GST Update on Returns

1st November 2017

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BACKGROUND

- This Presentation covers the GST Changes / Press Releases / Tweet FAQs released by CBEC regarding GSTR, TDS & TCS.

- This Presentation is based on CGST Act/Rules/ Notifications. Similar parallel provisions in State Laws may be referred to as required.

GST RETURN - Snapshot

Return	Description	Who Files?	Date for filing
GSTR-1	Monthly Statement of Outward supplies of Goods or Services	Registered Person	10th of the next month
GSTR-2	Monthly Statement of Inward supplies of Goods or Services	Registered Person	15th of the next month
GSTR-3	Monthly Return for a normal taxpayer	Registered Person	20th of the next month
GSTR-4	Quarterly Return	Taxable Person opting for Composition Levy	18th of the month succeeding the quarter
GSTR-5	Monthly Return for a non-resident taxpayer	Non-resident Taxpayer	20th of the month succeeding the tax period & within 7 days after expiry of registration
GSTR-6	Monthly Return for an Input Service Distributor (ISD)	Input Service Distributor	13th of the next month
GSTR-7	Monthly Return for authorities deducting tax at source	Tax Deductor	10th of the next month
GSTR-8	Monthly Statement for E-Commerce Operator depicting supplies effecting through it	E-Commerce Operator	10th of the next month
GSTR-9	Annual Return	Registered Person other than an ISD, TDS/TCS Taxpayer, Casual Taxable Person and Non-resident Taxpayer	31st December of next Financial Year
GSTR-10	Final Return	Taxable Person whose registration has been surrendered or cancelled	Within three months of the date of cancellation or date of order of cancellation, whichever is later.

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 via GSTR-2A**
  - 17th day of succeeding month: last date for finalizing supply & purchase details – **GSTR-1A**
  - 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**

….Periodicity Of Return Filing….

- Input Service Distributors (ISD) taxpayers to file monthly return: by 15th day of succeeding month – **GSTR-6**
- Tax Deductors to file monthly TDS return: by 10th of succeeding month – **GSTR- 7**
- Monthly Statement for E-Commerce Operator depicting supplies effecting through it / TCS Statement – **GSTR-8**
- 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-9**)
  - 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
- Taxable Person whose registration has been surrendered or cancelled - Final Return – **GSTR-10**

Clarification on Returns (GSTR-3B)

- For the first two months i.e. July and August every taxpayer needs to file his return in **GSTR-3B** on self-assessment basis by 20th Aug and 20th Sept respectively. It shall be containing a summary of inward and outward supplies.

- Later, with **notification no. 23/2017-Central Tax dt. 17th August, 2017:**

- Registered persons entitled to avail input tax credit in terms of section 140 of the said Act read with rule 117 of the said Rules and opting to file FORM GST TRAN-1 on or before the 28th August; can file GSTR-3B by 28th August, 2017.

Clarification on Returns (GSTR-3B) Contd…

- GSTR-3B is required to be filed from July to December, 2017.

Due dates of filing GSTR-3B as per latest Notification No. 35/2017 – Central Tax dated 15th September 2017

Month	Last Date for filing GSTR-3B
August 2017	20th September 2017
September 2017	20th October 2017
October 2017	20th November 2017
November 2017	20th December 2017
December 2017	20th January 2018

Tax liability of GSTR-3B must be paid by the last date of filing for that month.

Clarification on Returns (GSTR-3B) Contd…

- **Notification no. 28/2017-Central Tax** dt. 1st September & **50/2017-Central Tax** dt. 24th October, 2017 -- hereby **<u>waives the late fee</u>** payable under section 47 of the said Act, for all registered persons who failed to furnish the return in FORM GSTR-3B for the months of July, August and September, 2017 by the due date.

Clarification on Returns (GSTR-3B) Contd…

GOODS AND SERVICES TAX NETWORK

Taxpayers who have not set off their tax liability for GSTR 3B for July 2017 and have only done "Submit" of their GSTR 3B, have now been given option to edit, submit and file their Returns.

Clarification on Returns for SMEs

- **Press Release after 22nd GST Council Meet Dated 06.10.2017:**

- To facilitate the ease of payment and return filing for small and medium businesses with **annual aggregate turnover up to Rs. 1.5 crores**,

- it has been decided that such taxpayers shall be required to file **Quarterly returns** in **FORM GSTR - 1, 2 & 3** and pay taxes only on a quarterly basis, starting from the Third Quarter of this Financial Year i.e. **October-December, 2017**.

- Meanwhile, all taxpayers will be required to file **FORM GSTR-3B** on a monthly basis **till** December, 2017.

Return Filing Milestones for GSTR-1, 2 & 3

- File via GSTN/Easy upload tools provided by GSTN/GSPs
- Periodical uploading allowed
- Filed by 10^{th}
- Frozen after 10^{th}

- Auto-populated from GSTR-1s filed by a Tax Payer's Suppliers
- Changes allowed between 10^{th} and 15^{th}
- Filed by 15^{th}

- Occurs between 15^{th} and 17^{th}. Tax Payer can add additional invoices.
- Supplier has the option to accept/reject additional invoices. Supplier's GSTR-1 gets amended to that effect.

