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GOODS AND SERVICE TAX AND FILING OF ITS RETURN: AN ANALYTICAL VIEW

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***ABSTRACT**:-*

India introduced the Goods and Services Tax (GST) on 1 July 2017 after a decade of preparation. Ideally, GST should reduce tax and drive the market by enabling businesses to invest, reflecting consumer choices. The basic GST structure poses challenges. It differentiates between goods and services contrary to GST's essence. Too many rates contest the desirable single- or double-rate structure. There is wide variation among rates. Too many taxpayers have been brought in from the bottom, which will challenge the tax administration adversely. Registration is required in every state where a dealer is trading. This enables the central administration and that of each state to scrutinise the same taxpayer, but comprises a compliance challenge for small taxpayers. Going forward, teething problems in information technology affecting filing of returns should be corrected. There is no monitoring cell to check the GST's impact on revenue or inflation. GST was intended to be introduced on a revenue-neutral basis. The possibility of reduction in GST rates should be considered if post-introduction revenue has shifted up the pre-introduction collection trend. There should be no significant short-run adverse impact on GDP if cascading elements of the earlier tax structure are reduced under GST. These matters need monitoring and correction. Petroleum has to be brought in to the GST base quickly to reduce its cascading effects. Judging from the weekly posts by the Chairperson, CBEC, it is apparent that the top administration is trying to handhold taxpayers, ease compliance, and control remaining elements of corruption.

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KEYWORDS:- India introduced the Goods and Services Tax (GST), businesses and control remaining elements of corruption.

INTRODUCTION:-

Goods and Service Tax (GST) is one of the biggest economic reform post-independence. In India, 2000 the Vajpayee Government started discussion on GST by setting up on empowered committee. The committee was headed by Asim Das Gupta (Finance Minister, Government of West Bengal.) It was given to task to designing the GST model and overseen the Income Tax back end preparedness for its roll out. It is considered to be a major improvement over the pre-existing all level of taxes. As per Article 279 A (i) of the amendment constitution, The GST council has to be constituted by the President of India.

In 2006, first announcement of GST was made by the Union Minister during the 2006-07 budget, that it would be introduced on April 1,2010,2009. Empowered committee released the first discussion paper-1 July,2017 GST laws ,Goods and Services. Tax was launched all over in India.

One 100 and First Amendment of the Constitution of India. Goods and Service Tax (GST) is an indirect tax (or Consumption Tax) imposed in India on the supply of goods and services, It is a comprehensive, multistage, destination based tax:- comprehensive because it has subsumed almost all the indirect taxes except a few state taxes. Multi-staged as it is, the GST is imposed at every step in the production process, but it meant to be refunded to all parties in the various stages of production other then the final consumer and as a destination based tax, it is collected from point of consumption and not point of origin like previous taxes.

Goods and Services are divided into five different tax slabs for collection of tas-0%,5%,12%,18% and 28%. However petroleum products, alcoholic drinks and electricity are not taxed under GST and instead are taxed separately by the individual state Govts., as per the previous tax system, There is a special rate of 0.25% on rough previous and semi-precious stones and 3% on gold. In addition a cess of 22%,or other rates on top of 28% GST amrlies on few items like aerated drinks, luxury cars and tobacco products. Pre-GST the statutory tax rate for most goods was about 26.5%, post.GST, must goods are expected to be in the 18% tax range.

The tax came into effected from July 1,2017 through the implementation of the one hundred and first amendment of the Goods and Services Tax (GST) refer to an indirect tax. The implementation of this tax is in India, Furthermore, this taxes imposition is at every step in the production process. The refunded is for all the parties in the various stages of production Also; GST included almost all indirect taxes. Constitution of India by the Indian Govt. The GST replaced existing multiple taxes levied by the central and State Governments.

The tax rates, rules and regulations are governed by the GST council which consist of the finance ministers of the central government and all the states. The GST is meant to replace a slow of indirect taxes with a federated tax and is therefore expected to reshape the country's 2.4 trillion dollar economy, but its implementations has received criticism, Positive outcomes of the GST includes the travel time in interstate movement, which dropped by 20%, because of disbanding of interstate check posts.

GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017, The Act came into effect on Ist July 2017, Goods and Services Tax Law in India is a comprehensive, multi-stage, destination based tax that is leaved on every value addition.

In Simple words, Goods and Service Tax is an indirect tax levied on the supply of goods and services. This law has replaced many indirect tax laws that previously existed in India.

GST is one indirect tax for the entire country. So, before Goods and Services Tax, the pattern of tax levy was as follow-

Buying Raw Materials ------ WAT

Manufacture → State to Whole Sale/Warehouse

VAT + Excise Duty

VAT

Final sale to Consume ← VAT Sale to Retailer

Under the GST refine, the tax is levied at every point of sale, in the case of intra-state sales, Central GST and State GST are charged. Inter-state sales are chargeable to integrated GST .Now let us try to understand the definition of Goods and Service Tax. GST is a comprehensive, multi-stages, destination-base tax that is levied on every value addition.

Let us consider the following case-

1. Purchase of Law materials
2. Production or manufacture
3. Warehousing of finished goods
4. Sale to Wholesaler
5. Sale of the product to the retailer
6. Sale to the end consumer

GST is levied on each of these stages which makes it a multi-stages Tax .

Tax Laws before GST-

In the earlier indirect tax regime, there was many indirect taxes levied by both state and centre states mainly collected taxes in the form of value added Tax (VAT). Every state had a different set of rules and regulations.

Interstate sale of goods was taxed by the centre. Central state TAX (GST) was applicable in case of interstate sale of goods. Other than above here were many indirect taxes like entertainment tax, octrio and local tax that was levied by state and centre. This led to a lot of overlapping of taxes levied by both state and centre. For example, when goods were manufactured and sold, excise duty was charged by the centre, over and above Excise Duty, VAT was also charged by the state, This lead to a tax on tax also known as the cascading effect of taxes.

The following is the list of indirect taxes in the pre-GST, regime-

1. Central Excise Duty
2. Duties of Excise
3. Additional Duties of Excise
4. Additional Duties of customs
5. Special Additional Duty of customs
6. Cess
7. State VAT
8. Central Sales Tax
9. Purchase Tax

10. Luxury Tax
11. Entertainment Tax
12. Entry Tax
13. Taxes on advertisement
14. Taxes on lotteries, betting and gambling (GST,SGST and IGST has replaced as the above taxes.)

However, the chargeability of GST for Inter-state purchase at a concessional rate of 2% by issue and utilisation of c-form is still prevalent for certain Non-GST goods such as –

1. Petroleum Crude
2. High speed diesel
3. Motor split (commonly) known as petrol)
4. Natural gas
5. Aviation turbine fuel, and
6. Alcoholic liquor for human consumption in respect of following translations only

I. Resale
II. Use in manufacturing or processing
III. Use in the telecommunication network or in mining or in the generation or distribution of electricity or any other power

GST in other countries:

1. France-The first country to implement GST in 1954 and many other European countries introduced GST in 1970-80s.
2. Japan-It introduced GST in the name of consumption tax in the year 1989
3. Canada-GST was introduced in 1991 and has a dnal model like state GST and central GST
4. Singapore-Introduced GST in the year 1994
5. Australia-GST was introduced in 2000 with the rate of 10% and with the plans to increase it to 15%
6. Malaysia-Introduced GST in 2015
7. China-Introduced VAT in 2016 to replace the business tax system that was already existing GST is applied on selected goods.

GST Act came into effect on 1st July 2017; GST law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. In simple words, GST is an indirect tax levied on the supply of goods and services. GST formed by Vishwanath Pratap Singh, finance minister in Rajeev Gandhi's Government it was started in 1986 with the introduction of the Modified Value Added Tax (MODVAT).

