

PROPOSED RETURN PROCESS

NOVEMBER 02ND , 2015

PRESENTATION PLAN....

- ❑ Basic Features
- ❑ Periodicity of Return Filing
- ❑ Contents of GSTR-1 Return
- ❑ Contents of GSTR-2 Return
- ❑ Contents of GSTR-3 Return
- ❑ Contents of Compounding Taxpayer Return (GSTR-4)
- ❑ Contents of Foreign Non-Resident Return (GSTR-5)
- ❑ Contents of ISD Return (GSTR-6)
- ❑ Contents of TDS Return (GSTR-7)
- ❑ Contents of Annual Return (GSTR-8)

....PRESENTATION PLAN

- ❑ HSN Codes & SAC
- ❑ Typical Invoice Details
- ❑ Invoice matching & Credit reversal
- ❑ Filing of return
- ❑ Revision

BASIC FEATURES....

- ❑ Self-assessment of tax liability by the taxpayer
- ❑ Common e-Return for CGST, SGST, IGST & Additional Tax
- ❑ Separate returns for different categories of taxpayers
 - Normal/Regular & Casual Taxpayer (GSTR-1, 2, 3 & 8)
 - Compounding Taxpayer (GSTR- 4 & 8)
 - Foreign Non-Resident Taxpayer (GSTR-5)
 - Input Service Distributor (GSTR- 6)
 - Tax Deductor (GSTR-7)
- ❑ Returns by a normal / casual taxpayer to be filed in sequential manner with different cut-off dates to allow auto-population of return & automated matching of invoices

....BASIC FEATURES

- ❑ Payment of due tax is must for filing valid return
 - Returns can be submitted with short payment but shall be treated as invalid – not taken into account for invoice matching & inter-Government fund settlement
- ❑ Provision for filing revised information
 - Differential Tax liability to be captured through Debit Note / Credit Note/ Supplementary invoices / correction mechanism
- ❑ Maintenance of electronic Cash Ledger
- ❑ Maintenance of electronic ITC Ledger
- ❑ Maintenance of electronic Tax liability Ledger

PERIODICITY OF RETURN FILING....

- Normal/Regular taxpayers – monthly return
 - 10th day of succeeding month: last date for uploading supply invoice details – GSTR -1
 - 15th day of succeeding month: last date for auto-population & uploading purchase details – GSTR-2
 - 17th day of succeeding month: last date for finalizing supply & purchase details
 - 20th day of succeeding month: last date for filing GSTR-3
- Compounding taxpayers to file quarterly return: by 18th day of succeeding month of the Quarter – GSTR-4
- Foreign Non-resident Taxpayers to file monthly return: within 7 days after expiry of registration – GSTR-5

....PERIODICITY OF RETURN FILING....

- ❑ Input Service Distributors (ISD) taxpayers to file monthly return: by 15th day of succeeding month – GSTR-6
- ❑ Tax Deductors to file monthly TDS return: by 10th of succeeding month – GSTR- 7
- ❑ Casual taxpayers to file same return as for normal taxpayer but with monthly periodicity and / or linked to validity period of registration
- ❑ UN agencies to file return for the month in which they make purchases – to claim refunds

...PERIODICITY OF RETURN FILING

- Annual Return (GSTR-8)
 - All Regular and Compounding taxpayers to file Annual Return
 - Last date - 31st December following the end of the financial year
 - Simpler Annual Return for Compounding taxpayers & those taxpayers who are not required to get their accounts audited
 - Annual Return to be accompanied with a statement showing reconciliation of information as per Returns with information as per annual audited accounts
 - ✓ Reconciliation statement to be filed by taxpayers who are required to get accounts audited under Section 44AB of the Income Tax Act, 1961

CONTENTS OF GSTR-1 RETURN...

- ❑ Taxpayer details
- ❑ Return period details
- ❑ Invoice level specified details
 - All B2B supplies
 - ✓ Line-item level data in case multiple tax rate or HSN / Service Accounting Code in one invoice
 - Inter-State B2C supplies
 - ✓ only if Taxable Value per invoice is \geq INR 250000/-

....CONTENTS OF GSTR-1 RETURN....

