

# RETURNS



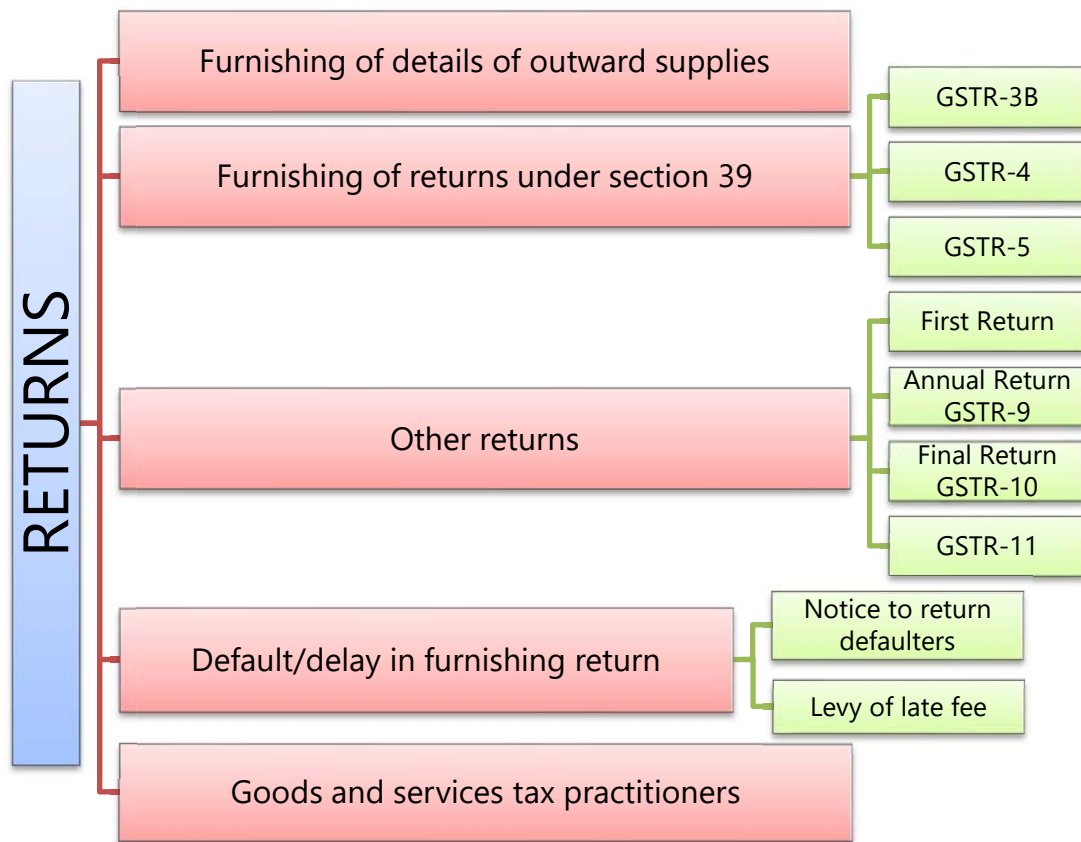
*For the sake of brevity, the term input tax credit has been referred to as ITC in this Chapter. The section numbers referred to in the Chapter pertain to CGST Act, unless otherwise specified. Examples/Illustrations/Questions and Answers given in the Chapter are based on the position of GST law existing as on 31.10.2020.*

## LEARNING OUTCOMES

### This Chapter will equip you to –

- ❑ enlist the various types of statements and returns to be filed by a registered taxpayer
- ❑ identify the persons eligible to file various statements/returns as also the forms prescribed therefor and explain the periodicity for filing such statements/returns
- ❑ determine the late fee for delayed filing of return
- ❑ apply the above concepts in problem solving
- ❑ explain the provisions relating to GST practitioner

## CHAPTER OVERVIEW



## 1. INTRODUCTION

The term "return" ordinarily means statement of information (facts) furnished by the taxpayer, to tax administrators, at regular intervals. The information to be furnished in the return generally comprises of the details pertaining to the nature of activities/business operations forming the subject matter of taxation; the measure of taxation such as sale price, turnover, or value; deductions and exemptions; and determination and discharge of tax liability for a given period.

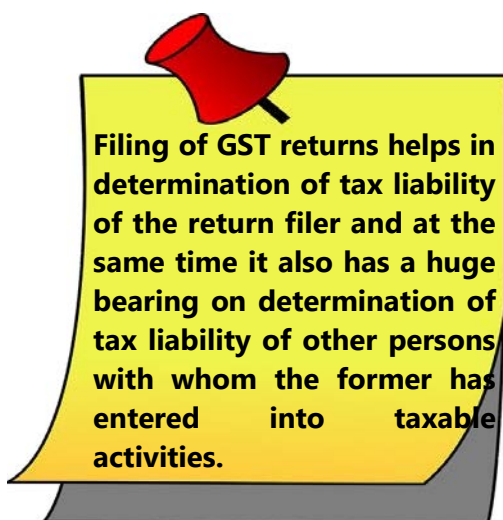
In any tax law, "filing of returns" constitutes the most important compliance procedure which enables the Government/ tax administrator to estimate the tax collection for a particular period and determine the correctness of the tax compliance of the taxpayers.

The returns serve the following purposes:

- a) Mode for transfer of information to tax administration;
- b) Compliance verification program of tax administration;
- c) Finalization of the tax liabilities of the taxpayer within stipulated period of limitation;
- d) Providing necessary inputs for taking policy decision;
- e) Management of audit and anti-evasion programs of tax administration



The taxpayer is generally required to furnish the return in a specific statutory format. These formats are, therefore, designed to take care of all the provisions of the law that have a bearing on computation of tax liability of a taxpayer. Hence, a study of various fields contained in the form of return *vis-à-vis* the relevant corresponding provisions of the tax law, can facilitate overall understanding of the tax law in a better manner.



Under the GST laws, the correct and timely filing of returns is of utmost importance because of two reasons. Firstly, under GST laws, a taxpayer is required to estimate his tax liability on "self-assessment" basis and deposit the tax amount along with the filing



of such return. The return, therefore, constitutes a kind of working sheet/supporting document for the tax authorities that can be relied upon as the basis on which the tax has been computed by the taxpayer. Secondly, under the GST regime, filing of returns not only determines the tax liability of the person filing the same, but it also has a huge bearing on determination of tax liability of other persons with whom the former has entered into taxable activities.

Chapter IX of the CGST Act [Sections 37 to 48] prescribes the provisions relating to filing of returns as under:

Section 37	Furnishing details of outward supplies
Section 38	Furnishing details of inward supplies
Section 39	Furnishing of returns
Section 40	First return
Section 41	Claim of input tax credit and provisional acceptance thereof
Section 42	Matching, reversal and re-claim of input tax credit
Section 43	Matching, reversal and re-claim of reduction in output tax liability
Section 44	Annual Return
Section 45	Final Return
Section 46	Notice to return defaulters
Section 47	Levy of late fee
Section 48	Goods and services tax practitioners

The provisions relating to forms and manner, in which information is to be furnished through returns, are given under Chapter VIII of the CGST Rules [Rules 59-84]. State GST laws also prescribe identical provisions in relation to filing of returns.

**Provisions of returns, other than late fee, under CGST Act have also been made applicable to IGST Act vide section 20 of the IGST Act.**

However, the return filing process is under review and is yet not finalized. A simplified monthly return in Form GSTR 3B was introduced in July, 2017 to help businesses to file returns easily in the initial months of GST roll out. This was to be followed with filing of returns - GSTR - 1, 2 and 3. Further, to ease the compliance requirements for small taxpayers, the GST Council allowed taxpayers with annual aggregate turnover up to ₹ 1.5 Crore to file details of outward supplies in Form GSTR-1 on a quarterly basis and on monthly basis by taxpayers with annual aggregate turnover greater than ₹ 1.5 Crore. The GST Council also recommended to postpone the date of filing of Forms GSTR-2 (details of inward supplies) and GSTR-3 (monthly return) for all normal taxpayers, irrespective of turnover, till further announcements were made in this regard.

The return process has still not been streamlined and the GST Council has extended GSTR-3B filing requirement till end of **March 31, 2021**. Therefore, in the subsequent pages of this Chapter, provisions of only those sections which are practically effective, have been discussed.

