline.

Under Section 74, the penalty for fraudulent shortfall is one hundred per cent of the tax evaded. The classification between Section 73 (non-fraudulent, three-year window) and Section 74 (fraudulent, five-year window) turns on documentary evidence of intent. A contemporaneous working paper trail signed by the controller is the primary evidentiary defence against a subsequent Section 74 characterisation.

Cross-references

The DRC-01B 72-hour triage playbook is in Chapter 11. The GSTR-2B input tax credit runbook that feeds Table 4 is in Chapter 3. The TDS runbook that feeds Table 6.2 is in Chapter 2. Appendix B carries the statute reference for every table anchor.

PART III

The Excel Recipes

Working paper mechanics for the four windows.

PART III · CHAPTER 5

Bank Narration Parsing in Excel

Six narration structures — NEFT, RTGS, IMPS, UPI, NACH, cheque — parsed into a match-ready table with a bank-selector dropdown.

> *In this chapter: why Indian bank narration needs a per-bank recipe, the six instrument-type extraction formulas built from XLOOKUP/TEXTBEFORE/TEXTAFTER/IFERROR, and the unparsed exception queue that never silently drops a row.*

Full article: terra-insight.com/insights/bank-narration-parsing-excel-formulas-india/

Why a per-bank recipe (not a single formula)

Indian corporate banks encode the same underlying instrument reference — UTR, VPA, UMRN, IMPS reference, cheque number — into bank-statement narration strings using bank-specific conventions rather than a shared standard. HDFC Corporate Net Banking downloads carry the narration in a single Description column with UTR embedded after `NEFT-CR` or `RTGS-CR`. ICICI iBusiness uses `INF/NEFT/` or `MMT/IMPS/` prefixes. SBI uses a separate Ref No column and truncates the counterparty at 40 characters. Axis places the UTR in a Cheque/Ref No column but only for NEFT and RTGS. Kotak uses different narration prefixes for the same underlying instrument depending on direction. Layered on top are the MT940 SWIFT :86: tag variants. Across the five major private banks and the leading PSU relationships there are roughly 300 distinct column-name and narration-prefix variants. A single formula cannot handle all of them. A per-bank recipe with a bank-selector dropdown is the working shape.

The six narration structures

Instrument	Anchor	Length	Sample prefix
NEFT	UTR	16 char alphanumeric	NEFT-CR-, INF/NEFT/
RTGS	UTR	22 char alphanumeric	RTGS-CR-, INF/RTGS/
IMPS	NPCI reference	12 char	MMT/IMPS/, IMPS-CR
UPI	VPA + UPI-TRN	handle@bank + 12 char	UPI-CR, UPI/
NACH	UMRN	20 char alphanumeric	NACH-DR, NACH/
Cheque	6-digit cheque number	6 digit numeric	CHQ, CHQ DEP, CTS

The parsing formulas

Every formula is entirely standard Excel — no add-in, no Power Query, no macro. Excel 2021 and Microsoft 365 versions carry TEXTBEFORE and TEXTAFTER natively; older versions substitute MID with FIND.

UTR extraction (NEFT and RTGS)

```
=IFERROR(TEXTBEFORE(TEXTAFTER(narration_cell, prefix_cell), "-"), "UNPARSED")
```

The prefix_cell reads from the per-bank reference sheet based on the bank-selector dropdown. For an HDFC NEFT credit, the prefix is `NEFT-CR-HDFC0000123-`, and the formula peels the 16-character UTR that follows.

UPI VPA extraction

```
=IFERROR(TEXTBEFORE(TEXTAFTER(narration_cell, "-"), "-"), "UNPARSED")
```

NACH UMRN extraction

```
=IFERROR(TEXTBEFORE(TEXTAFTER(narration_cell, "NACH/"), "-"), "UNPARSED")
```

Counterparty cleanup

```
=TRIM(SUBSTITUTE(SUBSTITUTE(narration_cell, prefix_cell, ""), utr_cell, ""))
```

Strips the prefix noise and the extracted UTR to leave the counterparty name segment. A follow-up XLOOKUP against the counterparty master converts the free-text variant to the canonical vendor or customer code.

Error handling — the unparsed trap

Every extraction formula is wrapped in IFERROR that returns UNPARSED into the primary-anchor column when the prefix pattern does not match. Unparsed rows are surfaced as a separate exception queue at the top of the driver sheet with a running count computed via SUMPRODUCT and a percentage against daily volume. A count above 2 per cent of daily volume triggers a review of the bank-selector setting and the extraction pattern set — the trigger fires the same day, not at the end of the week. The workbook logs every unparsed row with a timestamp so the next day's pattern set can be extended from the log rather than by guesswork.

> **Why UNPARSED and not blank**
>
> The unparsed row is never silently dropped and never receives a null value in the primary-anchor column. A silent null would break the composite-key match downstream and pull the row into the wrong categorisation bucket — the failure mode that produces an amount-matched, key-broken false positive that survives the routine reconciliation and only surfaces at the CARO 2020 audit sample.

The five categorisation buckets (shared vocabulary)

The parsed transaction table feeds the same five-bucket categorisation the wider guide uses across the GST, TDS, and bank windows. A single vocabulary across all four streams is deliberate — the finance team's review cadence, escalation ladder, and CARO 2020 Clause (xii) working paper all read one categorisation set.

- **Bucket 1 — Matched.** Composite key resolves to exactly one ERP entry.
- **Bucket 2 — Bank-only.** No matching ERP entry; missed AP/AR bookings or net-of-MDR platform settlement without booked gross.

- **Bucket 3 — ERP-only.** Cheques issued but not presented, RTGS instructions that failed at the RBI end, NACH mandates that returned unpaid.
- **Bucket 4 — Amount mismatch.** Matches on UTR/UMRN but amount outside tolerance — TDS-net receipts, MDR-net settlements, retention-money-net receipts.
- **Bucket 5 — Unparsed.** The exception queue described above.

Three-Way ITC Reconciliation in Excel

Purchase register versus GSTR-2B versus IMS action log in one workbook, with the days-to-deadline countdown against Section 16(4).

In this chapter: the four inputs (purchase register, GSTR-2B, IMS action log, supplier master), the composite-key XLOOKUP, the five-bucket categorisation colour-banded on the driver, and the at-risk queue with escalation tiers computed backward from November 30.

Full article: terra-insight.com/insights/three-way-itc-reconciliation-excel-india/

The four inputs

- **Purchase register from the ERP.** Invoice number, invoice date, supplier GSTIN and PAN, recipient GSTIN, taxable value, IGST/CGST/SGST/Cess, HSN or SAC, Section 17(5) blocked flag, payment status and date (for Rule 37 ageing).
- **GSTR-2B extract from the GST portal.** Downloaded as JSON, converted via the portal offline utility, pasted into the workbook preserving GSTIN, trade name, invoice number and date, taxable value, tax split, ITC availability status, place of supply.
- **IMS action log.** Downloadable per return period from the IMS dashboard. Columns the workbook needs: supplier GSTIN, invoice number, action code (Accept, Reject, Pending, or Default-Accept).
- **Supplier master.** One row per unique GSTIN with supplier name, contact email and phone, standard TDS payment code, and Rule 37A GSTR-3B filing status.

The composite key

A four-part key against GSTR-2B:

- **Supplier GSTIN.** Upper-cased, whitespace-stripped: `=UPPER(TRIM(A2))`.
- **Invoice number, normalised.** Common financial-year prefix (2526/), series prefix (INV-), and suffix (/GST, /R) stripped: `=TEXTAFTER(TEXTBEFORE(B2,"/GST"),"INV-",-1)`.
- **Invoice date.** Standardised to Excel serial via DATEVALUE or DATE(2000+MID,...).
- **Taxable value within tolerance.** `=ABS(pr_amount - g2b_amount) <= tolerance_cell`.

The bucket assignment formula

A nested IFS (Excel 2019+) or nested IF walks three flags (in GSTR-2B, in IMS, IMS action code) and returns one of the five labels:

- **Matched.** In purchase register + in GSTR-2B + IMS Accept.
- **Supplier not filed.** In purchase register but not in GSTR-2B — the at-risk queue against the Section 16(4) clock.
- **Ghost invoice.** In GSTR-2B but not in purchase register — investigated within 72 hours.

