

# TSMT UPDATE

| Goods & Services Tax | One Nation One Tax | *Returns*

## Current Tax Structure

- \* Compliance under numerous statutes
- \* Manual filing of returns in few States
- \* E-filing of returns is in a nascent stage.
- \* Higher need for physical documentation
- \* No concept of electronic credit ledger

## GST

- \* Single tax return format for all States
- \* Common market place for seamless flow of credit
- \* Mandatory filing of returns online
- \* Realtime matching of return data between supplier and receiver



## GST - Returns

GST is a self assessed consumption based tax. The timely and correct furnishing of returns is of paramount importance since returns under the GST Law are the critical link between Businesses and Tax administration.

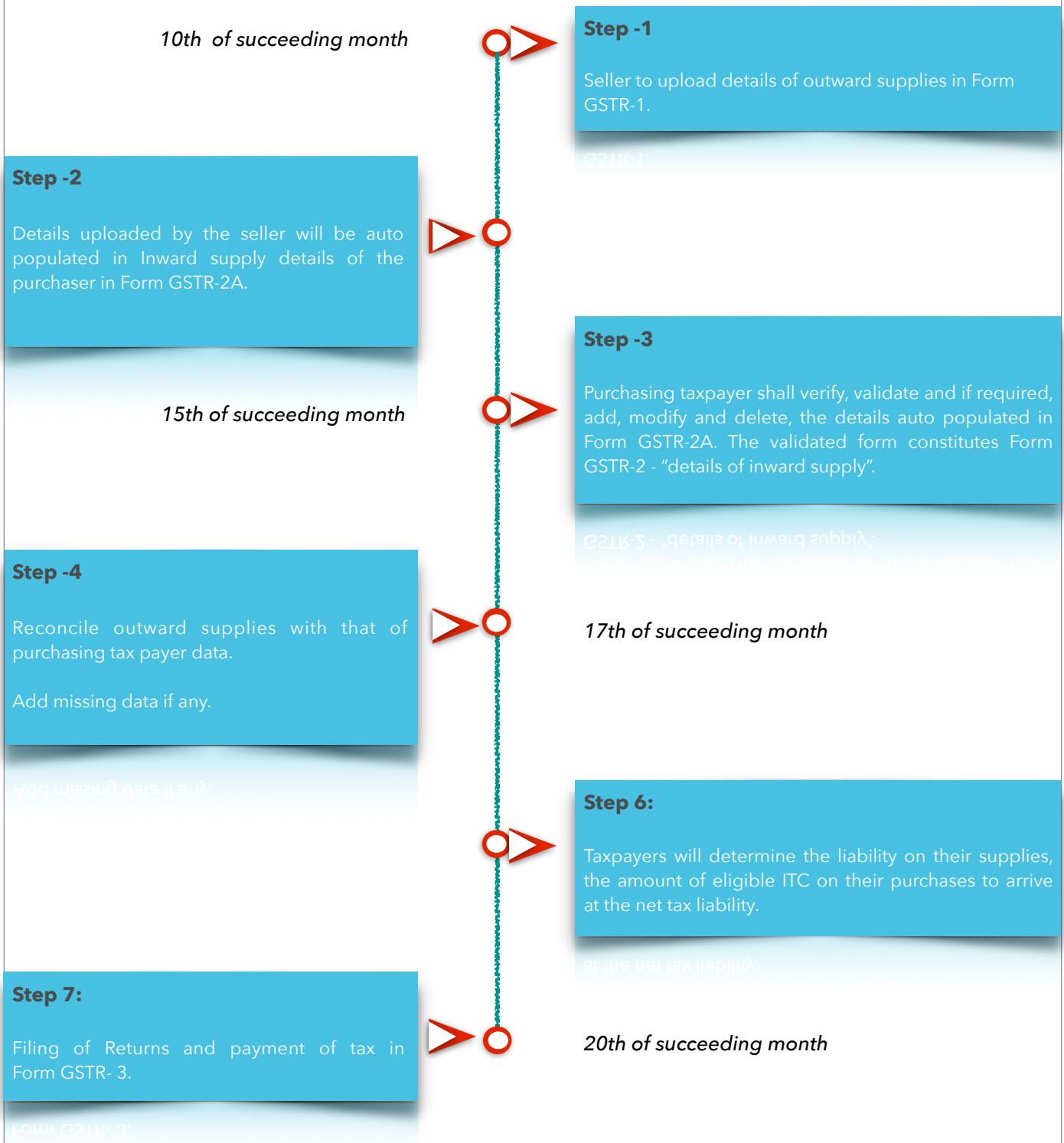
Under the GST regime the tax payers are under a legal obligation -

- To declare tax liability for a given period in the return
- To furnish details about the taxes paid in accordance with that return
- To file a correct and complete return within stipulated time frame.

