

# GST - Compliances

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## INTRODUCTION

It is a well-known and established fact that Small and Medium Enterprises (SME) are the backbone of the Indian economy. Their zeal and zest of working has proven several times that they propel the engines of India's growth. The same has also been recognized by the Government of India who have introduced a slew of measures to help and aid this segment which would propel the growth of India into a different tangent.

Upcoming government plan of rating MSMEs on 50 parameters will enable the sector to improve quality of manufacturing and gain a foothold in the international market. Other government led initiatives such as setting up of Bankruptcy Bill will enhance the ease of doing business for SMEs. All these reforms paired with the government intent on GST ensures a strong backing to the SMEs in India.

## Taxpayers to be rated on GST compliance

Taxpayers registered under the new GST regime that is set to be implemented from 1 July will be assigned a rating, based on how promptly they upload invoices, pay taxes and file returns. The ratings will be made public on the GST Network (GSTN) website as tax authorities seek to build peer pressure among companies to ensure compliance. This means that in case two suppliers offer the same price to the manufacturer, the company may opt for the one that has a better compliance rating. For this very reason many big manufacturers, especially in the automobile and consumer goods industries, are working with their suppliers to train them for the transition to the GST regime.

## Compliance Due Dates

GST Form	Due Date	Category of Tax Payer
GSTR 1	10th of Every Month	Normal or Composite Dealers
GSTR 2	15th of Every Month	Normal Dealers Purchase Register
GSTR 3	20th of Every Month	Normal Dealers Monthly Return
GSTR 4	18th of Every Quarter	Composite Dealers
GSTR 5	20th of Every Month	Non-Resident
GSTR 6	13th of Every Month	Input Service Distributors
GSTR 7	10th of Every Month	TDS Returns
GSTR 8	10th of Every Month	E-Commerce Operators

<b>GST Form</b>	<b>Due Date</b>	<b>Category of Tax Payer</b>
GSTR 10	N/A	Final Return for the taxpayer after surrendering or cancellation of the registration
GSTR 11	28th of Every Month	INWARD SUPPLIES STATEMENT FOR UIN

**GSTR 1** – The form is associated to every registered dealer who is under normal or composition scheme will have to file their Sales Register for the preceding month on or before 10th of the next month.

**GSTR 2** (Only for Normal Dealers Purchase Register) – The GST due date for the form is on or before 15th of every month and the data can be uploaded on a daily basis whenever required.

**GSTR 3** (Only for normal dealer’s Monthly return) – The GST due date for the form is on or before 20th of every month and the returns filed are for the previous month.

**GSTR 4** (For composite dealers Quarterly Return) – The GST due date for the form is on or before 18th of every month after end of the quarter in which the filed return must be from previous three months.

**GSTR 5** (Return for Non-Resident) – The GST due date for the submission of the form is 20th of every month and at the time of closure of the business within 7 days.

**GSTR 6** (Input Service Distributor) – The GST due date for return filing for GSTR 6 form is 13th of every month in which the return filed will be of the previous month.

**GSTR 7** (TDS Return) – The GST due date for return filing for the form GSTR 7 is 10th of every month in which the the return filed are from the previous month.

**GSTR 8** (E-Commerce operator) – The GST due date for return filing for the form GSTR 8 is 10th of every month in which the returns filed will be from the previous month.

**GSTR 9** (Annual Return for the normal dealer) – The GSTR 9 form is a mandatory form which must be filed or before 31st December after end of every financial year

**GSTR 10** – Final Return for the taxpayer after surrendering or cancellation of the registration

**GSTR 11** (INWARD SUPPLIES STATEMENT FOR UIN) – The due date for the GST is 28th of the month following the month for which statement is filed.

## Consequences for Default

### Late Fee

Offence	Late Fee
A person fails to furnish details of outward or inward supplies, monthly return or final return by the due date	Rs. 100 for every day during which the failure continues, subject to a maximum of Rs. 5,000
A person fails to furnish the annual return by the due date	Rs. 100 for every day during which the failure continues, subject to a maximum of quarter percent of the person's turnover in the state where he/she is registered

### Interest

The rate of interest on the applicable offences is yet to be notified. The circumstances for levy of interest are:

Offence	Interest
A person liable to pay tax fails to pay the tax	Interest on the tax due will be calculated from the first day on which the tax was due to be paid
A person makes an undue or excess claim of input tax credit or undue or excess reduction in output tax liability	Interest on the undue excess claim or undue or excess reduction
A recipient of a service fails to pay to the supplier of the service the amount towards the value of the service, along with tax payable thereon, within 3 months from the date of issue of invoice by the supplier	Interest on the amount due will be added to the recipient's liability