Features of GST:
GST implementation has brought a major change in the economy of India. It was under up the markets of the goods and services due to uniformity of taxation throughout the country. Some of the features of GST are as follows:-

1. GST is applied on the supply of the goods unlike the earlier form of earlier taxation.
2. GST is destination based structure of taxing.
3. It is charged as (GST,SGST and IGST)

Kinds of GST:- There are four Kinds of GST:

1- CGST :- CGST full form is Central Goods and Services Tax.

CGST refers to the Central GST tax that is levied by the Central Government of India on any transaction of goods and services tax taking place within a state. It is one of the two taxes charged on every intrastate (within one state) transaction, the other one being SGST (or UTGST for Union Territories). CGST replaces all the existing Central taxes including Service Tax, Central Excise Duty, CST, Customs Duty, SAD, etc. The rate of CGST is usually equal to the SGST rate. Both taxes are charged on the base price of the product. See the example below to understand it better.

2- SGST :- SGST full form is State Goods and Services Tax.

SGST (State GST) is one of the two taxes levied on every intrastate (within one state) transaction of goods and services. The other one is CGST. SGST is levied by the state where the goods are being sold/purchased. It will replace all the existing state taxes including VAT, State Sales Tax, Entertainment Tax, Luxury Tax, Entry Tax, State Cesses and Surcharges on any kind of transaction involving goods and services. The State Government is the sole claimer of the revenue earned under SGST. Let’s understand this with an example.

3- IGST :- IGST full form is Integrated Goods and Services Tax.

Integrated GST (IGST) is applicable on interstate (between two states) transactions of goods and services, as well as on imports. This tax will be collected by the Central government and will further be distributed among the respective states. IGST is charged when a product or service is moved from one state to another. IGST is in place to ensure that a state has to deal only with the Union government and not with every state separately to settle the interstate tax amounts. Let's try to understand IGST with an example.

4-UTGST :- UTGST full form is Union Territory Goods and Services Tax.

The Union Territory Goods and Services Tax, commonly referred to as UTGST, is the GST applicable on the goods and services supply that takes place in any of the five Union Territories of India, including Andaman and Nicobar Islands, Dadra and Nagar Haveli, Chandigarh, Lakshadweep and Daman and Diu. This UTGST will be charged in addition to the Central GST (CGST) explained above. For any transaction of goods/services within a Union Territory: CGST + UTGST

The reason why a separate GST was implemented for the Union Territories is that the common State GST (SGST) cannot be applied in a Union Territory without legislature. Delhi and Puducherry UTs already have their own legislatures, so SGST is applicable to them.

France first started GST in 1954 after France countries like Japan, South Korea, UK and Australia implemented the GST law.

GST calculation:- if a goods or services is sold at Rs 1000 and the GST rate applicable is 18% then the net price calculated will be = 1000 + (1000* (18/100))

= 1000 + 180
= Rs 1180

1. What is GST Return?

A return is a document containing details of income which a taxpayer is required to file with the tax administrative authorities. This is used by tax authorities to calculate tax liability.

Under GST, a registered dealer has to file GST returns that include:

- Purchases
- Sales
- Output GST (On sales)
- Input tax credit (GST paid on purchases)

To file GST returns, GST compliant sales and purchase invoices are required. You can generate GST compliant invoices for free on Clear Tax Bill Book.

2. Who should file GST Returns?

In the GST regime, any regular business has to file two monthly returns and one annual return. This amounts to 26 returns in a year.

The beauty of the system is that one has to manually enter details of one monthly return – GSTR-1. The other return GSTR 3B will get auto-populated by deriving information from GSTR-1 filed by you and your vendors.

There are separate returns required to be filed by special cases such as composition dealers.

3. GST Return Filing :-

Under GST regime 1.4 crore of businesses obtain GST registration. GST Return filing is mandatory for all entities and all entities having GST registration are required to file GST return every month irrespective of business activity or sales or profitability during the return filing period. Hence, even a dormant business that obtained GST registration have to file GST return.

