

Goods & Services Tax

Central/State Goods & Services Tax Act, 2017

“Returns”

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CA, DISA, MBF, B.Com

Objectives

1. Brief overview of Act and Rules
2. Category of Return filers
3. Frequency and Timelines
4. Content, Relationships and Data flow of Returns
5. Mismatches and credit Reversal
6. Late Fees and Penalties

Brief overview of Act and Rules

Act and Rules

Section of CGST Act		Corresponding Rule
37	Details of outward supplies	1
38	Details of inward supplies	2 and 23
39	Returns	3 to 8
40	First return	Not Required
41	Claim of input tax credit and provisional acceptance	10
42	Matching, reversal and reclaim of input tax credit	10 to 13 & 18
43	Matching, reversal and reclaim of reduction in output tax liability	14 to 17 & 18
44	Annual return	21
45	Final return	22
46	Notice to return defaulters	9
47	Late fees	Not Required
48	Goods and services tax practitioners	24 & 25

Section 38-Key takeaways

- Every registered taxable person shall verify, validate, modify or delete, details of outward supplies*etc.,furnished by the supplier u/s 37-Form 2A
- May prepare and include details of inward supplies* not declared by the supplier u/s 37.
- Furnish, electronically, the details of inward supplies*covered under Reverse charge ,Import.
- Above action can be done during 11th to 15th of following month only.
- To rectify error/omission,due to mismatch for any previous tax period(s).
last date to rectify the defect
 - Annual return or September return from the end of FY to which such detail relates whichever is earlier

*For previous taxable month

Section 39-Key takeaways

- Monthly return - Normal Suppliers, Non-Resident, Input Service Distributors (ISD), TDS, TCS
- Quarterly Return for Composition Suppliers
- All Taxes to be mandatorily paid before filing of GST return.
- Return of previous tax period are not pending.
- Mandatory filing of NIL returns (all of them)
- May rectify error/omission for any previous tax period(s), except as a result of scrutiny, audit, Inspection or
- Enforcement - last date to rectify the defect
 - Annual return or September return from the end of FY to which such detail relates whichever is earlier

*For previous taxable month

Category of Return Filers

Return filers



Regular Registered Tax
Payer



Composition Supplier



Non- Resident Taxable
Person



ISD (Input Service
Distributor)



TAX Deductor



E-Commerce Operator

Return Filers



**Regular Registered
Tax Payer**

Returns to be filed

GSTR-1 : Outward supplies

GSTR-1A

GSTR-2 : Inward supplies

GSTR-2A

GSTR-3 : Monthly return

GSTR -9 : Annual return

Return Filers



Returns to be filed

GSTR-4 : Monthly return

GSTR-4A

GSTR -9A : Annual return

Return Filers



Returns to be filed

GSTR-5 : Return

Return Filers



Returns to be filed

GSTR-6 : ISD Return

GSTR-6A

Return filers



Returns to be filed

GSTR-7 : Return

Return Filers



Return to be filed

**GSTR-8 : TCS
Return**

Other Return

GSTR - 9B : Audit Report cum
Reconciliation Statement

GSTR-10 : Final Return

GSTR-11 : Inward supply statement for
UIN holders

RETURN TIMELINES

Timelines for monthly returns

GSTR-1

- **Outward**
- **10th of next Month**

GSTR-2

- **Inward**
- **15th of next Month**

GSTR-1A

- **17th of next Month**

GSTR-3

- **Payment of tax**
- **20th of next Month**

Other monthly returns



Quarterly and Annual returns



Content, Relationships and Data flow of returns

Fundamental changes

**No revision of Tax
Return**

**No revision in
Invoice Post
Transactions**

Fundamental changes

**No revision of
Tax return...**

**Any change to information
in return to be filed in any
next return.**

(Subject to conditions)

Fundamental changes

**No revision in Invoice
Post Transactions**

**Any changes in invoice
post transaction to be
done Via Debit/Credit
Note**

(Subject to conditions)

GSTR-1

Invoice level information

A supplier tax payer is required to prepare GSTR1 wherein they will report invoice level

One place of supply

An invoice can't have two different place of supply .
POS is mandatory field in the inter-state invoice.