- Aggregate State-wise summary
 - All other B2C inter-State taxable supplies having address on record
 - ✓ Every invoice having Taxable Value of \geq INR 50,000/- to mandatorily have address of buyer
- Aggregate summary
 - All B2C intra-State taxable supplies
 - All exempted, nil rated & non-GST supplies (intra-State & inter-State AND B2B & B2C)

.....CONTENTS OF GSTR-1 RETURN

- ❑ Export & deemed Export
 - Invoice level details along with shipping bill details
 - ✓ with payment of GST
 - ✓ without payment of GST
- ❑ Debit Notes / Credit Notes: Details of debit note, credit note & changes in supply information for earlier tax periods with consequential increase/decrease in tax liability
- ❑ Details of tax liability on receipt of advance
- ❑ Details of subsequent issuance of invoices issued w.r.t. advance receipt

CONTENTS OF GSTR-2 RETURN....

- ❑ Taxpayer details
- ❑ Return period details
- ❑ Invoice level inward supply details received from registered taxpayer
 - To be auto-populated from GSTR-1 of counterparty supplier
 - Recipient to have option to add receipts not declared by counterparty supplier – if in possession of taxable invoice & have received supply of goods / services
- ❑ Bill of entry details of import of goods
- ❑ Invoice level details of import of services

...CONTENTS OF GSTR-2 RETURN

- ❑ Debit Notes / Credit Notes: Details of debit note, credit note and changes in inward supply information for earlier tax periods with consequential increase/decrease in ITC
- ❑ Option to declare eligibility for ITC
- ❑ Aggregate summary of receipts of exempted, nil rated, non-GST supplies & supplies received from unregistered person
- ❑ Details of ITC received from ISD
- ❑ Details of cash credit received on account of TDS

CONTENTS OF GSTR-3 RETURN....

- ❑ Taxpayer details
- ❑ Return period details
- ❑ **To be auto-populated from GSTR-1 & GSTR-2**
- ❑ Aggregate values of all B2B outward supplies
- ❑ Aggregate value of all B2C outward supplies
- ❑ Aggregate value of all exports including deemed exports
- ❑ Aggregate value of all inward supplies
- ❑ Aggregate value of all imports
- ❑ Information about adjustments for earlier periods
- ❑ Details of cash credit received on account of TDS
- ❑ Details of all liabilities (Tax, interest, penalty, late fee, etc.)

....CONTENTS OF GSTR-3 RETURN

- ❑ Details of ITC availed, ITC utilized, credit reversible on account of invoice mismatch and other adjustment
- ❑ Details of gross & net tax liability
- ❑ Details of payment of tax and other statutory liabilities
- ❑ Provision for capturing Debit Entry No. of Cash & ITC Ledger
- ❑ A field for return based refund & Bank Account Number

CONTENTS OF COMPOUNDING TAXPAYER RETURN (GSTR-4)....

- ❑ Taxpayer details
- ❑ Return period details
- ❑ Inward supply details
 - Auto-populated from GSTR-1 of counter-party supplier
 - Option to add receipts not uploaded by counter-party supplier
 - Receipts from unregistered dealers to be added
 - Includes supply attracting tax payment on reverse charge basis
- ❑ Details of import of goods and services
- ❑ Details of outward supply: intra-state, exports & non-GST

.....CONTENTS OF COMPOUNDING TAXPAYER RETURN (GSTR-4)

- ❑ Details of all liabilities (Tax, interest, penalty, late fee, etc.)
- ❑ Details of payment of tax and other statutory liabilities
- ❑ Provision for capturing Debit Entry No. of Cash ledger
- ❑ Information on possibility of crossing composition limit before date of next return

CONTENTS OF FOREIGN NON-RESIDENT RETURN (GSTR-5)

- Taxpayer details
- Return period details
- Details of imported goods: HSN details at 8 digit level
- Details of outward supplies
- Details of ITC availed
- Details of tax payable
- Details of tax paid
- Closing stock of goods

CONTENTS OF ISD RETURN (GSTR-6)....

