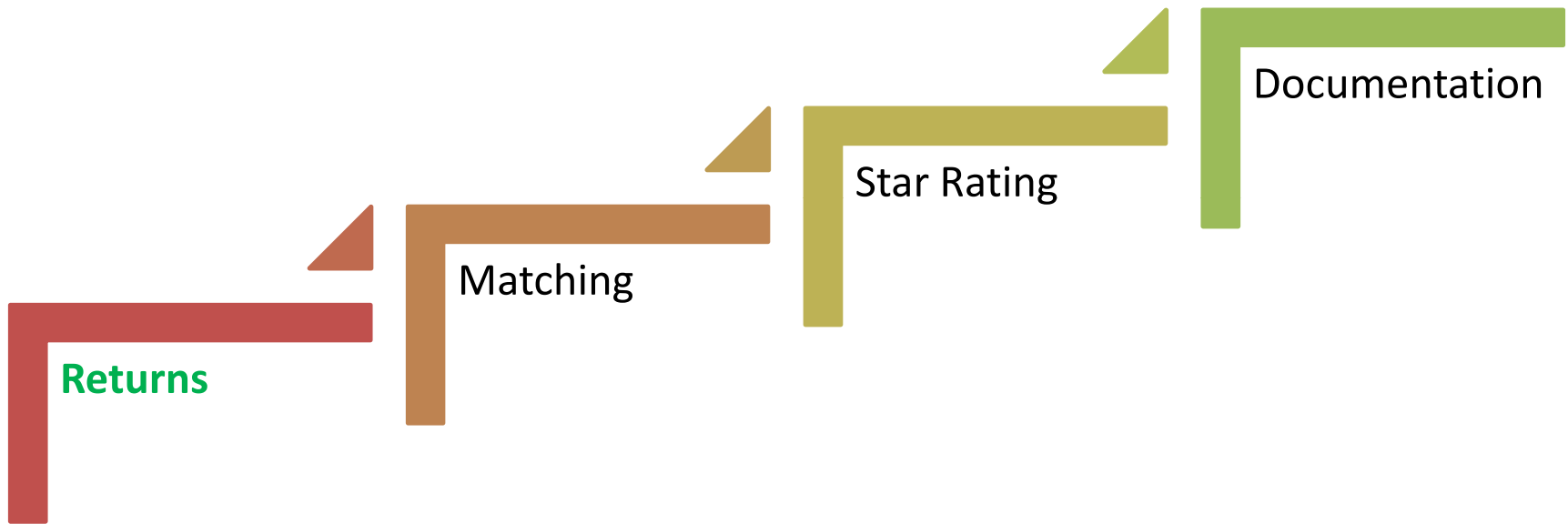


Goods and Services Tax(GST)

**INTENSIVE COURSE ON GST
7 MAY, 2017**

Ashish Kedia





Return of Outward Supplies - GSTR 1 (1/2)

Details of **outward supplies of goods and/ or services** during a tax period – Directly or through FC [Section 37]

Filed by the **10th** of the **following month**. Blocked thereafter- 5 days

Filed in **GSTR-1**. Made available to recipient in GSTR – 2A

Outward supplies include:

- ✓ Zero rated
- ✓ Inter-state
- ✓ Return of goods
- ✓ Exports
- ✓ Dr./ Cr. notes
- ✓ Supplementary invoice

Return of Outward Supplies (2/2)

Not applicable to Composition, TDS, TCS and ISD

No revision of “Original” return – Errors/ Omissions whenever discovered will be corrected in the return to be filed of that period

Corrections to be filed on/ before:

- ✓ Filing of Annual return
- ✓ Due date of filing of O/w supplies return for month of September following the end financial year to which the details pertain

Return of Outward Supplies – Contents (1/4)

Basic details of the Taxpayer

Gross T/o of Taxpayer in the previous Financial Year

Invoice-level supply information separately for goods and services

- B2B supplies
- **ALL** (exempted/ non-GST) inter-state B2C supplies - invoice level details in respect of every invoice whose value is more than Rs. 2,50,000/-
- Inter state B2C Supply less than 2.5 lac – statewise supply summary, if address on record*

* Address of buyer needs to be mandatorily recorded on invoices above Rs. 50,000/-. Invoice below Rs. 50,000/- where address is not on record will be treated as intra-state supply