Bulk Upload

Bulk Upload facility is available

Glossaries for Return

Glossary	From Supplier	To Recipient
B2C	A Registered person under GST	Any recipient or business not registered under GST
B2B	A Registered person under GST	A Registered person under GST
U2B	Any business not registered under GST or Unregistered Person	A Registered person under GST

GSTR-1 : Contents

5 B2B Invoices

.Amended B2B Invoices

7 B2C (other)

.Amended B2B Invoices *

9 NIL / Exempt / Non GST Supplies

11 Advances – ToS

Amended Tax Liability Advanced
Payment etc.

6 IS B2C (>2.5 L)

.Amended is B2C (>2.5 L)

8 Credit/Debit Note

.Amended Credit/Debit Note

10 Export invoices

.Amended Export invoices

12 Taxes Already paid on Advanced

13 Supply through e- Commerce

Amended E-Commerce Supply

* Consolidated not
Invoice wise

GSTR-1 : Important Content

No.	Transaction Type
5	B2B Invoices
6	Interstate B2C (>2.5 L)
7	B2C Others
8	Credit/ Debit Note
9	NIL/ Exempt/ Non GST Supplies
10	Export Invoices
11	Advances – ToS (Tax Liability Advance Payment)
12	Taxes already paid on Advances
13	Supply through E-commerce

GSTR-1 : Submission Level

Type	Supply to	Invoice Value	Submission Level
Intrastate	Registered Person (B2B)	Any	Invoice Level
Interstate	Registered Person (B2B)	Any	Invoice Level
Intrastate	Unregistered Person (B2C) (Stated as consumer in return)	Any	Consolidated
Interstate	Unregistered Person (B2C) (Stated as consumer in return)	Less than 2.5 Lakh	Consolidated
	Unregistered Person (B2C) (Stated as consumer in return)	More than 2.5 Lakh	Invoice Level

GSTR-1 :B2B Invoices

- A. To indicate if Supply attracts reverse charge.
E.g., GTA Services
- B. If Supply made through E-commerce Operator
GSTIN of operator to be specified.
 - 1. These invoices will auto populated in SI # 13 of
GSTR-1

GSTR-1: Indication of HSN codes

As per ICAI Background material on GST : (draft)

Category of taxable person and turnover in the preceding financial year	Any taxpayer, irrespective of his turnover, may use HSN code at 6-digit or 8-digit level if he so desires.
Aggregate turnover is <Rs 1.5 crores	<ul style="list-style-type: none"> •HSN/SAC is not mandatory for taxable person whose aggregate turnover is less than 1.5 crores. •Hence Composition dealer may not required to specify HSN at 2-digit level also. •For export 8-digit HSN is mandatory
Rs 1.5~Rs 5 crores	<ul style="list-style-type: none"> •HSN code may be specified only at 2-digit chapter level as an optional exercise to start with. this would be mandatory from second year of GST implementation. •For export 8-digit HSN is mandatory •SAC code is mandatory
>Rs 5 crores	<ul style="list-style-type: none"> •HSN-minimum of 4 digits-mandatory •For export 8-digit HSN is mandatory SAC code is mandatory
All Exports included above categories	HSN codes at 8-digit level

GSTR-1 :HSN/SAC

Contd...

- In order to differentiate between the HSN code and SAC code, the letter will be prefixed with “s”.
- The taxpayer who have turnover below the limit of Rs 1.5 crore will have to mention the description of goods/service, as the case may be ,wherever applicable.

GSTR-1 :Dr/Cr Notes

- Details of Dr/Cr notes showing reverse charge and non-reverse charge separately.
- This will include the details Dr/Cr notes issue by the supplier and the differential value impact and associated tax payable or refund/tax credit sought.
- Information on Dr/Cr notes shall be submitted only if such document are issued as a supplier.