- ❑ Taxpayer details
- ❑ Return period details
- ❑ Details of ITC
 - Auto-populated from GSTR-1 of counter-party supplier
 - Option to add receipts not declared by counterparty supplier – if in possession of taxable invoice & have received supply of goods or services
 - Includes supplies attracting reverse charge
 - Information about ITC available in the month for distribution

..... CONTENTS OF ISD RETURN (GSTR-6)

- ❑ Details of credit of CGST, SGST & IGST distributed
- ❑ Details of ISD ledger
 - Opening and closing balance of ITC
 - ITC received, reversed and distributed

CONTENTS OF TDS RETURN (GSTR-7)

- ❑ Taxpayer's details
- ❑ Return period details
- ❑ Details of Tax deducted
 - GSTIN of supplier
 - Invoice details
 - Payment details
 - Amount of TDS on account of CGST, SGST & IGST
- ❑ Details of payments of any other amount

CONTENTS OF ANNUAL RETURN (GSTR-8)

- ❑ Taxpayers Details
- ❑ Details of all expenditure
- ❑ Details of all income
- ❑ Details of all other tax liability
- ❑ Other Reconciliation Statement

HSN Codes & SAC

- HSN Code for goods – in invoice level details
 - 4-digit HSN Code mandatory for taxpayers having turnover above Rs. 5 Crore in preceding FY
 - 2-digit HSN Code for taxpayers with turnover between Rs. 1.5 Crore & Rs. 5 Crore in preceding FY – optional in 1st Year and mandatory from 2nd Year
 - 8-digit level mandatory for exports & imports
- Accounting Codes for services – in invoice level details
 - Mandatory for those services for which Place of Supply Rules are dependent on nature of services
 - Mandatory for exports & imports
- Service Accounting Code to be prefixed with ‘s’ for differentiating from HSN

Typical Invoice Details

- ❑ Buyer's GSTIN / Departmental ID / Address
- ❑ Invoice Number & Date
- ❑ HSN Code/Accounting Code
 - for each line item of an invoice in case of multiple codes in an invoice
- ❑ Taxable Value
- ❑ Invoice Value
- ❑ Tax Rate
- ❑ Tax Amount (CGST & SGST or IGST & / or Additional Tax)
- ❑ Place of Delivery/Place of Supply
 - only if different than the location of buyer

Invoice Matching & Credit Reversal

- ❑ B2B supply information given by the supplying taxpayer in GSTR-1 will be auto-populated into GSTR-2 of the counterparty purchaser
- ❑ Purchasing taxpayers will be allowed to add invoice details in GSTR-2 & avail credit if he is in possession of valid invoice & have received supply of goods or services
- ❑ Counterparty registered taxpayers shall have a 2-day window to reconcile invoice information among themselves prior to filing of GSTR-3
- ❑ Credit availed on unmatched invoices shall be auto-reversed in the next to next return period (e.g. mismatched ITC for April to be auto-reversed in return for June)



FILING OF RETURN

- ❑ To be filed by taxpayer at GST Common Portal either:
 - by himself logging on to the GST System using his own user ID & password; or
 - through his authorized representative using the user Id & password (allotted to the authorized representative by the tax authorities), as chosen at the time of registration, logging on to the GST System
- ❑ Filing may be done through TRPs / FCs also
- ❑ Filing may be done either directly or by using Applications developed by accounting companies / IT companies which will interact with GST System using APIs
- ❑ Steps for filing Return



REVISION

- ❑ Revision of information permitted
- ❑ Changes in Tax liability / ITC amount to be handled through
 - Debit- Credit Notes
 - Revision of supply invoices
 - Post sales discount
 - Volume discount
 - Amendments / Corrections



Thank You!

