



The journey of a thousand miles
begins with a single step.

Lao Tzu

quote fancy

ICAI WIRC Refresher Course On GST

Topics covered:

- Filing of Returns under GST laws
- Concept of Matching
- Star Rating – A New Standard for Compliance Quality
- Implementation Challenges
- Opportunities for Professionals

• Speaker – CA Jigar Shah

FILING OF RETURNS

Things You Ought to Know

Filing of Returns – Mandatory – For every Registered Taxable Person

Electronic Filing

Returns to be filed even if no business activity

No concept of Revised Returns in GST

Common E-Return for CGST, SGST & IGST

Normally - 3 returns per month and 1 annual return

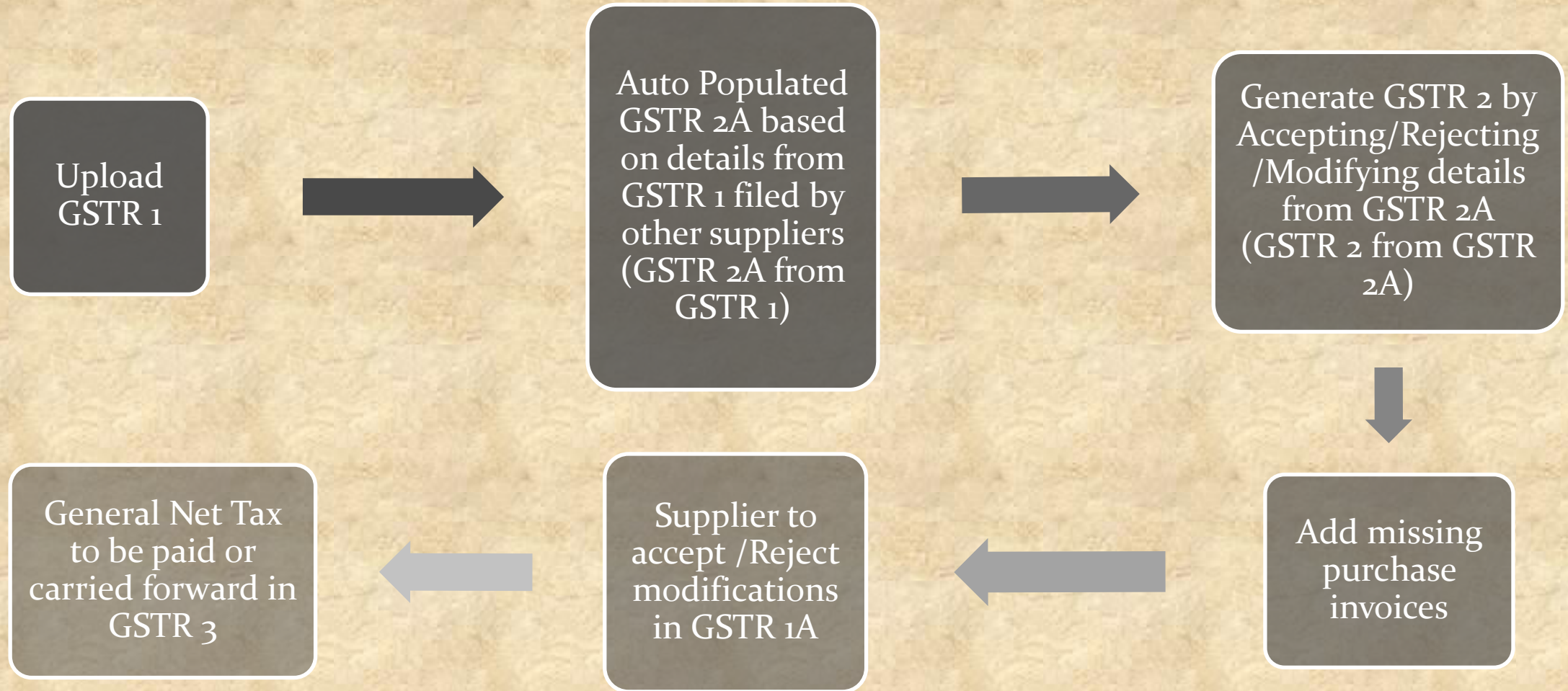
B2B Transactions – Invoice Level Reporting