Return of Outward Supplies – Contents (2/4)

HSN and Service Accounting Code (SAC)

- ✓ HSN (4 digit)/ SAC mandatory for taxpayers with turnover > 5 crore in preceding F.Y.
- ✓ turnover Rs 1.5 Crores ~ Rs 5 Crores in the preceding financial year – HSN (2 digit) from 2nd year of implementation
- ✓ Composition dealer – may not have to report HSN
- ✓ 8 digit HSN/ SAC mandatory for imports/ export

No need to mention description of goods unless taxpayer T/o < 1.5 crore

SAC will be prefixed with 'S'

Intra state B2C supplies aggregated and reported

Return of Outward Supplies – Contents (3/4)

- ✓ Details relating to place of supply as per Place of Supply rules
- ✓ Supplies attracting reverse charge

Advances received against future supplies

Taxes paid on advances for which tax invoices issued in current period

Supplies exported (including deemed exports) with/ without payment of IGST

Revisions in relation to outward supply invoices pertaining to previous tax periods (Debit/ Credit note)

Return of Outward Supplies – Contents (4/4)

Separate table for effecting modifications/correcting errors in the returns submitted earlier

Separate table for submitting details in relation to NIL rated, Exempted and Non-GST outward supplies to registered tax payers and consumers

Return of Inward Supplies – GSTR 2 [Sec. 38]

O/w supply statement validated by recipient = I/w Supply

Modification, additions and deletions allowed to details of outward supplies and Dr/Cr notes

Inward supply contains services on which tax discharged under reverse charge

Filed by 15th. Rectification allowed by filing details in subsequent statement (time barring similar to O/w supply)

Recipient determine quantum of ineligible ITC - at invoice level or consolidated

Return of Inward Supplies – Components (1/2)

Basic Taxpayer details

Final invoice level supply information relating to goods and services separately

GSTR-1 will auto populate GSTR-2

ITC received against one invoice in one lot – credit available in the period in which purchase is recorded in books

ITC received against one invoice in multiple lot – credit available in the period in which last lot of purchase is recorded in books

Return of Inward Supplies – Components (2/2)

Separate table for:

- ✓ Import of goods, capital goods and services
- ✓ ITC on invoices partial credit of which availed earlier
- ✓ Dr./ Cr. Notes
- ✓ Modification/ correction errors of earlier periods
- ✓ Nil rated, exempt and non GST inward supplies
- ✓ ISD credit
- ✓ TDS credit

Inward supply statement will auto populate ITC ledger

Monthly Return – GSTR 3 [Sec. 39]

Return depicting inward and outward supplies, ITC, tax payable and paid and other particulars prescribed

Filed by 20th of the following month (for composition dealers – 18th of month following quarter)

Cannot be furnished if previous return not furnished

If tax payable not paid by the last day of filing - return defective

Nil return mandatory

Late fee – Rs. 100/ day (Maximum Rs. 5,000)

Monthly Return – Components (1/2)

Turnover Details - Gross Turnover, Export Turnover, Exempted Turnover, Nil Rated Turnover, Non GST Turnover and Net Taxable Turnover

Aggregate I/w and O/w supply auto populated

TDS credit received and credited to cash ledger

Tax liability under CGST, SGST, IGST and Additional Tax

Cr./ Dr. notes

Other liabilities (i.e. Interest, Penalty, Fee, others etc)