- Auto-populated from GSTR-1 and GSTR-2
- Filed by 20^{th}
- Payment can be made anytime before or on 20^{th}

Clarification on Returns (GSTR-1)

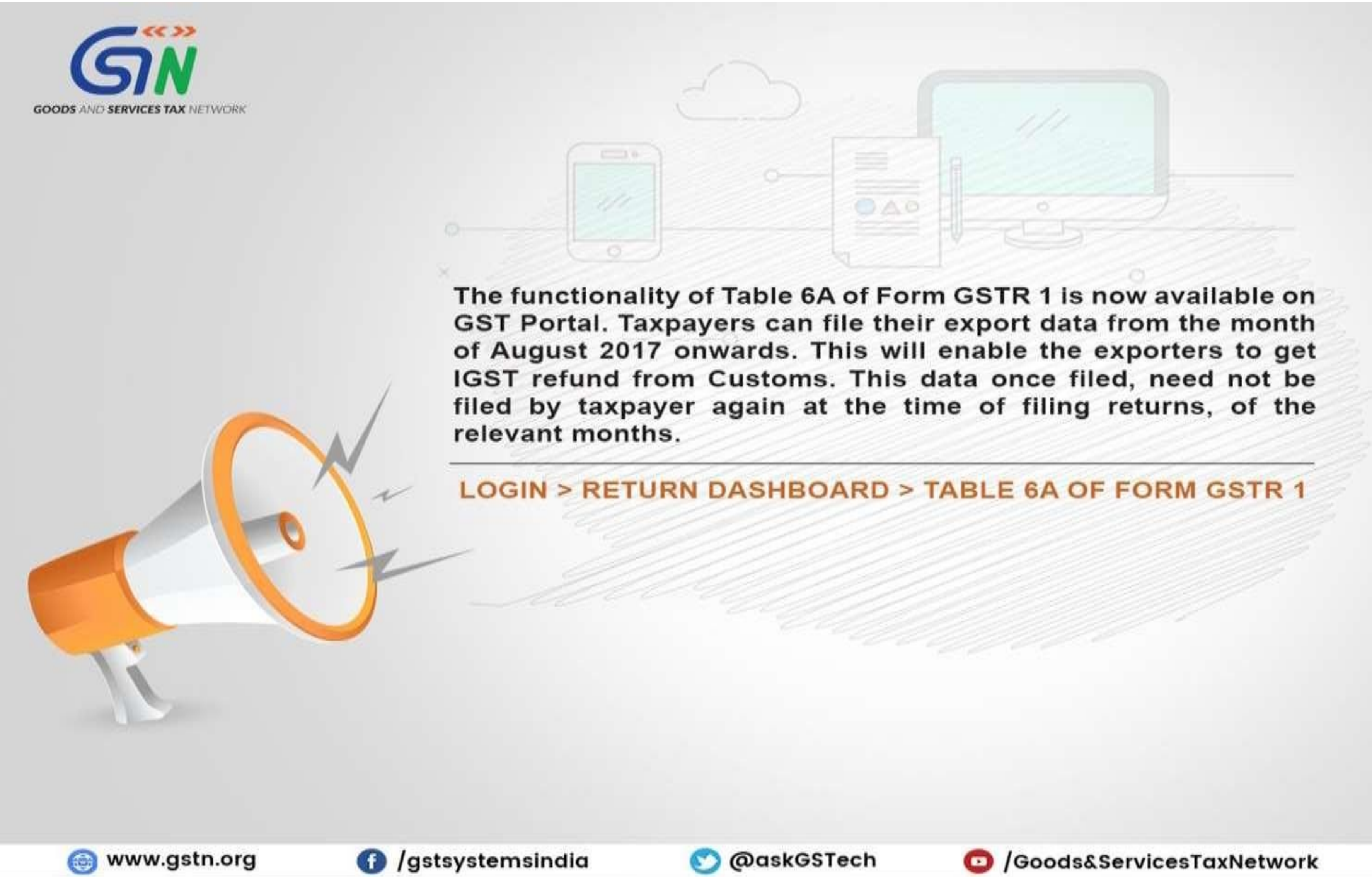
- GSTR-1 (**Statement of Outward Supplies**):
- This return signifies the tax liability of the supplier for the supplies effected during the previous month.
- It needs to be filed by the **10th of every month** in relation to supplies effected during the previous month. For example, a statement of all the outward supplies made during the month of July 2017 needs to be filed by 10th August, 2017.

Clarification on Returns (GSTR-1)

- By **Notification no. 18/2017-Central Tax** dt. 08th August, 2017 – Extended date for filling of details of outward supplies in FORM GSTR-1 for **July, 2017** is 1st to 5th September, 2017 & for August, 2017 is 16th to 20th September, 2017.
- By **Notification no. 30/2017-Central Tax** dt. 11th September, 2017, due date for July Period:

Sl. No.	Details/return	Class of taxable/registered persons	Time period for furnishing of details/return
(1)	(2)	(3)	(4)
1.	GSTR-1	Having turnover of more than one hundred crore rupees	Upto 3rd October, 2017
		Having turnover of upto one hundred crore rupees	Upto 10th October, 2017

Clarification on Returns (GSTR-1)

