



Flow of Returns for all kinds of Taxpayers under GST



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FLOW OF RETURNS FOR ALL KINDS OF

TAXPAYERS UNDER GST

There has been a massive evolution in the process of filing returns under GST when compared to the returns under the present laws. The requirement of robust technology for filling up data in the returns is one of the key reasons behind this. There have been widespread fears among taxpayers that they may have to file a minimum of 37 returns per registration in a year. In fact, this number can go as high as 49 and even 61 in some cases. As the data requirement and the frequency of returns is very high, the automation of the filling up data in returns can only help in reducing the burden of compliance. It is imperative that the taxpayers should start their preparations sooner rather than later in order to meet these compliance related requirements under GST. For adaptation to these requirements, one should examine the technological changes that may be required. Also, training of the organizational staff is one of the most essential elements for adapting to these technological changes.

No.	Form	Description	Time limit
1	Form GSTR-1	Details of outward supplies of taxable goods and/or services effected	10th of the next month
2	Form GSTR-1A	Details of outward supplies as added, corrected or deleted by the recipient	17th of the next month
3	Form GSTR-2	Details of inward supplies of taxable goods and/o services claiming input tax credit	15th of the next month

4	Form GSTR-2A	Details of inward supplies made available to the recipient on the basis of FORM GSTR-1 furnished by the supplier	Available upon filing of GSTR - 1
5	Form GSTR-3	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax	20th of the next month
6	Form GSTR-3A	Notice to a registered taxable person who fails to furnish return under section 27 and section 31	Discretion of the Department
7	Form GSTR-4	Quarterly Return for compounding Taxable persons	18th of the next quarter
8	Form GSTR-4A	Details of inward supplies made available to the recipient registered under composition scheme	Available upon filing of GSTR - 1
9	Form GSTR-5	Return for Non-Resident foreign taxable person	20th of the next month or within 7 days after the last date of registration whichever is earlier
10	Form GSTR-6	ISD return	13th of the next month
11	Form GSTR-6A	Details of inward supplies made available to the ISD recipient on the basis of FORM GSTR-1 furnished by the supplier	Available upon filing of GSTR - 1

12	Form GSTR-7	Return for authorities deducting tax at source	10th of the next month
13	Form GSTR-7A	TDS Certificate	Within 5 days of the payment of TDS
14	Form GSTR-ITC-	Communication of acceptance, discrepancy or 1duplication of input tax credit claim	Available after matching of the returns by the Govt
15	Form GSTR-8	Details of supplies effected through e-commerce operator and the amount of tax collected as required under sub-section (1) of section 43C	10th of the next month
16	Form GSTR-9	Annual return	31st December
17	Form GSTR-9A	Simplified Annual return by Compounding taxabl persons registered under section 8	e 31st December
18	Form GSTR-9B	Reconciliation Statement	31st December
19	Form GSTR-10	Final return	Later of 3 months from the date of cancellation or 3 months from the

			date of cancellation order
20	Form GSTR-11	Details of inward supplies to be furnished by a person having UIN	Not Available

The following shows the flow of information between various returns:

A. Normal Taxpayer and Casual Taxable Person

1. GSTR 1 will be filed by the person making outward supply by 10th of the next month
2. The details of such supply will get auto populated in the form GSTR 2A of the recipient of the goods and services through the GST Common Portal.
3. The recipient will match the details of inward supply as per his own records against the information auto populated in GSTR 2A.
4. If the recipient finds the information given in GSTR 2A to be correct when compared with his own records, he shall accept the same in GSTR 2.
5. If the recipient finds that the information given in GSTR 2A does not match with his own records, he will verify whether the discrepancy is due to an error on his part or on the part of the supplier.
6. If the error is found to be present in his own records, the recipient will make necessary modifications in the same.
7. According to the recipient, if the error is present in the records of the supplier, he shall add, delete or modify the data in GSTR 2. Provisionally, the input tax credit will be allowed to the recipient upon submission of this form.
8. GSTR 2 will then be filed by the recipient within the 15th of the next month.
9. The modifications made by the recipient will be communicated to the supplier in Form GSTR 1A uploaded on the GST Common portal of the supplier.
10. The supplier will either accept the changes in form GSTR 1A by the 17th or he may choose not to accept it.