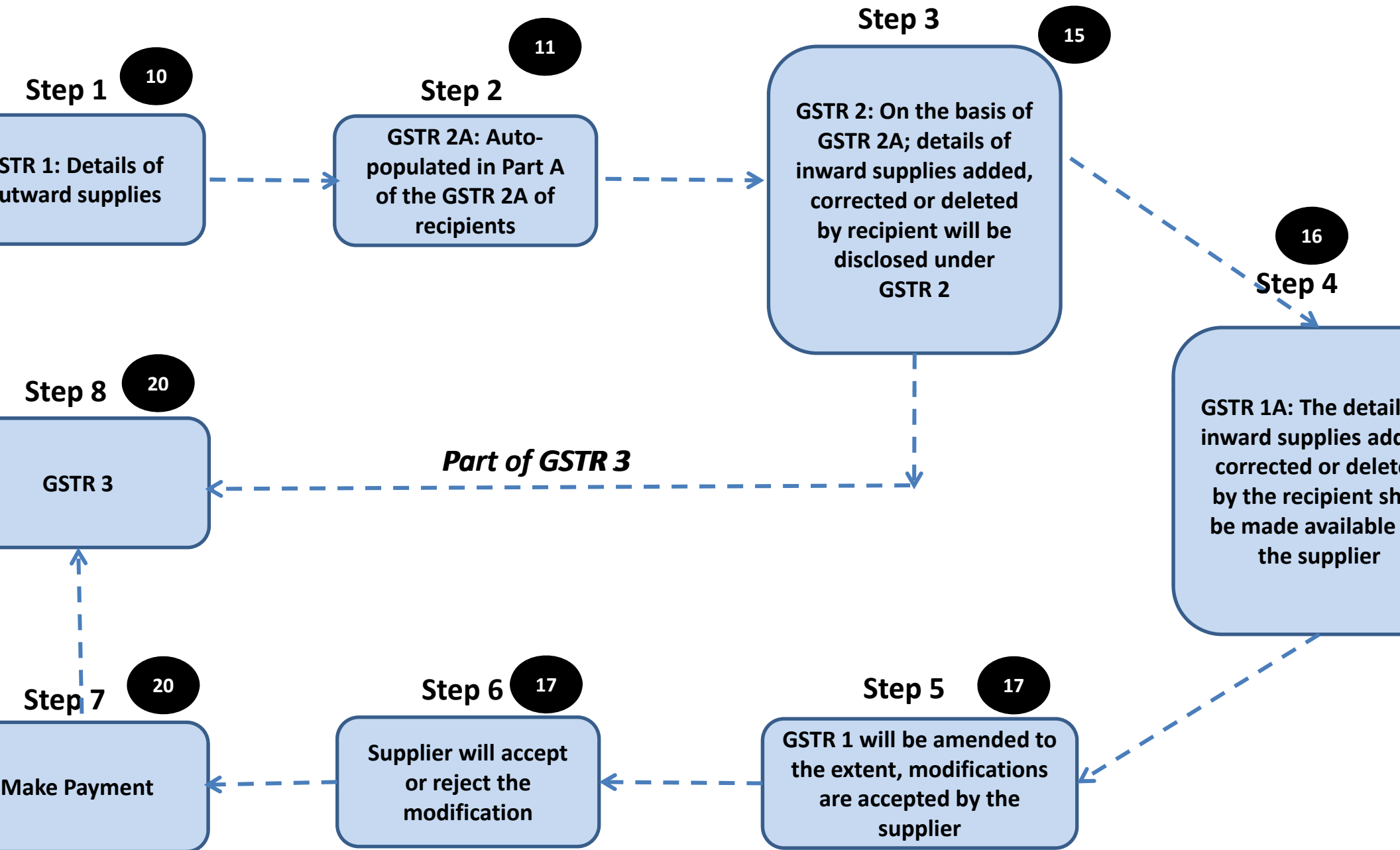
Monthly Return – Components (2/2)

Information about ITC ledger, Cash ledger and Liability ledger – auto populated

Payment of tax, penalty, fees under various tax heads , - auto populated from the debit entry in Credit/Cash ledger

Form will display all bank A/c and taxpayer can select one for credit of refund

Quantitative details not reported in GSTR-3 but reported in Annual return



Other Returns

Annual return (GSTR-9 / 9A)

- ✓ Filed by 31st December
- ✓ ISD, TDS deductor, casual taxable person and Non resident not liable
- ✓ If taxpayer liable to audit u/s 42(4), attach annual audited accounts and Reco. Statement GSTR-9B
- ✓ Late fee – Rs. 100/ day (max. 0.25% of turnover)

Final return (GSTR 10)

- ✓ Three months of date of cancellation or date of cancellation order, whichever is later
- ✓ Details of closing balance - stock, input services, cap. Goods.
- ✓ Tax payable on closing stock – Higher of ITC availed or closing stock

Other Returns

First return (GSTR-10)

Transaction to be reported	Consideration involved
Outward supplies	From date of liability to register till the date when registration is granted