B2C Transactions – Invoice Level Reporting if above limit

Let's talk about Types of Returns

RETURN	PARTICULARS	DUE DATE
GSTR 1	Outward Supplies	10 th of next month
GSTR 2	Inward Supplies	15 th of next month
GSTR 3	Monthly Return (periodic)	20 th of next month
GSTR 4	Compounding Taxpayers	18 th of month following the quarter
GSTR 5	Non Resident Taxpayers	Earlier of: 20 days after end of tax period or Within 7 days of expiry of registration
GSTR 6	Input Service Distributor	13 th of next month
GSTR 7	TDS Return	10 th of next month
GSTR 8	E – Commerce Operator	10 th of next month
GSTR 9	Annual Return (For Composition Scheme - GSTR 9A) and (For Audited Return - GSTR 9B)	31 st December of next F.Y.
GSTR 10	Final Return	

Return Filing Process



GSTR 1 – Some Basics

Monthly return

Used for furnishing Details Of
Outward Supplies

Basic details to be furnished

- GSTIN
- Taxpayer's name
- Gross Turnover of Previous Year
(Manually filled for 1st year. Thereafter
it will be auto populated)
- Relevant month and year

Unraveling GSTR 1 – What to Expect

Taxable Outward Supplies to a Registered Person (B2B) – All taxable supplies are required to be filled in this section. **Includes any supply under reverse charge mechanism.**

Taxable Outward Supplies to a Consumer (B2CL) – The taxpayer is required to fill in **details of Interstate Supplies of more than Rs. 2.5 Lacs** made to end consumer.

Taxable Outward Supplies to Consumer (B2CS) – This is a bucket section wherein any outward supply which is not covered can be furnished.

Details of Credit/Debit Notes (CDN)– Taxpayer is required to furnish details of all debit/credit notes issued as part of taxable supply, in a tax period for which return is filed.

Details of Amendments – **Amendment to details of Outward Supply of prior periods.** Eg. If return filing for October – then any change in GST invoice (oth. than debit/credit note) pertaining to a period prior to October to be furnished. (B2BA, B2CLA, B2CSA, etc)

Nil Rated, Exempt, Non-GST Outward Supplies and Exports

Advances and Tax Thereon

Prepaid Taxes

GSTR 1 – Return Filing Formalities

Due Date is 10th of next month.

Cannot furnish any details during the period from the 11th to 15th of next month.

Late filing of return is permitted only on paying late fees.

Late Fee = **Rs. 100/-** *per day of continuing default subject to a max Rs. 5,000/-*

Since you can't file the return during 11th - 15th, minimum late fee = Rs. 100 x 5 days = Rs. 500/-.

Commissioner can grant extension of the due date of this return.

GSTR 2 – Some Basics

Monthly return

Used for furnishing Details Of
Inward Supplies

Basic details to be furnished

- GSTIN
- Taxpayer's name
- Relevant month and year

Unraveling GSTR 2 – What to Expect

Supplies from Registered Taxable Persons including supplies from unregistered person in case of RCM.

Supplies received from composition taxable person/unregistered person & other exempt/nil/non-GST supplies

Import of Services

Debit/Credit Notes

Import of Goods/Capital Goods

ISD/TDS/TCS Credits received

ITC Credit where partial credit claimed earlier

ITC Reversal

Tax Liability under RCM and RCM tax already paid

Amendments to any of the above wrt earlier tax periods

GSTR 2 – Return Filing Formalities

Due Date is 15th of next month.

Auto Population from GSTR₁ – on or after 11th of the next month.

Addition or Deletion permitted – between 11th and 15th of the next month.

