

GST RETURNS

Background:

“Return” is a statement of specified particulars, relating to business activity undertaken by the taxable person during a prescribed period. It is an important tool for the Revenue Department to collect the financial data and other related information of the assessee. This will enable the Department to have a concrete database which will in turn help them for enforcing the compliance part, as required by the law of land. Thus, return process has become a powerful tool to implement the ‘data and revenue’ collection system so also it has been emphasized as one of the pertinent process under the GST Regime. The submission and processing of return is an important link between the taxpayer and tax administration. Thus, understanding of the whole return process under GST Regime becomes need of the day. This article will discuss the silent aspects of the process related to the GST returns.



Process:

As it is mandatory, every registered person is required to file returns for the prescribed tax period within the stipulated due dates as provided in the law. The GSTIN upon enrollment will provide a User-ID and Password which shall be used by him for filing the tax return on the Common Portal.

The periodicity of return for different categories of taxpayers is as follows:

Sr.No.	Form No.	Purpose	Due Dates
1	GSTR1	Outward supplies made by supplier (other than compounding taxpayer and ISD)	10th of the next month
2	GSTR2	Inward supplies received by a taxpayer (other than compounding taxpayer and ISD)	15th of the next month
3	GSTR3	Monthly return (other than compounding taxpayer and ISD)	20th of the next month
4	GSTR4	Quarterly return for compounding taxpayer	18th of the month next to Quarter
5	GSTR5	Periodic return by Nonresident foreign tax payer	Last day of registration
6	GSTR6	Return for ISD	13th of the next month
7	GSTR7	Return for TDS	10th of the next month
8	GSTR8	Annual Return	31st December of next FY

The **GSTR1 & GSTR2** forms will contain details relating to sales and purchases of/from various types of suppliers/vendors, exports/imports, sales/purchase returns, debit & credit notes etc.,

including revision and rectifications of the earlier returns if any. Further **GSTR3** form is a monthly return which will be a consolidation of Forms 1, 2, 6 & 7 along with details from ITC ledger, tax liability & cash ledger, whereas **GSTR4** form is specifically for compounding taxpayers and **GSTR5** is for Non-resident tax payers.

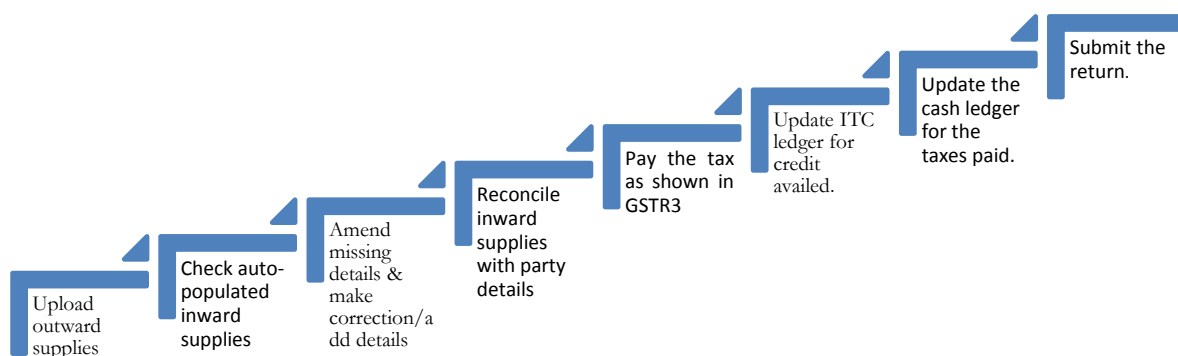
However **GSTR8** is for filing Annual return in which every registered taxable person shall furnish return for every financial year, except an ISD deductor, a casual taxable person and a non-resident taxable person. Further, taxable persons who get their accounts audited as prescribed under section 42(4) are required to electronically file annual return under this section along with a copy of the audited accounts as well as a reconciliation statement.

The taxable person is required to file his very first return upon registration containing the details of his inward as well as outward supplies. It is to be filed from the date on which he became liable to registration (for outward supplies)/from effective date of Registration (for inward supplies) till the end of the month in which the registration has been granted. Further a Final Return has to be filed by registered taxable person who applies for cancellation of registration.

Late Fee:

Defaulted Return	Late fee
Return on Outward Details (Ref: Sec 25)	Rs. 100 per day of delay Maximum Rs. 5,000
Return on Inward Details (Ref: Sec 26)	-same as above-
Return on Input credit (Ref: Sec 27)	- same as above -
Final Return for prescribed three months(Sec 31)	- same as above -
Annual Return (Sec 30)	Rs. 100 per day of delay Maximum 0.25% on Aggregate Turnover

Steps for Return Filing:



Conclusions:

Present Regime of GST will have manifold effects on every part of business. Thus, considerable efforts will have to be made by the assessee to impart training to their personnel or to hire professional for effective operation and better understanding under this new regime. Tax payer may even have to file maximum of 61 returns in a year. If he has a registration in many states the number of return to be filed for each state will be increased accordingly. Further maintenance of separate set of books of accounts for each premises, Concept of electronic ITC ledger, cash ledger, tax liability ledger will promote the transparency and there will be no room for Hawala/suspicious transactions.