The sanctity of transactional data is therefore vital. Businesses need to ensure that they have a competent team coupled with best accounting practices to ensure compliance under the Law.



### Flow of returns under GST - Normal Taxpayer\*



*\*Other than an Input Service distributor, a non-resident taxable person and person paying tax under composition scheme*

*Returns under GST*

<b>Return Form</b>	<b>What to file?</b>	<b>By Whom?</b>	<b>By When?</b>
GSTR-1	Details of outward supplies of taxable goods and/or services made	Taxable Supplier	10th of the subsequent month
GSTR-2	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	Taxable Recipient	15th of the subsequent month
GSTR-3	Return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax.	Taxable Person	20th of the subsequent month
GSTR-4	Quarterly return for Suppliers under composition scheme.	Composition Supplier	18th of the month succeeding quarter
GSTR-5	Return for Non-Resident foreign taxable person	Non-Resident Taxable Person	20th of the subsequent month
GSTR-6	Return for Input Service Distributor (ISD)	ISD	13th of the subsequent month
GSTR-7	Return for authorities deducting tax at source.	Tax Deductor	10th of the subsequent month
GSTR-8	Details of supplies effected through e-commerce operator and the amount of tax collected	E-Com Operator/ Tax Collector	10th of the subsequent month
GSTR-9	Annual Return	Registered Taxable Person	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 cancellation order, whichever is later.
GSTR-11	Details of inward supplies to be furnished by a person having UIN	Person having UIN and claiming refund	28th of the month following the month for which statement is filed

## Important Provisions of GST Bills

### Rectification of returns:

As per the GST bills, there is no explicit provision for revision of returns. However, any rectification can be made in the month in which the error/omission is identified. However, no such rectification will be allowed after furnishing of return for the month of September following the end of the Financial year or furnishing of the annual return, whichever is earlier.

### Non filing of returns:

As per Section 26 of the GST bills registration will be cancelled for non-filing of returns for a continuous period of 6 months. Additionally, a penalty of Rs. 100 per day subject to maximum of Rs. 5,000/- would be levied for non-filing of returns.

### Compliance Rating:

Section 138 of the Model GST Law provides for '**GST Compliance Rating**' which is a new concept in India.

Every taxable person shall be assigned a GST compliance rating score based on his record of compliance with the provisions of the GST Act. The rating will be irrespective of the nature or size or turnover of the business.

The compliance rating could be based on parameters such as timely filing of returns, uploading of correct data, better Departmental interaction, promptness in payment of taxes, adherence to various time lines, etc.

The ratings will be part of public domain and will be a crucial factor in vendor selection process. Business Entities should ensure that they have dedicated compliance team in the organization and have suitable Compliance Management system in order to maintain favorable GST Compliance rating.

- *Best Accounting Practice*
- *Better Compliance*
- *Knowledgeable Compliance Team*
- *Good Governance*

## Conclusion

The advent of GST brings in its wake a need for better governance, compliance management and data integrity. This will place a significant burden on Businesses to adopt and implement automated solutions, put in place well trained teams and as such adapt to the reality of tax compliance on a real time basis.

## Offices:

### Bangalore (Head Office)

---

#4/02, 15th Cross, South End,  
Jayanagar 2nd Block,  
Bangalore - 560 011

### Hyderabad

---

Regus Business Center,  
Room No. 149, Level 1, Mid Town Plaza,  
Road No. 1, Banjara Hills,  
Hyderabad - 500 034

### Chennai:

---

Level 6, 10/11,  
Doctor Radha Krishnan Salai, Mylapore,  
Chennai - 600 004

### Contact us

---

**Phone:** 080-42088991 / 42088992

**E - Mail:** [gst@tsmt.in](mailto:gst@tsmt.in)