

Goods and Service Tax



Day 7



By

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Goods and Service Tax



Day 7 Session I & II

Returns, Assessment and Audit



Returns

Chapter IX (section 37 to 48) under CGST Act.

Return Rules (Rules 59 to 84)

Return

- Eleven Different Types of Return

GSTR 1 to GSTR 11

- Nil Return Mandatory

- No revision of return

- All unreported / under – reported Invoices and ITC revision can be reported in current month using credit / debit note.

- Interest will be auto populated

Return

Returns to be filed by Normal / Regular taxpayers

GSTR-1 (Details of outward Supplies)

GSTR-2 (Details of Inward supplies)

GSTR-3 (Monthly Return)

GSTR-9 (Annual Return)

Non filing of returns for 6 months will result losing registration.

Return

Return to be filed by Casual / Non resident Taxpayer (other than foreigners)

GSTR-1 (Details of outward supplies)

GSTR-2 (details of Inward supplies)

GSTR-3 (monthly Return)

Return

Return to be filled
by Compounding
Taxpayer

GSTR-4 and
Annual Return.

Return to be filled
By Non-resident
Tax payer
(foreigner)

GSTR-5

Tax Payer u/s 10: Non filing of returns for 3 Tax Periods would mean losing dual registration – State and Central.

Return

Return to be filled by Input Service Distributor

GSTR-6
Monthly

Return to be filled By tax Deductors

GSTR-7
Monthly

TCS-
eCommerce
Operators

GSTR-8
Monthly

Return

Periodicity of Return Filing

Return	For	To be filled By
GSTR-1 (relaxation sply. for 2 months)	Outward Supplies July by 5th Sept 2017, and for August by 20th Sept 2017.	10 th of next month (11 th to 15 th Day outward supplies data not allowed)
GSTR-2	Inward Supplies	15 th of next month
GSTR-3	Monthly Return (other than Compounding taxpayer and ISD)	20 th of next month
GSTR-3B	Monthly summary return on self-declaration basis for first 2 month i.e. July and August.	20th day of next month

GSTR-2 & GSTR-3 for these 2 months will be filed after GSTR-1 for July & Aug.

Return

Periodicity of Return Filing

Return	For	To be filled By
GSTR-4	Quarterly Return for Compounding taxpayer	18 th of next month
GSTR-5	Periodic Return by Non Resident Foreign Taxpayer	Last day of Registration
GSTR-6	Input Service Distributor	15 th of next month
GSTR-7	Tax Deducted at Source	10 th of next month
GSTR-8	TCS e-Commerce Operators	10 th of next month

Return

Periodicity of Return Filing

Return	For	To be filled By
GSTR-9	Annual Return	31 st Dec of next FY
GSTR-10	Final Return	within 3 months of the date of cancellation or date of order of cancellation, whichever is later
GSTR-11	Input Supplies – UID Holders	10 th of next month

Sequence of Returns

- GSTR 1 10th Outward Supply of Goods and/or Services
- GSTR2A 11th to 15th Matching of Inward Supplies
- GSTR 2 15th Final matched Inward Supplies
- GSTR1A 16th to 17th Correction in GSTR1
- GSTR 3 20th Monthly Return based on GSTR1 & GSTR2

Return GSTR-1

Invoice Level reporting of certain details

GSTR-1 would capture invoice level supply information pertaining to tax period separately for goods and services.

B2B Supplies – both interstate and intrastate

B2C Supplies –

Intra state - aggregated taxable value,
tax rate wise.

Inter-state – Invoice wise for value > 250,000

For GSTR-1, outward supplies shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during the tax period.

Return GSTR-1

HSN Level reporting of certain details

GSTR-1 would HSN / SAC level supply information pertaining to tax period separately for goods and services.