Further, the due dates for filing of various statements/returns discussed under this Chapter are the due dates which are provided under the provisions of the CGST Act or the due dates specified by notifications which have been consistent over a period of time. Practically, the due dates are often extended by the Government on account of various reasons. Also, the quantum of late fee for delayed filing of statements/returns discussed under this Chapter is the quantum of late fee as provided under the provisions of the CGST Act. Here also, the Government often waives off the late fee either partially or fully. It may be noted that such extended due dates and late fee waivers are not relevant from examination point of view

**The GST Council at its 42<sup>nd</sup> meeting held on 5<sup>th</sup> October 2020 has recommended the following incremental changes in the return filing process:**

- 1. Effective 01.01.2021, taxpayers with turnover below ₹ 5 crores may file GSTR-3B and GSTR-1 on quarterly basis. Such taxpayers would, for the first two months of the quarter, have an option to pay 35% of the net tax liability of the last quarter, using an auto generated challan.**
- 2. Effective 01.01.2021, due date of furnishing quarterly GSTR-1 by taxpayers to be revised to 13<sup>th</sup> of the month succeeding the quarter.**

**Note – Notification No. 74/2020 CT dated 15.10.2020 has revised the due date for filing quarterly GSTR-1 by the registered persons having aggregate turnover up to ₹ 1.5 crores in the preceding financial year or current financial year to 13<sup>th</sup> of the month succeeding the end of quarter.**

***Such date is applicable for the quarters ending December 2020 and March 2021.***

- 3. Effective 01.01.2021, for monthly filers, auto-generation of liability from own GSTR-1 and ITC from suppliers' GSTR-1s through the newly developed facility in GSTR-2B. For quarterly filers, this facility would be effective from 01.04.2021. To ensure such auto generation of ITC and liability in GSTR 3B, GSTR-1 shall be filed mandatorily before filing GSTR-3B effective 01.04.2021.***
- 4. GSTR-1 and GSTR-3B return filing system to be extended till 31.03.2021 and the GST laws to be amended to make GSTR-1 and GSTR-3B return filing system as the default return filing system.***

However, as on date<sup>1</sup>, some of the aforesaid changes recommended in the return filing process have not become effective. Further, the exact mechanism of the return filing process would be available only after the relevant notifications are issued by the Government. Therefore, in this chapter only those provisions which are currently effective, have been discussed. The amendments which will be made in the law to give effect to the new process will be given in the Statutory Update, after the new process becomes operational.

**All the returns under GST laws are to be filed electronically.** Taxpayers can file the statements and returns by various modes. Firstly, they can file their statement and returns directly on the GST common portal online. However, this may be tedious and time consuming for taxpayers with large number of invoices. For such taxpayers, offline utilities have been provided by GSTN that can be used for preparing the statements offline after downloading the auto populated details and uploading them on the common portal. GSTN has also developed an ecosystem of GST Suvidha Providers (GSP) that will integrate with the common portal.

**GSP- GST Suvidha Provider**

- It is an eco-system of third party service providers, having access to GST system, who can help taxpayers in GST Compliance.
- GSP will develop applications for return filing, reconciliation of purchase register data with auto-populated data for acceptance/rejection/modification, dashboards for taxpayers for quick monitoring.

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<sup>1</sup> Date when the Study Material was released for printing

The details furnished by the taxpayer in the form of returns shall be consolidated and stored at the common portal which will be common for both, i.e. Central Government and State Governments.



## 2. RELEVANT DEFINITIONS



- **Casual taxable person** means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business whether as principal, agent or in any other capacity, in a State or a Union Territory where he has no fixed place of business [Section 2(20)].
- **Common portal** means the common goods and services tax electronic portal referred to in section 146 [Section 2(26)].
- **Credit note** means a document issued by a registered person under sub-section (1) of section 34 [Section 2(37)].
- **Debit note** means a document issued by a registered person under sub-section (3) of section 34 [Section 2(38)].
- **Electronic cash ledger** means the electronic cash ledger referred to in sub-section (1) of section 49 [Section 2(43)].
- **Electronic credit ledger** means the electronic credit ledger referred to in sub-section (2) of section 49 [Section 2(46)].
- **Exempt supply** means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply [Section 2(47)].
- **Goods and services tax practitioner** means any person who has been approved under section 48 to act as such practitioner [Section 2(55)].
- **Invoice or tax invoice** means the tax invoice referred to in section 31 [Section 66].

- **Inward supply** in relation to a person, shall mean receipt of goods or services or both whether by purchase, acquisition or any other means with or without consideration [Section 2(67)].
- **Non-resident taxable person** means any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India [Section 2(77)].
- **Outward supply** in relation to a taxable person, means supply of goods or services or both, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business [Section 2(83)].
- **Prescribed** means prescribed by rules made under this Act on the recommendations of the Council [section 2(87)].
- **Proper officer** in relation to any function to be performed under this Act, means the Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board [Section 2(91)].
- **Quarter** shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year [Section 2(92)].
- **Recipient** of supply of goods or services or both, means—
  - ◆ where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
  - ◆ where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
  - ◆ where no consideration is payable for the supply of a service, the person to whom the service is rendered,

and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting as such on behalf of the recipient in relation to the goods or services or both supplied [Section 2(93)].



- **Registered person** means a person who is registered under section 25 but does not include a person having a Unique Identity Number [Section 2(94)].
- **Return** means any return prescribed or otherwise required to be furnished by or under this Act or the rules made thereunder [Section 2(97)].
- **Reverse charge** means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under sub-section (3) or sub-section (4) of section 9, or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act [Section 2(98)].
- **Supplier** in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied [Section 2(105)].
- **Tax period** means the period for which the return is required to be furnished [Section 106].
- **Taxable person** means a person who is registered or liable to be registered under section 22 or section 24 [Section 2(107)].
- **Taxable supply** means a supply of goods or services or both which is leviable to tax under this Act [Section 2(108)].
- **Valid return** means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full [Section 2(117)].



### 3. FURNISHING DETAILS OF OUTWARD SUPPLIES [SECTION 37 READ WITH RULE 59 OF THE CGST RULES]

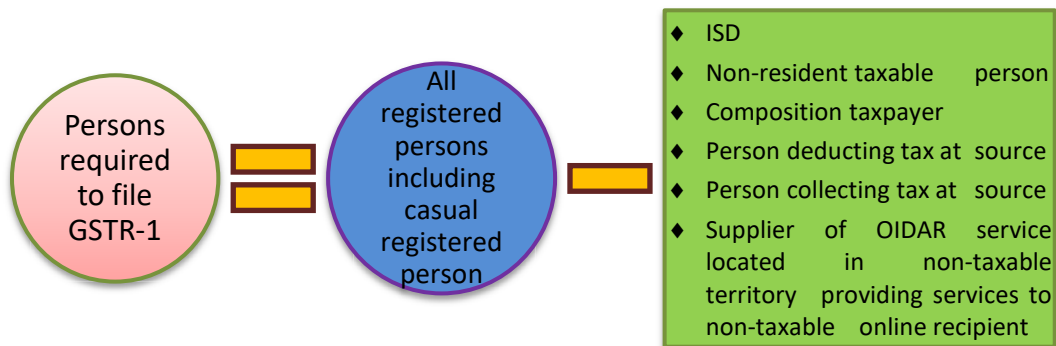
#### (i) Who is required to furnish the details of outward supplies?

The details of outward supplies (see definition) of both goods and services are required to be furnished by every registered person including casual registered person except the following:

- ❖ input service distributor (ISD)\*
- ❖ non-resident taxable person

- ❖ person paying tax under composition scheme
- ❖ person deducting tax at source\*
- ❖ person collecting tax at source i.e., e-commerce operator (ECO), not being an agent\*
- ❖ supplier of online information and database access or retrieval services (OIDAR)\* located in non-taxable territory and providing such services to non-taxable online recipient

*\* Note: Provisions for filing of returns by an input service distributor, a person deducting tax at source, a person collecting tax at source and a supplier of online information and database access or retrieval services (OIDAR) will be discussed at the Final level.*



## (ii) What is the form for submission of details of outward supplies?

The details of outward supplies are required to be furnished, electronically, in **Form GSTR-1**. Such details can be furnished through the common portal, either directly or from a Facilitation Centre notified by the Commissioner.



**Further, a Nil GSTR-1 can be filed through an SMS using the registered mobile number of the taxpayer.**

## (iii) What is the due date of submission of GSTR-1?

GSTR-1 for a particular month is filed **on or before the 10<sup>th</sup> day of the immediately succeeding month**. In other words, GSTR-1 of a month can be filed any time between 1<sup>st</sup> and 10<sup>th</sup> day of the succeeding month. It may be noted that GSTR-1 cannot be filed during the period from 11<sup>th</sup> day to 15<sup>th</sup> day of month succeeding the tax period.



**(1)** The details of outward supplies pertaining to the month of October will be required to be furnished on or before 10<sup>th</sup> November and GSTR-1 for October cannot be filed between 11<sup>th</sup> November to 15<sup>th</sup> November.

The due date of filing GSTR-1 may be extended by the Commissioner/Commissioner of State GST/Commissioner of UTGST for a class of taxable persons by way of a notification. *The due date for monthly filing of GSTR-1 is being extended from 10<sup>th</sup> day to 11<sup>th</sup> day of the succeeding month from some time.*

**Quarterly filing of GSTR-1:** As a measure of easing the compliance requirement for small taxpayers, GSTR-1 has been allowed to be filed quarterly by small taxpayers with aggregate annual turnover up to ₹ 1.5 crore in the preceding financial year or the current financial year. As of now this facility has been given till the quarter **January-March 2021**. Taxpayers with annual aggregate turnover above ₹ 1.5 crore, however, continue to file GSTR- 1 on monthly basis.