TDS return – Filed by 10th in GSTR- 7

ISD return – Filed by the 13th in GSTR-6

Returns Applicability

Regular registered person*

- GSTR – 1
- GSTR – 2
- GSTR – 3
- GSTR – 9

*Multiple registrations – Multiple returns

Composition

- GSTR – 4
- GSTR – 9

Casual Taxable/ NR person

- GSTR - 5

ISD

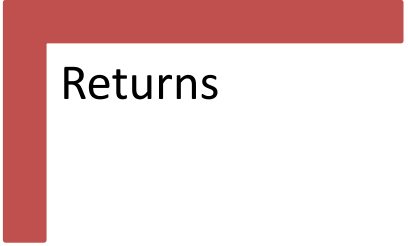
- GSTR - 6

Return Forms (1/2)

Form No.	Content	Due Date
GSTR – 1	Outward Supplies	10 th of following month
GSTR – 1A	Outward Supplies as added, corrected or deleted by recipient	Made available after submission by recipient in GSTR- 2 or GSTR-4
GSTR – 2	Inward Supplies	15 th of following month
GSTR – 2A	Inward Supplies made available to recipient	Made available after due date of GSTR-1 filed by supplier
GSTR – 3	Final Monthly return	20 th of following month
GSTR – 3A	Notice to defaulter	After due date of filing return
GSTR – 4	Compounding dealer	18th following the quarter
GSTR – 4A	Inward supplies made available to recipient under composition	Made available after submission by supplier in GSTR-1
GSTR – 5	Non-resident foreign taxable person	20th of next month/quarter or 7 days from the date of completion of registration period, whichever is earlier

Return Forms (2/2)

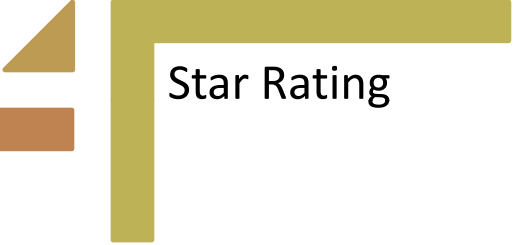
Form No.	Content	Due Date
GSTR – 6	ISD Return	13 th of following month
GSTR – 6A	Inward Supplies made available to ISD recipient	Made available after submission by supplier in GSTR-1
GSTR – 7	TDS Return	10 th of following month by Deductor of TDS