Advantages of GST return filing:

1. **Unified platform:** A country with a Unified GST platform a merger Central tax, and service tax(e.g. Sales tax, excise duty tax, and service tax) with a state level tax (e.g. Entertainment tax entertainment tax, entry tax, transfer tax,sin tax and luxury tax) and collects them as a single tax. These countries tax Virtually everything at a single rate.
2. **Subsuming of taxes**: The objective is to remove the multiplicity of tax levives thereby reducing the complexcity and remove the effect of tax cascading.The objective is to subsume all those taxes that are correctly levived on the scale of goods or provision of services by either Central or state government.

Taxes to be subsumed in GST:

(i) Central taxes to be subsumed in GST

1. Central excise duty(CENVAT)
2. Additional excise duties
3. The excise duty levied under the the medicinal and toiletries preparation(Excise duties) Act 1955.
4. Service tax
5. Additional customs duty: Commonly countervailing duty (CVD).

(ii) State taxes to be subsumed in GST

1. VAT/ state tax, entertainment tax(unless it is levived by the local bodies).
2. Luxury tax: Taxes on lottery, betting and gambling state CESSES and Sab charges in so far as they relate to supply of goods and services.
3. Octroi and entry tax
4. Purchase tax.

(iii) Treatment of specific goods
Central Government tabled the 122nd constitution amendment Bill, 2014(Bill) on the introduction of goods and service tax (GST) before the lower honorable parliament on December 19th,2014. On analysing the bill, the bill CONTEISUS the following treatment of the specific good.

1. Tax on supply of the alcoholic liquor for human.
2. Tax on tobacco products
3. Tax on petroleum crude/ high speed Diesel/ motor spirit/ natural gas/ aviation turbine fuel.
4. Tax on newspaper and advertisement there in.
5. Lower tax: It means less tax to be given by the businessman, and it can be done only when the registered themselves under GST return.
6. Ease of doing business: Uniformity of rate and elimination of multiple other indirect tax, GST skirt out the cascading of Levies WIDENEAL and the tax net and added to revenues. Introduction of E-way bill has improve the system by reducing transport and Logistics cost, said industry leaders.
7. Larger tax base: In this by filling GST return large tax pages, with aggregate annual turn over Rs. 5 crore previous financial year, upload there monthly FORM GST ANX-1 from October, 2019 onwards........... . They would file the first FORM GST-RET-01 for the quarter October,2019 December,2019 to December,2019 from 20th January,2019.
8. Remove cascading tax effect: There is a long list of benefits, which are being claimed as the result of GST filing. Law and one such benefit is the removal of the cascading tax effect. In simple words cascading tax effect means tax on tax. Is a situation where in a consumer has to bear the load of tax on tax and inflationary prices as a result of it.
9. Higher threshold for registration: Under GST filing regime, however, this threshold has been increased to Rs.20 lakhs exempts many small traders and service providers.
10. Composition share of small businessman: Composition Businessman will file the April-June quarter returns in July as far the new form. Small traders and manufactures with a term over of rupees 1.5crore pay a 1% GST, while service providers and suppliers of both goods and services up to a turnover of 50 lakhs pays 6 %.
11. Simple online procedure under GST: this GST filing is very simple and also an online procedure under GST as well as mandatory for all types small, big businessman.
12. Lesson number of compliance: GST return filing remains less than desired, GSTR-3B compliance around 60%. The new indirect tax was rolled out on July 2017. Financial year, why around 55 lakh busineses eligible to file GSTR-1, about 25 lakh and 20 lakh business have filed the return in April and May respectively.
13. Regulating the unorganised sector: By bringing in provisions for online compliances and payments, and for availing of input credit only when the supplies has accepted the amount, unorganised sectors like construction and textiles have been largely regulated under the GST ambit.
14. Define treatment of e-commerce: GSTR-8 is a return to e filed by the E-commerce operators who are required deduct TCS(tax collected at source) under GST.GSTR-8 contains the details of supplies affected through e-commerce amount of TCS collected on such supplies.
15. Increased efficiency of Logistics: Under GST the tax on warehouse storage and other labour services has increased from 15 % to 18%. Show a third party logistics provider will now have more incentive to more towards the profession of service that have a high degree of value addition and where input tax credit can be claimed.
16. Large volume data handling capacity: Each return filing on a timely basis done monthly, quarterly and annually helps the government in manufacturing large volume of data related to the particular business.
17. Easy reconciliation of records: Reconciliation under goods and service tax(GST) is about matching the data filed by the supplier with those of the recipients and the recording all the transactions that have taken place during the.. The reconciliation process and shows that no sales or purchase are omitted or wrongly reported in GST return.