Aggregate Turnover < 1.5 Cr. – not mandatory

Aggregate Turnover 1.5 Cr. To 5 Cr. – 2 digit chapter level
optional for first year

Aggregate Turnover > 5 Cr. – 4 digits mandatory

All exports including above categories- 8 digit HSN mandatory

Return GSTR-2

- Details of GSTR-1 shall be available to recipient in Part A of GSTR-2A.
- Part B, C and D respective details relating to ISD, TDS and TCS
- Recipient is required to Verify, validate, modify or even delete, if necessary-details furnished by the suppliers.
- All modifications, deletions or inclusion of inward supplies by the receiver will be communicated to supplier as GSTR-1A

Return GSTR-3

- GSTR-3 to be generated on Portal.
- Separate table for calculating tax amount on outward and inward supplies
- Separate table for TDS credit received and has been credited to cash ledger.
- Tax liability under CGST, SGST, IGST and Cess if any
- Detail of other liabilities i.e. interest, penalty. Fee or others

Rectification

- Not allowed to furnish a return for a period if the return for any previous tax period is not furnished.
- Any error / omission can be rectified *in the return to be filed for the month / quarter*, during which such error noticed, *subject to payment of tax and /or interest* as applicable
- Such rectification can't be done when discovered as a result of scrutiny, audit, inspection or enforcement by tax authorities.
- No such rectification allowed after last date for rectification.

Last date for any rectification

- Rectification allowed till September 30 or date of filing of annual return whichever ever is earlier

- Example

Annual Return for 18-19 filed on 15th August 2019

Return for September 2019 filed on 18th Oct 2019

Error discovered relating to July 2018

In this case Error can't be rectified after 15th August 2019.

Return

ITC and reversal thereof

The ITC Claim will be confirmed to purchasing tax payer after 20th of the succeeding the month of tax period.

System auto-populate the ITC reversals due to mismatching of invoices in tax payer's account in the return for the 2nd month.

Acknowledgement

on submission – an acknowledgement number will be generated but final receipt of return will be generated after validation of data.

Matching, Reversal & Re-credit

Matching

Details of inward supply furnished by a receiver to be matched with details of output supplies furnished by corresponding supplier

Credit details of matching supplies accepted

Reversal

Details not matching resulting in excess to be communicated to both supplier & receiver

Details communicated but not rectified by supplier to be added to the output tax liability of recipient

Duplication resulting in excess also to be added to output tax liability of recipient

Reclaim

Recipient entitled to reduce output tax liability if supplier rectifies the return within prescribed timelines

First, Annual and Final Return

First Return

Every registered taxable person who has made outward supplies between date of liability to register to date of grant of registration

Filed after grant of registration

Annual Return

Every registered dealer to furnish annual return by 31st December except:

- ISD
- casual taxable person
- Person deducting tax
- Non-resident taxable person

Reconciliation statement to be furnished along with the statutory audited report and annual return

Final Return

Every registered dealer opting for cancellation to furnish a final return To be furnished within 3 months from date of cancellation or date of cancellation order, whichever is later

GST Return – Important Points

RECTIFICATION

Rectification allowed till September 30 or date of filing of annual return which ever is earlier

NON FILING

Cancellation of registration for non filing of returns for 3 consecutive tax periods-composition scheme

BLACK LISTING OF DEALERS

Compliance rating to be introduced. Fall below the prescribed level would lead to blacklisting

PENALTY- NON FILING OF RETURN

Late Fees: INR 100 per day subject to a maximum of INR 5,000

Late Fee - Annual Return INR 100 per day subject to a maximum of 0.25 % of the aggregate turnover of the defaulter

GSTN – Prototype – Return interface

Goods and Services Tax

A+ A- | Ganesh Harvest Solutions

Dashboard Services Notifications & Circulars Acts & Rules Downloads

Dashboard > Returns

File Returns

Financial Year: 2016-2017

Return Filing Period: Jan

SEARCH

Outward supplies made by the taxpayer (GSTR 1)
Due Date - 10/05/2016
PREPARE ONLINE | UPLOAD

Inward supplies received by taxpayer (GSTR 2)
Due Date - 15/05/2016
PREPARE ONLINE | UPLOAD

Monthly Return (GSTR 3)
Due Date - 20/05/2016
GENERATE

TDS Return (GSTR 7)
Due Date - 10/05/2016
PREPARE ONLINE | UPLOAD

Through Returns Dashboard you can see the summary of Returns as well as prepare and upload them online.