Matching by GSTN

GSTN to inform purchaser

GSTN to inform both supplier and purchaser

Matched

Un-matched

ITC Finalized in Purchaser's ITC Ledger

Two months period for reconciliation

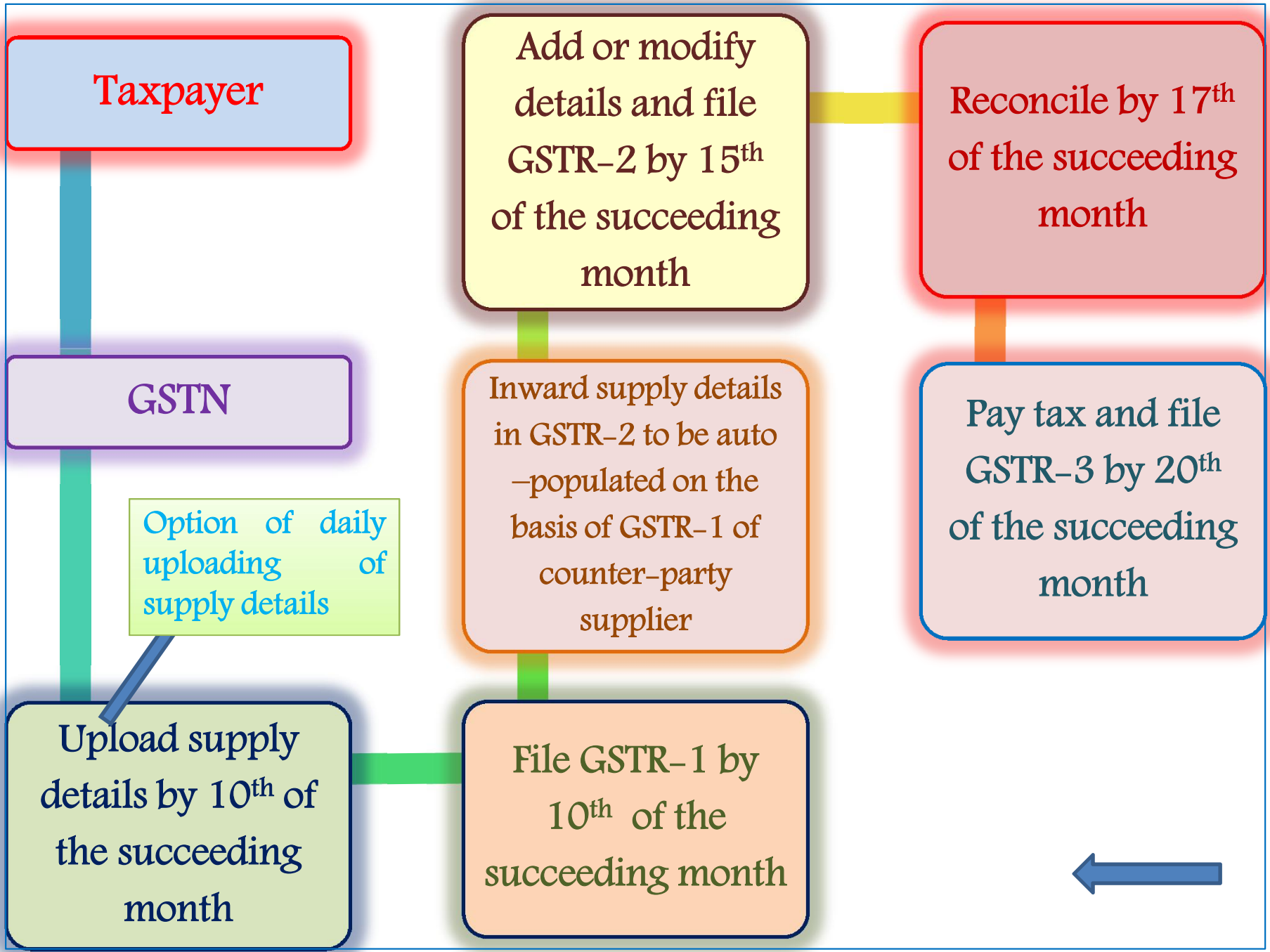
Reconciled

Non-Reconciled

ITC finalized in Purchaser's ITC ledger

ITC Reversed to be paid along with Interest by Purchaser





Taxpayer

GSTN

Option of daily uploading of supply details

Upload supply details by 10th of the succeeding month

File GSTR-1 by 10th of the succeeding month

Inward supply details in GSTR-2 to be auto-populated on the basis of GSTR-1 of counter-party supplier

Add or modify details and file GSTR-2 by 15th of the succeeding month

Reconcile by 17th of the succeeding month

Pay tax and file GSTR-3 by 20th of the succeeding month