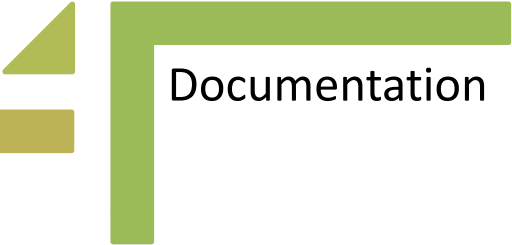
Returns



Matching



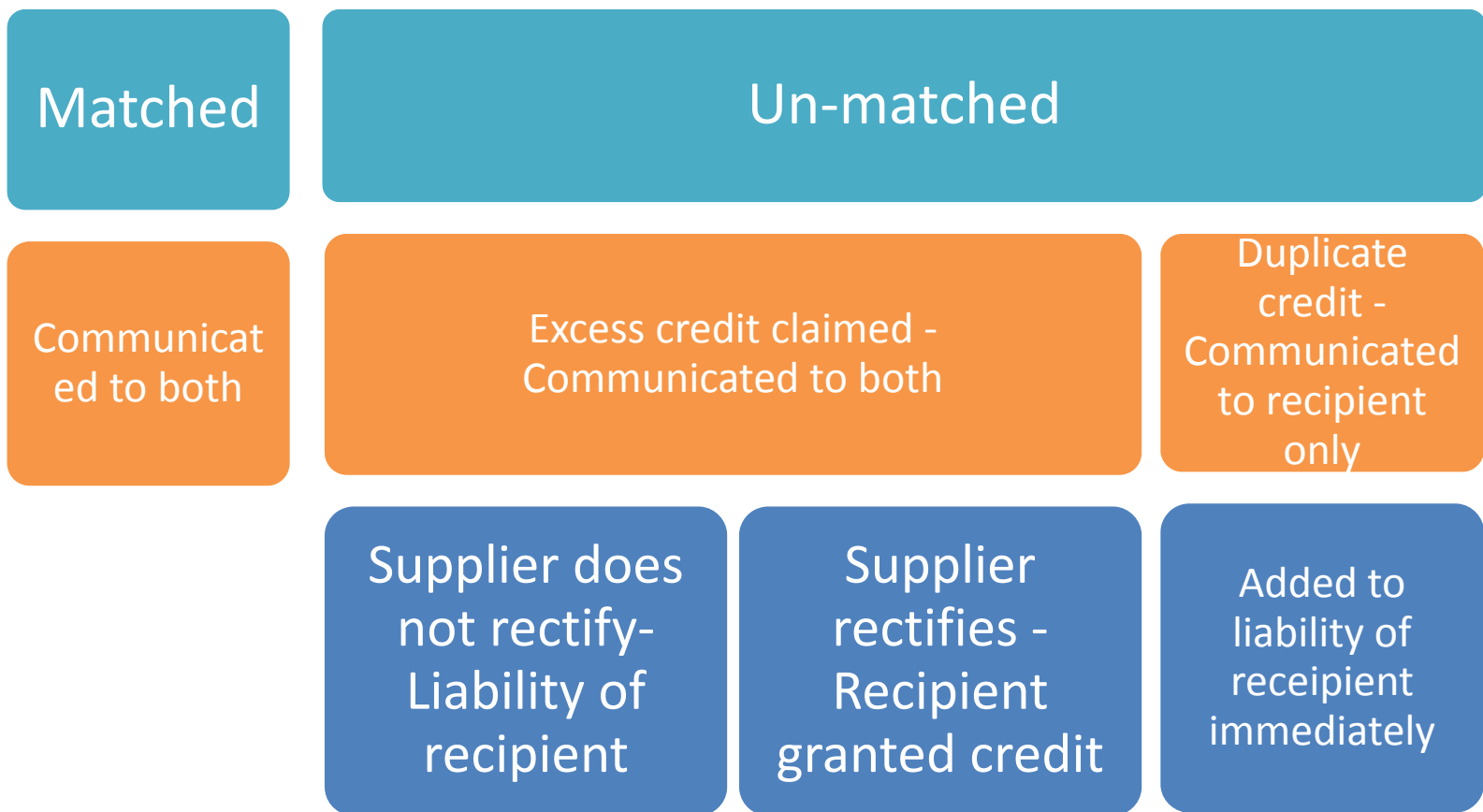
Star Rating



Documentation

Matching, Reversal and Reclaim (1/2)

Inward - Outward return matching



Matching, Reversal and Reclaim (2/2)

Credit note matching

Match

Not match with ITC reversal by recipient

Communicated to both

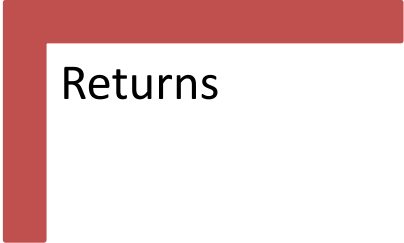
Mismatched credit note
Communicated to both