- **IMS reject.** Rejected on IMS; not claimed. Reviewer confirms reject reason.
- **IMS pending.** Deferred to a subsequent month.

The days-to-deadline countdown

A configuration cell holds the financial year being reconciled — for example FY 2025-26. A helper formula returns the Section 16(4) target date: `=DATE(YEAR(config_fy_end)+1, 11, 30)`, which returns 30 November 2026 for FY 2025-26. The days-to-deadline column on each at-risk row is `=target_16_4 - TODAY()`, recomputed on every open.

Band	Days remaining	Action
Informational	Over 90 days	Visible in queue; not surfaced weekly
Tier 1 supplier follow-up	61 to 90 days	Standard supplier reminder letter
Tier 2 supplier follow-up	31 to 60 days	Sales-side account owner looped in
Tier 3 controller escalation	Under 30 days	Provisioning or Section 197 application

The supplier follow-up list

`=UNIQUE(FILTER(gstin_column, bucket_column="Supplier not filed"))` produces one row per delinquent supplier. COUNTIFS and SUMIFS compute per-supplier metrics: count of unfiled invoices, total exposure, at-risk ITC, earliest invoice date, days since earliest, minimum days-to-deadline. A left-join via XLOOKUP on GSTIN pulls the contact email into a mail-merge-ready column. The finance team exports the under-90-days filter to CSV and mail-merges into the Chapter 12 supplier letter pack.

> **Rupee summary at the top**
>
> A rupee-value summary at the top of the at-risk sheet totals the exposure per band, so the finance manager sees a line like ‘Rs 12,84,000 under 30 days remaining’ as the mandatory attention line before opening the underlying rows.

TDS Receivable Aging Workbook

Two-key match (Section 393 payment code first, then legacy Section 194 code), 180-day escalation, deductor priority list.

> *In this chapter: the four inputs (receivable ledger, Form 168 download, cross-era mapping, Section 197 register), the two-key composite-key match against Form 168, the four categorisation buckets, and the 180-day threshold that triggers the controller escalation.*

Full article: terra-insight.com/insights/tds-receivable-aging-workbook-excel-india/

Why two-key match (payment code and section code)

From April 2026, Form 168 replaces Form 26AS and the TDS credit table restructures around the four-digit Section 393 payment codes rather than the legacy free-form section references. A single Indian enterprise's receivable ledger at any point through FY 2026-27 carries both — invoices booked in FY 2025-26 or earlier that continue to age against the old section reference, and invoices booked from FY 2026-27 onwards under the new code. The workbook runs the match on a two-key composite: the section where it exists, and the payment code where the deductor filed under the new regime.

The cross-era mapping table

Section (legacy)	Payment code	Category
194C	1002	Contractor payments
194J	1005 to 1008	Professional and technical services
194H	1015	Commission and brokerage
194I	1019	Rent
194Q	1031	Purchase of goods above Rs 50 lakh
194O	1011	E-commerce operator at 1%

The lookup runs `=IFERROR(XLOOKUP(section_ref, era_section_col, era_code_col, "", 0), payment_code_col_original)`. Returns the mapped code where section is populated, or the original code where the row was booked under the new regime.

The composite key and match

A four-part key against Form 168:

- **Deductor PAN and TAN.** Match on TAN because a single PAN may hold multiple TANs across branches.
- **Section-or-payment-code.** Whichever key populates the receivable row after cross-era lookup.

- **Transaction date.** Standardised to Excel serial.
- **Amount within Rs 500 tolerance.** Form 168 amount is deductor's book value; small rounding differences from deductor's own adjustments.

The four categorisation buckets

Bucket	Rule	Colour band	Next action
1 — Matched	Composite key + amount within tolerance	Green	Flows to annual Form 131 claim
2 — Deductor not filed	In ledger, no Form 168 entry	Amber	180-day escalation queue then chase
3 — Reduced in Form 168	Matched key but deducted amount lower than ledger	Orange	Investigate: Sec 197 or Sec 200A demand pending
4 — 197-certificate-lapsed	Ledger billed against Sec 197, validity end passed	Red	Fresh Section 197 application

The aging bucket structure

TDS receivable ages against the invoice date, not against the deductor's deposit date. `=DATEDIF(invoice_date, TODAY(), "d")` returns days outstanding, bucketed into four aging bands:

Band	Days	State	Action
Informational	0–60	Deductor has not had a full quarterly cycle	Wait next Form 168 pull
First watch	61–120	One quarterly cycle passed	Standard deductor follow-up
Second watch	121–180	Two quarterly cycles passed	Controller monthly review
Escalation	Above 180	Three quarterly cycles passed	Formal recovery letter or provisioning

The 180-day threshold

180 days matches the practitioner rule that a TDS credit not visible in Form 168 three quarterly cycles after the invoice date is a receivable that will require active recovery rather than passive tracking. It also matches the runway needed to file a fresh Section 197 provisional certificate application, secure the AO's approval, and issue the new certificate to the deductor before the aging crystallises into a writeoff.

PART III · CHAPTER 8

Platform Settlement Decomposition in Google Sheets

Zomato, Swiggy, Amazon, and Razorpay payouts split into gross, commission, Section 194O TDS, Section 52 TCS, platform fee, and net bank credit.

In this chapter: why one tab per platform (not one common formula), the five-part decomposition, the illustrative Rs 4,80,000 Zomato worked example, and the handoff to the Day 6 TDS window and the Day 12 GSTR-2B window.

Full article: terra-insight.com/insights/platform-settlement-decomposition-google-sheets-india/

Why one tab per platform

The four settlement files arrive in four different structures with four different deduction sequences. Zomato's Restaurant Settlement Report is a weekly .csv with per-order rows. Swiggy's Merchant Payout Statement is a weekly .xlsx with the platform fee before the commission and the commission net of GST reported separately. Amazon's Merchant Tax Report and Payments Report together carry SKU-category commission (8 to 25 per cent), FBA fee where applicable, Section 194O TDS, Section 52 TCS, and MDR retention. Razorpay's is a daily .csv with MDR (roughly 2 per cent for cards and netbanking, lower for UPI) plus 18 per cent GST on MDR, with no Section 194O because Razorpay is a payment aggregator under the RBI framework rather than an e-commerce operator under Section 194O. Any single-formula approach breaks under the second platform added.

The five-part decomposition

Column	Definition
Gross	Transaction value before any deduction
Commission	Platform take, inclusive of GST (18%)
Section 194O TDS	1% on gross where the operator is a Sec 194O e-commerce operator
Section 52 TCS	1% on net taxable supply where the operator is a Sec 52 e-commerce operator
Platform fee	Fixed per-order or per-settlement fee retained beyond the commission
Net bank credit	Gross minus the four deduction columns

Illustrative Rs 4,80,000 monthly Zomato worked example

Line	Illustrative Rs
Gross order value	4,80,000
Less: commission 22% (of which Rs 89,491 base + Rs 16,109 GST at 18%, ITC-eligible)	(1,05,600)

Line	Illustrative Rs
Less: Section 194O TDS at 1% on gross	(4,800)
Less: Section 52 TCS at 1% on net taxable supply	(4,800)
Less: Platform fee (illustrative Rs 4 per order × 120 orders)	(480)
Net bank credit	3,64,320

The Rs 3,74,400 figure that shows on Zomato's summary dashboard is the payout after commission alone (Rs 4,80,000 minus Rs 1,05,600), before the TDS, TCS, and platform fee retentions. The actual bank credit is Rs 3,64,320 and the workbook's reconciliation column ties to that figure, not to the dashboard-headline Rs 3,74,400. This is one of the most common places the manual reconciliation drifts — the analyst reconciles against the dashboard summary rather than against the deposit total.