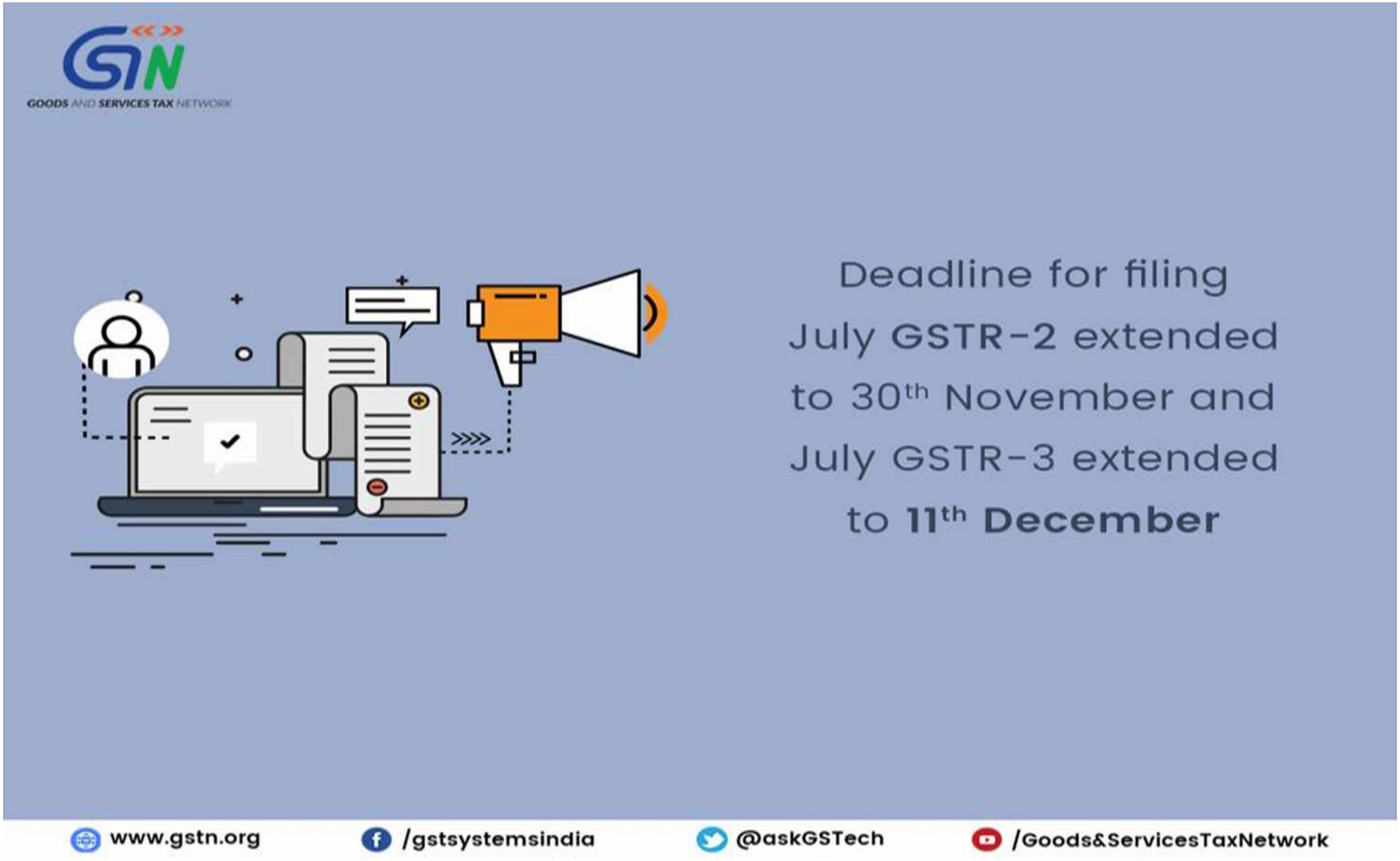


Clarification on Returns (GSTR-2)

- GSTR-2 (**Statement of Inward Supplies**):

- This return signifies accrual of ITC (Input Tax Credit) from the inputs received during the previous month.
- It is auto-populated from the GSTR-1s filed by the corresponding suppliers of the Taxpayer except for a few fields like imports, and purchases from unregistered suppliers.
- It needs to be filed by the 15th of every month in relation to supplies received during the previous month. For example, a statement of all the inward supplies received during the month of July 2017 needs to be filed by 15th August, 2017.

Clarification on Returns (GSTR-2)



Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

Steps to File Form GSTR 2

- Receiver taxpayer logs into the GST portal using their login ID and password.
- Navigate to Services > Returns > Returns Dashboard
- Select the financial year and tax period for which GSTR 2 needs to be filed and click SEARCH
- All returns pertaining to the given tax period will be displayed in different tiles
- Select GSTR 2 tile and click on PREPARE ONLINE or PREPARE OFFLINE

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

Pre-conditions for filing of Form GSTR 2 are:

- The receiver taxpayer should be a Registered Normal Dealer
- The receiver taxpayer should have an active GSTIN
- Receiver taxpayer should have valid login credentials (i.e., User ID and password)
- Receiver taxpayer should have a valid and non-expired/unrevoked digital signature certificate (DSC is mandatory for companies, LLPs and FLLPs)
- Receiver taxpayer should have access to Registered Mobile Number to sign application through EVC

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

A RECEIVER TAXPAYER CAN DO THE FOLLOWING IN HIS GSTR 2

- See the supplier-wise summary of all invoices uploaded by supplier taxpayer
- Against each invoice of the supplier, receiver taxpayer can take one of four possible actions – Accept, Modify, Reject, and Keep Pending, after Supplier taxpayer has uploaded his GSTR 1
- Add (by using ADD MISSING INVOICE option), all the invoices for the tax period, which have not been uploaded by the various Supplier(s) taxpayer

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

A RECEIVER TAXPAYER CAN DO THE FOLLOWING IN HIS GSTR 2

If supplier taxpayer does not upload his/her supply invoices and files his GSTR 1 or uploads invoices, but does not file his/her GSTR 1, then receiver taxpayer can Add (by using ADD MISSING INVOICE option), all the invoices, which have not been added by the various Supplier(s) taxpayer, for the tax period.