GSTR-2 / 2A

Auto populated	GSTR 2A contains an auto populated list of all invoices received from all supplier Taxpayers corresponding return for the given tax period.
Action (A/D/M/P)	Receiver taxpayer can accept ,reject /delete ,modify any pending invoices in the GSTR-2A .also receiver can park item for next period & such item will roll over to next month GSTR-2A
Auto flow to GSTR-2	Accepted & modified invoices will flow to GSTR 2 & in case of rejection only an intimation will be sent to tax payer.
ITC	Quantum of ineligible input tax credit, either fully or partially, on inward supplies which is relatable to non-taxable supplies, to be declared at invoice level ,if identifiable.

GSTR-2 : Contents

4 B2B Non-composition

.Amended inward B2B invoices

4 B2B/U2B Reverse charge

.Amended inward B2B invoices

5 Goods of Import

.Amended import of goods

6 Import of Service

.Amended import of services

7 Credit/Debit Note

.Amended Cr/Dr note

8 B2B purchase from composition Supplier

8 unregistered or U2B* / Exempt / Nil / Non GST Purchase

*where reverse charge is not applicable.

GSTR-2:Contents, contd..

9 ISD credit received

10 TDS credit received

10 TCS credit received

**11 ITC received
Partially earlier**

**12 Reverse Charge –
ToS**

.Amended Reverse Charge –ToS

**13 Adjustment Reverse
Charge -ToS**

**14 ITC Reversal with
Reason**

.Amendment to ITC reversal

GSTR-2: Other points

If the supply is received in more than one lot, the invoice information should be reported in the return period in which the last lot is received and recorded in the book of accounts.

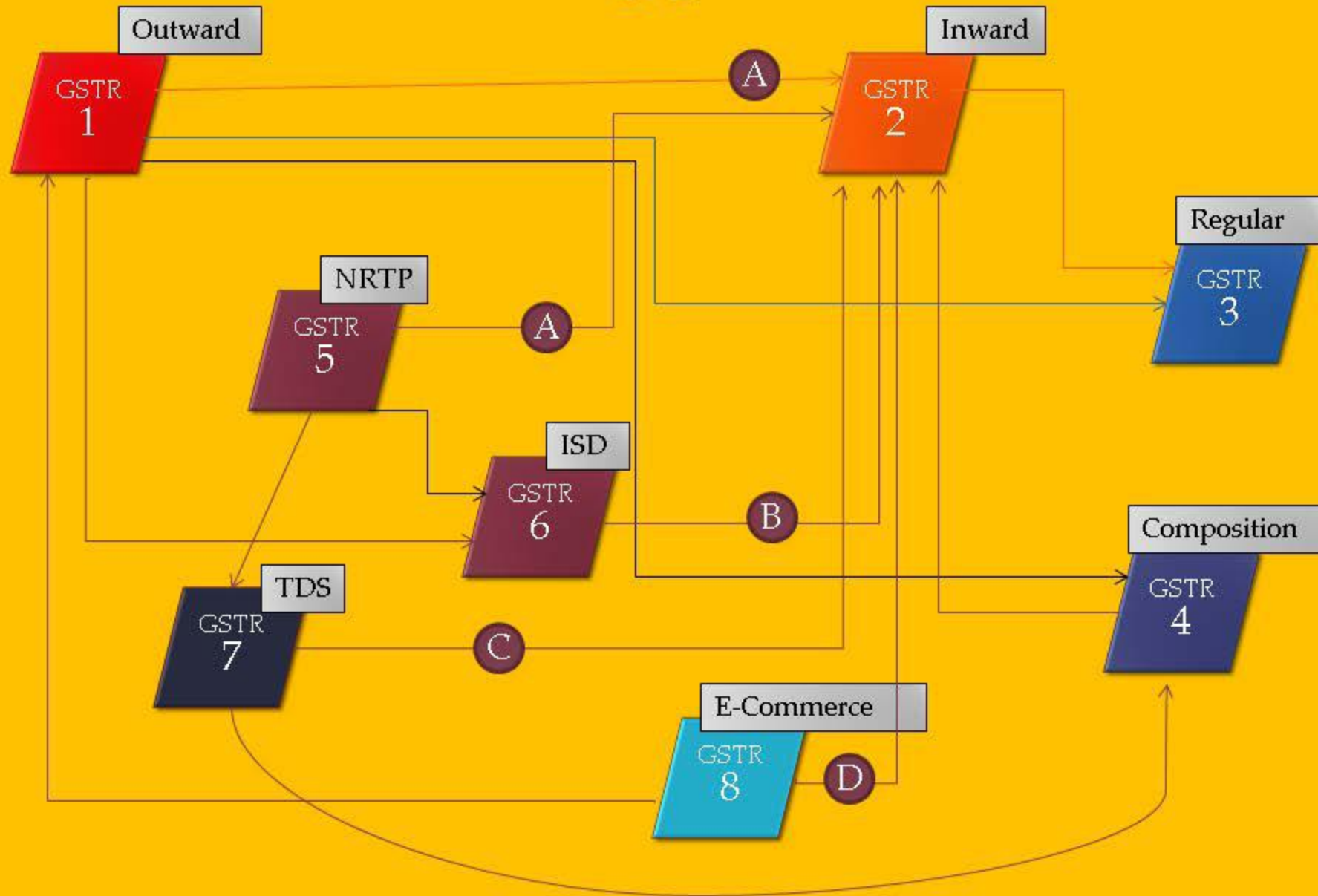
To reverse ITC at invoice level , if supply not eligible for ITC

