PROPOSED RETURN PROCESS

NOVEMBER 02\textsuperscript{ND} , 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
Input Service Distributors (ISD) taxpayers to file monthly return: by 15\textsuperscript{th} day of succeeding month – GSTR–6

Tax Deductors to file monthly TDS return: by 10\textsuperscript{th} 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 ≥ 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 ≥ 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 counter-party 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 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
Matching by GSTN

- GSTN to inform purchaser
- GSTN to inform both supplier and purchaser

**Matched**
- ITC Finalized in Purchaser's ITC Ledger

**Un-matched**
- Two months period for reconciliation
  - Reconciled
    - ITC finalized in Purchaser's ITC ledger
  - Non-Reconciled
    - ITC Reversed to be paid along with Interest by Purchaser
Taxpayer

Upload supply details by 10th of the succeeding month

File GSTR-1 by 10th of the succeeding month

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

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

Reconcile by 17th of the succeeding month

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

Option of daily uploading of supply details