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

A RECEIVER TAXPAYER CAN DO THE FOLLOWING IN HIS GSTR 2

A receiver taxpayer can take one of four possible actions – Accept, Modify, Reject, and Keep Pending,
when supplier taxpayers files his GSTR 1. Till filing of GSTR 1 by supplier taxpayer, these invoices will be only be available to receiver taxpayer for view. Receiver taxpayer can take action in his GSTR 2, after supplier taxpayer has filed his GSTR 1 (with EVC or DSC)

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

AVOID REJECTION OF INVOICES PREPARED USING OFFLINE TOOL WHILE TRYING TO UPLOAD GSTR 2

1. You may have used the offline tool available on the common portal to prepare and upload details of your invoices.
2. You may be experiencing rejection of your invoices while trying to upload GSTR 2 on the portal.
3. Main reason for rejection is that you may be using the excel template to prepare and upload the details of invoices which are already available in your GSTR 2A and are auto-populated your GSTR 2 from a submitted GSTR 1.
4. Please note that the excel template provided has to be used only for adding **missing invoice details, which have not been uploaded by the suppliers in his Form GSTR 1.**
5. Auto-populated invoice details of GSTR 1 of supplier have to be downloaded from the portal and then one of the actions of Accept/Reject/Pending/Modifying has to be taken in the java offline tool by the receiver.
6. The JSON file should then generated in the offline tool and uploaded to the portal.

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

ACTIONS TO BE TAKEN WHILE USING LATEST VERSION OF OFFLINE TOOL 2.0:

1. Log in to GST portal, click on "Returns Dashboard". Select return period, on the next screen select "Prepare Offline" on the GSTR-2 returns tile
2. Navigate to download section and download data for GSTR-2return preparation by clicking on "Generate File".
3. The link to download GSTR-2 return data would be made available in approx20 minutes after clicking on "Generate File". The number of files may be more in case of large number of records.
4. Download the files by clicking on the link that appears once the file is generated. The downloaded files are in Zip format with file naming convention as Returns date of file generation_R2_GSTIN_Offline
5. Launch the GST Offline Tool by double clicking on the "GST Offline Tool" icon on your desktop, and click on "OPEN" and import the zip file(s) in the offline tool.
6. Upon successful import of the Zip files in to the offline tool, the GSTR-2 data downloaded from GST portal is populated section wise.

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

UPLOADING INVOICES AND OTHER DETAILS AND FILING OF FORM GSTR 2 USING OFFLINE TOOL 2.0:

1. Once the details are furnished in the tool, select 'View Summary' to see the summary of details added across sections. In 'View Summary' select 'Generate File' to generate Json file to upload the details on GST Portal
2. Login on to the GST Portal, select GSTR-2 "Prepare offline" to upload Json file generated by the offline tool.
3. The Uploaded file would be subjected again to necessary validation checks and on successful processing the uploaded details can be accessed on the portal in the different sections on GSTR 2 page.
4. You may edit/delete/add the details uploaded to GST portal before submit.
5. The details can be uploaded to GST portal multiple times till the GSTR2 is submitted.
6. Once all the details have been uploaded for the tax period on GST portal, please preview the summarized information as PDF document using "Preview" button.
7. Check the declaration box regarding preview and Click 'Submit' on GST portal to furnish the details for tax period.
8. Click on File Return button, Check the declaration box, select authorized signatory and attach DSC or provide EVC.
9. Message for successful filing will appear and Acknowledgement will get generated, which gets mailed to the registered ID as well as the registered mobile number as a text message to the taxpayer.

Clarification on Returns (GSTR-2)

ADDING MISSING INVOICES AND OTHER DETAILS IN OFFLINE TOOL FOR FORM GSTR 2

You may add saved invoices in your Form GSTR 2 and add missing invoices and other details not reported by supplier and other details in offline tool by following ways:

a. Prepare the GSTR 2 excel file using the downloaded GSTR 2 Excel Template. Then import the entire excel workbook to the offline tool by selecting 'Import Files'. Click on "New" option and select GSTR 2 and the applicable tax period. Data in all sections (worksheets) of the excel file will be imported to the tool in one go.

b. You can do line by line data entry in each section by selecting the relevant section on the offline tool itself.

c. Copy from the excel worksheets from the top row including the summary and header & pasting it in the designated box in the 'Import Returns-one section at time' under 'Import Files' section in offline tool.

d. Section by section data upload of a particular return - using a .CSV file as per the format given along with the offline tool. This option is available in the 'Import Returns-one section at a time' under 'Import Files' section in offline tool.

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

STEPS TO PREPARE OFFLINE FOR FILING GSTR2

Log in to GST portal, click on "Returns Dashboard". Select return period, & on the next screen select "Prepare Offline" on the GSTR-2 returns tile

- Navigate to download section and download data for GSTR-2 return preparation by clicking on "Generate File".
- The link to download GSTR-2 return data would be generally made available in around twenty minutes after clicking on "Generate File". The number of files may be more in case of large number of records.
- Download the files by clicking on the link that appears once the file is generated.
- Launch the GST Offline Tool by double clicking on the "GST Offline Tool" icon on your desktop, and click on "OPEN" and import the zip file(s) in the offline tool and take necessary action.
- Taxpayer can take actions on the invoices in the offline tool itself. They can select a whole page by clicking on the tick box and take action of accept, reject, keep pending in one go in that page.
- You can also export data into an excel file and take these actions in the excel sheet. This will be helpful in comparing this data with purchase register to take actions like accept, reject or modify. Taxpayer can use drag and drop feature of excel to take these actions in one go on the invoices.
- Thereafter you can import the excel file in the java offline tool, generate a JSON file and upload it on the portal.