Duplicate credit note
Communicated to supplier only

Recipient does not rectify -
Liability of supplier

Recipient rectifies -
Reduced from suppliers liability

Added to liability of supplier immediately



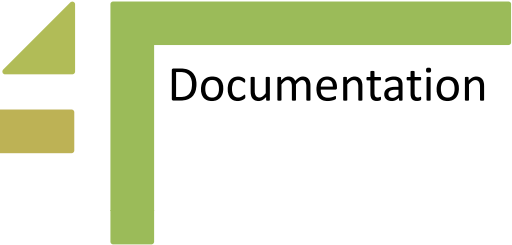
Returns



Matching



Star Rating



Documentation

Star Rating

Dynamic compliance rating - Scale of 1 to 10

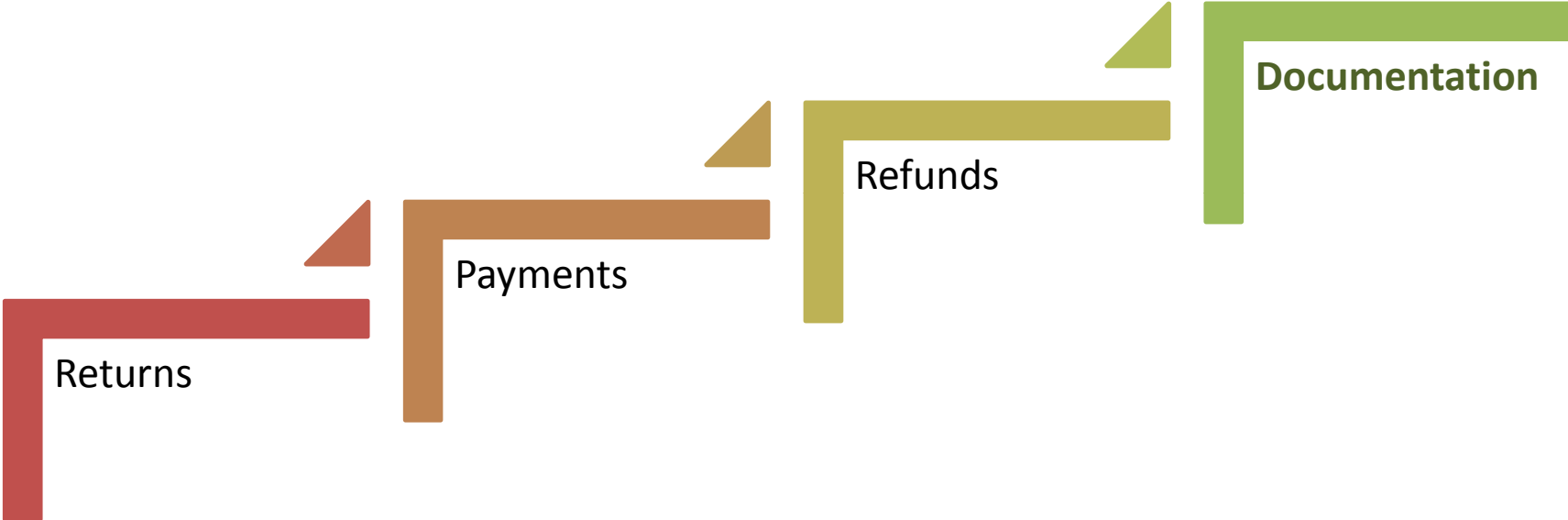
Determined according to the level of compliance of registered person

Criteria yet to be determined. Possible factors:

- Timely uploading of invoices
- Quantum of mismatches
- Timely filing of returns
- Prompt payments
- Co-operation with tax authorities

Low GST rating will result in loss of credit

Refunds would also be impacted



Returns

Payments

Refunds

Documentation

GST Practitioner (1/2)

Eligibility 1

- Solvent Citizen of India of sound mind
- Not convicted to Imprisonment more than 2 years

Eligibility 2

- Retired officer of commercial tax department/ CBEC/ DoR
- Graduate/ PG in commerce, law, banking, business administration
- Degree from foreign university recognised by Indian university as equivalent to above
- Degree exam as above and CA/ CWA/ CS

Application in Form GST PCT-1

Registration in Form GST PCT-2 after necessary enquiry

GST Practitioner [Sec. 48]

List of practitioners on Portal – GST PCT - 5

Consent to be obtained from registered person in Form GST PCT-6

Consent can be withdrawn – Form GST PCT-7

Authorised to:

- Furnish details of O/w and I/w supplies
- Monthly, quarterly, annual or final return
- Make deposit for credit to Electronic Cash ledger
- File refund claim
- Application for amendment/ cancellation of registration

Statement filed by GST practitioner confirmed by registered person

Accounts & Records [Section 35]

Assessee keep and maintain true & correct accounts at **principal place of business**

- production or manufacture of goods;
- inward or outward supply of goods and/or services;
- stock of goods;
- input tax credit availed;
- output tax payable and paid.

Required to be maintained at each location

Relaxation maybe obtained by application from Commissioner

Registered taxable person –preserve books of accounts and other prescribed records –

- **72 months** from the due date of filing Annual return for the year pertaining to such records/ 1 year post appeal disposal

Audit – Section 65 & 66

Assessee **audited by tax authorities** u/s 65 for such period and at such frequency as may be prescribed

Audit conducted at the place of business of taxable person

Notice for audit – **15 days** before commencement

Completed within **3 months** – extended by max. 6 months

Audited **report within 30 days** of conclusion

Special audit u/s 66 by empanelled CA/CWA – 90 days + 90 days

Thank you

Ashish Kedia

Partner – A V Kedia & Associates

ashish@applegreen.in