Types of GST Returns:

1. GSTR-1
GSTR-1 is the return to be furnished for reporting details of all outward supplies of goods and services made, or in other words, sales transactions made during a tax period, and also for reporting debit and credit notes issued. Any amendments to sales invoices made, even pertaining to

previous tax periods, should be reported in the GSTR-1 return.

GSTR-1 is to be filed by all normal taxpayers who are registered under GST. It is to be filed monthly, except in the case of small taxpayers with turnover up to Rs.1.5 crore in the previous financial year, who can file the same on a quarterly basis.

2. GSTR-2A

GSTR-2A is the return containing details of all inward supplies of goods and services i.e. purchases made from registered suppliers during a tax period. The data is auto-populated based on data filed by the suppliers in their GSTR-1 return. GSTR-2A is a read-only return and no action can be taken.

3. GSTR-2

GSTR-2 is the return for reporting the inward supplies of goods and services i.e. the purchases made during a tax period. The details in the GSTR-2 return are auto-populated from the GSTR-2A. Unlike GSTR-2A, the GSTR-2 return can be edited.

GSTR-2 is to be filed by all normal taxpayers registered under GST, however, the filing of the same has been suspended ever since the inception of GST.

4. GSTR-3

GSTR-3 is a monthly summary return for furnishing summarized details of all outward supplies made, inward supplies received and input tax credit claimed, along with details of the tax liability and taxes paid. This return is auto-generated on the basis of the GSTR-1 and GSTR-2 returns filed.

GSTR-3 is to be filed by all normal taxpayers registered under GST, however, the filing of the same has been suspended ever since the inception of GST.

5. GSTR-3B

GSTR-3B is a monthly self-declaration to be filed, for furnishing summarized details of all outward supplies made, input tax credit claimed, tax liability ascertained and taxes paid.

GSTR-3B is to be filed by all normal taxpayers registered under GST.

6. GSTR-4 / CMP-08

GSTR-4 is the return that was to be filed by taxpayers who have opted for the Composition Scheme under GST. CMP-08 is the return which has replaced the now erstwhile GSTR-4. The Composition Scheme is a scheme in which taxpayers with turnover up to Rs.1.5 crores can opt into and pay taxes at a fixed rate on the turnover declared.
The CMP-08 return is to be filed on a quarterly basis.

7. GSTR-5

GSTR-5 is the return to be filed by non-resident foreign taxpayers, who are registered under GST and carry out business transactions in India. The return contains details of all outward supplies made, inward supplies received, credit/debit notes, tax liability and taxes paid.
The GSTR-5 return is to be filed monthly for each month that the taxpayer is registered under GST in India.

8. GSTR-6

GSTR-6 is a monthly return to be filed by an Input Service Distributor (ISD). It will contain details of input tax credit received and distributed by the ISD. It will further contain details of all documents issued for the distribution of input credit and the manner of distribution.

9. GSTR-7

GSTR-7 is a monthly return to be filed by persons required to deduct TDS (Tax deducted at source) under GST. GSTR 7 will contain details of TDS deducted, the TDS liability payable and paid and TDS refund claimed, if any.

10. GSTR-8

GSTR-8 is a monthly return to be filed by e-commerce operators registered under the GST who are required to collect tax at source (TCS). GSTR-8 will contain details of all supplies made through the E-commerce platform, and the TCS collected on the same.
The GSTR-8 return is to be filed on a monthly basis.