To specify eligibility of ITC as input or capital goods or input services or none

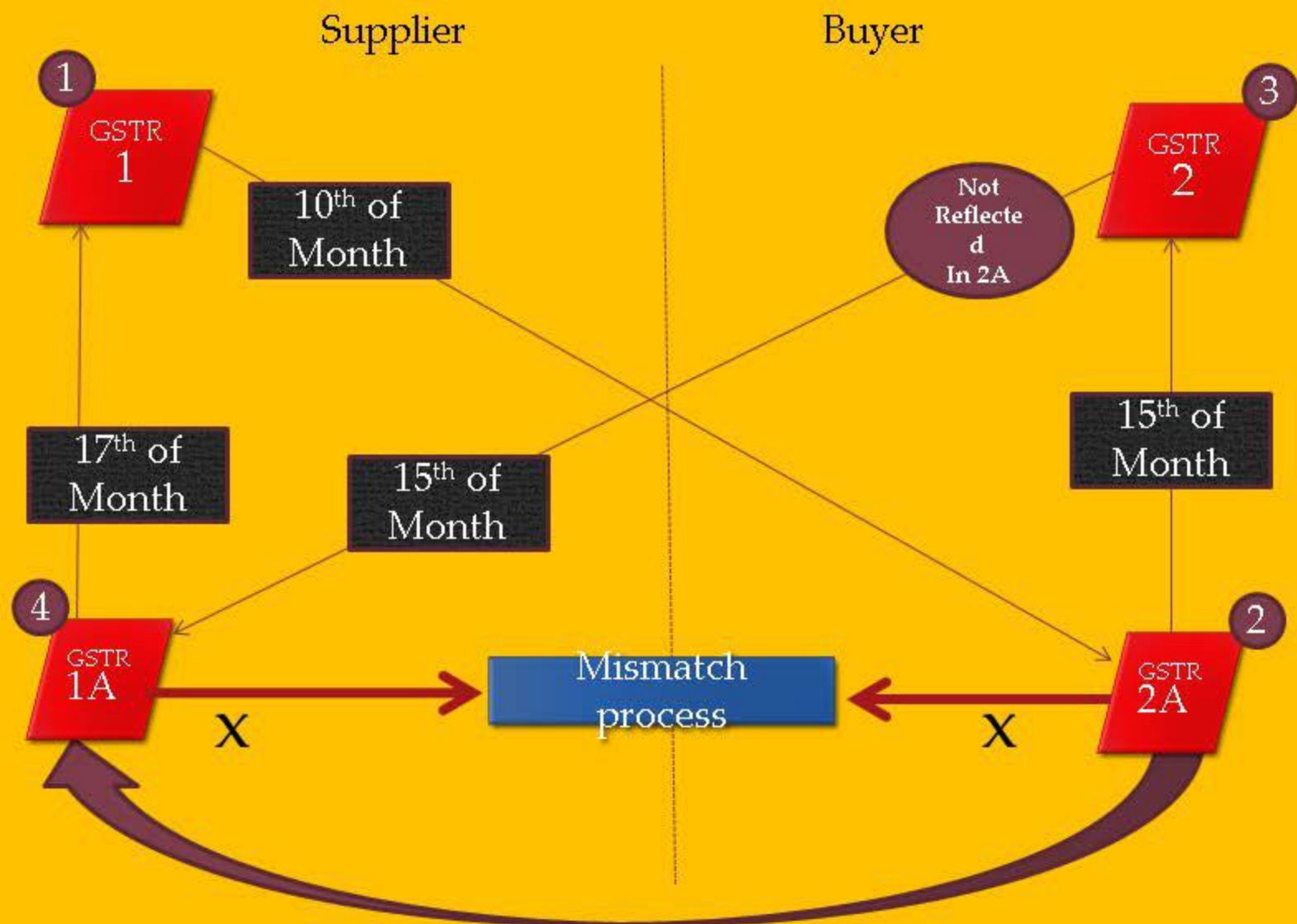
GSTR-3 : Features

Summary of various type of business transactions	Auto populated based on GSTR 1 and GSTR
Impact of amendment in invoices /Dr Note /Cr Note etc. pertaining to previous tax periods is auto populated .	Output tax added / reduced on account of non-rectification / rectification of communicated mismatches .
Auto population of tax , interest , late fees and penalty basis debit entry made in cash and ITC ledger.	