Key formulas

- **Settlement ID normalisation.** `=ARRAYFORMULA(IF(A2:A="",,REGEXEXTRACT(A2:A, "[A-Z0-9]+$")))`. Strips operator-specific prefixes (ORD-, ZO-, AMZ-, RZP-).
- **Commission decomposition when reported inclusive of GST.** `=commission_incl_gst / (1 + gst_rate_lookup)` returns the base commission; the GST portion is the difference and is ITC-eligible.
- **Multi-platform summary via QUERY.** `=QUERY({zomato!A2:K; swiggy!A2:K; amazon!A2:K; razorpay!A2:K}, "SELECT Col1, SUM(Col5)... GROUP BY Col1", 0)` assembles per-operator per-month totals in one cell.
- **Reconciliation to bank credit.** `=SUMIF(bank_statement_date_column, settlement_date, bank_statement_credit_column)` returns the bank credit on the settlement date. Tolerance flag surfaces any settlement where the manually-reconciled net does not tie to the bank.

The handoff downstream

- **Commission GST column** → Day 12 GSTR-2B match (Chapter 3 and Chapter 6). ITC-eligible under Section 16, subject to Section 16(4) November 30 clock.
- **Section 194O TDS column** → Day 6 TDS window (Chapter 2 and Chapter 7). Pre-populated into TDS receivable ledger with payment code 1011 tagged.
- **Section 52 TCS column** → Day 12 GSTR-2B Table 6 match. Cross-checked against operator's own GSTR-8 filing.

Public 'Make a Copy' template

The workbook lives at terra-insight.com/resources/platform-settlement-workbook-google-sheets/ as a Google Sheets template with a Make a Copy URL. No email gate; Sheets templates are inherently shareable and the finance team can be running against real settlement files within the hour.

PART IV

The Detective Series

Three investigations against the exceptions the runbooks throw.

PART IV · CHAPTER 9

The Rs 47,236 Unreconciled Bank Credit

A seven-branch decision tree for the 8pm Day 5 chase against an aged unmatched credit.

> *In this chapter: the highest-probability-first elimination sequence for the Bucket C unidentified credit — TDS-net, aggregation, aggregator batch, vendor refund, credit-note settlement, intercompany, treasury sweep — and the Section 37 versus Section 41 writeoff protocol for the residual.*

Full article: terra-insight.com/insights/unreconciled-bank-credit-decision-tree-india/

It is 8pm on Day 5. The bank window has been running since Monday morning. The finance manager wants sign-off tonight so the tax analyst can open the TDS window at 9am tomorrow. Every other credit on the HDFC statement has cleared — auto-match on Day 1, aggregation on Day 2, TDS-net on Day 3, platform settlements on Day 4. Every other credit except one. An illustrative Rs 47,236 credit posted 45 days ago against the current account with a NEFT narration that reads 'NEFT-INB-CITIN22XXXXXXXXX-SHREE.' No counterparty name recognised. No candidate invoice on the AR ledger within a rounding tolerance. No remittance advice in the email archive.

This is the seven-branch decision tree run at the 8pm chase, in the order of highest-probability-first, so the average investigation closes fast and the residual case ends in a defensible writeoff rather than an indefinite carry-open.

Branch 1 — Is it a TDS-net receipt?

Ninety seconds. Divide Rs 47,236 by 0.999. The result is Rs 47,283.28, which rounds to a Rs 47,283 gross invoice. Query the AR ledger for any open invoice between Rs 47,280 and Rs 47,286. If a match returns, this credit is a Section 194Q deduction — the buyer withheld Rs 47 at 0.1 per cent as TDS, deposited it against the seller's PAN, and remitted Rs 47,236 to the bank. Also run the Section 194O check at 1 per cent (divide by 0.99 and query for a Rs 47,713 invoice). If either back-solves, the branch closes. The Rs 47 goes to the TDS receivable ledger for the Day 6 tax analyst.

Branch 2 — Is it a multi-invoice split?

Query the AR ledger for any customer whose open invoices sum to Rs 47,236 within a rounding tolerance. The tightest version: filter on customers whose open-invoice count is 2–5 with each invoice under Rs 25,000. A SUMPRODUCT against a candidate flag returns three combinations in under a minute. Chase the customer's AP head by phone. If confirmed, tag all invoices; if not, the credit enters Bucket A of the exception queue with a Tier 1 escalation date thirty days from the bank date.

Branch 3 — Is it a platform aggregator batch line?

Every payment gateway posts a net settlement after MDR (roughly 2%) plus GST on MDR at 18%, minus refunds, minus any Section 194O deduction. Open every merchant dashboard for the credit date and search for a settlement value between Rs 47,200 and Rs 47,280. If Razorpay returns a match, verify the decomposition — an illustrative Rs 49,236 gross minus Rs 984 MDR minus Rs 177 GST minus Rs 839 refunds gives Rs 47,236. Book commission to expense and the GST on commission to ITC.

Branch 4 — Is it a refund from a vendor?

Query the AP ledger for any debit note issued against a vendor for Rs 47,236 in the six months prior. A defective consignment refund, a rate-difference adjustment, a wrongly-billed freight charge, or an excess-payment reversal arrives as a bank credit with the vendor as counterparty rather than the customer.

Branch 5 — Is it settlement of a prior credit note?

Under Section 34 CGST, a supplier issues a credit note against an earlier invoice. The customer typically withholds the credit-note amount from a later invoice — but occasionally settles the credit-note position separately with a wire that arrives as an unmatched credit. Query the AR credit-note register for any credit note issued in the six months prior for Rs 47,236.

Branch 6 — Is it an intercompany transfer misdirected?

Query the group intercompany reconciliation report for any Rs 47,236 transfer initiated by another group entity in the week prior. Group treasury teams occasionally credit the wrong entity when two group companies hold similar-named accounts at the same bank — the ‘Shree’ prefix in the NEFT narration is the group's parent-entity name, which is a red flag. Where group treasury decides to leave the amount in the receiving entity, Section 41 remission or cessation applies — the amount becomes deemed income in the receiving entity's books.

Branch 7 — Is it a treasury sweep from an FCNR/EEFC account?

A treasury sweep from an FCNR or EEFC foreign-currency account arrives as an INR credit at the bank's card conversion rate on the sweep date, with no invoice reference. An illustrative USD 570 sweep at Rs 82.87/USD produces Rs 47,235.90, rounded to Rs 47,236. The Ind AS 21 spot-rate variance is calculated against the invoice-date rate for the original inward remittance the sweep amount came from.

The residual case — nothing resolves

If all seven branches eliminate, the credit enters the residual protocol. Tier 1 at 30 days is the standing bank-side chase for the counterparty behind the truncated UTR. Tier 2 at 60 days is the finance manager's suspense posting so the reconciliation does not carry open indefinitely. Tier 3 at 90 days is the controller's writeoff proposal. The writeoff itself is booked under Section 37 as an allowable business loss where the credit represents a genuine unidentifiable position; where the credit is traceable to a related-party position that has ceased to be payable, Section 41 remission or cessation applies and the amount is recognised as deemed income. The disclosure follows Ind AS 8 change-in-estimate or prior-period-error treatment.

Materiality thresholds

Below Rs 10,000 the writeoff is materiality-immaterial and the controller signs off. Above Rs 10,000 the writeoff is co-signed by the CFO. Above Rs 1 lakh it enters the audit-committee report as a discrete line item. One credit a month is normal; three or more per month sustained across a quarter signals a structural cause — stale counterparty master, truncated narration pattern, or an aggregator settlement in a changed format.

The Form 168 Shortfall

A twelve-check investigation for a Rs 1,69,000 receivable mismatch before quarterly close.

> *In this chapter: the completeness discipline of twelve checks — not just the five highest-probability — that produces a documented residual with a per-row reason code that survives auditor review.*

Full article: terra-insight.com/insights/form-168-shortfall-investigation-india/

The TDS receivable ledger says an illustrative Rs 8,42,000 was credited by a client across the quarter. Form 168 shows Rs 6,73,000. The gap is Rs 1,69,000. A controller cannot sign off the quarterly close without either recovering it, provisioning against it, or documenting it as a rolling exception with an owner and a date. This is the twelve-check investigation an Indian tax executive runs before either happens — each check anchored to a specific statute, each closing either with a rupee-tagged recovery, a next action, or a documented dead end.