11. GSTR-9

GSTR-9 is the annual return to be filed by taxpayers registered under GST. It will contain details of all outward supplies made, inward supplies received during the relevant previous year under different tax heads i.e. CGST, SGST & IGST and HSN codes, along with details of taxes payable and paid. It is a consolidation of all the monthly or quarterly returns (GSTR-1, GSTR-2A, GSTR-3B) filed during that year.
GSTR-9 is required to be filed by all taxpayers registered under GST*, except taxpayers who have opted for the Composition Scheme, Casual Taxable Persons, Input Service Distributors, Non-resident Taxable Persons and persons paying TDS under section 51 of CGST Act.
*The 37th GST Council meeting took the decision to make GSTR-9 filing optional for businesses with turnover up to Rs.2 crore in FY 17-18 and FY 18-19.

12. GSTR-9A

GSTR-9A is the annual return to be filed by taxpayers who have registered under the Composition Scheme in a financial year*. It is a consolidation of all the quarterly returns filed during that financial year.

*GSTR-9A filing for Composition taxpayers has been waived off for FY 2017-18 and FY 2018-19 as per the decision taken in the 27th GST Council meeting.

13. GSTR-9C

GSTR-9C is the reconciliation statement to be filed by all taxpayers registered under GST whose turnover exceeds Rs.2 crore in a financial year. The registered person has to get their books of accounts audited by a Chartered/Cost Accountant. The statement of reconciliation is between these audited financial statements of the taxpayer and the annual return GSTR-9 that has been filed.

GSTR-9C is to be filed for every GSTIN, hence, one PAN can have multiple GSTR-9C forms being filed.

14. GSTR-10

GSTR-10 is to be filed by a taxable person whose registered has been cancelled or surrendered. This return is also called a final return and has to be filed within 3 months from the date of cancellation or cancellation order, whichever is earlier.

15. GSTR-11

GSTR-11 is the return to be filed by persons who have been issued a Unique Identity Number(UIN) in order to get a refund under GST for the goods and services purchased by them in India. UIN is a classification made for foreign diplomatic missions and embassies not liable to tax in India, for the purpose of getting a refund of taxes. GSTR-11 will contain details of inward supplies received and refund claimed.

Late filing of GST Returns

Return filing is mandatory under GST. Even if there is no transaction, you must file a Nil return.

- You cannot file a return if you do not file previous month/quarter's return.
- Hence, late filing of GST return will have a cascading effect leading to heavy fines and penalty.
- The late filing fee of the GSTR-1 is populated in the liability ledger of GSTR-3B filed immediately after such delay.

Interest/late fees to be paid

- Interest is 18% per annum. It has to be calculated by the taxpayer on the amount of outstanding tax to be paid. It shall be calculated on the Net tax liability identified in the ledger at the time of payment. The time period will be from the next day of filing due date till the actual date of payment.
- As per GST Act Late fee is Rs. 100 per day per Act. So it is 100 under CGST & 100 under SGST. Total will be Rs. 200/day. The maximum is Rs. 5,000. There is no late fee on IGST.
- To learn more about late fees charged across the GST Return periods, read our article on Late fees under GST.

The revised GST Rates: The revised GST Rates that was effective from January 25,2018 GST rates were revised GST rates for both central and state came into effect. The rate were revised on29 goods and 53 services. GST rates were revised from 28% to 18%, 28% to 12% , charged nil GST and for very few products there was raise in GST rules.

New Goods and Service Tax (GST) return:

From October 2019,GST ANX- will need to be filed by large tax payers, is the GSTR-1 return. However,GSTR-3B will still need to be filed upto November 2019. In the case of small taxpayers, to pay taxes using PMIT-08, which will replace their GSTR-3B return.

In the 31st GST Council meet, that a new returns system under GST would be introduced to taxpayers. This return forms, for easy of filing across taxpayers registered under GST. Under this new return system, rail B1 main return GST RET-1 and 2 annexures GST ANX-1 and GST ANX-2. Return need to be filed on monthly basis, small taxpayers who can opt to file the same quarterly. Small taxpayers are taxpayers with term over up to Rs 5 crore in the preceding financial year.

New GST return system for taxpayers:

The government has unveiled a transition plan for taxpayers under the goods and services tax to switch to new simpler return forms. In order to ease the transition process, between July-September the new form would be available on trial basis for familiarization.