Fee = Rs. 100/- per day of continuing default subject to a max Rs. 5,000/-

Who need not file GSTR 1 & 2

Input Service Distributor*

Person U/s 10 – Composition Scheme Levy

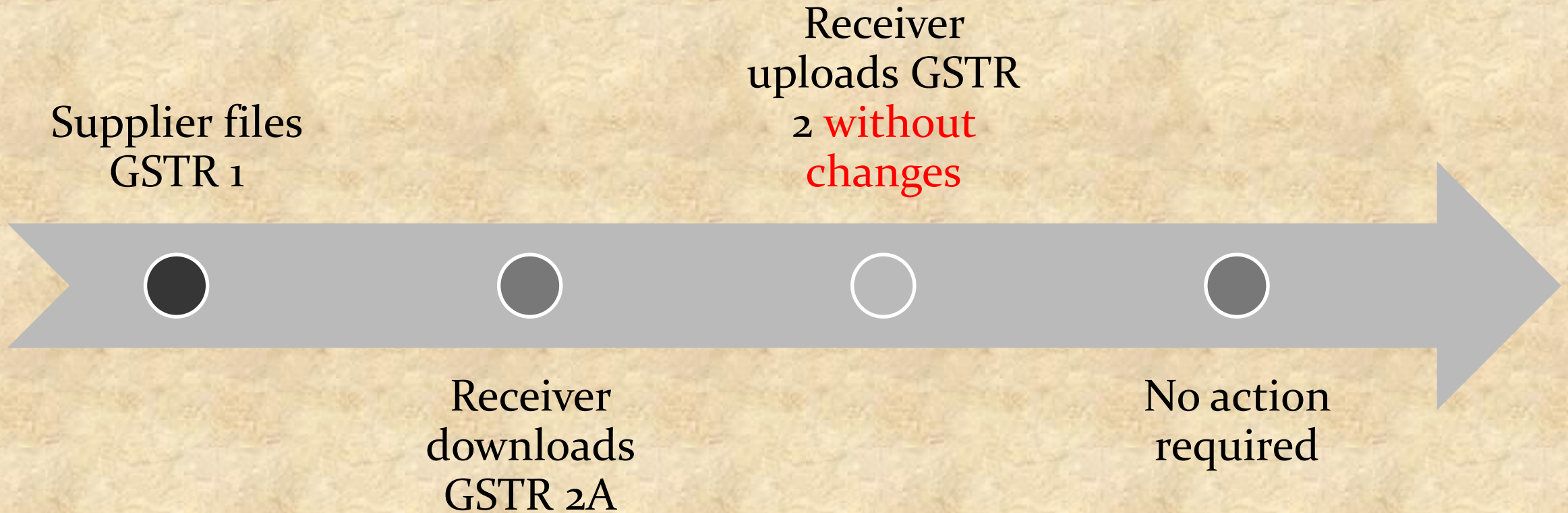
Person who has paid TDS U/s 51 or TCS U/s 52

Non resident taxable person

*Input Service Distributor has to furnish Return under Section 39(4)