Why twelve checks (not five)

A five-check investigation stops after the high-frequency causes and leaves the residual bucket in the working paper as unexplained. The residual is exactly what turns into a Section 143(3) query note during annual assessment or a CARO 2020 audit finding on an unreconciled TDS receivable balance. The audit finding threshold is not a rupee amount; it is a documentation state. A residual with a per-row reason code is a working paper. A residual with only a rupee total is a finding.

The twelve checks (in fixed order)

#	Check	Statute anchor
1	Cross-era code confusion (Sec 393 code vs legacy Sec 194)	Sec 393 / cross-era
2	Sec 206AA higher-rate on missing/invalid PAN	Sec 206AA
3	Circular 23/2017 GST-inclusive deduction	Circular 23/2017
4	Deductor filed under wrong section code	Sec 154 read with Sec 200A
5	Quarter boundary drift (invoice end-Q1, filed Q2)	Rule 31A quarterly filing
6	Challan not deposited despite deduction made	Sec 200A
7	Deductor short-deducted against applicable rate	Sec 201(1A)
8	Intercompany credit misdirected in group	Group treasury reconciliation
9	DTAA benefit not applied on non-resident deductor	Applicable DTAA
10	TDS on advance payment reconciled to wrong invoice	Sec 194 / 393
11	Annual aggregate threshold crossed mid-year	Sec 194J / 393

#	Check	Statute anchor
12	Deductor's own Form 168 correction pending	Sec 154 / 200A

The tally on the Rs 1,69,000 case

Running the twelve checks against the illustrative Rs 1,69,000 shortfall closes as follows.

Check	Finding	Amount (illustrative)
Check 1 — cross-era	March 2026 invoice paid April 2026, keyed under wrong side	Rs 9,400 cleared to matched
Check 4 — wrong section	Body-corporate contractor invoice filed against code 1005 instead of 1002	Rs 84,000 cleared to matched
Check 5 — quarter boundary	Two invoices raised end-Q1, filed by deductor in Q2	Rs 12,600 pending next quarter
Check 6 — challan not deposited	Deductor confirmed by email, challan not yet deposited	Rs 42,000 pending correction
Check 7 — short-deducted	Deductor deducted at 5% instead of 10% on professional services	Rs 21,000 pending correction
Checks 2, 3, 8, 9, 10, 11, 12	Not applicable this quarter	—

Of the Rs 1,69,000 opening shortfall, Rs 93,400 cleared to matched after Checks 1 and 4 (the two-key cross-era re-run and the wrong-section re-key), and Rs 75,600 carried forward to a pending-correction bucket populated by Checks 5, 6, and 7. Zero rupees carried as unexplained residual. Every rupee has a reason code, a named next action, and an escalation date.

The escalation ladder for the pending-correction bucket

The pending-correction bucket runs the standard escalation ladder — 30 days to the tax manager, 60 to the controller, 90 to the CFO with either a provision entry or a Section 197 low-deduction certificate application for chronic short-deducting counterparties. Every day of ageing carries an interest cost — the deductor's own Section 201(1A) interest liability accrues at 1 per cent per month for short deduction and 1.5 per cent per month for late deposit — which is why a written follow-up citing the interest cost is materially more effective than a follow-up that only cites the receivable balance.

PART IV · CHAPTER 11

The DRC-01B 72-Hour Triage

The first 72 hours of a seven-day reply window under Rule 88C.

> *In this chapter: the four-block, 72-hour cadence — Hour 1 portal capture, Hours 2-24 root cause, Hours 24-48 reply drafting (Option A DRC-03, Option B Part B rebuttal, Option C hybrid), Hours 48-72 controller sign-off.*

Full article: terra-insight.com/insights/drc-01b-72-hour-triage-playbook-india/

A DRC-01B intimation lands on the GSTN portal on the morning of the 22nd. It reads that the outward tax liability declared in GSTR-1 for the previous tax period exceeded the tax paid through GSTR-3B by more than the Rule 88C threshold. The seven-day reply clock is already running — from the intimation date, not from the date the finance team logged in and read it. This is the first 72 hours — before the seven-day clock forces a rushed decision on Day 6, and before the residual becomes a Section 73 or Section 74 assessment matter.

Hour 1 — portal capture and workflow assignment

- **Download the DRC-01B PDF from the portal.** Save with a filename that includes the GSTIN, the tax period, and the intimation date. File in a fresh triage folder.
- **Screenshot the portal state.** Intimation reference number, differential amount, applicable tax heads, and reply-by date must be captured as the intimation appears on the day it was received.
- **Notify and assign within fifteen minutes.** Tax analyst calendared for Hours 2-24. Tax manager for Hours 24-48. Controller for Hours 48-72. Without the 15-minute assignment, the triage silently defaults to a single-person job that will slide past Day 3.

Hours 2-24 — root cause on the illustrative Rs 1,15,000 case

The reconciliation walks Table 3.1 of GSTR-3B against the Table 4/5/6A/6B/6C aggregates of GSTR-1 matched to tax head, and walks Table 6.2 against the GSTR-7A downloads from every government-deductor customer and GSTR-8A downloads from every e-commerce operator. The illustrative case: GSTR-1 declared liability of Rs 12,60,000 against a GSTR-3B tax paid of Rs 11,45,000 — a differential of Rs 1,15,000. The reconciliation splits into five buckets.

Bucket	Illustrative amount	Reply option
Credit note timing drift (Sec 34 CN issued current, invoice earlier)	Rs 68,000	Part B rebuttal
Sec 51 GST TDS credit whose GSTR-7A filed late	Rs 27,000	Part B rebuttal
Section 39(9) amendment already filed	—	Part B (amendment extract)
Data-entry error (SGST entered as IGST)	Rs 20,000	Option A DRC-03 with Sec 50 interest
Genuine short-payment	—	Option A DRC-03 with Sec 50 interest

This maps to a hybrid Option C reply — Rs 20,000 accepted via DRC-03 (Section 50 interest illustratively Rs 444 at 18% per annum for 45 days), Rs 95,000 rebutted in Part B with the credit note and GSTR-7A attached.

Hours 24-48 — the three reply options

Option	Description	Exposure profile
A — Pay via DRC-03	Differential discharged as voluntary payment plus Sec 50 interest at up to 18% per annum	No Sec 73 or 74 penalty exposure
B — Part B rebuttal	Reply filed with reconciliation working paper attached; no DRC-03	Residual Sec 73 or 74 risk if AO disagrees
C — Hybrid	DRC-03 for accepted portion + Part B for disputed portion	Mixed — DRC-03 portion closed, Part B portio

Hours 48-72 — sign-off ceremony

- **Working paper review.** Every line traced back to source — credit note opened, GSTR-7A opened, amendment table extract opened. The controller signs the working paper, not only the reply.
- **Section 50 interest recompute.** Recomputed on day of intended DRC-03 payment, not on day of draft. On the illustrative Rs 20,000 at 47 days instead of 45, interest moves from Rs 444 to Rs 464.
- **DRC-03 generation.** Challan generated on the portal against the DRC-01B intimation reference, payment discharged from electronic cash ledger, acknowledgement captured.
- **Part B submission.** Reply filed on the portal with the working paper attached. Separate acknowledgement reference number returned.
- **Archive.** PDF, screenshots, working paper, DRC-03 challan and acknowledgement, Part B acknowledgement, controller sign-off memo — all filed in the triage folder. Failure mode logged so the next Day 17 reconciliation catches the class before the portal fires another intimation.

The adjacent DRC-01C

DRC-01B is the outward-side intimation. DRC-01C under Rule 88D is the inward-side counterpart — fires when ITC availed in GSTR-3B Table 4 exceeds the ITC available in GSTR-2B beyond the Rule 36(4) ceiling. Reply window is 30 days, not 7. The four-block triage structure is the same; the working paper set is different — purchase register vs GSTR-2B vs IMS action log rather than GSTR-1 vs GSTR-3B.

PART V

The Blackbook

Three letter template packs for supplier, deductor, and aggregator recovery.

The Vendor GSTR-1 Follow-Up Playbook

A six-letter escalation ladder from T+30 nudge to T+180 pre-legal notice.