The GST Council in its 31st meeting had decided that a new GST return system will be introduced for taxpayers.

The Goods and Services Tax Network had shared a prototype of the offline tool in May, 2019, an official statement said on Tuesday. The look and feel of the offline tool would be same as that of the online portal.

There are three main components to the new return – one main return (FORM GST RET-1)and two annexures (FORM GST ANX-1 and FORM GST ANX-2). From July, 2019, users would be able to upload invoices using the FORM GST ANX-1 offline tool on trial basis for familiarization. They would also be able to view and download, the inward supply of invoices using the FORM GST ANX-2 offline tool under the trial program.

The summary of inward supply invoices would also be available for view on the common portal online. They would also be able to import their purchase register in the offline tool and match it with the downloaded inward supply invoices to find mismatches from August 2019.

Between July to September, 2019 for three months, the new return system (ANX-1 & ANX-2 only) would be available for trial for taxpayers to make themselves familiar, the statement said.

This trial would have no impact at the back end on the tax liability or input tax credit of the taxpayer, the statement added.

Table-1: Difference between Old V/s New GST return system:-

Old Filing System	New Simplified Return System
Taxpayers considered small if turnover is upto Rupees 1.5 crore in the preceding financial year, otherwise considered large taxpayers.	Taxpayers considered small if turnover is upto rupees 5 crore in the preceding financial year, otherwise considered large taxpayer.
Multiple return forms to be filed depending on the category of taxpayers such as GSTR-1, GSTR-4, GSTR-5, GSTR-6, GSTR-7, etc.	A single simplified main return form GST RET-1 containing 2 annexures GST ANX-1 and GST ANX-2 to be filed by all categories of taxpayers.
Revenue invoices can be uploaded only at the time of filing returns of outward supplies.	Mechanism for the continuous upload of revenue invoices on a real-time basis.
Input tax credit could be claimed on a self-declaration basis.	Input tax credit can be claimed based on invoices uploaded by the supplier.
Missing invoices and amendments, if any, could only be made in the return of the following tax period.	Missing invoices and amendments, if any, can be made by filing an amendment return.
Taxpayers have to file GST return until their registration has been cancelled, even if an application for cancellation of registration has been submitted.	Registration will now be suspended, in cases where a taxpayer has applied for cancellation of registration, and returns will not need to be filed for this period.

In this period, taxpayers shall continue to fulfil their compliances by filing FORM GSTR-1 and FORM GSTR-3B i.e. taxpayers would continue to file their outward supply details in FORM GSTR-1 on monthly or quarterly basis and return in FORM GSTR-3B on monthly basis. Non-filing of these returns shall attract penal provisions under the GST Act, it said.

From October, 2019 onwards, FORM GST ANX-1 shall be compulsory and FORM GSTR-1would be replaced by FORM GST ANX-1.

Large taxpayers, with aggregate annual turnover over Rs 5 crore in the previous financial year, would upload their monthly FORM GST ANX-1 from October, 2019 onwards.

However, small taxpayers, with turnover up to Rs 5 crore, will need to file the first compulsory quarterly FORM GST ANX-1 only in January, 2020 for the quarter October to December, 2019.

Invoices can be uploaded in FORM GST ANX-1 on a continuous basis both by large and small taxpayers from October, 2019 onwards, it said.

FORM GST ANX-2may be viewed simultaneously during this period but no action shall be allowed on such FORM GST ANX-2, the statement said.

For October and November, 2019, large taxpayers would continue to file FORM GSTR-3B on monthly basis. They would file their first FORM GST RET-01 for the month of December, 2019 by 20th January, 2020.

The small taxpayers would stop filing FORM GSTR-3B and would start filing FORM GST PMT-08 from October, 2019 onwards. They would file their first FORM GST-RET-01 for the quarter October, 2019 to December, 2019 from 20th January, 2020. From January, 2020 onwards, all taxpayers shall be filing FORM GST RET-01 and FORM GSTR-3B shall be completely phased out, the statement said. The government will issue separate instructions for filing and processing of refund applications between October to December, 2019.