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GSTN – Prototype – Return interface

Goods and Services Tax

Dashboard Services Notifications & Circulars Acts & Rules Downloads

Dashboard > Returns > GSTR-1

GSTR-1 - Outward Supplies made by the Taxpayer

GSTIN - 29ADEC9084R5Z4 Business Name - Stark Pvt Ltd.
 FY - 2016-17 Return Period - April Status - Pending
 Gross Turnover of the taxpayer in the previous financial year Due Date - 10/05/2016
 Total Tax Liability ₹1,84,32,522

GSTR-1 - Invoice Details

Category	Section	Count	Pending for Action	Invoice Value	Taxable Value	Tax Liability
B2B Invoices	Section 5	11	0	₹45,01,660	₹37,51,383	₹7,50,277
Amended B2B Invoices	Section 5A	1	0	₹2,42,810	₹2,02,342	₹40,468
B2C (Large) Invoices	Section 6	3	NA	₹99,97,000	₹8,33,083	₹1,66,617
Amended B2C (Large) Invoices	Section 6A	1	NA	₹58,07,600	₹58,07,600	₹5,80,760
Credit / Debit Notes	Section 8	3	0	(₹5,000)	(₹1,000)	
Amended Credit / Debit Notes	Section 8A	1	0	(₹50,000)	(₹10,000)	
Exports Invoices	Section 10	3	NA	₹12,50,000	-	-
Amended Exports Invoices	Section 10A	1	NA	₹6,50,000	₹5,41,667	-

This section shows the Summary of various tables of GSTR – 1.