The due date for filing of GSTR-1 for a quarter is specified by way of notifications. ***Presently, the due date for filing GSTR-1 for a quarter is being notified as 13<sup>th</sup> of the month succeeding the end of quarter. Earlier, the due date was being notified as the last day of the month succeeding the quarter.***



**A taxpayer cannot file GSTR-1 before the end of the current tax period.**

**However, following are the exceptions to this rule:**

- a. Casual taxpayers, after the closure of their business
- b. Cancellation of GSTIN of a normal taxpayer

**A taxpayer who has applied for cancellation of registration will be allowed to file GSTR-1 after confirming receipt of the application.**

**(iv) What are the contents of GSTR-1?****CONTENTS OF GSTR- 1**

Basic & Other Details	Details of Outward Supplies
<ul style="list-style-type: none"> <li>• GSTIN</li> <li>• Legal name</li> <li>• Trade name, if any</li> <li>• Aggregate turnover in previous year</li> <li>• Year and Month</li> <li>• HSN-wise summary of outward supplies</li> <li>• Details of documents issued</li> </ul>	<ul style="list-style-type: none"> <li>• B2B including UIN holders</li> <li>• B2C inter-State supplies where invoice value &gt; ₹ 2.5 lakh</li> <li>• Consolidated details of other B2C supplies</li> <li>• Zero rated and Deemed exports</li> <li>• Debit/ Credit notes issued</li> <li>• Nil rated/ Exempted/ Non-GST</li> <li>• Amendments for prior period</li> <li>• Advances received/advances adjusted</li> </ul>



**GST is a destination-based consumption tax. Hence, the tax revenue is transferred to the State which is the place of supply<sup>2</sup> of the particular transaction. Since, the place of supply is crucial for determining the share of every State in the tax revenue, GSTR-1 also captures information relating to place of supply.**

**(v) What kind of details of outward supplies are required to be furnished in GSTR-1?**

The registered person is required to furnish details of invoices and revised invoices issued in relation to supplies made by him to registered and unregistered persons during a month and debit notes and credit notes in GSTR-1 in the following manner:

<sup>2</sup> Principles determining the place of supply are contained in sections 10 to 13 of the IGST Act. These will be discussed at the Final Level.

Sl. No.	Invoice-wise* details of ALL	Consolidated details of ALL	Debit and credit notes
(i)	Inter-State and Intra-State supplies made to registered persons	Intra-State supplies made to unregistered persons for each rate of tax	Issued during the month for invoices issued previously
(ii)	Inter-State supplies made to unregistered persons with invoice value exceeding ₹ 2,50,000	Inter-State supplies made to unregistered persons with invoice value upto ₹ 2,50,000 for each rate of tax separately for each State	

It can be seen from the above table that uploading of invoices depends on whether the supply is B2B or B2C plus whether the supply is intra-State or inter-State.

***B2B means business to business transaction. In such type of transactions, the recipient is also a registered supplier and hence, takes ITC.***

***B2C means business to consumer transaction. In such type of transactions, the recipient is consumer or unregistered and hence, will not take or cannot take ITC.***

For B2C supplies, uploading in general is not required as the buyer will not be taking ITC. However, still in order to implement the destination-based principle, invoices of value more than ₹ 2.5 lakh in inter-State B2C supplies need to be uploaded. For inter-State invoices below ₹ 2.5 lakh, State wise summary is sufficient and for all intra-State invoices, only consolidated details need to be given.



(2) Mr. XY makes intra-State taxable supplies for ₹ 10,000 and ₹ 50,000 to Mr. AB, a registered person and ₹ 1,00,000 to Mr. DE, an unregistered person. He also makes inter-State taxable supplies for ₹ 2,60,000 and ₹ 45,000 to Mr. RS, a registered person and ₹ 1,50,000 to Mr. OP, an unregistered person. Mr. XY will report invoice-wise details of intra-State supplies made to Mr. AB and inter-State supplies made to Mr. RS, in GSTR-1 to be filed by him.

The provisions relating to uploading of invoices have been explained by way of a diagram given at next page.

**Invoices can be uploaded any time during the tax period and not just at the time of filing of GSTR-1.**



(3) For the month of October, the taxpayer can upload invoices from 1<sup>st</sup> October to 10<sup>th</sup> November. In case of late filing of GSTR-1, invoices can be uploaded after 15<sup>th</sup> November.

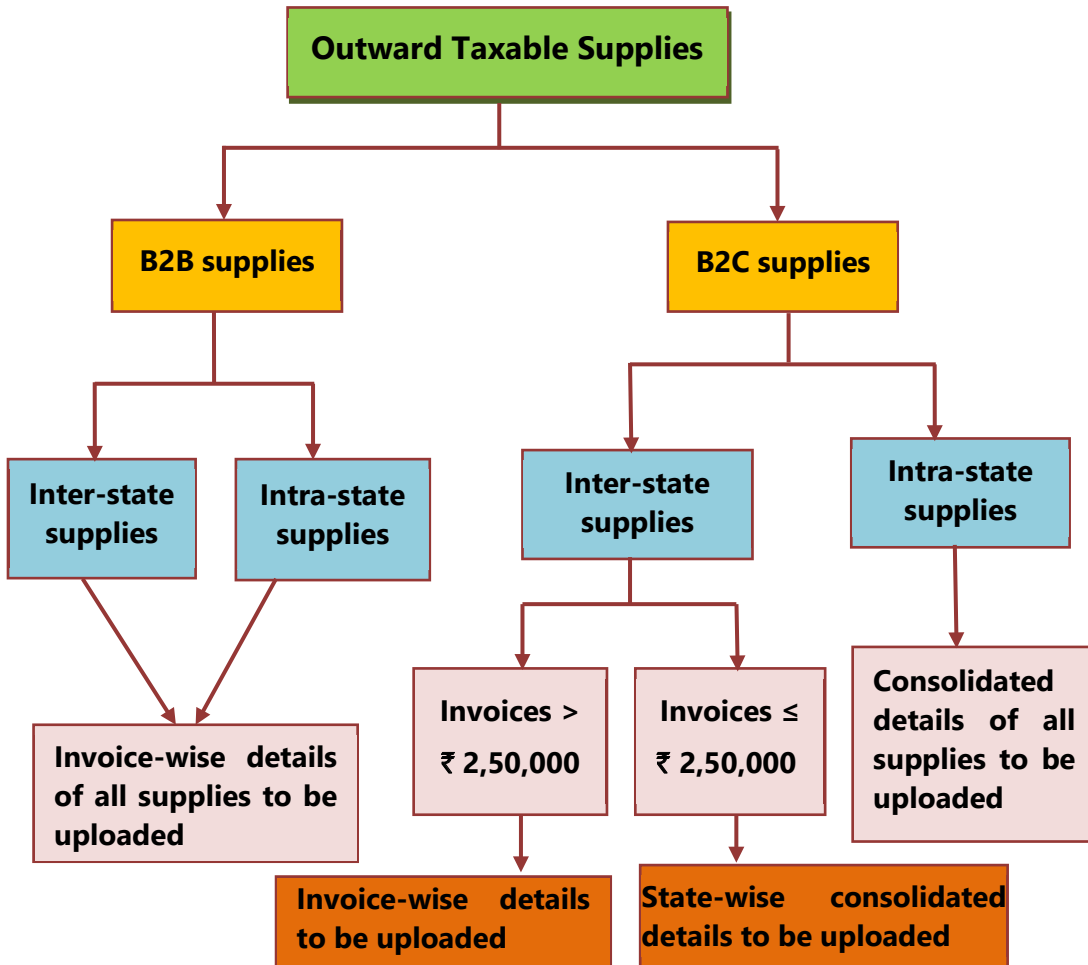
Invoices can be modified/deleted any number of times till the submission of GSTR-1 of a tax period. The uploaded invoice details are in a draft version till the GSTR-1 is submitted and can be changed irrespective of due date.



**Scanned copies of invoices are not required to be uploaded. Only certain prescribed fields of information from invoices need to be uploaded e.g., invoice no., date, value, taxable value, rate of tax, amount of tax etc. In case there is no consideration, but the activity is a supply by virtue of Schedule 1 of CGST Act, the taxable value will have to be worked out as prescribed and uploaded.**



**Description of each item in the invoice need not be uploaded. Only HSN (Harmonized System of Nomenclature) code in respect of supply of goods and accounting code in respect of supply of services need to be fed.**



### Indication of HSN details

The minimum number of digits of HSN code that a filer has to upload depend on his turnover in the last year. *Notification No. 12/2017 CT 28.06.2017*, which has been issued in this regard, provides as under:

#### Position till 31.03.2021

Annual turnover in the preceding financial year	Number of Digits of HSN Code
Upto ₹ 1.5 crore	Nil
More than ₹ 1.5 crore and upto ₹ 5 crore	2
More than ₹ 5 crore	4



(4) The turnovers of Yellow Lemon Pvt. Ltd., Red Pepper Pvt. Ltd. and Blue Berry Pvt. Ltd. in the previous financial year are ₹ 1.5 crore, ₹ 4.8 crore and ₹ 5 crore respectively. While Yellow Lemon Pvt. Ltd. is not required to upload HSN code of the goods sold, Red Pepper Pvt. Ltd. and Blue Berry Pvt. Ltd. have to upload 2 digits of HSN code of goods sold by them. This will be the position till 31.03.2021.