In this chapter: the six escalation levels (accounts contact to CFO to legal), the statutory anchor at each level (Section 39 to Section 16(4) to Section 34 to Section 122), a sample Level 1 letter, and a sample Level 6 pre-legal notice.

Full article: terra-insight.com/insights/vendor-gstr-1-follow-up-letter-templates-india/

The six-level ladder

Level	Timing	Recipient at supplier	Statute anchor	Instrument
1	T+30	Accounts contact	Section 39 filing date	Nudge
2	T+60	CFO	Section 39 + Sec 16(4) horizon	Formal request
3	T+90	CFO	PO tax indemnity clause	Aggregated exposure computation
4	T+120	CFO + legal counsel	Contract Act 1872 Section 55	Payment-hold notice
5	T+150	CFO + CPO	Section 34 credit note framework	Commercial debit note + Sec 34 demand
6	T+180	CEO + legal + arbitrator	Sec 16(4), Sec 122, arbitration clause	Pre-legal notice

The illustrative Rs 2,40,000 case

An illustrative Rs 12 lakh purchase invoice attracting a blended 20 per cent GST rate carries a Rs 2,40,000 input tax credit component (Rs 1,20,000 CGST plus Rs 1,20,000 SGST for intra-state supply, or Rs 2,40,000 IGST for inter-state supply). At 28 per cent GST, the exposure rises to Rs 3,36,000. Every letter template carries the illustrative Rs 2,40,000 figure as the worked example, and the customise-before-sending discipline replaces it with the actual exposure at drafting.

Sample Level 1 — friendly reminder (T+30)

Owner: accounts-payable executive. Tone: informal nudge. Sent from the shared inbox to preserve the paper trail.

> ***Subject:*** *GSTR-1 filing confirmation — Invoice [INVOICE NUMBER] dated [INVOICE DATE]*
>
> *Dear [ACCOUNTS CONTACT NAME],*
>
> *This is a routine follow-up on invoice [INVOICE NUMBER] dated [INVOICE DATE] for goods and services tax input reconciliation. Our GSTR-2B pull for the tax period [MONTH YYYY] does not yet reflect this invoice under GSTIN [SUPPLIER GSTIN]. Could you kindly*

confirm the GSTR-1 filing acknowledgement number and the return period once filed? This helps us close our monthly input tax credit reconciliation cycle.

Warm regards,
[ACCOUNTS PAYABLE EXECUTIVE NAME]
[RECIPIENT COMPANY NAME]

Customise before sending. *Replace all placeholder brackets with the working paper values. Confirm the tax period matches the GSTR-2B pull month. Send from the shared accounts-payable inbox rather than the executive's personal address.*

Sample Level 6 — pre-legal notice (T+180)

Owner: legal counsel. Served under the registered legal address. This is the last commercial-recovery instrument before arbitration.

Subject: *Pre-legal notice — invoice [INVOICE NUMBER] and aggregate GSTR-1 non-filing exposure*

Dear [SUPPLIER CEO NAME], Copy: [SUPPLIER LEGAL COUNSEL], [SUPPLIER CFO], [SUPPLIER CPO]

Our client [RECIPIENT COMPANY NAME], through its counsel [LEGAL COUNSEL FIRM], hereby serves the following pre-legal notice.

1. Under the purchase order [PO NUMBER] and correspondence dated [LEVEL 1 through LEVEL 5 DATES], [SUPPLIER NAME] has failed to file GSTR-1 under Section 39 of the CGST Act 2017 for invoices [INVOICE NUMBERS] aggregating Rs [AGGREGATE INVOICE VALUE] with an input tax credit exposure of Rs [AGGREGATE ITC] to our client.

2. The recovery window under Section 16(4) of the CGST Act 2017 for the invoice(s) in question closes on [30 NOVEMBER OF APPLICABLE FY], after which the input tax credit is permanently unavailable to our client.

3. Under Section 122 of the CGST Act 2017, [SUPPLIER NAME] is exposed to penalty of ten thousand rupees or an amount equivalent to the tax collected but not paid, whichever is higher, for failure to furnish returns under Section 39.

4. Our client hereby serves notice of intent to invoke Clause [ARBITRATION CLAUSE NUMBER] and initiate arbitration proceedings for the aggregate exposure together with interest, costs, and additional damages, if the pending GSTR-1 filings and the Section 34 credit note demand are not resolved within thirty days from the date of this notice.

Yours faithfully,
[LEGAL COUNSEL NAME]
On behalf of [RECIPIENT COMPANY NAME]

Sole-source supplier note

Where a sole-source supplier reaches Level 4, the recommended internal protocol is a parallel conversation between the recipient's CPO and the supplier's CEO, alongside the letter, to negotiate a joint remediation plan that keeps the supply relationship intact. The letter is not the whole strategy; it is the paper trail that supports the commercial resolution the two chief officers negotiate.

The download

The full six-template Word pack — one .docx per level, with placeholder counterparties and highlighted customisation fields — is at terra-insight.com/resources/vendor-gstr-1-follow-up-letter-pack/. Download is soft-gated so template updates for statutory changes reach the sender's inbox.

The Deductor Form 168 Query Playbook

A five-letter escalation ladder from polite query to statutory-auditor escalation.

In this chapter: the five escalation levels (accounts contact to CFO to CEO to statutory auditor), the compliance calendar that anchors the ladder (Rule 31A 30-day filing, 31 March 2026 correction deadline for FY 2018-19 to FY 2022-23), sample Level 1 polite query and sample Level 5 CARO 2020 escalation.

Full article: terra-insight.com/insights/deductor-form-168-query-letter-templates-india/

The five-level ladder

Level	Timing	Recipient	Statute anchor
1	T+0 from discovery	Deductor's accounts contact	Sec 393 code / Rule 31A
2	T+30	Deductor's CFO	Rule 31A Form 131 obligation
3	Q3 (Oct-Nov)	Deductor's CFO + statutory auditor	CBDT 31 March 2026 correction deadline
4	T+90 or T+30 from L3	Deductor's CEO/MD	Sec 201(1A) commercial recovery
5	T+150	Deductor's statutory auditor	CARO 2020 clause (i)

The illustrative Rs 84,200 case

The quarterly Form 168 pull is complete and one deductor's illustrative Rs 84,200 deduction on a Rs 8,42,000 Section 194J code 1005 professional-fee invoice is missing from the credit statement. The bank credit for the net Rs 7,57,800 landed on the expected date, the invoice is closed, and the deductor confirmed by email that the payment was made TDS-net. But Form 168 credit is missing, and the annual tax filing for the deductee cannot claim credit for a deduction that does not appear on the deductee's TRACES account.

Sample Level 1 — polite query (T+0)

> ***Subject:*** *Query on Form 168 credit for [QUARTER, e.g. Q1 FY 2026-27] — Invoice [INVOICE NUMBER]*
>
> *Dear [DEDUCTOR ACCOUNTS CONTACT NAME],*
>
> *This is in reference to our invoice [INVOICE NUMBER] dated [INVOICE DATE] raised on your company for professional services rendered, of a gross value of Rs 8,42,000 exclusive of applicable GST. The payment was received on [PAYMENT DATE] as a net remittance of Rs 7,57,800, reflecting a TDS deduction of Rs 84,200 at ten per cent under Section 393 payment code 1005 (successor to Section 194J for fees for professional or technical services).*

On our review of the quarterly Form 168 filed by your organisation for [QUARTER] and reflected on our TRACES account, we are unable to trace a credit corresponding to the Rs 84,200 deduction. We would be grateful if you would confirm the challan CIN under which the amount was deposited, the payment code against which the deduction was booked on your Form 168 filing, and whether a corrected Form 168 filing addressing this deduction is planned within the current quarter.

Please treat this as a routine reconciliation query. Thank you for your assistance.

Yours sincerely,
[DEDUCTEE FINANCE HEAD NAME]
[DEDUCTEE COMPANY NAME]

Sample Level 5 — statutory auditor escalation (T+150)

Owner: controller signs. CFO consulted on send decision. Applicability check: Level 5 is appropriate only where the deductor is a company subject to CARO 2020.