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

CORRECTING THE ERRORS OF INVOICES AND OTHER DETAILS IN UPLOADED GSTR 2

1. You may again download the details earlier uploaded on GST portal to edit in the of-fline tool.
2. If some data in the uploaded Json file fails validation checks, an error file would be generated.
3. The generated error file can be downloaded from GST portal and later opened in offline tool to rectify the errors.
4. You may revise action/add/update /mark delete the details populated in offline tool once the downloaded file is opened in tool. The data can be deleted by selecting each record, or whole section.
5. After error rectification the new json file can be created and uploaded in GST Portal.

Clarification on Returns (GSTR-2)

GOODS AND SERVICES TAX NETWORK

Invoices under GSTR-2 will start showing up on summary screen as well as inside GSTR-2 only after an action is taken on the invoice like accept, modify, or new invoices are added by the receiver. Invoice rejected will be deducted from the count and amount before summary can be updated. Please start looking at invoices uploaded from your suppliers for seeing the count and amount of ITC available. There can be a difference between amounts and count between GSTR-2A and GSTR-2 for this reason which is as per the expected behavior on the portal.

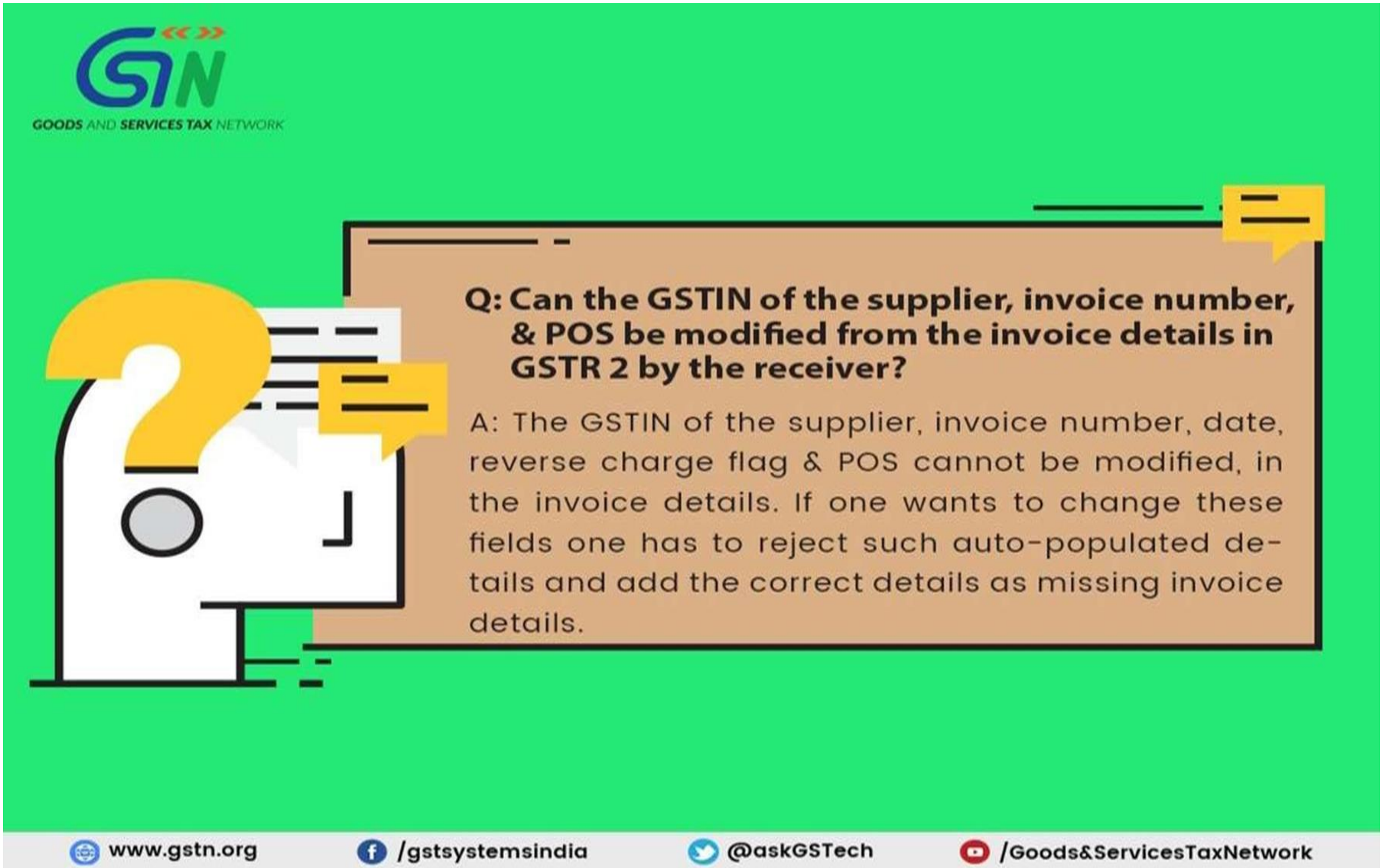
Clarification on Returns (GSTR-2)