**HSN or HS (Harmonized Commodity Description and Coding System) is a standardized system of nomenclature of different goods developed by World Customs Organization, which is accepted globally. HSN uses 6-digits uniform codes to classify different goods. India uses eight-digits codes for more specific and precise classification.**

#### **Position from 01.04.2021**

***It may be noted that Notification No. 12/2017 CT 28.06.2017 has been amended to provide that effective 01.04.2021, the HSN would be disclosed as under<sup>3</sup>:***

<b>Annual turnover in the preceding financial year</b>	<b>Number of Digits of HSN Code</b>
<b>Upto ₹ 5 crore</b>	<b>For B2B supply - 4 For B2C supply – 4 (optional)</b>
<b>More than ₹ 5 crore</b>	<b>6</b>



(5) The turnovers of Yellow Lemon Pvt. Ltd., Red Pepper Pvt. Ltd. and Blue Berry Pvt. Ltd. in the previous financial year are ₹ 1.5 crore, ₹ 4.8 crore and ₹ 6 crore respectively. While Yellow Lemon Pvt. Ltd. and Red Pepper Pvt. Ltd. will be required to upload 4 digits of HSN code of the goods sold to registered persons, uploading of 4 digits HSN code will be optional for the two companies when the goods are sold to unregistered persons. Blue Berry Pvt. Ltd. will have to upload 6 digits of HSN code of goods sold by it. This will be the position from 01.04.2021.

<sup>3</sup> Since this amendment will be effective from 01.04.2021, the same will be applicable for November 2021 examinations. For May 2021 examinations, the position effective till 31.03.2021 as given in preceding table is applicable.



**(vi) Communication of details of GSTR-1 to the recipient of supply**

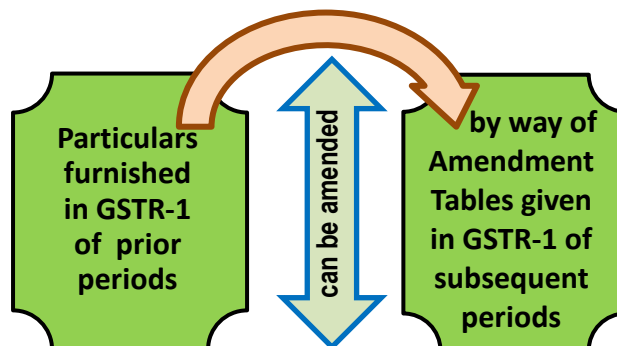
The details of outward supplies for a month furnished by the supplier are communicated and made available electronically (auto populated) to the respective recipient(s) in Part A of Form GSTR- 2A/ Form GSTR-4A (in case of registered person opting for composition levy through the common portal after the 10<sup>th</sup> day of the succeeding month (due date of filing of GSTR-1).

**(vii) How are the details of outward supply furnished in prior periods amended? [Section 37(3)]****(a) Scope of amendment/ correction entries**

Tables 9, 10 and 11(II) of GSTR-1 provide for amendments in details of taxable outward supplies furnished in earlier periods (hereinafter referred to as "Amendment Table"). The details of original debit notes/ credit notes / refund vouchers issued by the tax-payer in the current tax period as also the revision in the debit notes/ credit notes / refund vouchers issued in the earlier tax periods are required to be shown in Table 9 of the GSTR-1.

Ordinarily, in Amendment Table, the supplier is required to give details of original invoice (No and Date), the particulars of which have been wrongly entered in GSTR-1 of the earlier months and are now sought to be amended. However, it may happen that, a supplier altogether forgets to include the entire original invoice while furnishing the GSTR-1 for a particular month.

In such cases also, he would be required to show the details of the said missing invoice which was issued in earlier month in the Amendment Table only, as such type of errors would also be regarded as data entry error.



**(b) Rectification of errors**

If the supplier discovers any error or omission, he shall rectify the same in the tax period during which such error or omission is noticed, and pay the tax and interest, if any, in case there is short payment, in the return to be furnished for such tax period.



**(6)** A supplier discovers a mistake in details of the invoice furnished in GSTR-1 for the month of August, in October. He can rectify the said mistake in the GSTR-1 for the month of October.

**(c) Time limit for rectification**

Suppose for some reason, supplier could not make correction at the time of filing of GSTR-1 for the month of October then he can make such amendments in the subsequent periods.

However, the maximum time limit within which such amendments are permissible is earlier of the following dates:

- Date of filing of monthly return u/s 39 for the month of September following the end of the financial year to which such details pertain or
- Date of filing of the relevant annual return



**(7)** An entity has furnished the annual return for the previous financial year on 15<sup>th</sup> August in the current financial year. An error is discovered in respect of a transaction pertaining to the month of November of the previous financial year. The entity has filed the returns for the month of September of the current financial year on 20<sup>th</sup> October. In this case, the rectification of the error pertaining to the transaction in the month of November of the previous financial year cannot be rectified beyond 15<sup>th</sup> August in the current financial year.



**It may be noted that, the expression 'due date' is missing in time limits prescribed for making amendments u/s 37(3) [GSTR-1]. Therefore, such date apparently means actual date of filing and not the due date.**

### (viii) Nil GSTR-1

Filing of GSTR-1 is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GSTR-1 is required to be filed.

**A Nil GSTR-1 does not have any entry.** For example, a Nil GSTR-1 for a tax period cannot be filed, if the taxpayer has made any outward supply (including exempt, nil rated or non-GST supplies), or it has received supplies on which tax is payable under reverse charge or an amendment needs to be made to any of the supplies declared in an earlier return or any credit or debit notes is to be declared / amended etc.

**A Nil GSTR-1 can be filed through an SMS using the registered mobile number of the taxpayer. GSTR-1 submitted through SMS is verified by registered mobile number-based OTP facility.**

A taxpayer can file Nil GSTR-1, anytime from 1<sup>st</sup> of the month subsequent of the tax period onwards. For example, GSTR-1 for the calendar month of April, can be filed from 1<sup>st</sup> May onwards. GSTR-1 for the quarter of April to June can be filed from 1<sup>st</sup> July onwards.



★ **Taxpayer opting for voluntary cancellation of GSTIN has to file GSTR-1 for active period.**

★ **In cases where a taxpayer has been converted from a normal taxpayer to composition taxpayer, GSTR-1 will be available for filing only for the period during which the taxpayer was registered as normal taxpayer. The GSTR-1 for the said period, even if filed with delay would accept invoices for the period prior to conversion.**

### What are the precautions that a taxpayer is required to take for a hassle-free compliance under GST?

One of the most important things under GST is the timely uploading of the details of outward supplies in GSTR-1. How best this can be ensured will depend on the number of B2B invoices that the taxpayer issues. If the number is small, the taxpayer can upload all the information in one go. However, if the number of invoices is large, the invoices (or debit/ credit notes) should be uploaded on a regular basis.

**Timely uploading of the details of outward supplies in Form GSTR-1**

### Regular uploading of invoices

*GST common portal allows regular uploading of invoices. Till the statement is actually submitted, the system also allows the taxpayer to modify the uploaded invoices. Therefore, it would always be beneficial for the taxpayers to regularly upload the invoices. Last minute rush makes uploading difficult and comes with higher risk of possible failure and default.*

*The second thing would be to ensure that taxpayers follow up on uploading the invoices of their inward supplies by their suppliers. This would be helpful in ensuring that the ITC is available without any hassle and delay. Recipients can also encourage their suppliers to upload their invoices on a regular basis instead of doing it on or close to the due date. The system would allow recipients to see if their suppliers have uploaded invoices pertaining to them.*

**Follow up with suppliers to upload the invoices of inward supplies**



## 4. FURNISHING OF RETURNS UNDER SECTION 39

### (i) GSTR-3B [Rule 61(5) of the CGST Rules]

Section 39(1) prescribes a monthly return for every registered person, other than an input service distributor or a non-resident taxable person or a composition taxpayer, a person deducting tax at source, a person collecting tax at source, i.e. an electronic commerce operator and supplier of OIDAR services located in non-taxable territory providing such services to non-taxable online recipient.

Initially, return in **Form GSTR-3** was notified as the return under section 39(1) which was to be filed by 20<sup>th</sup> day of the month succeeding the relevant calendar month or part thereof. However, *GSTR-3 never became practically applicable as the filing thereof has been deferred by the GST Council since the introduction of GST law.* Therefore, **in lieu of**

**return** in Form GSTR-3, return in **Form GSTR-3B** has been notified as the monthly return under section 39(1). Presently, the due date of submission



for GSTR-3B is being notified as 20<sup>th</sup> day of the month succeeding the relevant month.