GST return filing: These are the major changes in the process from July

As proposed by the GST Council, a trial run of the new return filing mechanism called the GST 2.0 is expected to be launched starting July 2019. A full scale launch is likely to begin in a phased manner starting October 2019. Under the new return system there is one basic return and 2 annexures.

FORM GST RET-1 this return form has details of the supplies made. To be filed monthly (Small taxpayers with annual turnover upto Rs 5 crore, will have the option to file returns quarterly.)

Annexures

FORM GST ANX-1 - has details of all outward supplies, inward supplies on a reverse charge basis and import of goods and services to be reported invoice-wise (except for B2C supplies) on a real-time basis.

FORM GST ANX-2 - has details of inward supplies. Recipient can accept or reject these documents, or mark them as pending, for action to be taken later.

Key Changes

Uploading of invoices on an ongoing basis and accept/reject by buyer - One of the key changes is the mechanism to upload invoices in real-time by a supplier, which will be available for the buyer to view simultaneously and take action on in FORM GST ANX-2. The invoices can be marked as accepted or rejected by the buyer, or the same can be kept pending for action to be taken at a later date.

Provisional credit - In the event a supplier does not upload invoices or file his return, there will be a mechanism for availing input tax credit by the recipient on a provisional basis. The credit available in such cases would not be more than 20% of the specified value. There is no provisional credit allowed in the current system.

Amendment returns - The new return system will have a provision to file two amendment returns for each tax period. The old system did not allow this and the only option available to taxpayers was to amend certain details in the GST return of the following period. Now, as an amendment return can be filed for the same tax period, interest on the amended tax liability may be avoided or reduced.

Timeline of changes From July 2019

The new return system will be implemented on a trial basis where a supplier will be able to upload invoices using the FORM GST ANX-1, and the recipient will be able to view and download the invoices of inward supply.

July to September 2019

Trial period where users can make themselves familiar with the annexure forms GST ANX-1 and GST ANX-2, and will continue to file GSTR-1 and GSTR-3B.

From October 2019

FORM GST ANX-1 will be made compulsory to be filed by large taxpayers (annual turnover more than Rs. 5 Crore), and it will replace the GSTR-1 return entirely. For small taxpayers, FORM GST ANX-1 will be implemented from January 2020, which will be for the quarter October to December, 2019.

Large taxpayers will continue to file the GSTR-3B during the months of October and November 2019, after which they will have to have to start filing FORM GST RET-01, the main return in the new return system, which will need to be filed by the 20th of January 2020. In the case of small taxpayers, they will need to stop filing GSTR-3B and start filing FORM GST PMT-08 from the month of October 2019, which will be the form for self-declaration of taxes and the payment of the same. The plan is to phase out GSTR-3B from January 2020 onwards, by which all taxpayers shall be filing FORM GST RET-01.

Advantages and benefits of GST-

GST have mainly removed the cascading effect on the state of goods and service. Removal of cascading effects has impacted the cost of goods since the GST regime eliminates the tax on tax, the cost of goods decreases.

GST is also mainly technologically drives. All activities like registration, return filing, application for refund and response to notice needs to be done online on the GST Portal, this accelerates the processes.

The benefits of Introduction of GST- with the introduction of GST, there are various benefits globally. The main motive is to maintain a uniform tax and develop the country's products and introduce it globally. Some of the benefits of GST are listed below-

1. GST creates common market nationality
2. Attracts foreign investment
3. Helps to have uniform taxation
4. Helps improve production and encourage to enter international market,
5. Small retailers have nil tax or low tax
6. Consumers are benefited by purchasing from the small retailers.

CONCLUSION:-

GST, in its current form, has been a step up for the Indian tax authorities. There are, however, structural challenges that remain. There also are administrative challenges as well as issues of compliance cost in particular for small taxpayers who have been brought under the GST net. While it is a commendable move to expand the taxpayer base, the move to audit small taxpayers at both central and state levels will tend to increase the compliance burden on such taxpayers.

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