11. The details of outward, inward supplies, electronic credit ledger, electronic cash ledger and electronic tax liability ledger, discharge of tax liability from cash or credit ledger and refund claim from cash ledger will be filed by all the taxpayers in GSTR 3 by 20th of the next month.
12. The department will carry out the process of matching of data filed within GSTR 1 and GSTR2 by the supplier and recipient respectively.
13. If the tax paid by the supplier matches with or is greater than the input tax credit claimed by the recipient, then the final acceptance of this claim will be communicated to the taxable person in Form GST ITC-1 through the Common portal.
14. However, if the tax paid by the supplier is less than the input tax credit claimed by the recipient, then the discrepancy will be communicated to both the supplier and recipient in Form GST ITC-1.
15. For finding and communicating the discrepancy, the Department will match the following:
 - a) GSTIN of the supplier
 - b) GSTIN of the recipient
 - c) Invoice/Debit note date
 - d) Invoice/Debit note number
 - e) Taxable Value
 - f) Tax amount
16. Once the discrepancy is communicated there can be three possibilities:
 - a) The addition or correction is carried out by the supplier
 - b) The deletion or correction is carried out by the recipient
 - c) No rectification is made either by the supplier or the recipient
17. From the action/inaction specified in Point 16 above, either the mismatch stands corrected or it still continues.

18. If the mismatch is corrected, the same will be communicated by the Department to the recipient in Form GST ITC-1. If any tax liability arises, then it will be paid along with interest.
19. If the mismatch still continues, then the amount of discrepancy will be added to the output tax liability of the recipient along with interest in his GSTR 3 for the month succeeding the month in which discrepancy is communicated to him.
20. The supplier has an option to correct this mismatch at a later date also. However, the last date will be earlier of:
 - a. Due date of filing the return for September of next year
 - b. Actual date of filing annual return
21. Once the mismatch is corrected by the supplier at a later date, the recipient should reduce the output tax liability in the return for the period in which the mismatch is corrected. The interest which was paid by the recipient earlier will also be refunded back to him.
22. When a credit note is issued by the supplier for decrease in the value of original invoice, then the same is to be declared by both the supplier and recipient in their GSTR 1 and 2 respectively. The process of matching of reduction in output tax liability remains the same as described above.
23. Finally, all the details of expenditure (whether ITC availed or not), income (tax paid/payable or not), return reconciliation statement (between actual tax paid and tax payable as per accounts), tax arrears from audit/assessment, refund claims and profit/loss figures from P/L A/c will be filed in GSTR 9 by 31st December of the next financial year. Along with the annual return, audited annual accounts and reconciliation statement in Form GSTR 9B is also required to be filed.

B. Composition Taxpayer

1. The person making outward supplies to a composition taxpayer will file his GSTR 1 by 10th of the succeeding month.

2. The details of such inward supplies will be auto populated in GSTR 4A of the composition taxpayer.
3. The recipient will match the details of inward supply as per his own records against the information auto populated in GSTR 4A.
4. If the recipient finds the information given in GSTR 4A to be correct when compared with his own records, he shall accept the same in GSTR 4.
5. If the recipient finds that the information given in GSTR 4A does not match with his own records, he will verify whether the discrepancy is due to an error on his part or on the part of the supplier.
6. If the error is found to be present in his own records, the recipient will make necessary modifications in the same.
7. According to the recipient, if the error is present in the records of the supplier, he shall add, delete or modify the data in GSTR 4.
8. He will file GSTR 4 containing the details of inward, outward supplies, TDS credit, Tax liability, tax payment from cash ledger and refund claim within 18 days after the end of the quarter.
9. The modifications made by the recipient will be communicated to the supplier in Form GSTR 1A uploaded on the GST Common portal of the supplier.
10. The supplier will either accept the changes in form GSTR 1A by the 17th of the next month or he may choose not to accept it.
11. If the outward supplies of the composition taxpayer is to a registered taxable person, then that taxable person will fill up the details of inward supplies manually in the form GSTR 2 by 15th of the next month. It is to be observed here that GSTR 2A will not auto populate inward supplies from composition taxpayers.
12. Finally, all the taxable persons except the composition taxpayer will be filing GSTR 3 by 20th of the next month.

13. The process of matching between details given by the registered taxable person and that of the composition taxpayer remains the same as described in case of normal taxpayer above.
14. Finally, the Details of turnover, expenditure (reverse charge or not), income (taxable or not), return reconciliation statement (between turnover/tax paid as per return and tax payable as per accounts), tax arrears from audit/assessment, refund claims and profit figures from P/L A/c will be filed in GSTR 9A by 31st December of the next financial year. Along with the annual return, audited annual accounts and reconciliation statement in Form GSTR 9B is also required to be filed.

