Proposed return filing process

A path to simpler GST compliance regime

BY CA TARUN ARORA

Categories of Taxpayers in proposed scheme

Type 1 - Large Taxpayers
Turnover more than 5 crore

Type 2 – Small Taxpayers
Turnover less than 5 crore

Type 2.1
Domestic business with only B2C supplies [SAHAJ]

Type 2.2
Domestic business with both B2B and B2C supplies [SUGAM]

Type 2.3
Other tax payers (having imports/exports etc)

CA Tarun Arora

Major changes in proposed return filing scheme

Document summary requirement removed

HSN to be reported at 4 digit levels for all types of taxpayers [6 digits in case of services by large taxpayers]

Amendment return introduced

Real time matching of ITC with some exceptions

Detail of exempt and non taxable Inward supply not required

Detail of “No supplies” as per Schedule III required to be provided

Other prominent changes in proposed return filing scheme

Locking and Unlocking of Invoices

As soon as a entry is accepted by the recipient either specifically or through deemed acceptance the Invoices would be locked. Though there would be a provision form unlocking of Invoice by the recipient subject to reversal of the input tax credit by him.

Credit on Self declaration basis

On the basis of return forms and explanations therein it seems that **credit on self declaration basis is available only for large taxpayers and not to others**. Further even for large taxpayers it seems it will be available only for the first six months of new process.

Additional restrictions provided to prevent fraud

A threshold will be provided for reporting of outward supplies based on which ITC is available in case of-

- A new registered person for first six months of taking registration.
- A registered person who has defaulted in payment of tax and the default has continued for two months.

Compliance for Large Taxpayers

Compliance for large taxpayers - Monthly

Original Scheme	Implemented Scheme	Proposed Scheme
GSTR 1	GSTR 1	Annexure of outward supply plus RCM liabilities
+	INDEPENDENT	+
GSTR 2		Annexure of Inward supply
=		=
GSTR 3	GSTR 3B	Monthly Return

Annexure of Outward supplies……

BLOCK 3
Details of
- **outward supplies,**
- **inward supplies attracting reverse charge and**
- **import of goods**

BLOCK 4
Details of the supplies made through e-commerce operators liable to collect TCS under section 52(out of the outward supplies declared in table 3)

BLOCK 5
HSN wise summary of inward supplies and that of outward supplies declared in table 3 (four digit or more)

Annexure of Inward Supplies

Details of auto drafted supplies

(From Annexure of outward supplies, GSTR-5, GSTR-6 filed by the corresponding supplier(s))

Normal supplier

Non Resident supplier

Input service distributor

A NEW VERSION OF GSTR 2

3. Inward supplies received from a registered person (other than the supplies attracting reverse charge), imports and supplies received from SEZ units on Bill of Entry

(Amount in ₹ for all tables)

GSTIN of supplier	Trade name	Place of supply (Name of State)	Document details						Tax rate	Taxable value	Amount of tax				Action (Accept / Reject /Pending)	Amount of ITC claimed			
			Type of doc.	Doc. No.	Date	Value	Date of uploading	Date of return filing			Integrated tax	Central tax	State/ UT tax	Cess		Integrated tax	Central tax	State/ UT tax	Cess
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
3A. Supplies received from registered persons including services received from SEZ units (other than those attracting reverse charge)																			
3B. Supplies received from SEZ units on a Bill of Entry																			
3C. Import of goods																			

Will require physical input

4. ISD credits received (Eligible credit only, Net of debit notes or credit notes)

GSTIN of ISD	ISD document details		Amount of input tax credit involved				Amount of ITC claimed			
	Doc. No.	Date	Integrated tax	Central tax	State/UT tax	Cess	Integrated tax	Central tax	State/UT tax	Cess
1	2	3	4	5	6	7	8	9	10	11

Will require physical input

5. Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature

Place -

Name of Authorized Signatory

Date -

Designation /Status

Monthly Return

Table 3
Summary of supplies made and tax liability

Table 7
Payment of taxes

Table 4
Summary of inward supplies for claiming input tax credit

Table 5
Amount of TDS and TCS credit received

Table 6
Interest and late fees

Flow of compliance

1. Supplier can upload his invoices for April, 2018 continuously from 1st April, 2018 to 20th May, 2018 and file his return.