Considering the difficulties faced by trade and industry in filing of returns, the Government has introduced staggered filing of GSTR-3B returns as a temporary measure to de-stress the GST return filing system. The last date for filing of GSTR-3B for the taxpayers having annual turnover of ₹ 5 crore and above in the previous financial year would be 20<sup>th</sup> of the month. For the taxpayers having annual turnover below ₹ 5 crore in previous financial year, the due date for filing of GSTR-3B would be 22<sup>nd</sup> or 24<sup>th</sup> of the month depending upon the State or Union Territory in which they are registered. Presently, the staggered filing has been provided for tax periods till March 2021.

GSTR-3B can be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner.

***Further, a Nil GSTR-3B can be filed through an SMS using the registered mobile number of the taxpayer.***

GSTR-3B is a simple return containing summary of outward supplies, inward supplies liable to reverse charge, eligible ITC, payment of tax etc. Thus, GSTR-3B does not require invoice-wise data of outward supplies.

The broad content of GSTR-3B are given at next page:

### **Nil GSTR-3B**

Filing of GSTR-3B is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GSTR-3B is required to be filed.

***A Nil GSTR-3B does not have any entry in any of its tables.*** For example, a Nil GSTR-3B for a tax period cannot be filed, if the taxpayer has made any outward supply (including nil-rated, exempt or non-GST supplies) or has received any supplies which are taxable under reverse charge or it intends to take ITC etc.

***A Nil GSTR-3B can be filed through an SMS using the registered mobile number of the taxpayer. GSTR-3B submitted through SMS is verified by registered mobile number-based OTP facility.***

A taxpayer may file Nil Form GSTR-3B, anytime on or after the 1<sup>st</sup> of the subsequent month for which the return is being filed for.

### CONTENTS OF GSTR- 3B



Basic Details	Other details relating to supplies
<ul style="list-style-type: none"> <li>• GSTIN</li> <li>• Legal name of the registered person</li> <li>• Year and Month</li> </ul>	<ul style="list-style-type: none"> <li>• Summarised details of outward supplies and inward supplies liable to reverse charge</li> <li>• Summarised details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders</li> <li>• Eligible and ineligible ITC</li> <li>• Values of exempt, nil-rated and non-GST inward supplies</li> <li>• Payment of tax</li> <li>• TDS/TCS credit</li> </ul>

## **(ii) GSTR-4 – Return for composition supplier [Section 39(2) read with rule 62 of the CGST Rules]<sup>4</sup>**

### **(a) Person eligible to file return, periodicity and form of return**

Every registered person paying tax under section 10, i.e. a composition supplier is required to file an annual return in **Form GSTR-4**.

GSTR-4 for a financial year or part of a financial year should be filed electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.



<sup>4</sup> A person paying concessional tax @ 6% under Notification No. 2/2019 CT (R) dated 07.03.2019 is also required to file GSTR-4. Therefore, all the provisions discussed under this heading are also applicable for persons paying tax under the said notification. It may be noted that the provisions of the composition scheme available under the said notification have been incorporated under section 10 vide the Finance (No. 2) Act, 2019.

### Quarterly statement for payment of self-assessed tax

The persons required to file GSTR-4 are also required to furnish a statement in the Form GST CMP-08 containing details of payment of self-assessed tax, for every quarter (or part of the quarter), by 18<sup>th</sup> day of the month succeeding such quarter.



**While a composition supplier is required to file the return GSTR-4 annually, he is required to pay the tax quarterly.**

#### (b) Due date for filing GSTR-4 and Statement for payment of self-assessed tax

GSTR-4 for a financial year should be furnished by 30<sup>th</sup> April of the succeeding financial year.

Due date of filing  
GSTR-4 for a financial  
year



By 30<sup>th</sup> day of the  
month of April  
following the end of  
such financial year

GST CMP-08 (quarterly statement for payment of self-assessed tax) should be furnished by 18<sup>th</sup> day of the month succeeding such quarter.

Due date of filing GST  
CMP-08 for a quarter



By 18<sup>th</sup> day of the  
month succeeding  
such quarter

#### (c) Auto-population of inward supplies

The inward supplies of a composition supplier received from registered persons filing GSTR-1 will be auto populated in **FORM GSTR-4A** for viewing.

#### (d) Contents of GSTR-4

The broad contents of GSTR-4 are given at next page.

### CONTENTS OF GSTR- 4

Basic & Other Details	Details regarding Inward and Outward Supplies
<ul style="list-style-type: none"> <li>• GSTIN</li> <li>• Legal name and Trade name</li> <li>• TDS/TCS credit received [Table 7]</li> <li>• Tax, interest, late fee payable and paid [Table 8]</li> <li>• Refund claimed from Electronic cash ledger [Table 9]</li> </ul>	<ul style="list-style-type: none"> <li>• Invoice-wise details of all inward supplies (i.e., intra and inter-State supplies and from registered and unregistered persons) including reverse charge supplies and import of services [Table 4]</li> <li>• Summary of self-assessed liability as per GST CMP-08 (Net of advances, credit &amp; debit notes and any other adjustments due to amendments etc.) [Table 5]</li> <li>• Tax rate wise details of outward supplies/inward supplies attracting reverse charge (Net of advances, credit &amp; debit notes and any other adjustments due to amendments etc.) - Consolidated details of outward supplies [Table 6]</li> </ul>



#### Consolidated details of outward supplies

Composition taxpayers are neither entitled for any ITC nor entitled to pass on any ITC to its customers. Therefore, composition taxpayers are required to provide consolidated details of outward supplies in GSTR-4 (Table 6) and not invoice-wise details. However, details of inter-State and intra-State inward supplies received from registered and un-registered persons are to be provided invoice-wise (Table 4).



**Tax liability**

Since composition suppliers are not eligible to take ITC, they discharge their tax liability only by debiting electronic cash ledger.

**(e) Nil return**

Filing of GST CMP-08 is mandatory for all taxpayers who have opted to pay tax under composition scheme, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GST CMP-08 is required to be filed.

***A Nil GST CMP-08 does not have any entry in any of its tables.*** For example, a Nil GST CMP-08 for a tax period cannot be filed, if the taxpayer has made any outward supplies or has received any supplies which are taxable under reverse charge.

***A Nil GST CMP-08 can be filed through an SMS using the registered mobile number of the taxpayer. A Nil GST CMP-08 submitted through SMS is verified by registered mobile number-based OTP facility.***

**(f) Statements/return for the period prior to opting for composition scheme**

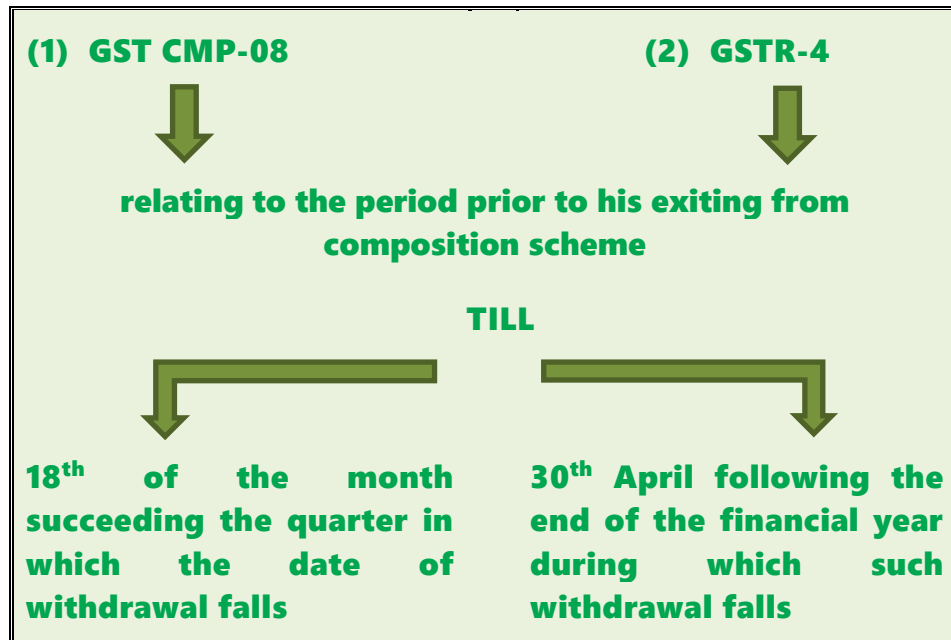
If a registered person opts to pay tax under composition scheme from the beginning of a financial year, he will, where required, furnish statements/return relating to the period prior to paying tax under composition scheme till the

- due date of furnishing the return for the month of September of the succeeding financial year, or
- furnishing of annual return of the preceding financial year, whichever is earlier.

The composition supplier will not be eligible to avail ITC on receipt of invoices or debit notes from the supplier for the period prior to their opting to pay tax under composition scheme.