GSTN
GOODS AND SERVICES TAX NETWORK

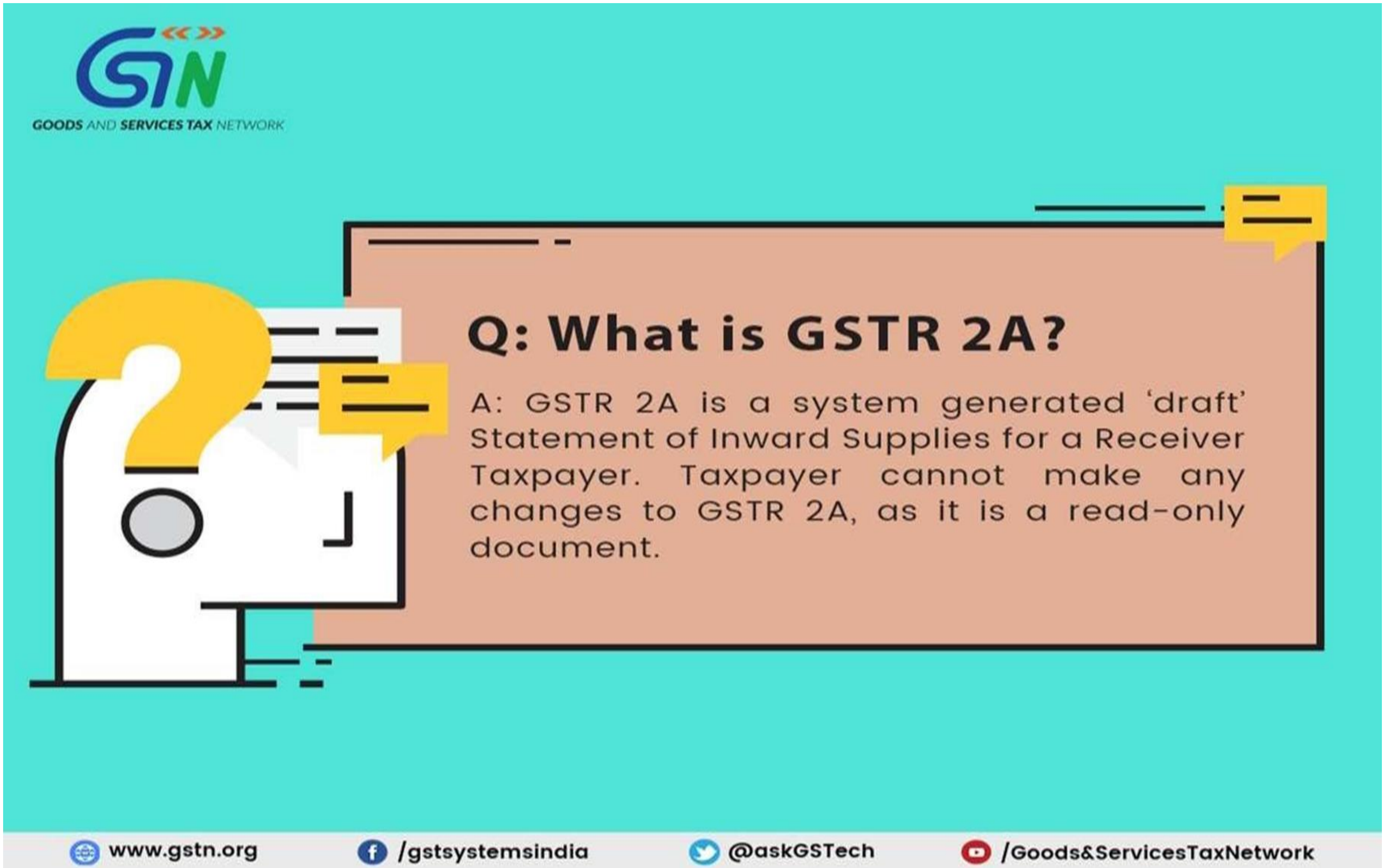
The following taxpayers are not required to file Form GSTR 2:

- Taxpayers under the Composition Scheme
- Non-resident foreign tax payers
- Online information database and access retrieval service provider
- Input Service Distributors (ISD)
- Tax Deducted at Source (TDS) deductors
- E-commerce operators deducting TCS

