

# GOODS AND SERVICE TAX

## Chapter 3

# RETURNS

# Important Notes :

- ▶ Monthly GSTR 3B.
- ▶ Monthly GSTR 1.
- ▶ SME having T/O less than 1.5 Cr. To file quarterly GSTR1.
- ▶ GSTR 2 for inward supplies.
- ▶ GSTR 3 (Monthly return, temporarily stayed)

# Furnishing details of outward supplies :

- ▶ Every Registered person.
- ▶ Monthly GSTR 1.
- ▶ Showing outwards supplies.
- ▶ On or before 10<sup>th</sup> of next month of tax period.
- ▶ Commissioner may extend the date.

## Furnishing details of inward supplies :

- ▶ GSTR2A to be auto populated based on details provided in GSTR3B by the seller.
- ▶ Allows verification, alteration, modification, deletion of the auto populated fields.
- ▶ Download the details available in GSTR2A to prepare GSTR2.
- ▶ GSTR2 is not functional as on today.

No return for the current tax period is allowed until previous tax periods return is filed.

No.	Categories of Person	Time Limit
1	Registered Person	On or before 20 <sup>th</sup> day of the month succeeding such month.
2	Composite Person	Within 18 days from end of such quarter.
3	TDS	Within 10 days after such month.
4	Input Service Distributor	Within 13 days after end of such month.
5	Non resident tax payer	Within 7 days after last date of registration or 20 days after the month, whichever is earlier.

## First Return :

- ▶ Every registered person who makes outward supplies.
- ▶ Between he becomes liable to register and he gets registration.
- ▶ Shall declare the sales in his first return.

## Claim of Input Tax credit & Provisional Acceptance thereof :

- ▶ Every registered person, subject to some conditions
- ▶ Be entitled to take credit of eligible input tax
- ▶ As self assessed in his return
- ▶ And such amount shall be credited to his credit ledger on PROVISIONAL basis.
- ▶ Said credit shall be utilized only for self assessed O/P Tax as per his return.

# Matching, Reversal and Reclaim of ITC :

## ITC should MATCH with

- ▶ Details of outward supplies furnished by the supplier in his **GST** return for the **same** tax period or **previous** tax period.
- ▶ IGST paid under Customs Act for imports.
- ▶ ITC that matched should be accepted and communicated.
- ▶ Excess ITC claimed which not reported by supplier (Discrepancy) shall be communicated to both the parties.
- ▶ Discrepancy communicated shall be rectified in return of the tax period in which communication received.
- ▶ If not rectified, discrepancy will be added to the output liability.
- ▶ If ITC claimed twice (Duplicate ITC), same shall be added to output liability.



- ▶ Receipt shall eligible to deduct discrepancy from his tax liability subsequently if supplier rectifies the discrepancy.
- ▶ If any amount is added to the liability, interest will be added to the liability from the date of availing such wrong credit till he pays.
- ▶ Where any reduction is accepted by the department subsequently, interest paid as above shall be refunded by crediting to the cash ledger under interest head.
- ▶ Any GST liability reduced in contravention of the provisions, same shall be added to the output liability along with interest in his return for the month in which such contravention took place.

# Matching, Reversal and Reclaim or Reduction in output tax Liability:

- ▶ Details of Cr note issued must match with corresponding reduction in ITC by counterparty in his return.
- ▶ Reduction in tax liability should match with corresponding reduction in ITC of counter party.
- ▶ If reduction of liability is more than reversal of ITC, both parties shall be communicated.
- ▶ If discrepancy not rectified, liability will be added to the output tax.
- ▶ Any reduction of liability on account of duplication, shall be added to the output tax liability.
- ▶ Supplier can reduce his liability if counter party declares details of Cr. Note.
- ▶ Interest to be paid on reduced tax liability from the date on which liability is reduced to the date on which liability added to the output tax liability.
- ▶ Where reduction of liability is admitted, interest paid shall be refunded by Dept.

# Annual Return

Every Registered person shall file annual return on or before 31<sup>st</sup> December other than :

- Input Service Distributor.
- TDS Deductor.
- E Commerce Operator.
- Casual Taxable Person.
- Non Resident Taxable Person.

# Final Returns

Applicable to person who wants to cancel his registration shall file return.

Within 3 months from the date of cancellation.

OR

Date of cancellation order.

**WHICHEVER IS EARLIER.**

# Notice to Returns defaulters

- If registered person fails to file return.
- Notice shall be issued within 15 days.
- From the due date of return filing.

# Levy of Late Fee

- Any person who fails to furnish details of outward or inward supplies ( i.e. GST Returns).
- Pay late fee of Rs. 100 per day of delay after the due date.
- Subject to maximum of Rs. 5,000.
- Any person who fails to file return u/s. 44 ( Annual Return).
- Pay late fee of Rs. 100 per day of delay after the due date.
- Subject to maximum of 1/4<sup>th</sup> Percentage of his turnover within the state / union territory.

# Notification No. 4/2018 Central Tax.

- Central Govt. on recommendation of the council.
- Waived the late fee for GSTR1 which is in excess of Rs. 25 per day. (Now late fee applicable is Rs. 25 Per day.)
- Where there is no outward supply for the relevant tax period.
- Late fee for the delay in excess of Rs. 10 is waived off. (Now late fee applicable is Rs. 10 Per day.)

# Notification No. 5/2018 Central Tax.

- Central Govt. on recommendation of the council.
- Waived the late fee for GSTR5 which is in excess of Rs. 25 per day. (Now late fee applicable is Rs. 25 Per day.)
- Where there is no outward supply for the relevant tax period.
- Late fee for the delay in excess of Rs. 10 is waived off. (Now late fee applicable is Rs. 10 Per day.)



# Notification No. 6/2018 Central Tax.

- Central Govt. on recommendation of the council.
- Waived the late fee for GSTR5A which is in excess of Rs. 25 per day. (Now late fee applicable is Rs. 25 Per day.)
- Where there is no outward supply for the relevant tax period.
- Late fee for the delay in excess of Rs. 10 is waived off. (Now late fee applicable is Rs. 10 Per day.)

# Notification No. 7/2018 Central Tax.

- Central Govt. on recommendation of the council.
- Waived the late fee for GSTR6 which is in excess of Rs. 25 per day. (Now late fee applicable is Rs. 25 Per day.)
- Where there is no outward supply for the relevant tax period.
- Late fee for the delay in excess of Rs. 10 is waived off. (Now late fee applicable is Rs. 10 Per day.)

# GST Practitioner (Section 48)

- This section provides for manner of approval of GST practitioner.
- Their eligibility, conditions, dates and obligations, manner of removal.
- Registered person may authorize a GSTP to file his returns.
- But all the responsibilities lies with the registered person only.
- GSTP is also authorized to file cancellation, refund applications etc.

Various forms of returns for  
various kind of person