Subject: *Notification of unresolved TDS shortfall for CARO 2020 clause (i) consideration — [DEDUCTOR NAME] FY [YEAR UNDER AUDIT]*

Dear [DEDUCTOR STATUTORY AUDITOR PARTNER NAME],

We write in your capacity as the statutory auditor of [DEDUCTOR NAME] for FY [YEAR UNDER AUDIT] to bring to your attention an unresolved TDS shortfall that our organisation has been unable to recover through direct correspondence with [DEDUCTOR NAME] over the past five months. Details as follows — invoice reference [INVOICE NUMBER], gross value Rs 8,42,000 exclusive of GST under Section 393 payment code 1005, TDS deduction at ten per cent Rs 84,200, net remittance received Rs 7,57,800, Form 168 credit reflected on TRACES for [QUARTER] Nil against this deduction, accrued Section 201(1A) interest to date Rs [INTEREST AMOUNT], total shortfall Rs [PRINCIPAL PLUS INTEREST].

We bring this matter to your attention in the context of clause (i) of Paragraph 3 of the Companies (Auditor's Report) Order 2020, which requires the statutory auditor to report on the regularity of the company's deposit of statutory dues including tax deducted at source. Our reconciliation supports a conclusion that the Rs 84,200 deduction has either not been deposited or has not been correctly reported.

We respectfully request that this matter be considered in the CARO annexure to your audit report for [DEDUCTOR NAME] for FY [YEAR UNDER AUDIT]. Our reconciliation working paper and the underlying invoice, payment, and TRACES documentation are enclosed for your review.

Yours sincerely,

[DEDUCTEE FINANCE HEAD NAME]
[DEDUCTEE COMPANY NAME]

The Section 201(1A) interest hook

Every escalating case carries an interest number that refreshes monthly against the original deduction date. On an illustrative Rs 84,200 shortfall aged six months, the 1.5 per cent per month rate gives Rs 84,200 × 1.5% × 6 = Rs 7,578, producing a total demand of Rs 91,778 in the Level 4 letter. The interest continues to accrue against the deductor until the shortfall is discharged — the letter puts the deductor on notice that the meter is running.

The Aggregator Dispute Playbook

Four platform-specific templates for Zomato, Swiggy, Amazon, and MakeMyTrip.

> *In this chapter: the four dispute windows (Amazon 7, Zomato 15, Swiggy 21, MakeMyTrip 30 days), the universal four-level escalation ladder (portal support officer, SPOC, operations manager, key account director), and sample templates for Zomato and Amazon.*

Full article: terra-insight.com/insights/aggregator-settlement-dispute-templates-india/

The four dispute windows

Platform	Window	Portal path	Escalation of last resort
Amazon	7 days from settlement	Seller Central Contact Us Case Log	Amazon SPN grievance officer
Zomato	15 days	Restaurant Partner Portal	Key account director
Swiggy	21 days	Partner App	Key account director
MakeMyTrip	30 days	Hotel Extranet	Key account director + grievance officer

The universal escalation ladder

- **Level 1 — Portal support officer (POC).** Ticket body. Scripted acknowledgement within 1-2 business days.
- **Level 2 — Single point of contact (SPOC).** Named account owner. Escalated after 5-business-day SLA. Cites Section 194O/52 anchors or platform's own SLA.
- **Level 3 — Operations manager.** Escalated after 7-10 business days. Cites Rule 5 of Consumer Protection (E-Commerce) Rules 2020.
- **Level 4 — Key account director.** Reserved for material dispute value (above Rs 50,000 per settlement or Rs 2 lakh cumulative) close to window expiry. Cites Payment and Settlement Systems Act 2007 and RBI Master Direction on Payment Aggregators.

Sample Zomato Level 1 — portal ticket body

Restaurant Partner Portal dispute path. Window closes 15 days from settlement date. Sent by AR analyst within 6-7 days of the Day 4 decomposition catching the variance.

> ***Subject:** Dispute on Restaurant Partner Payout — Settlement ID [SETTLEMENT ID] — Restaurant [RESTAURANT NAME] GSTIN [MERCHANT GSTIN]*
>
> *This is to raise a dispute against the payout statement received on [SETTLEMENT DATE] for the week ending [WEEK ENDING DATE]. The expected payout as per our internal decomposition against orders received in the week is Rs 4,80,000. The actual credit to our*

bank account was Rs 3,74,000. The variance of Rs 1,06,000 traces to a promotional discount amount that appears to have been routed through the commission line on the settlement report rather than through the promotional support line for which we have documented invoice-level entitlement under the current commercial arrangement.

Order-level detail is attached for the eleven orders where the discount routing is disputed. Please confirm the correct commission calculation and process the differential in the next payout cycle. Dispute window: fifteen days from settlement date, closing on [DISPUTE WINDOW CLOSE DATE].

Sample Amazon Level 1 — the 7-day urgency template

Amazon's window is the tightest in the pack — 7 days from settlement date on Seller Central. Any dispute filed after Day 7 is auto-closed as time-barred. The Day 4 decomposition workbook has to catch the variance within 3 business days of the settlement.

> ***Subject:*** *Dispute on Seller Disbursement — Disbursement ID [DISBURSEMENT ID] — Seller [SELLER NAME] GSTIN [MERCHANT GSTIN] — Seller Account [MERCHANT ACCOUNT ID]*
>
> *This is to raise a dispute against the seller disbursement for the settlement period ending [SETTLEMENT PERIOD END DATE], credited on [SETTLEMENT DATE]. The disbursement includes an illustrative Fulfilment by Amazon long-term storage fee of Rs 42,300 charged against ASIN [ASIN LIST] for the storage cycle ending [STORAGE CYCLE END DATE]. Our warehouse removal log confirms that the disputed inventory was removed from FBA warehouses on [REMOVAL DATE], which falls before the storage-fee assessment date. Please review the removal log against the assessment, refund the disputed Rs 42,300, and confirm resolution in the next disbursement cycle. Dispute window: seven days from settlement date, closing on [DISPUTE WINDOW CLOSE DATE].*

Why one template per platform (not one common template)

The dispute window, portal path, escalation ladder, and accepted dispute categories differ across the four platforms. A common template would miss the 7-day Amazon window (dispute filed on Day 12 is already time-barred) or over-invest on the MakeMyTrip window (dispute filed on Day 4 goes unread until the reservation manager's next weekly review). Each template is calibrated to its platform's dispute path.

PART VI

When You Fall Behind

Two catch-up manuals for when the cycle broke.

PART VI · CHAPTER 15

The 90-Day GSTR-2B Catch-Up Plan

A 12-week sprint for six months of backlogged ITC before the Section 16(4) November 30 deadline.

> *In this chapter: the four-phase weekly plan for an illustrative Rs 4.32 crore six-month backlog — Weeks 1-2 freeze and assess, Weeks 3-6 retrospective three-way match oldest first, Weeks 7-10 at-risk chase, Weeks 11-12 return to cycle.*

Full article: terra-insight.com/insights/90-day-gstr-2b-catch-up-plan-india/

The CFO opens the September month-end review and asks: when did we last run the GSTR-2B reconciliation? The tax executive checks the folder. The last signed-off working paper is dated 15 April. Six months of GSTR-2B pulls have been extracted and archived but never reconciled. The purchase register has grown by an illustrative 2,400 invoices at Rs 18,000 average — an illustrative Rs 4.32 crore of unclaimed input tax credit sitting in the ERP with no matched status. Section 16(4) of the CGST Act will permanently forfeit any of this credit that is not claimed in GSTR-3B by 30 November of the following FY.

Why 90 days (no more, no less)

From 1 September, the tax team has exactly 90 days to Section 16(4) — 12 weeks of five working days each. The plan allocates those 12 weeks against the six-month backlog with the exit condition being a signed-off ITC claim in the November GSTR-3B filed on or before 20 November, leaving a 10-day buffer before the 30 November foreclosure. Section 16(4) is the only Severity 10 anchor in the GST stack — no rectification, no condonation, no refund. There is no way to trade the deadline for more time.