Inter return relationship per se



GSTR-3: Return flow

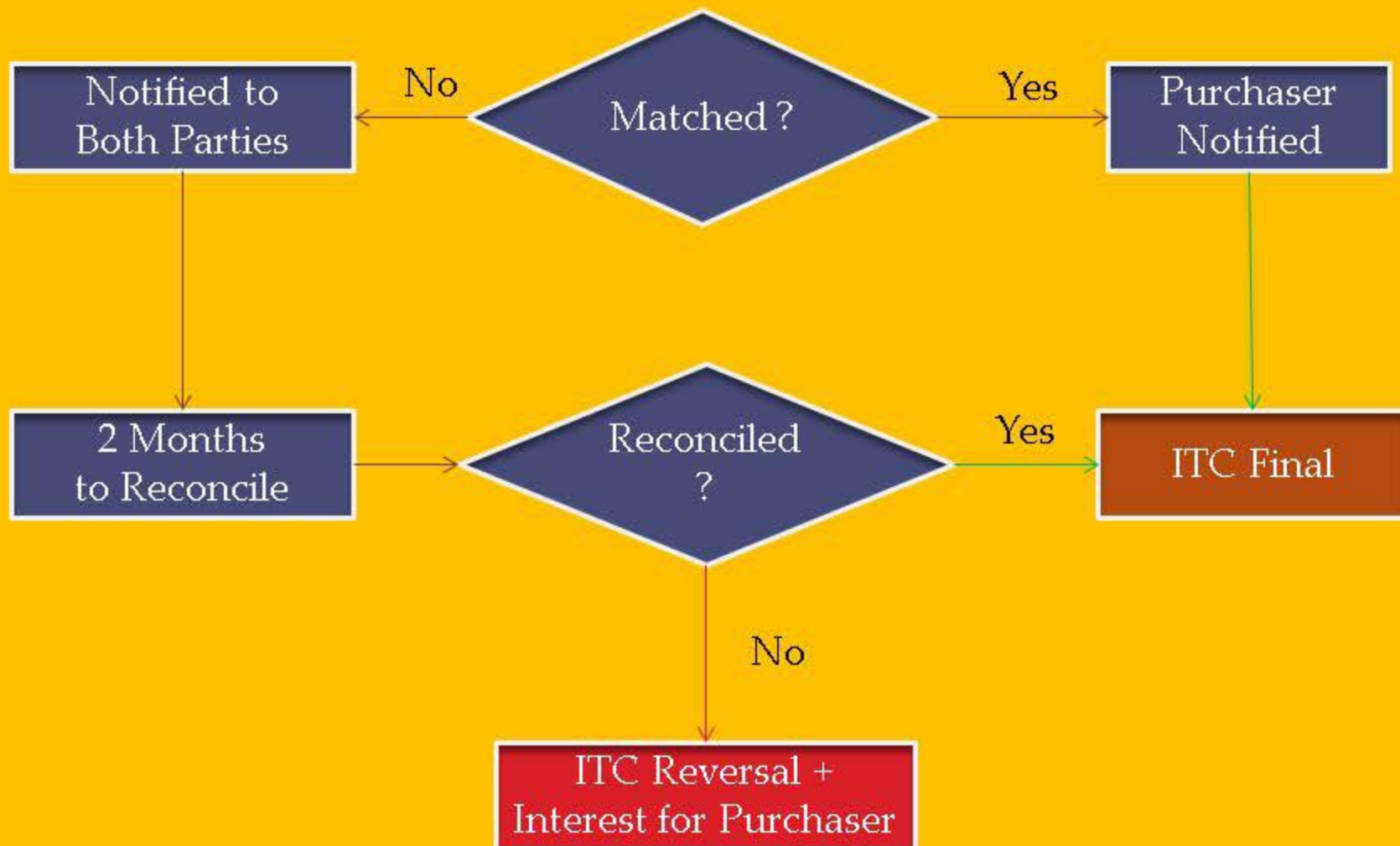


Section 59 – Self assessment

Every registered person Shall **self assess** the taxes payable under this Act and **furnish a return** for each tax period as specified under section 39..

Mismatches and Credit reversal

Matching Concept



Matching Fields

For ITC

GSTIN of the supplier

GSTIN of the recipient

Invoice/ or debit note
number

Invoice/ or debit note
date

Taxable value

Tax amount

For Reduction in Output Tax Liability

GSTIN of the supplier

GSTIN of the recipient

Credit Note Date

Credit Note Number

Taxable value

Tax amount

Remember...

If the supplier

- A. Has not paid the tax and / or
- B. Not filed the return on or before the
due date (or extended due date, if any),
- C. The return filed by him shall not be treated
as a valid return

For the purpose of the above matching exercise.

Matching scenarios

Situation	Result
Input credit details of recipient = Output tax as stated by supplier	Matches (since no scenario of loss to revenue)
Input credit details of recipient < Output tax as stated by supplier	Matches (since no scenario of loss to revenue)
Input tax credit is duplicated by the recipient	Mismatch (scenario of loss to revenue) Shall be communicated to the registered person in Form GST MIS-1/MIS-2

Matching scenarios