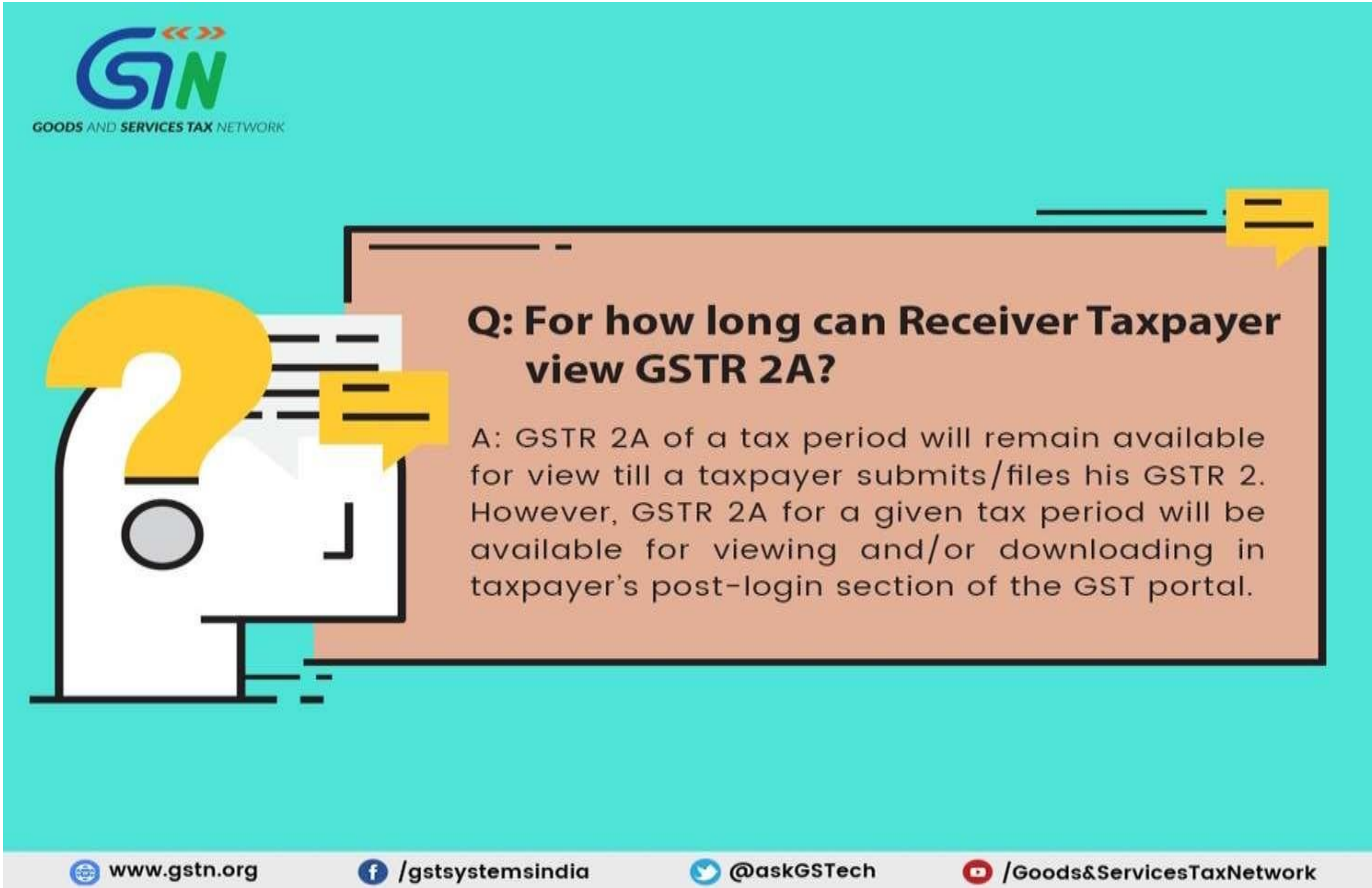
Clarification on Returns (GSTR-2)



Clarification on Returns (GSTR-2A)



Clarification on Returns (GSTR-2A)



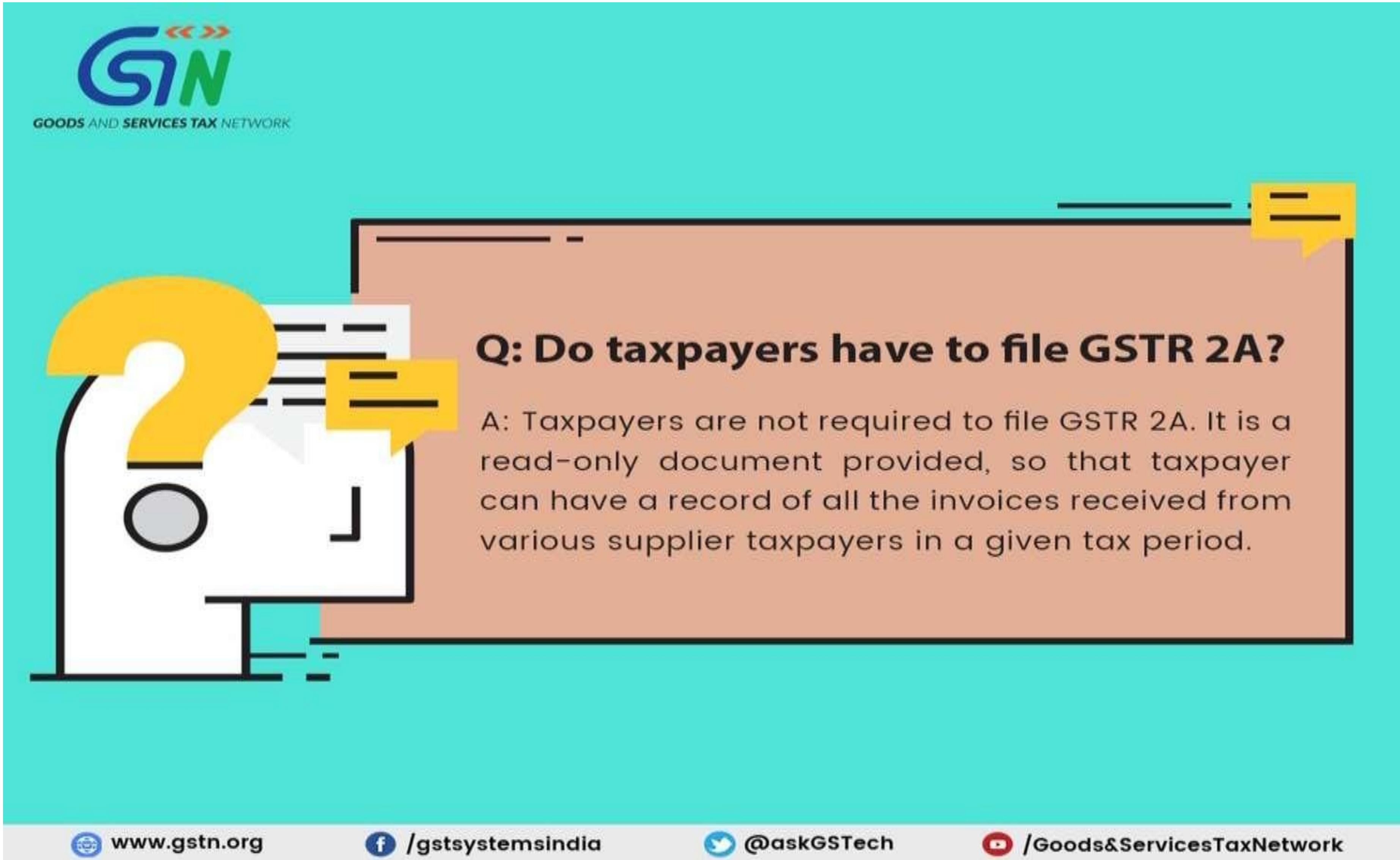
Clarification on Returns (GSTR-2A)

GOODS AND SERVICES TAX NETWORK

Q: How is GSTR 2A updated?