The four phases

Phase	Weeks	Deliverable
Freeze and assess	1-2	Six months of GSTR-2B/IMS logs/purchase register/GSTR-3B extracted, exposure map built
Retrospective three-way match, oldest first	3-6	One month per week: April in W3, May W4, June W5, July W6
At-risk queue chase	7-10	Tier 1 supplier letters W7, Tier 2 controller W8, Tier 3 CFO W9, closure W10
Return to cycle	11-12	Current month on 5-day cadence W11, November GSTR-3B filed 20 Nov W12

Weeks 1-2 — freeze and assess

The controller signs a written freeze note on Day 1 explaining the diversion to the CFO and business heads. Without the written freeze note, the sprint silently defaults to a part-time job around the current cadence and slides past 30 November. Once frozen, the tax executive extracts six months of GSTR-2B PDFs and JSONs, six months of IMS action logs, six months of ERP purchase register, and six months of GSTR-3B filings — all archived per month with a timestamp and a hash. The Week 2 deliverable is the exposure map: illustrative April 380 invoices × Rs 20,000 = Rs 76 lakh; May 410 invoices × Rs 19,000 = Rs 78 lakh; and so on to a total of Rs 4.32 crore.

Weeks 3-6 — retrospective, oldest first

Oldest month first, without exception. The Section 16(4) clock ticks from the invoice date, and Rule 37A cascading reversal risk compounds with age. On an illustrative April 2026 month, roughly 65 per cent of Rs 76 lakh lands in Bucket 1 matched, of which Rs 42 lakh becomes claimable net of Rule 42/43 common credit, Rule 37 180-day non-payment, Rule 37A cascading, and Section 17(5) blocks. Rs 21 lakh sits in Bucket 2 at-risk (supplier not filed) and feeds the Week 7-10 chase. Rs 3 lakh in Bucket 3 (ghost/missed-AP) is investigated the same day.

The Rule 37A cascading discovery

The catch-up sprint reveals cascading Rule 37A for the first time. A supplier who missed the April 2026 GSTR-3B and continued to miss May, June, and July requires four months of cumulative reversal with interest under Section 50, discovered together at end of Week 6. This is why the sprint pulls supplier GSTR-3B filing status alongside GSTR-1 status in Week 2 — the cascading exposure needs to be sized before the DRC-03 reversal batch fires.

Weeks 7-10 — at-risk chase

The Rs 68 lakh at-risk queue is chased through the Chapter 12 vendor letter pack with a compressed cadence. Week 7 dispatches Tier 1 supplier reminders on every at-risk invoice. Week 8 dispatches Tier 2 controller escalations on any invoice without a filed GSTR-1 by end of W7. Week 9 dispatches Tier 3 pre-foreclosure notices on any invoice above Rs 1 lakh still not filed by end of W8 — signed by the CFO, copied to the vendor's key account owner in procurement. An illustrative Rs 51 lakh of the Rs 68 lakh recovers under chase pressure; Rs 17 lakh is the unrecovered residual for provisioning.

Weeks 11-12 — return to cycle

Week 11 picks up the current month (October) on the 5-day GSTR-2B runbook — the at-risk queue for October is fresh against the FY 2026-27 clock. Week 12 files the November GSTR-3B on 20 November carrying the illustrative Rs 3.72 crore of recovered prior-period ITC plus the November current-month ITC on top. Final Week 12 deliverable: the failure mode that produced the six-month backlog is logged in the process design register so the 5-day runbook catches the class before it accumulates again.

The exception protocol

If the sprint cannot close on schedule, three exit options: provision the unrecovered residual as an accepted loss under Ind AS 37; extend the GSTR-3B filing to 30 November to buy 10 more days of chase (with Section 50 interest cost); or recast to a 4-month recovery, provisioning the two oldest months. None avoids the Section 16(4) foreclosure — all three manage the residual under statutory constraints.

PART VI · CHAPTER 16

The TDS Backlog Correction Sprint

A seven-week sprint before the 31 March 2026 correction deadline for FY 2018-19 to FY 2022-23.

> *In this chapter: the seven-week structured correction sprint for an illustrative Rs 84 lakh backlog spread across five financial years closing to correction simultaneously, the four-bucket categorisation (challan mismatch, PAN error, amount mismatch, section drift), and the Section 37 versus Section 41 residual protocol.*

Full article: terra-insight.com/insights/tds-backlog-correction-sprint-india/

The 31 March 2026 correction deadline for FY 2018-19 through FY 2022-23 TDS statements is the hardest deadline in the Indian tax calendar. Five financial years close to correction simultaneously under Section 200 read with Rule 31A, with no condonation provision. A mid-market finance team looking at the TRACES portal in mid-February with an illustrative Rs 84 lakh cumulative backlog across approximately 2,600 line items — Rs 68 lakh concentrated in FY 2018-19 alone, Rs 5 lakh in FY 2019-20, Rs 2 lakh in FY 2020-21, Rs 1 lakh in FY 2021-22, and Rs 8 lakh in FY 2022-23 — has seven weeks.

The seven weeks

Week	Phase	Deliverable
1	Extract	Consolidated challan status, deductee mismatch reports, Form 26Q/27EQ for 5 FYs
2	Categorise	Every line into one of four buckets with statute anchor
3-4	File corrections	Priority order: amount mismatch, PAN, challan, section drift
5-6	TRACES turnaround + rejection resolution	48-hour rejection triage, refile before 31 March
7	Sign-off + provision	Controller review, Ind AS 37 provision on residual, CFO decision

The four categorisation buckets

Bucket	Statute anchor	Correction pathway
Challan mismatch	Section 200A processing	Resubmit return with corrected CIN
PAN error	Section 206AA higher-rate	Supplementary Form 26Q with corrected PAN + shortfall challan
Amount mismatch	Section 201(1A) 1.5% per month	Supplementary challan with interest to deposit date
Section drift (legacy Section 194)	Section 200 reclassification	Correction statement reclassifying section identifier

The priority sort

Amount mismatch first because of the Section 201(1A) interest exposure — on an illustrative Rs 4 lakh amount-mismatch aged 63 months, the interest at 1.5% per month is Rs 4 lakh × 1.5% × 63 = approximately Rs 3,78,000 payable alongside the supplementary challan. PAN error second because of Section 206AA higher-rate exposure. Challan mismatch third because the underlying tax is already deposited. Section drift fourth because it is the most complex to file cleanly. Within each category, largest rupee-value first.

The four TRACES rejection reasons

- **Challan unmatched.** Refile requires deductor to resolve challan status through Track Correction Request workflow first.
- **PAN inoperative under Rule 114AAA.** Refile requires deductee to complete PAN-Aadhaar linkage and re-verification.
- **Challan already consumed.** Refile requires reallocation of challan credit and refile against a different challan reference.
- **Schema validation failure.** Refile requires FVU regeneration using the current TRACES utility version.

Every rejection in Weeks 5 and 6 must be triaged within 48 hours of surfacing so the refile has processing time inside the 31 March deadline.

Week 7 — sign-off and the residual

The residual is analysed on two axes. First, recoverable versus non-recoverable. Recoverable-but-pending gets an Ind AS 37 provision for timing exposure; the provision reverses when the credit lands. Non-recoverable enters the CFO decision on two accounting treatments: write off under Section 37(1) as an allowable business loss (tax benefit crystallises immediately but subsequent recovery attracts Section 41 deemed income) or hold as a full Ind AS 37 provision without Section 37 write-off (no immediate tax benefit but clean subsequent-recovery accounting outside Section 41). The Week 7 working paper documents both options with the tax exposure quantified both ways, and the CFO's decision with the rationale.

Why seven weeks (not four)

Seven weeks is the minimum defensible sequence. Compressing into fewer weeks collapses the TRACES processing window in Weeks 5-6 into a period where rejections cannot be refiled before the deadline closes. Starting later than the second week of February leaves the sprint colliding with year-end books close, GST annual return preparation, and Q4 GSTR-3B filings — the sprint gets deprioritised in favour of urgent statutory work and the deadline closes on unresolved lines.

PART APPENDICES

Reference Material

Downloadable assets, statutory reference, product bridge.

APPENDIX A · CHAPTER —

Downloadable Assets Index

The eight downloadable assets referenced across this guide.