Situation	Result
Claim for input tax credit > Output tax as stated by supplier	Mismatch (Scenario of loss to revenue) Shall be added to the output tax liability the recipient if not rectified
Claim for input tax credit > Output tax as stated by supplier (because the supplier has not furnished a particular transaction)	

Matching scenarios

Situation	Result
Claim for reduction in output tax = Reduction in ITC by recipient	Matches (since no scenario of loss to revenue)
Claim for reduction in output tax > Reduction in ITC by recipient	Mismatch (scenario of loss to revenue) Shall be communicated to both registered person in Form GST MIS- 3/MIS-4

Late fees and Penalties

Late Fees - Section 47

Type	Late Fees	Upper limit
Monthly and Quarterly	Rs.100/- per day	Rs.5000/-per statement/Form
Annual	Rs.100/- per day	0.25% of Annual turnover in the State or UT

Sec 2(112)-**Turnover in the state or UT :**

Sum total of:

- A. Taxable Outward supplies and Outward Exempt supplies with in the state /UT
- B. Export supplies made from state /UT
- C. Inter state supplies made from state /UT – **will include supplies made to other units /branches in other states/UT**

Less CGST,SGST,and IGST

Penalty for non-compliance

General penalty u/s 125 of CGST Act

Rs.25,000/-

QUESTIONS..

THANK YOU

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