Lakshmikumaran & Sridharan attorneys
30 years

L&S GST FLASH

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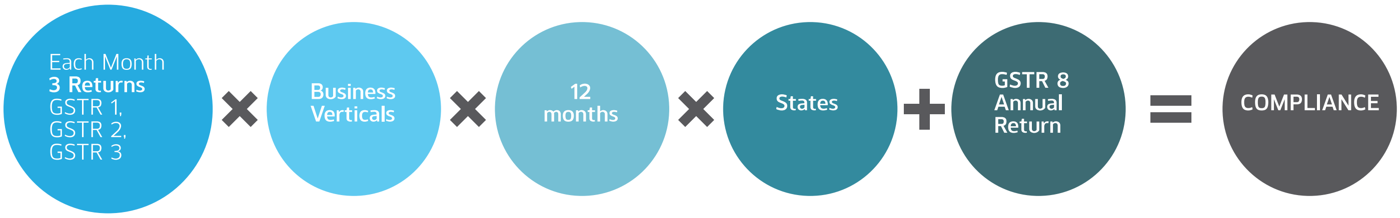
L&S GST Flash covers significant GST news, updates and legislative developments. They help you keep abreast with the latest developments in GST.

Business Processes for GST: Returns Process

The report of "the Joint Committee on Business Processes for GST" on GST Return (hereinafter **'the report'**) was put up in the public domain for comments from stakeholders on 20.10.2015.

The report gives an outline of the return filing process, return formats, data requirement for filing the returns and the mechanism of back-end processing of the returns under the Goods and Services Tax ('GST') regime.



A quick overview of the salient points covered in the report is as follows:

1. Every registered person is required to file returns (even if there is no business activity)
2. There would be one common return for Central GST, State GST, Integrated GST and Additional Tax.
3. Each Taxpayer would have to file three monthly returns for each registration. Separate registrations within the State for different business verticals would require independent return filing.
4. Persons dealing exclusively in exempted/ nil rated/ non-GST goods or services would neither be required to obtain registration nor file returns.
5. Separate returns called GST Returns ('GSTR') would be prescribed for filing outward supply details (GSTR 1), inward supply details (GSTR 2), consolidated details (GSTR 3), annual details (GSTR 8), Input service distributor details (GSTR 6) and tax deducted at source ('TDS') (GSTR 7). Separate returns would be prescribed for the dealers opting for compounding scheme.
6. Separate information reporting requirements specified for Business to Business ('B2B') and Business to Consumer ('B2C') transactions.

7. Inter-state supplies to end consumers of less than Rs. 50,000 per invoice where recipient's address not mentioned would be deemed as intra state supply.
8. Phased implementation of HSN code for supply of goods depending upon the turnover of Taxpayers to be prescribed.
9. Accounting code would be mandatory for specific services where special rules are prescribed in the Place of Supply rules for determining the consumption destination.
10. Taxpayers to report Place of Supply wherever Destination State is different from the location of the recipient.
11. The ITC claim for the Taxpayer would be auto computed from GSTR-1, GSTR-2, GSTR-6 and GSTR 7 and the same would be automatically captured in GSTR-3. The Taxpayer would pay GST as per GSTR-3 and file GSTR-3.
12. Returns can be filed without the payment of self-assessment tax. However, the return would be treated as 'invalid' and would not be taken into consideration for matching of invoices. Effectively, credit will not be available until tax is paid and invoices are matched.
13. Taxpayers would have to declare the eligibility or ineligibility of input tax credit in relation to inward supplies via a drop-down list in the return.
14. No provision to file revised return. All correction to be undertaken in the subsequent period return (time limit shall be prescribed). Additional invoices can be reported within specified time based on invoices reported by counter parties.
15. Option to file return online or via offline mode on common GSTN portal.
16. GSTN may facilitate periodic (daily, weekly, etc) upload of details of supplies to minimize last minute load on system
17. The concept of tax deduction at source is proposed to be incorporated in the GST regime
18. Periodicity of return filing would be as under:

Sr. No.	Return	For	Periodicity	To be filed by
1	GSTR 1	Outward supplies made by taxpayer (other than compounding taxpayer and ISD)	Monthly	10th of the next month
2	GSTR 2	Inward supplies received by a taxpayer (other than a compounding taxpayer and ISD)	Monthly	15th of the next month
3	GSTR 3	Monthly return (other than compounding taxpayer and ISD)	Monthly	20th of the next month
4	GSTR 4	Quarterly return for compounding Taxpayer	Quarterly	18thof the month next to quarter
5	GSTR 5	Periodic return by Non-Resident Foreign Taxpayer	Monthly, if period exceeds one month, else on expiry of registration	7 days from expiry of registration
6	GSTR 6	Return for Input Service Distributor (ISD)	Monthly	15th of the next month
7	GSTR 7	Return for Tax Deducted at Source	Monthly	10th of the next month
8	GSTR 8	Annual Return	Annual	By 31st Dec of next FY

A detailed discussion on the report would be shared shortly.

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