Asset	Format	Resource URL
Bank Narration Parser Workbook	.xlsx	terra-insight.com/resources/bank-narration-parser-workbook/
Three-Way ITC Reconciliation Workbook	.xlsx	terra-insight.com/resources/three-way-itc-workbook/
TDS Receivable Aging Workbook	.xlsx	terra-insight.com/resources/tds-receivable-aging-workbook/
Platform Settlement Decomposition (Google Sheets)	Sheets copy link	terra-insight.com/resources/platform-settlement-workbook-google-shee
Vendor GSTR-1 Follow-Up Letter Pack (6 letters)	.zip Word pack	terra-insight.com/resources/vendor-gstr-1-follow-up-letter-pack/
Deductor Form 168 Query Letter Pack (5 letters)	.zip Word pack	terra-insight.com/resources/deductor-form-168-query-letter-pack/
Aggregator Settlement Dispute Letter Pack (4 templates)	.zip Word pack	terra-insight.com/resources/aggregator-settlement-dispute-letter-pack/
The Controller's Toolkit (bundled)	.zip omnibus	terra-insight.com/resources/controllers-toolkit/
This Field Guide	.pdf	terra-insight.com/downloads/reconciliation-manager-field-guide.pdf

The Controller's Toolkit bundles the three Excel workbooks, the three Word template packs, and this Field Guide as a single reference pack — it is the recommended single download for a finance team just setting up the twenty-day cadence for the first time.

Statutory Reference

Every statute anchor referenced in this guide.

Direct tax (Income-tax Act 1961 and Income-tax Act 2025)

Anchor	Substance
Section 393 payment codes 1001-1092	Non-salary TDS classifier from 1 April 2026. Highlights: 1002 contractor (194C successor), 1005-1008
Form 168 (April 2026)	Quarterly TDS statement, successor to Form 26AS, filed within 30 days of quarter-end.
Section 200A + Section 201(1A) + Section 206A	TDS processing framework: 200A intimation on short deduction/deposit/classification; 201(1A) interes
Section 197 low-deduction certificate	Recipient applies for lower rate; certificate binds deductor for tax year; 180-day practitioner rule for pr
Section 37 and Section 41	Section 37 business loss allowability for writeoff; Section 41 deemed income on remission or cessation
CBDT Circular 23/2017	TDS on pre-GST amount where GST shown separately; excess deduction on GST-inclusive amount is
CBDT 31 March 2026 correction deadline	Last date for filing TDS correction statements for FY 2018-19 through FY 2022-23. No condonation.

Indirect tax (CGST Act 2017 and CGST Rules 2017)

Anchor	Substance
Section 16 conditions for ITC	Tax invoice, receipt of supply, tax paid by supplier, recipient's own GSTR-3B filing.
Section 16(4) time bar	ITC forfeit after 30 November following FY end. Only Severity 10 anchor in the reconciliation cadence
Rule 36(4) ITC ceiling	ITC availed cannot exceed the GSTR-2B figure. Rule 88D DRC-01C fires on breach; 30-day reply.
Rule 37 and Rule 37A reversal	Rule 37: 180-day non-payment reversal with Section 50 interest. Rule 37A: supplier GSTR-3B non-fili
Section 17(5) blocked ITC	Motor vehicles below seating threshold, food/beverage in non-specified circumstances, works contract
Rule 88C DRC-01B	Fires when GSTR-1 declared liability exceeds GSTR-3B tax paid; 7-day reply via Part B rebuttal, DRC
Section 39(9) amendment	GSTR-1 Tables 9A/9B/9C amendment. 30 November following FY deadline for rectification.
Section 34 credit and debit notes	Credit note issuance timeline; declaration by 30 November following FY.
Section 51 GST TDS + Section 52 TCS	Section 51 at 2% by government departments/PSUs on supplies above Rs 2.5 lakh; Section 52 at 1% by
Section 73 and Section 74	Non-fraudulent (3-year window, 10% penalty floor) vs fraudulent (5-year window, 100% penalty) asse
Section 122	Penalty for specified offences including invoice without supply and tax collected but not paid beyond t
Invoice Management System (October 2024)	Recipient IMS action — Accept, Reject, Pending — before 14th of following month. Mis

Companies Act and audit

Anchor	Substance
CARO 2020 Clause 3(i)	Statutory auditor reports on regularity of TDS and other statutory dues deposits.

Anchor	Substance
CARO 2020 Clause 3(ii)(b)	Auditor reports on quarterly bank statements reconciled to books for entities with working capital limit
CARO 2020 Clause 3(xii)	Auditor reports on defaults in loan repayment and wilful defaulter status.
ICAI SA 315 + SA 240	Auditor's risk assessment and fraud detection responsibilities that reference the reconciliation control st

Ind AS anchors

Anchor	Substance
Ind AS 12	Income taxes — deferred tax on TDS receivable timing differences.
Ind AS 20	Government grants — treatment of tax credits and incentives.
Ind AS 21	Effects of changes in foreign exchange rates — spot rate on foreign inward remittance.
Ind AS 37	Provisions, contingent liabilities and contingent assets — residual provisioning for irrecoverable receivables.
Ind AS 8	Accounting policies, changes in accounting estimates and errors — disclosure for writeoff of aged unmatched cred

Terra Insight Product Bridge

Where continuously-refreshed infrastructure fits alongside the manual runbooks.

TransactIG — Reconciliation infrastructure

TransactIG is Terra Insight's reconciliation infrastructure for Indian finance teams that have outgrown a manual monthly cadence. It runs the same discipline this guide documents — the twenty-day framework, the five-bucket categorisation vocabulary, the sign-off gates, the calendar-clocked escalation ladder — but as a continuously refreshed detection surface rather than as a five-day-per-window manual sprint. The at-risk ITC queue becomes a first-class output against the Section 16(4) clock. The TDS receivable aging queue runs a two-key match against Form 168 as the quarterly statement lands. The bank exception queue holds every unmatched credit's seven-branch elimination in a system rather than in an 8pm chase. The letter packs become workflow objects with per-invoice merge fields and per-tier owner routing.

Deployment posture: enterprise finance team infrastructure delivered as a hosted service — the customer's data resides in AWS Mumbai (Terra Insight is ISO 27001:2022 certified and DPDP-Act-2023 aligned). Self-hosted deployment inside the customer's own cloud or VPC is available on enterprise agreements.

Learn more: terra-insight.com/product/transactig/

TransactIQ — Bank statement intelligence

TransactIQ is Terra Insight's bank statement intelligence product for NBFC and bank underwriting teams. It converts an applicant's bank statements — scanned PDFs, co-operative-bank passbook scans, ReBIT Account Aggregator JSON, and every intermediate format — into a structured credit signal set that underwriters can score in real time. Deployed as a hosted API service, with the customer's data resident in AWS Mumbai. Same certifications as TransactIG. Live product, generally available.

Learn more: terra-insight.com/product/transactiq/

The pattern this guide sits alongside

The manual runbooks in this guide are what a finance team runs when the reconciliation volume fits inside a small team's weekly cadence. Continuously refreshed infrastructure is what the same team moves to when the volume outgrows the cadence. The discipline is the same; the labour distribution shifts. Every chapter in this guide ends with a ‘when the runbook outgrows itself’ note that names the specific threshold at which the transition becomes economic.

Terra Insight publishes no product pricing on the public website. Pricing conversations run through the enterprise sales team — the contact form at terra-insight.com/contact/ opens the conversation.

Get the working papers

Every worksheet, letter pack, and template referenced in this guide is at **terra-insight.com/resources/**.

- bank-narration-parser-workbook — the Chapter 5 Excel recipe
- three-way-itc-workbook — the Chapter 6 GSTR-2B match
- tds-receivable-aging-workbook — the Chapter 7 two-key aging queue
- platform-settlement-workbook-google-sheets — the Chapter 8 four-platform decomposition
- vendor-gstr-1-follow-up-letter-pack — the Chapter 12 six-letter escalation ladder
- deductor-form-168-query-letter-pack — the Chapter 13 five-letter escalation ladder
- aggregator-settlement-dispute-letter-pack — the Chapter 14 four-platform pack
- controllers-toolkit — the bundled omnibus (all of the above)

The Reconciliation Manager's Field Guide

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Terra Insight Editorial Team

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