APRIL 2018

MAY 2018

2. Recipient will be allowed to claim credit of only those invoices which have been uploaded by supplier upto 10th May.

3. Credits reflected between 11th to 20th will be available next month

4. Though for the First Six months of the implementation credit can be claimed on self declaration basis subject to matching.

10th May, 2018

20th May, 2018

Due Date of Return

CA Tarun Arora

Transactions not reported

Options for correction

Amendment return

Reflecting in Next return

Transactions wrongly reported

Options for correction

Amendment return

~~Reflecting in Next return~~

Matching of credit taken on self declaration basis

Report missing Invoices If not reported by supplier

Within a period of two months from the month in which credit was taken

The tax amount Will be added back as liability

If the supplier does not report within a specified period

Compliance for other Taxpayers

Monthly tax payment!!!

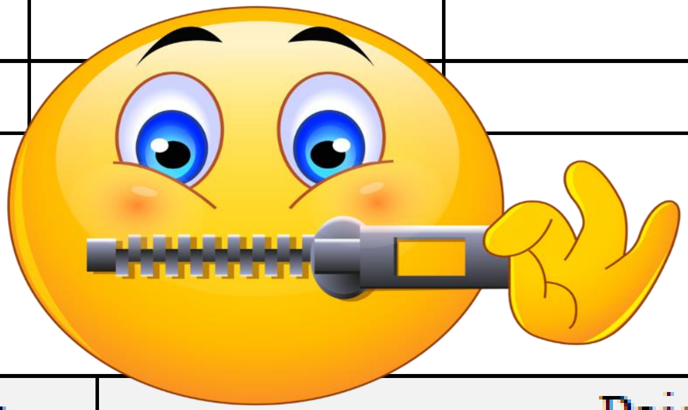
Quarterly return filing !!!

Contents of monthly challan

3. Summary of self-assessed liability and input tax credit (ITC) availed

(Amount in ₹ for all tables)

Sr. No.	Description	Integrated tax	Central tax	State/ UT tax	Cess
1	2	3	4	5	6
1.	Liability to pay tax				
2.	Input tax credit availed				



4. Payment of tax

Sr. No.	Description	Paid in cash	Paid through ITC			
			Integrated tax	Central tax	State/ UT tax	Cess
	1	2	3	4	5	6
1.	Integrated tax					
2.	Central tax					
3.	State/ UT tax					
4.	Cess					

5. Verification

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature

Place Name of Authorized Signatory

Date Designation /Status

Actual Relief as compared to GSTR 3B

No taxable values to be provided

No expense details to be provided

B2C Place of supplies not required

Return filing by small taxpayers

Domestic business with only B2C supplies [SAHAJ]

~~Annexure … rd supply plus … ilities~~

Annexure of Inward supply

Monthly Return

Domestic business with both B2B and B2C supplies [SUGAM]

Annexure of outward supply plus RCM liabilities

+

Annexure of Inward supply

=

Monthly Return

Other tax payers (having imports/exports etc)

Annexure of outward supply plus RCM liabilities

+

Annexure of Inward supply

=

Monthly Return

Disclaimer

The contents of this document are solely for informational purpose. It does not constitute professional advice or a formal recommendation. The presentation is made with utmost professional caution but in no manner guarantees the content for use by any person. It is suggested to go through original statute / notification / circular / pronouncements before relying on the matter given. The presentation is meant for general guidance and no responsibility for loss arising to any person acting or refraining from acting as a result of any material contained in this presentation will be accepted by us. Professional advice recommended to be sought before any action or refrainment.

CA Tarun Arora

M/s Tarun Subhash Arora & Co

Mobile: +91-9891284889 | Email: tarun@tsarora.com