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Assessments

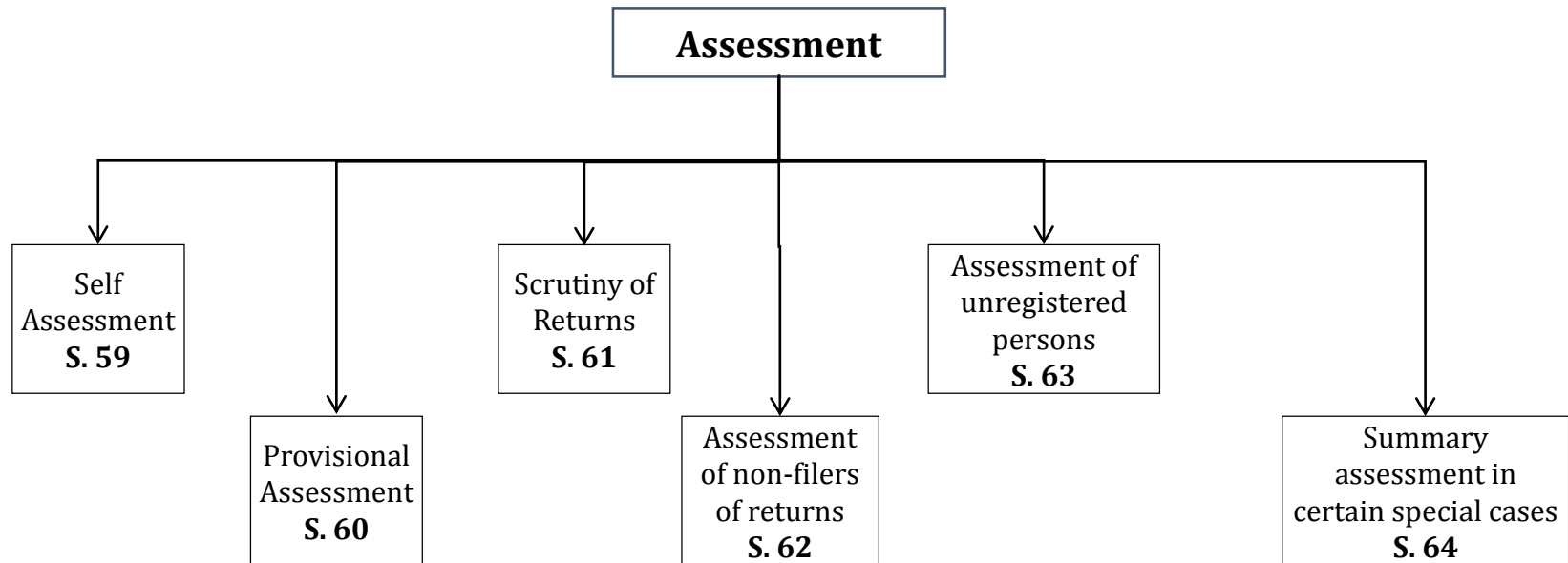
Assessment under GST

Definition:

2 (11) “assessment” means determination of tax liability under this Act and includes self-assessment, *re-assessment*, provisional assessment, summary assessment and best judgment assessment;

Assessment : Meaning & Types

- Assessment means determination of tax liability
- Types of Assessment



Self Assessment

Section 59

- Every Registered person
- Himself assesses the tax payable, not an assessment by proper officer.
- Furnish the return for each tax period
under section 39 – Monthly Return – GSTR 3
- Although the definition includes “re-assessment”, there is no such provision in the Act.

Power to re-assess cannot be inherent in the power to assess.

Provisional Assessment

Section 60

- Ambiguity in Value & rate of tax
- Execution of security bond as may be prescribed
- Officer may permit to pay tax on provisional basis.
- Final assessment to take place within six months
- The balance payable or refund due to be settled

Provisional Assessment Process

GST ASMT 01 to GST ASMT 09

Provisional Assessment Order GST ASMT 04

Final Order under section 60 GST ASMT 07

Scrutiny of Returns

Section 61

- Discretionary power to Proper Officer to Scrutinize the return to verify the correctness.
- Pre-adjudication process. (Adjudication Section 73 to 75)
- Discrepancy noticed to be intimated
- On submission of acceptable explanation: No further action required
- Unsatisfactory explanation: Appropriate action will be initiated
- Scrutiny Assessment Process
 - GST ASMT 10 to GST ASMT 12
 - Notice GST ASMT 10
 - Assessment Order u/s 61 GST ASMT 12

Scrutiny of Returns

Section 61

- Unsatisfactory explanation: Appropriate action will be initiated –
 - Conduct Audit at the place of business
 - Direct to get his records examined or audited by CA or Cost Accountant
 - Undertake inspection, search and seizure
 - proceed to determine dues under section 73 and 74.

Best Judgement Assessment

Section 62

- Also called Assessment for Non-filers of Returns
 - Registered taxable person
 - fails to file returns and
 - fails to respond to notice
 - Assessed by Proper Officer based on the information available to the best of his judgment
 - On filing of return within 30 days on receipt of assessment order
 - Best Judgment order deemed to be withdrawn
 - Best Judgement Assessment Process
- GST ASMT 13

Assessment of Unregistered Person

Section 63

- Taxable person fails to take registration
- Assess to the best of his judgment
- Serving of show cause notice & opportunity of personal hearing
- The assessment to be made within 5 years from the due date for filing annual return
- Assessment Process

GST ASMT 14 and GST ASMT 15

Notice GST ASMT 14

Assessment Order u/s 63 GST ASMT 15

Summary Assessment

Section 64

- Having evidence and delay may adversely effect the revenue
- In the interest of revenue and with due permission
- Application filed or on his own motion Addl. / Joint Commissioner
- If the order is erroneous; Addl./Joint Commissioner may withdraw such order
- Summary Assessment Process
 - GST ASMT 16 to GST ASMT 18
 - Assessment Order u/s 64 GST ASMT 16
 - Application for withdrawal of summary assessment order GST ASMT 17
 - Order of withdrawal or objection GST ASMT 18

Audit

Chapter XIII (section 65 and 66) under CGST Act.