AMENDMENT SCENARIOS

Scenario 1 – Ideal Situation



Scenario 2 – Receiver Makes Changes

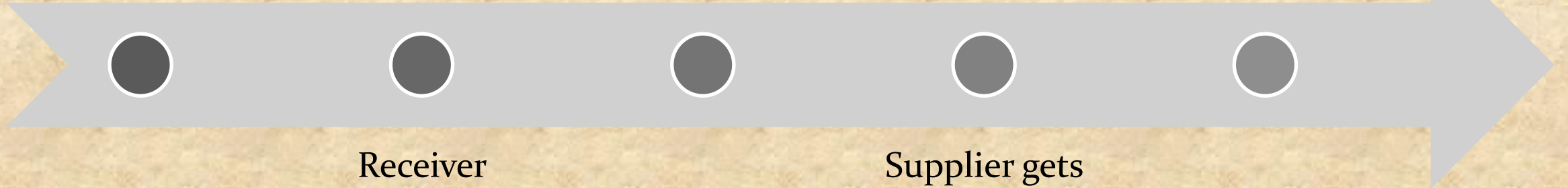
Supplier files
GSTR 1

Receiver
uploads GSTR
2 **after**
changes

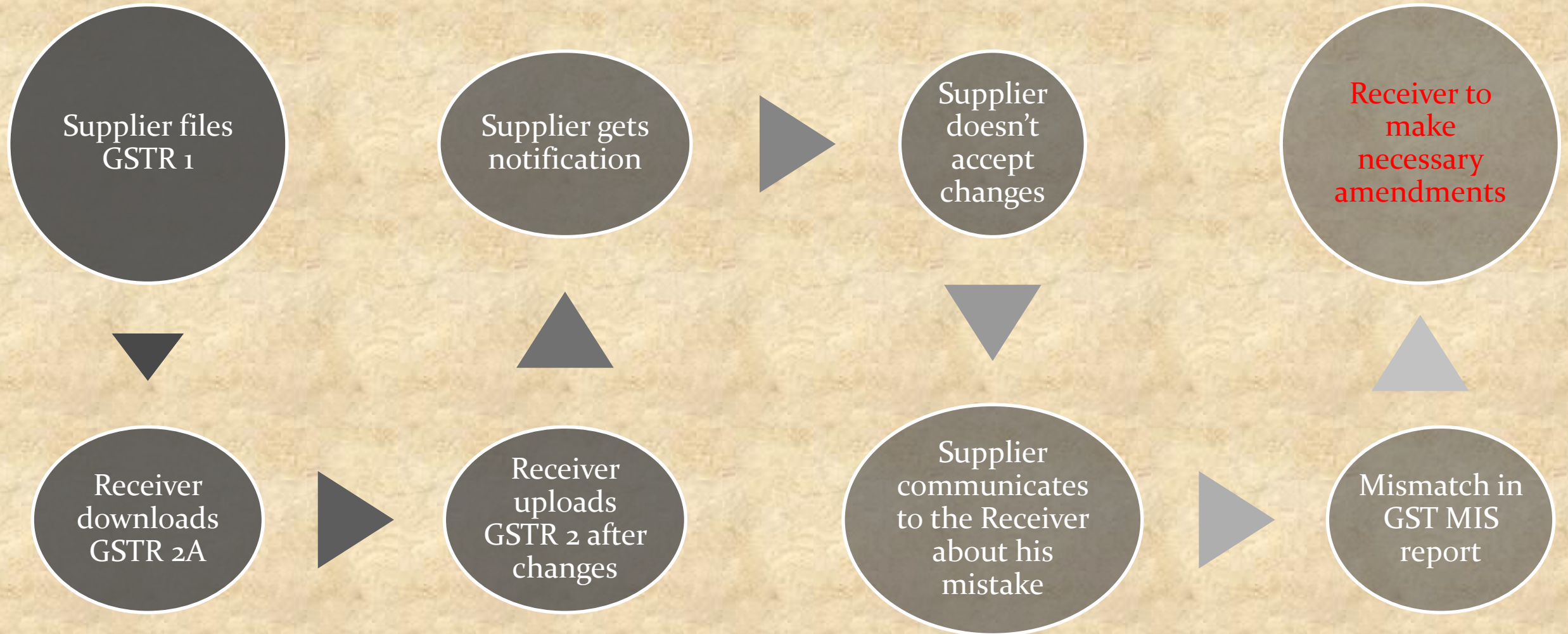
Supplier and
Purchaser file
GSTR 3

Receiver
downloads
GSTR 2A

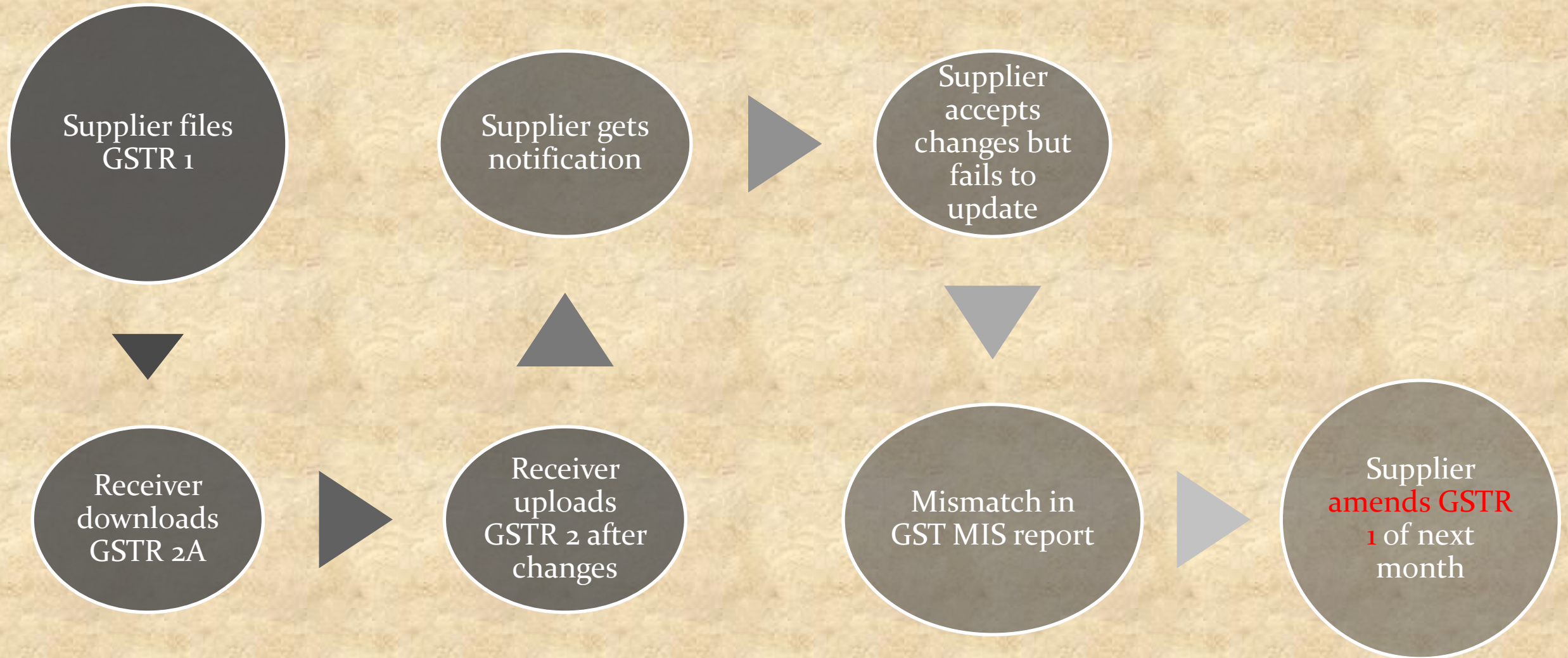
Supplier gets
notification in
GSTR 1A and
he **accepts**
changes



