

## **GST RETURNS - PENAL PROVISIONS**

All registered dealers have to file the GSTR-1, GSTR-2 and GSTR-3 and the Final return within the due dates. Failing which, the registered person shall be liable to pay a late fee of Rs.100 per day, subject to a maximum of Rs.5,000.

All the returns will go through the Input tax Credit matching & auto reversal :

- The process will go through a mechanism to prevent revenue leakage.
- The process of ITC matching begins after the due date for filing of the return (20<sup>th</sup> of every month) and will be carried out by the GST Network.
- The inward supply details furnished by the taxable person (recipient of goods / services) in Form GSTR-2 shall be matched with the corresponding details of outward supply furnished by the corresponding taxable person (supplier of goods / services) in his valid return.
- The validity of return will be considered when the appropriate GST has been paid in full by the taxable person and should comply with the return for the said tax period.
- The details should match to the Input tax credit claimed by the recipient in his valid returns as finally accepted and such acceptance shall be communicated to the recipient.
- The valid return is not filed on time will lead to denial of Input Tax Credit in the hands of the recipient.
- The Input tax credit claimed by the recipient is in excess of the tax declared by the supplier or where the details of outward supply are not declared by the supplier in his valid returns, the discrepancy shall be communicated to both the supplier and the recipient.
- The duplication of claim of Input Tax credit will also be communicated to the recipient. Further, duplication of input tax credit claimed by the recipient shall be added to the output tax liability of the recipient in the month in which, such duplication is communicated.
- The recipient will be asked to rectify the discrepancy of excess claim of Input tax credit and in case the supplier has not rectified the discrepancy communicated in his valid returns for the month in which, the discrepancy is communicated, then such excess of Input tax credit as claimed by the recipient shall be added to the output tax liability of the recipient in the succeeding month.
- Recipient shall be liable to pay interest on the excess or duplicate input tax credit added back to the output tax liability of the recipient from the date of availing of input tax credit till the corresponding additions are made in their returns.
- Re-claiming of input tax credit refers to taking back the input tax credit reversed in the electronic credit ledger of the recipient by way of reducing the output tax liability. Such re-claim can be made by the recipient only in case the supplier declares the details of the invoice and / or debit

notes in his valid return within the prescribed time-frame. In such cases, the interest paid by the recipient shall be refunded to him by way of crediting the amount to his Electronic cash ledger.

#### Revision of returns :

- Filing revised returns for any corrections, omissions has been done away under GST regime/
- Rectification of errors / omissions is allowed in the subsequent returns
- No rectification is allowed after furnishing the return for the month of September following the end of the financial year to which, such details pertain to, or furnishing of the relevant annual return in GSTR-9, whichever is earlier.

#### GST – Arrest Provisions :

- Arrested person will be informed about the grounds of his arrest in writing.
- Will be produced before the magistrate within 24 hours in case of cognizable offence.
- Non-cognizable offences will be released on bail immediately after the arrest.

#### Cognizable Offence

The Cognizable offence means an offence related to taxable goods and services where the amount of Tax evasion, input credit or Refund wrongly taken is Rs. 5.00 Crores or More.

The tax evasion should be more than 200 lakhs rupees or more which invites an arrest.

Offences U/s 132 of GST Act where arrest provisions become applicable are:

- Any person who supplies any goods / services without any invoice or issues a false invoice with a intention to evade tax.
- Any person issues any invoice or bill without supply of goods / services in violation of the provisions of GST leading to wrongful availment or utilization of input credit or refund of tax.
- Any person availing input credit on the bills or invoices on which there will no supply of Goods and Services.
- Any person who collects any GST but does not submit it to the Government within 3 months.