Audit Rules (Rules 101 and 102)

AUDIT (Section 65)

- (1) The Commissioner or any officer authorised by him, by way of a general or a specific order, may undertake audit of any registered person for such period, frequency and in such manner as may be prescribed.
- The period of audit to be conducted shall be a FY or multiples thereof.
- (2) The officers may conduct audit at the place of business of the registered person or in their office.
- (3) The registered person be informed by way of a notice not less than 15 working days prior to the conduct of audit in such manner as prescribed.
- The proper officer shall issue a notice in FORM GST ADT-01
- (4) The audit under sub-section (1) shall be **completed within 3 months** from the date of commencement of the audit:

Provided that the Commissioner may, for the reasons to be recorded in writing, extend the period by a further period not exceeding 6 months.

Explanation.—For the purposes of this sub-section, “**commencement of audit**” shall mean the date on which records & other documents, called for by the tax authorities, are made available by the registered person or the actual institution of audit at the place of business, whichever is later.

AUDIT (Section 65)

- (5) During the course of audit, the authorised officer may require the registered person,—
 - (i) to afford him the necessary facility to verify the books of account or other documents as he may require;
 - (ii) to furnish such information as he may require and render assistance for timely completion of the audit.
- (6) On conclusion of audit, the proper officer shall, within 30 days, inform the registered person, about the findings, his rights and obligations and the reasons for such findings.
- in FORM GST ADT-02.
- The proper officer shall finalise findings of the audit after due consideration of the reply furnished by the registered person.
- (7) Where the audit results in detection of tax not paid or short paid or erroneously refunded, or ITC wrongly availed or utilised, the proper officer may initiate action u/s 73 or 74.

Audit (Rules)

- The officer authorised to conduct audit shall,
 - verify the documents on the basis of which the books of account are maintained and the returns and statements furnished under the provisions of the Act and the rules made thereunder,
 - the correctness of the turnover, exemptions and deductions claimed,
 - the rate of tax applied in respect of the supply of goods or services or both,
 - the input tax credit availed and utilised,
 - refund claimed, and
 - other relevant issues
- and record the observations in his audit notes.

SPECIAL AUDIT (Section 66)

- 66. (1) If at any stage of scrutiny, inquiry, investigation or any other proceedings before him, any officer not below the rank of AC, having regard to the nature and complexity of the case and the interest of revenue, is of the opinion that **the value has not been correctly declared or the credit availed is not within the normal limits**, he may, **with the prior approval of the Commissioner**, direct such registered person by a communication in writing to get his records including books of account examined and audited by a CA or a cost accountant as may be nominated by the Commissioner.
- in FORM GST ADT-03 to get his records audited by a CA or a cost accountant specified in the said direction.
- (2) The CA or cost accountant so nominated shall, within 90 days, submit a report of such audit duly signed, certified by him to the said AC mentioning therein such other particulars as may be specified:
- Provided that the AC may, on an application made to him by the registered person or the CA or for any material and sufficient reason, extend the said period by a further period of 90 days.
- On conclusion, the registered person shall be informed of the findings in FORM GST ADT-04.

SPECIAL AUDIT (Section 66)

- 66.(3) The provisions of sub-section (1) shall have effect notwithstanding that the accounts of the registered person have been audited under any other provisions of this Act or any other law for the time being in force.
- (4) The registered person shall be given an opportunity of being heard in respect of any material gathered on the basis of special audit which is proposed to be used in any proceedings against him under this Act or the rules made thereunder.
- (5) The expenses of the examination and audit of records under sub-section (1), including the remuneration of such CA or cost accountant, shall be determined and paid by the Commissioner and such determination shall be final.
- (6) Where the special audit conducted under sub-section (1) results in detection of tax not paid or short paid or erroneously refunded, or input tax credit wrongly availed or utilised, the proper officer may initiate action under section 73 or section 74.



Question *n* Answer Session



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Thank You

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