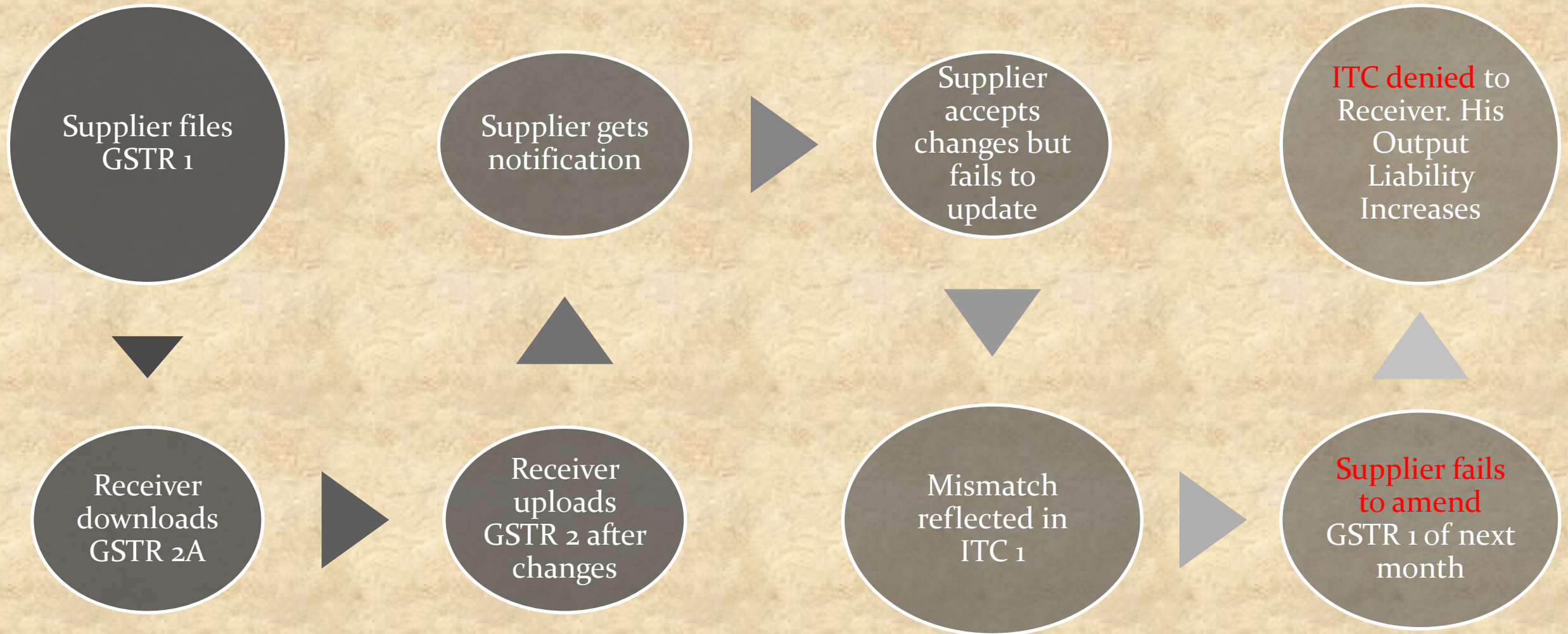
Scenario 3 – Receiver Makes Mistake



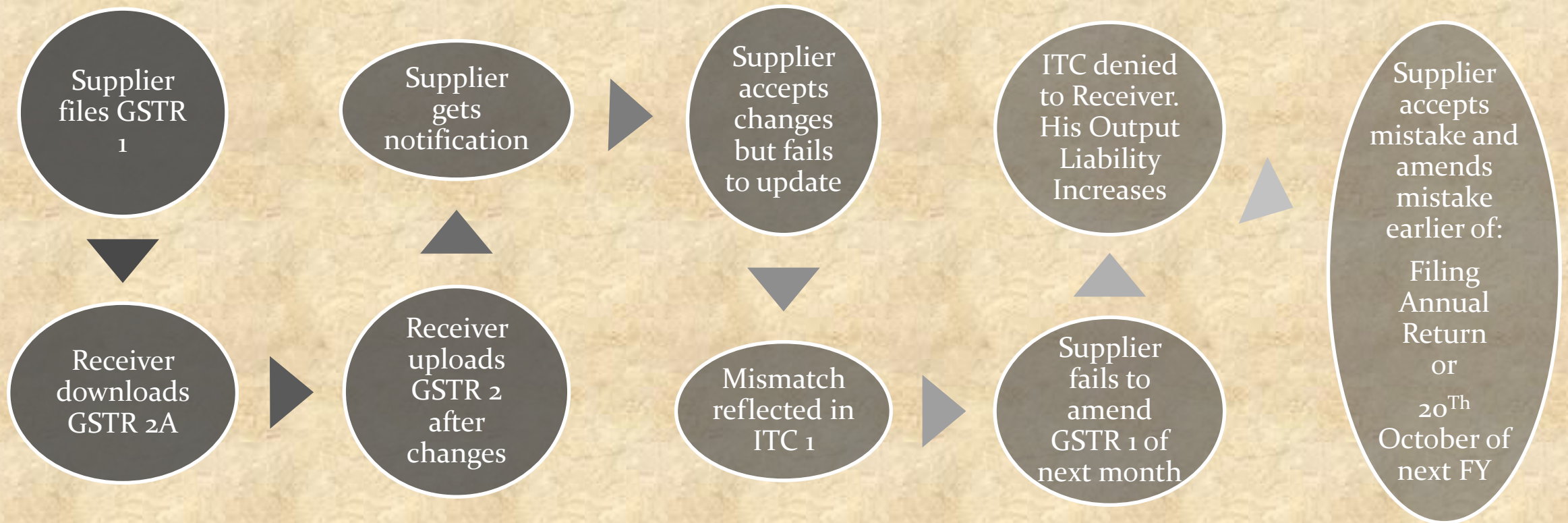
Scenario 4 – Supplier Makes Mistake



Scenario 5 – ITC denied to Receiver



Scenario 6 – Rectification after year end



CONCEPT OF MATCHING

Matching – A Lay Explanation

Matching Concept in GST simply means –

Details of Inward Supply by Receiver = Details of Outward Supply by Supplier

No Matching = Denial of Input Tax Credit

If Supplier does not furnish proper outward details then the Receiver can lose his input credit

Receiver can claim credit where Supplier has amended the details within prescribed time

When can ITC be said to be matched?

Firstly,
Corresponding
Supplier
should file a
valid return

Secondly, ITC
claimed by
Receiver \leq
Output Tax
paid by
Supplier

Brief Example

A Ltd supplies goods to B Ltd for Rs 1000 CGST thereon is, say, Rs. 180. A Ltd did not furnish these details in its outward supply to B Ltd. While matching the credit, B Ltd went ahead with credit claim and utilized the ITC against CGST liability.

- B Ltd. must reverse ITC and pay interest

B Ltd the recipient of supply had to pay back the credit utilised for mismatching credit figures, with interest. Of late, A Ltd has corrected its returns reflecting B Ltd's name and interest for the same paid by A Ltd.

- B Ltd is entitled for the credit now; it is eligible to claim back the interest paid. This interest cannot exceed the interest paid by A Ltd.

Duplication Karengge Toh?

Amount claimed as ITC that is found to be in excess on account of duplication of claims shall be added to the output tax liability of the recipient

Duplication of claims of input tax credit in the details of inward supplies shall be communicated to the registered person in FORM GST MIS - 1 electronically through the Common Portal



Star Rating:
A New Standard for Compliance
Quality

Be Ready rather than Be Sorry!