**(f) GSTR-4 for the period prior to exiting from composition scheme**

A registered person opting to withdraw from the composition scheme at his own motion or where option is withdrawn at the instance of the proper officer will, where required, furnish-

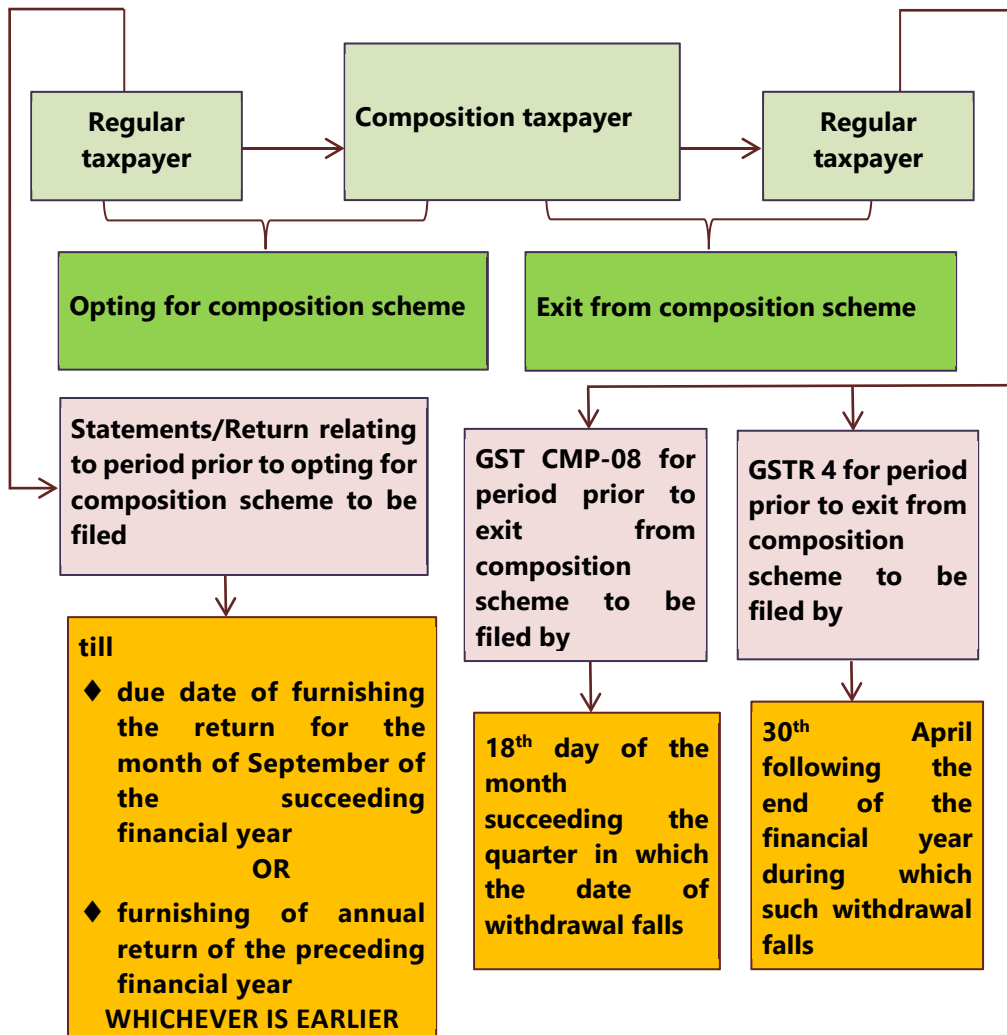


The provisions explained in points (e) and (f) above have been explained by way of a diagram given at the next page.



**As per section 29(2), a proper officer is empowered to cancel the registration of a taxable person if, *inter alia*,:**

- (a) a person paying tax under composition scheme has not furnished his GSTR-4 for 3 consecutive tax periods**
- (b) any other taxable person has not furnished returns for consecutive period of 6 months.**



### (iii) GSTR-5 - Return for Non-Resident Taxable Persons [Section 39(5) read with rule 63 of the CGST Rules]

Non-Resident Taxable Persons (NRTPs) are those suppliers who do not have a business establishment in India and have come for a short period to make supplies in India. They would normally import their products into India and make local supplies. *The concept of Non-Resident Taxable Person has been discussed in detail in Chapter 7 – Registration.*

**(a) Monthly return**

A registered NRTP is not required to file separately the Statement of Outward Supplies and applicable return for a normal taxpayer.



In place of the same, a simplified monthly tax return has been prescribed in **Form GSTR-5** for a NRTP for every calendar month or part thereof. The details of outward supplies and inward supplies of a NRTP are incorporated in GSTR-5.

**(b) Last date of filing return**

GSTR-5 should be furnished **within 20 days after the end of the calendar month or within 7 days after the last day of validity period of the registration, whichever is earlier.**

**(c) Payment of interest, penalty, fees or any other amount payable**

A NRTP should pay the tax, interest, penalty, fees or any other amount payable under the CGST Act or the provisions of the Returns chapter under the CGST Rules, till the last date of filing GSTR-5.



**A NRTP is not required to file an annual return.**

**(iv) Due date for payment of tax**

Due dates for payment of tax in respect of the persons required to file GSTR-3B and GSTR-5 are linked with the due dates for filing of such returns, i.e. the last dates (due dates) of filing such returns are also the due dates for payment of tax in respect of persons required to file such returns.

However, in case of registered persons paying tax under composition scheme, the due date for payment of tax and filing of GSTR-4 is delinked. While GSTR-4 for a financial year is required to be filed by 30<sup>th</sup> April of the following year, tax for a quarter is to be paid by 18<sup>th</sup> of the month succeeding such quarter.

Also, NRTPs or casual taxable persons are required to make advance deposit of an amount equivalent to their estimated tax liability for the period for

which registration is sought or extension of registration is sought in terms of section 27(2).

### ILLUSTRATION 1

*Mr. Akash obtains registration under regular scheme (Section 9). He asks Mr. Mohan, his tax manager, to pay GST on quarterly basis. However, Mr. Mohan advises Mr. Akash to pay GST on monthly basis.*

*You are required to examine the validity of the advice given by Mr. Mohan.*

### ANSWER

The advice given by Mr. Mohan is valid.

A person registered under regular scheme (Section 9) is required to file a **monthly** return in form GSTR-3B. Due date for payment of tax in respect of the persons required to file GSTR-3B is linked with the due date for filing of such return. Therefore, a person registered under regular scheme is required to pay GST on monthly basis by the 20<sup>th</sup> of the succeeding month, which is the due date for filing of GSTR-3B.

Quarterly payment of taxes can be made by persons registered under composition scheme.

### (v) Rectification of errors/omissions [Section 39(9)]

If a return has been filed, how can it be revised if some changes are required to be made?



In GST since the returns are built from details of individual transactions, there is no requirement for having a revised return. Any need to revise a return may arise due to the need to change a set of invoices or debit/ credit notes. Instead of revising the return already submitted, the system allows changing the details of those transactions (invoices or debit/credit notes) that are required to be amended. They can be amended in any of the future GSTR- 1 in the tables specifically provided therein for the purposes of amending previously declared details.

Omission or incorrect particulars discovered in the returns filed u/s 39 can be rectified in the return to be filed for the tax period during which such omission or incorrect particulars are noticed. Any tax payable as a result of such error or omission will be required to be paid along with interest.

### Exception

It is important to note that section 39(9) does not permit rectification of error or omission discovered on account of scrutiny, audit, inspection, or enforcement activities by tax authorities.

Hence, assessee may not be able to pass on the ITC to the receiver in respect of tax payments made by him in pursuance of any of the afore-mentioned situations.

### ILLUSTRATION 2

*Ms. Pragya, a taxpayer registered under regular scheme (Section 9), files GSTR-3B for the month of October on 20<sup>th</sup> November. After filing the return, she discovers that the value of a taxable supply has been under-reported therein.*

*Ms. Pragya now wants to file a revised GSTR-3B. Examine the scenario and give your comments.*

### ANSWER

Under GST law, a return once filed cannot be revised. However, the details of those transactions that are required to be amended can be changed in any of the future GSTR-1s. For this purpose, specific tables are provided in GSTR-1 to amend previously declared details.