A: The details become available to the receiver taxpayer for view only and the details are updated incrementally as and when supplier taxpayers uploads or change their details in their respective GSTR 1, for the given tax period.

Clarification on Returns (GSTR-2A)



Clarification on Returns (GSTR-3)

- GSTR-3: This is a consolidated return.
- It needs to be filed by the 20th of every month. It consolidates the following details :
  - a. Outward Supplies (Auto-Populated from GSTR-1)
  - b. Inward Supplies (Auto-Populated from GSTR-2)
  - c. ITC availed
  - d. Tax Payable
  - e. Tax Paid (Using both Cash and ITC)
- NOTE: Payment should be made on or before 20th of every month.

Clarification on Returns (GSTR-4)

Tax Deduction at Source (TDS)

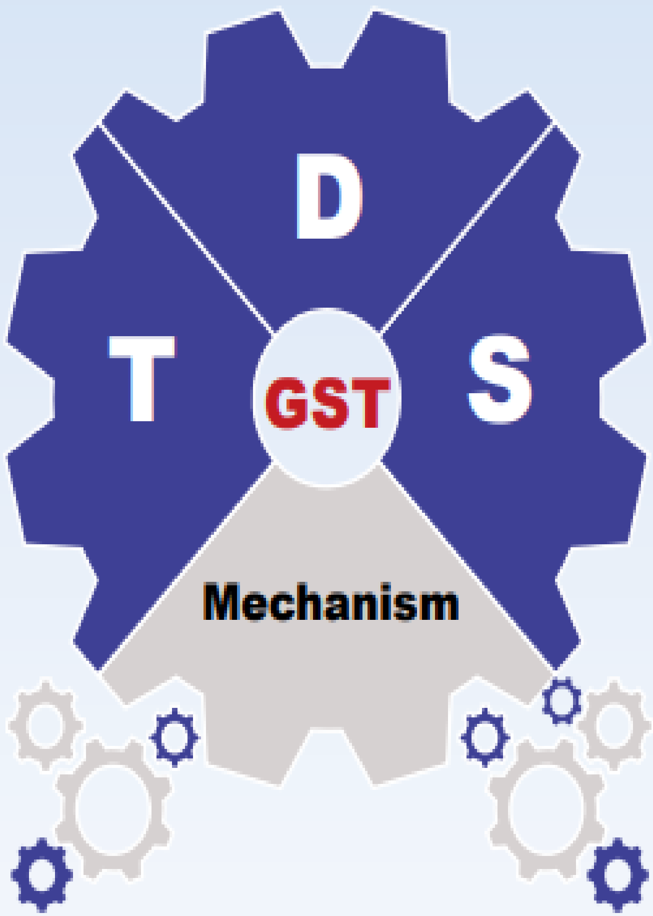
Under the GST regime, section 51 of the CGST Act, 2017 prescribes the authority and procedure for 'Tax Deduction at Source'. The Government may order the following persons (the deductor) to deduct tax at source:

(a) A department or an establishment of the Central Government or State Government; or

(b) Local authority; or

(c) Governmental agencies; or

(d) Such persons or category of persons as may be notified by the Government on the recommendations of the Council.



Tax Deduction at Source (TDS) Contd…

The tax would be deducted @1% of the payment made to the supplier (the deductee) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh fifty thousand rupees (excluding the amount of Central tax, State tax, Union Territory tax, Integrated tax and cess indicated in the invoice). Thus, individual supplies may be less than Rs. 2,50,000/-, but if contract value is more than Rs. 2,50,000/-, TDS will have to be deducted. However, no deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory, which is different from the State, or as the case may be, Union Territory of registration of the recipient.

Tax Deduction at Source (TDS) Contd...

S. No.	Event	Consequence
1.	TDS not deducted	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law
2.	TDS certificate not issued or delayed beyond the prescribed period of five days	Late fee of Rs. 100/- per day subject to a maximum of Rs. 5000/-
3.	TDS deducted but not paid to the Government or paid later than 10th of the succeeding month	Interest to be paid along with the TDS amount; else the amount shall be determined and recovered as per the law
4.	Late filing of TDS returns	Late fee of Rs. 100/- for every day during which such failure continues, subject to a maximum amount of five thousand rupees

Tax Collection at Source (TCS)

- **Tax Collection at Source (TCS)** has similarities with TDS, as well as a few distinctive features. TDS refers to the tax which is deducted when the recipient of goods or services makes some payments under a contract etc. while TCS refers to the tax which is collected by the electronic commerce operator when a supplier supplies some goods or services through its portal and the payment for that supply is collected by the electronic commerce operator.

- Power to collect tax: **Section 52 of the CGST Act, 2017** provides for Tax Collection at Source, by e-Commerce Operator in respect of the taxable supplies made through it by other suppliers, where the consideration in respect of such supplies is collected by him.

- **TCS Statement**: The amount of tax collected by the Operator is required to be deposited by the 10th of the following month, during which such collection is made. The Operator is also required to furnish a monthly statement in **Form GSTR-8** by the 10th of the following month.


THANK
YOU!