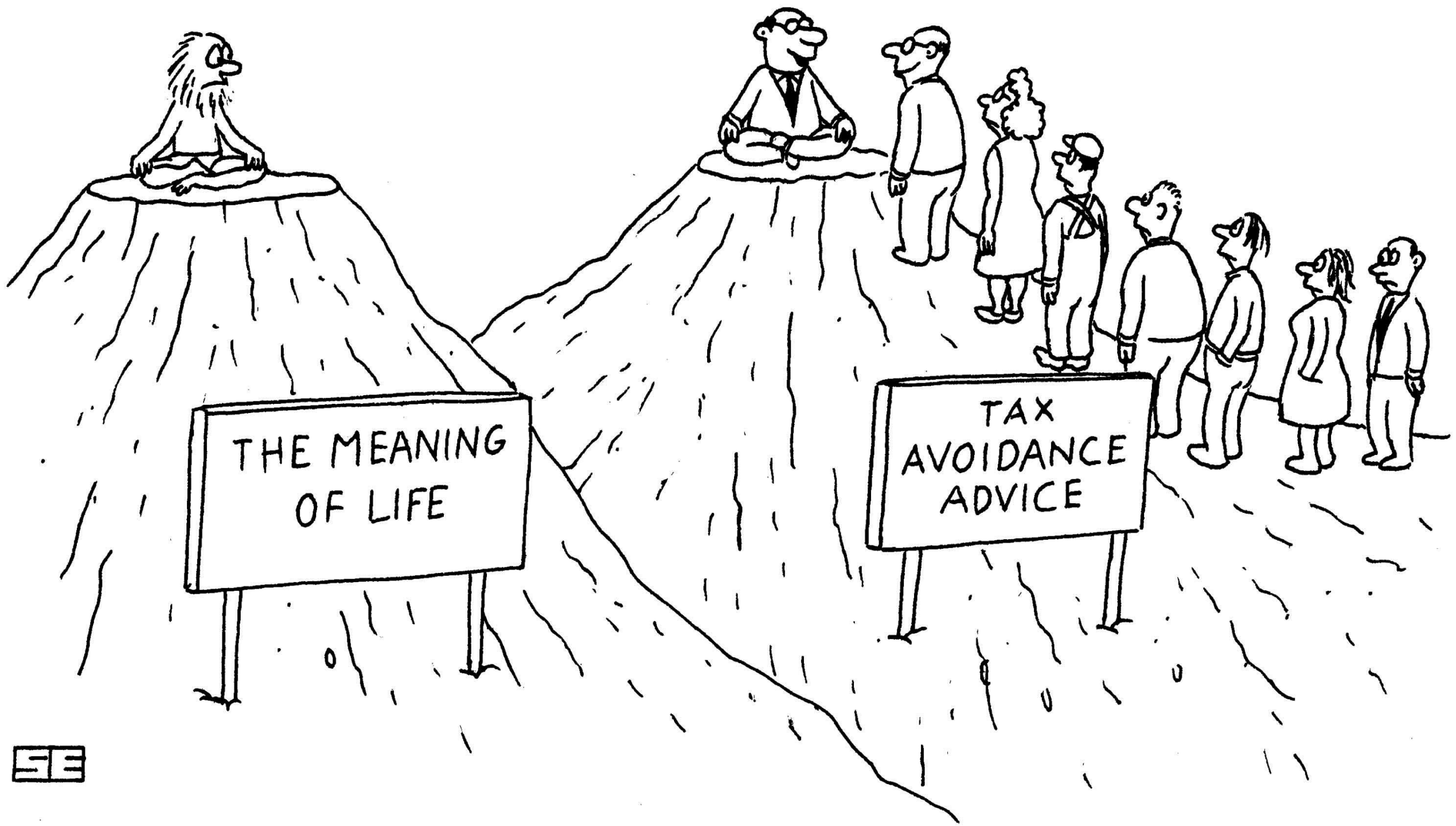
Refund claims under the GST regime will be processed on merit basis, i.e on the GST compliance rating of the registered taxpayer.

It is expected that certain slabs rates will be maintained for various taxpayers falling under various bandwidths of compliance rating and the refunds will be made in terms of percentage amount based on the individual rating of the taxpayer.

Huge impact on small and medium taxpayers who will either have to spend more to deploy a dedicated resource to ensure timely GST compliance or their working capital will remain stuck with tax authorities as pending refund claims.

Input credit will only be available when a supplier declares the particulars. Thus GST compliance rating becomes more relevant for buyers who want to claim their input credit in a timely manner. Such buyers will always try to purchase from a supplier whose compliance rating is excellent.

Opportunities for Professionals



THE MEANING
OF LIFE

TAX
AVOIDANCE
ADVICE

Opportunity Does Not Knock Twice!



Scope

**Automation,
Reconciliation, Accounting**

**Transition related advice
and hand holding**

GST LAW

**Re-designing of Business
Structure**

Digitisation Support

Thank You!