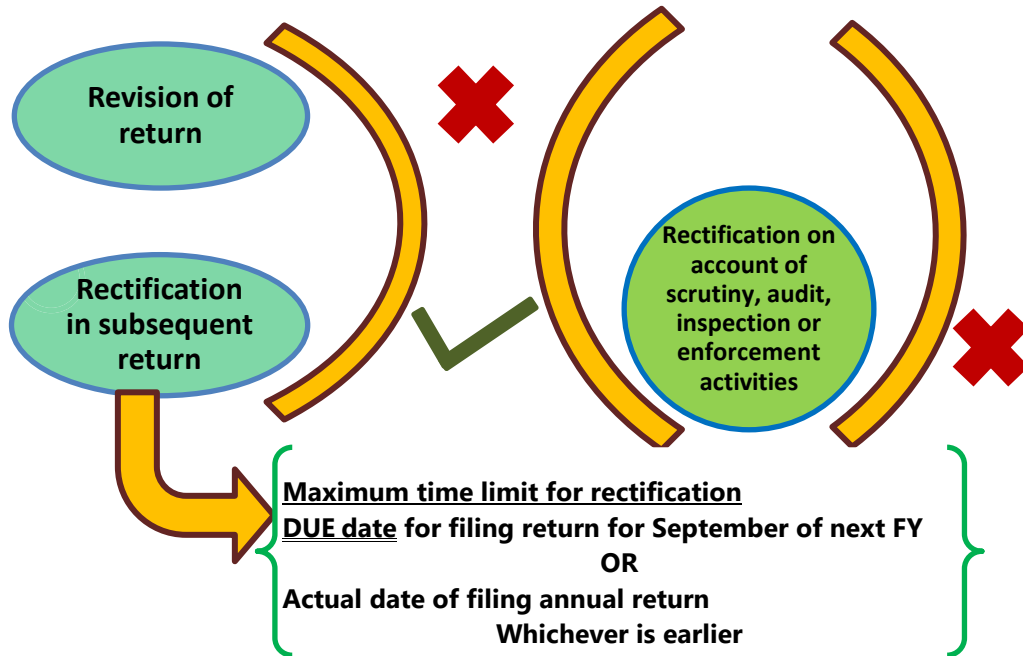
Thus, Ms. Pragya cannot revise GSTR-3B filed by her for the month of October. However, she can amend the details of the taxable supply, which was under-reported, in GSTR-1 for the month of November. The tax payable on account of such error will be paid along with interest in GSTR-3B for the month of November.

### Time limit for making rectification

The maximum time limit within which the rectification of errors/omissions is permissible is earlier of the following dates:

- Due date of filing of return for the month of September following the end of the financial year [i.e., 20<sup>th</sup> October of next financial year] or
- Actual date of filing of the relevant annual return

The last date of filing of annual return for a financial year is 31<sup>st</sup> December of next financial year. Hence, if annual return for a financial year is filed before 20<sup>th</sup> October (next financial year), then no rectification of errors/omissions in returns pertaining to the said financial year would be permitted thereafter.



★ *A return furnished under section 39(1) on which self-assessed tax has been paid in full is considered as a valid return.*

★ *Filing of returns for current month is possible only when returns of the previous month have been filed.*

★ *A taxpayer needs to electronically sign the submitted returns otherwise it will be considered not-filed.*

★ *Taxpayers can electronically sign their returns using a DSC (mandatory for all types of companies and LLPs), E-sign (Aadhaar-based OTP verification), or EVC (Electronic Verification Code sent to the registered mobile number of the authorized signatory).*



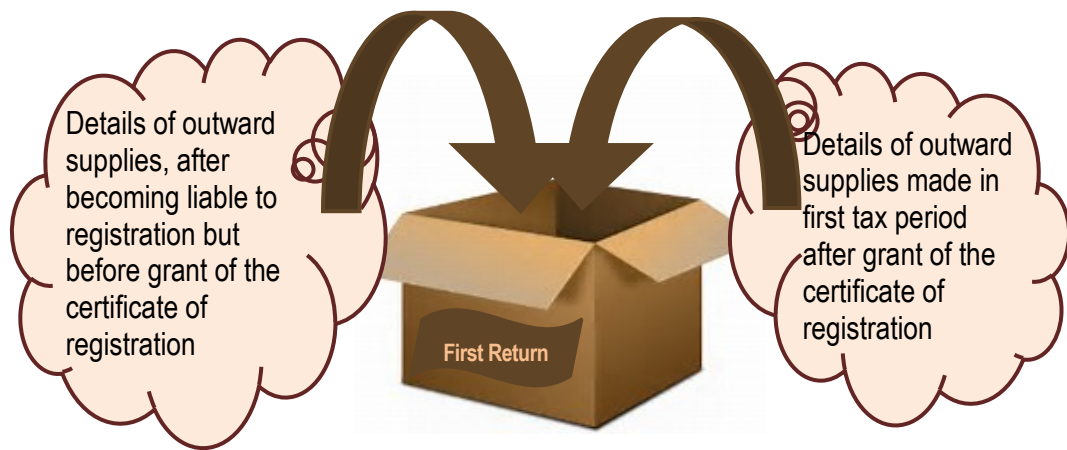
## 5. OTHER RETURNS

### (i) First Return [Section 40]

When a person becomes liable to registration after his turnover crosses the threshold limit, he may apply for registration within 30 days of so becoming liable. Thus, there might be a time lag between a person becoming liable to registration and grant of registration certificate.

During the intervening period, such person might have made the outward supplies, i.e. after becoming liable to registration but before grant of the certificate of registration.

Now, in order to enable such registered person to declare the taxable supplies made by him for the period between the date on which he became liable to registration till the date on which registration has been granted so that ITC can be availed by the recipient on such supplies, firstly, the registered person may issue revised tax invoices against the invoices already issued during said period within 1 month from the date of issuance of certificate of registration [Section 31(3)(a) read with rule 53 of CGST Rules – *Discussed in detail in Chapter-8: Tax Invoice, Credit and Debit Notes; E-Way Bill*]. Further, section 40 provides that registered person shall declare his outward supplies made during said period in the first return furnished by him after grant of registration. The format for this return is the same as that for regular return.





**(ii) Annual Return [Section 44 read with rule 80 of the CGST Rules]****(a) Who is required to furnish annual return and what is the due date for the same?**

All registered persons are required to file an annual return<sup>5</sup>. However, following persons are not required to file the annual return:

- (i) Casual taxable persons.
- (ii) Non- resident taxable person
- (iii) Input service distributors<sup>6</sup>
- (iv) Persons authorized to deduct/collect tax at source under section 51/52<sup>7</sup> and
- (v) ***Person supplying OIDAR services from outside India to unregistered persons in India***

**The annual return for a financial year needs to be filed by 31<sup>st</sup> December of the next financial year.**

***The due date of filing annual return may be extended by the Commissioner/Commissioner of State GST/Commissioner of UTGST for a class of taxable persons by way of a notification.***

Every registered person who is required to get his accounts audited under section 35(5)<sup>8</sup> shall also furnish electronically a copy of audited annual accounts and a certified reconciliation statement in the prescribed form along with the annual return. **Reconciliation Statement** reconciles the value of supplies declared in the return furnished for the financial year with the audited annual financial statement and such other particulars, as may be prescribed.

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<sup>5</sup> Filing of annual return in respect of financial years 2017-18, 2018-19 and 2019-20 has been made voluntary for the registered persons whose turnover is less than ₹ 2 crore and who have not furnished the said annual return before the due date. This information is given solely for knowledge purpose.

<sup>6</sup> The concept of Input Service Distributor will be discussed at the Final Level.

<sup>7</sup> The concept of person deducting/collecting tax at source will be discussed at the Final Level.

<sup>8</sup> Section 35 contains the provisions relating to accounts and records. Such provisions will be discussed at the Final Level.

**(b) What is the prescribed form for annual return?**

The annual return is to be filed electronically in **Form GSTR-9** through the common portal.

**Composition scheme supplier:** A person paying tax under composition scheme is required to file the annual return in **Form GSTR-9A**.

**(iii) Final Return [Section 45 read with rule 81 of the CGST Rules]****(a) Who is required to furnish final return?**

Every registered person who is required to furnish return u/s 39(1) and whose registration has been surrendered or cancelled is required to file a **final return** electronically in **Form GSTR-10** through the common portal.

**(b) What is the time-limit for furnishing final return?**

The final return has to be filed within 3 months of the:

- (i) date of cancellation
  - or
  - (ii) date of order of cancellation
- whichever is **later**.

**(iv) Details of inward supplies of persons having UIN [Rule 82 of the CGST Rules]****(a) When UIN is issued for claiming refund of taxes paid on inward supplies**

Such person shall furnish the details of the inward supplies of taxable goods and/or services on which refund of taxes has been claimed, in Form **GSTR-11**, along with application for such refund claim.



**(b) When UIN is issued for purposes other than refund of taxes paid**

Such person shall furnish the details of inward supplies of taxable goods and/or services as may be required by the proper officer in Form GSTR-11.