C. Input Service Distributor

1. The person making outward supplies to an input service distributor will file his GSTR 1 by 10th of the succeeding month.
2. The details of such inward supplies will be auto populated in GSTR 6A of the input service distributor.
3. The ISD will match the details of inward supply as per his own records against the information auto populated in GSTR 6A.
4. If the recipient finds the information given in GSTR 6A to be correct when compared with his own records, he shall accept the same in GSTR 6.
5. If the ISD finds that the information given in GSTR 6A does not match with his own records, he will verify whether the discrepancy is due to an error on his part or on the part of the supplier.
6. If the error is found to be present in his own records, the recipient will make necessary modifications in the same.
7. According to the recipient, if the error is present in the records of the supplier, he shall add, delete or modify the data in GSTR 6.
8. He will file GSTR 6 containing the details of inward supplies, ISD distributed and ISD ledger by 13th of the succeeding month.

9. The modifications made by the recipient will be communicated to the supplier in Form GSTR1A uploaded on the GST Common portal of the supplier.
10. The supplier will either accept the changes in form GSTR 1A by the 17th of the next month or he may choose not to accept it.
11. If the outward supplies of the input service distributor is to a registered taxable person, then that taxable person will fill up the details of inward supplies in the form GSTR 2 by 15th of the next month. Obviously, this will be after matching the details as per Form GSTR 2A and his own records
12. Finally, all the taxable persons except the input service distributor will be filing GSTR 3 by 20th of the next month.
13. The process of matching between details given by the registered taxable person and that of the Input Service Distributor remains the same as described in case of normal taxpayer above.

D. Tax Deducted at Source

1. In case of a contract value exceeding a specified amount, TDS @1% is required to be deducted by the recipient (deductor) while making a payment to the supplier (deductee).
2. Then, the deductor is required to make the necessary payment of tax.
3. The details of TDS deducted, TDS liability, TDS deposited and refund claimed from cash ledger will be filed by the deductor in GSTR 7 within 10 days of the next month.
4. The details of TDS credit received will be auto populated in GSTR 2A of the deductee.
5. Deductee has to accept or reject or modify the data in GSTR 2 by 15th of the next month.
6. TDS certificate will be furnished to the deductee showing the contract value, rate of deduction, amount deducted, amount deposited with Government and such other particulars as prescribed in GSTR 7A within 5 days of the payment of TDS.

E. Tax Collected at Source

1. Several sellers sell their products online using the platform of electronic commerce operators. While making payment to the sellers, e-commerce operators will collect TCS @1% of the value of taxable supplies.
2. Such TCS will then be deposited within 10 days of the next month.
3. The electronic commerce operator needs to furnish details of supplies made through its platform in GSTR 8 within 10 days of the next month.
4. The details of TDS credit received will be auto populated in GSTR 2A of the deductee.
5. Deductee has to accept or reject or modify the data in GSTR 2 by 15th of the next month.

F. Non-resident taxable person

A non-resident taxable person needs to furnish the details of Import of goods and / or services, outward supplies made, credit / debit note in relation to these, tax paid, closing stock of goods and refund claimed from cash ledger in GSTR 5 by 20th of the next month or within 7 days after the last date of registration whichever is earlier.

G. Persons having UIN

The Details of inward supplies on which refund of taxes is claimed and inward supplies for purposes other than refund by persons having UIN in GSTR 11.

FIRST RETURN

After the grant of registration, the first return should be submitted which ideally should contain the details of outward supplies between date on which liability for registration arises and the date of grant of registration.

FINAL RETURN

The final return in GSTR 10 is to be submission within 3 months of the date of cancellation or 3 months of the date of cancellation order whichever is later.

FAILURE TO FILE RETURNS

1. A notice will be issued by the Department under Form GSTR 3A requiring him to file the return within 15 days

2. For delay in filing of all returns except annual return, the late filing fees is Rs. 100/day subject to a maximum of Rs. 5000
3. For delay in filing annual returns, the late filing fees is Rs. 100/day subject to a maximum of 0.25% of the turnover of the state

NO REVISED RETURN

There is no requirement of filing revised return under GST. This is because if there is omission or incorrect particulars discovered by any registered taxable person, then the same can be rectified in the month/quarter in which it is discovered. If any tax is required to be paid, then the same will be paid along with interest. The last date of filing the rectification is earlier of:

- a. Due date of filing the return for September/2nd quarter of next year
- b. Actual date of filing annual return

CONCLUSION

Upon reading the above, it can be inferred that the flow of returns under GST is very systematic. So, it is of utmost importance that the taxable persons understand this flow and make necessary technological and organisational changes in order to adapt to the returns under GST

(This publication contains information for general guidance only. It is not intended to address the circumstances of any particular individual or entity. Although the best of endeavour has been made to provide the provisions in a simpler and accurate form, there is no substitute to detailed research with regard to the specific situation of a particular individual or entity. S. Khaitan & Associates or any of its officials do not accept any responsibility for loss incurred by any person for acting or refraining to act as a result of any matter in this publication)

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