

Introduction:

The Ministry of Finance has released the business process of GST relating to GST return. The Ministry invites comments/ feedback on the business process from the public. Such comments/ feedback can be submitted through the MyGov.in portal on or before November 6, 2015. The business process is issued in the form of a report of a Joint Committee, constituted to make recommendations to Empowered Committee of State Finance Ministers, for incorporating under the proposed GST law.

Highlights of the released business process:

- Common e-return for CGST, SGST, IGST and Additional tax.
- Every registered person including casual, non-resident dealer, compounding dealer etc. are required to file a return for the prescribed tax period including registered person having no business activity i.e. NIL turnover.
- Submission of return would be through online mode only. Option of generating and preparing return offline will remain available but the same would have to be uploaded subsequently.
- UN agencies having a unique GST ID would not be required to submit regular return; instead they would need to submit purchase statement.
- Government entities, public sector undertakings (PSUs) etc. not dealing in GST supplies or persons exclusively dealing in exempted/ nil rated/ non - GST goods or services will neither be required to obtain registration nor required to submit return.
- GST law may require for provision of Tax Deducted at Source (TDS) on certain supplies.
- Periodicity of returns would be as follows:
 - GSTR1 (for outward supplies made) by 10th of next month
 - GSTR2 (for inward supplies/ supplies received) by 15th of next month
 - GSTR3 (monthly return) by 20th of next month
 - GSTR4 (for compounding taxpayers) by 18th of month next to quarter
 - GSTR5 (non-resident foreign tax payers) within 7 days of the last day of registration for the period for which registration was obtained
 - GSTR 6 (return for ISDs) by 15th of next month
 - GSTR7 (TDS return) by 10th of next month
 - GSTR8 (Annual return) by 31st December of next financial year
 - ITC Ledger, Cash Ledger, Tax Ledger to be prepared on a continuous basis
- Separate return for each registration will be required to be submitted.

Components of GSTR-1 return:

- Basic details of tax payer, return period, gross turnover in previous financial years, etc.
- Invoice-level supply details separately for goods and services to be furnished:
 - for all B2B supplies
 - for all Inter-State B2C supplies whose value is more than Rs. 250,000. State-wise summary of invoices to be filed for invoices below Rs. 250,000
 - address of buyer has to be mentioned on invoices having value of Rs. 50,000 or more

- Detailed invoice-level information to be furnished in return.
- Use of HSN code for goods and Service Accounting Codes (SAC) proposed as follows:
 - HSN code (4 digit) and SAC mandatory for taxpayers having turnover above Rs. 50 million
 - HSN code (2 digit) for taxpayers with turnover between Rs 15 million and 50 million
 - Any taxpayer irrespective of his turnover may use HSN code at 6 or 8 digit if the person desires
 - To start with, HSN at 2-digit level is not mandatory for compounding dealers
 - HSN codes at 8-digit level and SAC will be mandatory in case of exports and imports

Components of GSTR-2 return:

- Basis details similar to that of GSTR-1 return.
- Final invoice-level inward supply information for the tax period for goods and services separately.
- Information submitted in GSTR-1 by the supplier to be auto-populated in GSTR-2.
- Details can be modified/ altered by the purchaser while filing GSTR-2 in case of incomplete or unreported invoices.
- Separate tables will be required for capturing the Input tax credit (ITC). ITC in respect of capital goods is suggested to be availed over a period of 2 years in equal installments.

Components of GSTR-3 return:

- Basic details similar to GSTR-1 and GSTR-2 returns.
- Turnover details segregated into gross turnover, export turnover, exempted turnover etc. are required to be provided.
- Final outward & inward supply information provided in GSTR-1 & GSTR-2 will be auto populated in GSTR-3.
- Separate table will be used for capturing the details of credit for tax deducted at source.
- Details of tax liability (CGST, SGST, IGST, Additional tax & other liabilities), ITC utilized, Net tax payable, revision of invoices etc. will be required to be furnished
- A unique acknowledgement number on submission of return would be generated which will be containing details such as date & time, tax period, supplies reported, tax paid etc.

Revision of returns:

- Any revision or correction in the turnover reported for previous tax period return can be effected in the return to be submitted for the current tax period through a separate column in GSTR-1 and GSTR-2. Hence no separate revision of return is required.

Others:

- Similar to above, separate components and information suggested to be captured in GSTR-4 to GSTR-8.
- Reconciliation statement duly certified by Chartered Accountant would be required to be provided with Annual return (in GSTR-8) by those persons who are covered under section 44AB of the Income Tax Act, 1961.
- Format of forms GSTR1 to GSTR8 provided in the report.

Source: Report of the Joint Committee on Business Process for GST on GST return.