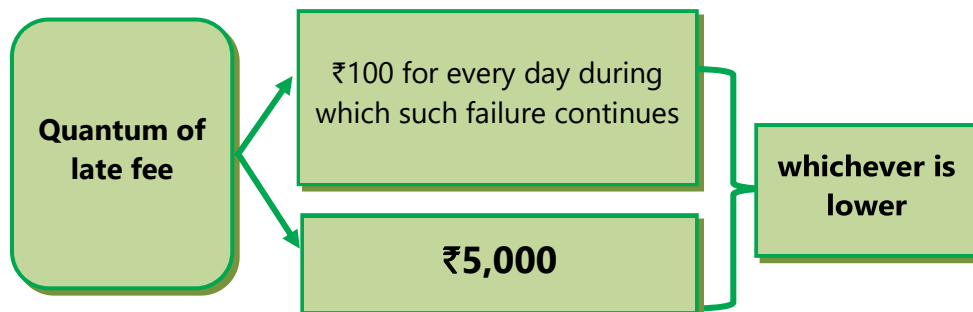
**6. DEFAULT/DELAY IN FURNISHING RETURN [SECTIONS 46 & 47]****(i) Notice to return defaulters [Section 46 read with rule 68 of the CGST Rules]**

A notice in prescribed form is issued, electronically, to a registered person who fails to furnish return under section 39 [Normal Return] or section 44 [Annual Return] or section 45 [Final Return] or section 52 [TCS Statement]. The notice requires the registered person to furnish the return within 15 days.

**(ii) Late fees levied for delay in filing return [Section 47]**

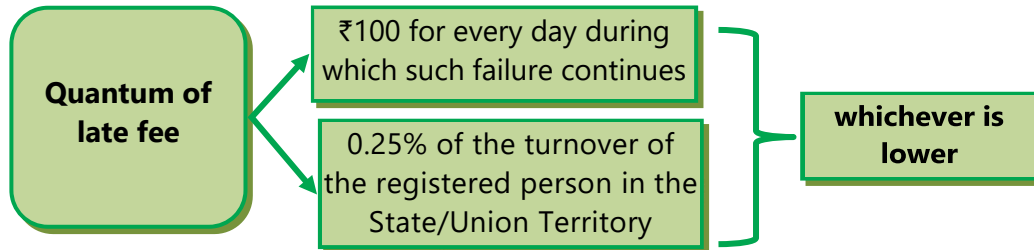
Delay in filing any of the following by their respective due dates, attracts late fee:

- (A)** Statement of Outward Supplies [Section 37]
- (B)** Returns [Section 39]
- (C)** Final Return [Section 45]



### Late fees levied for delay in filing annual return under section 44

A registered person who fails to furnish the annual return under section 44 by the due date is required to pay a late fee as under:



*It may be noted that the late fee payable by a registered person for delayed filing of a return and/or annual return, as mentioned above, is with reference to only the CGST Act. An equal amount of late fee would be payable by such person under the respective SGST/UTGST Act as well.*



## 7. GOODS AND SERVICES TAX PRACTITIONERS [SECTION 48]

Section 48 provides for the authorisation of an eligible person to act as approved Goods and Services Tax Practitioner (GSTP). A registered person may authorise an approved GSTP to furnish information, on his behalf, to the Government. The manner of approval of GSTPs, their eligibility conditions, duties and obligations, manner of removal and other conditions relevant for their functioning have been prescribed in the rules 83, 83A and 84 of the CGST Rules.

GSTN provides separate user ID and Password to GSTP to enable him to work on behalf of his clients without asking for their user ID and passwords. They can do all the work on behalf of taxpayers as allowed under GST Law. A taxpayer may choose a different GSTP by simply unselecting the previous one and then choosing a new GSTP on the GST portal.

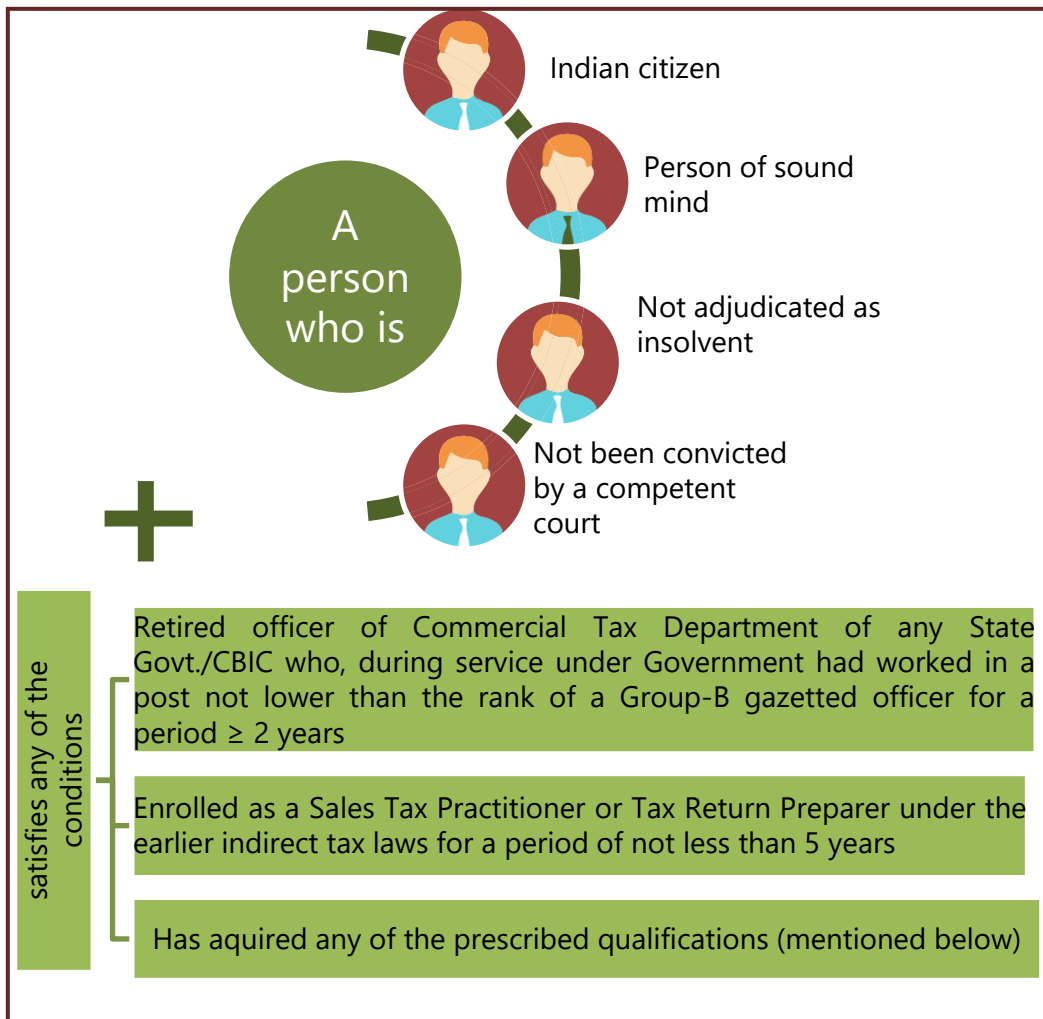


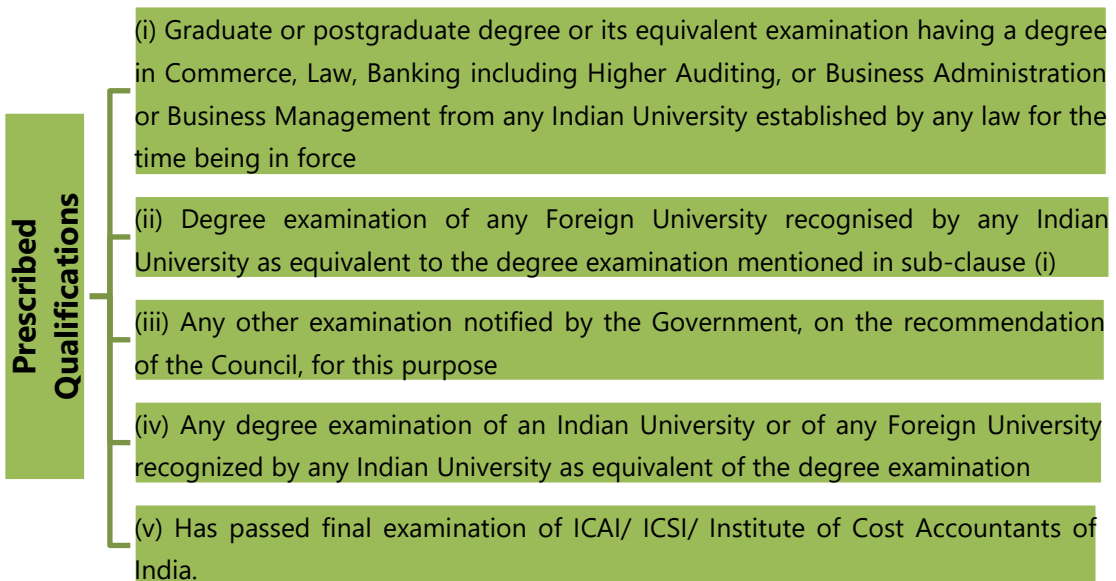
Standardized formats have been prescribed for making application for enrolment as GSTP, certificate of enrolment, show cause notice for disqualification, order of

rejection of application of enrolment, list of approved GSTPs, authorisation letter and withdrawal of authorisation. A GSTP enrolled in any State or Union Territory shall be treated as enrolled in the other States/Union territories.

**(i) What is the eligibility criteria for GSTP?**

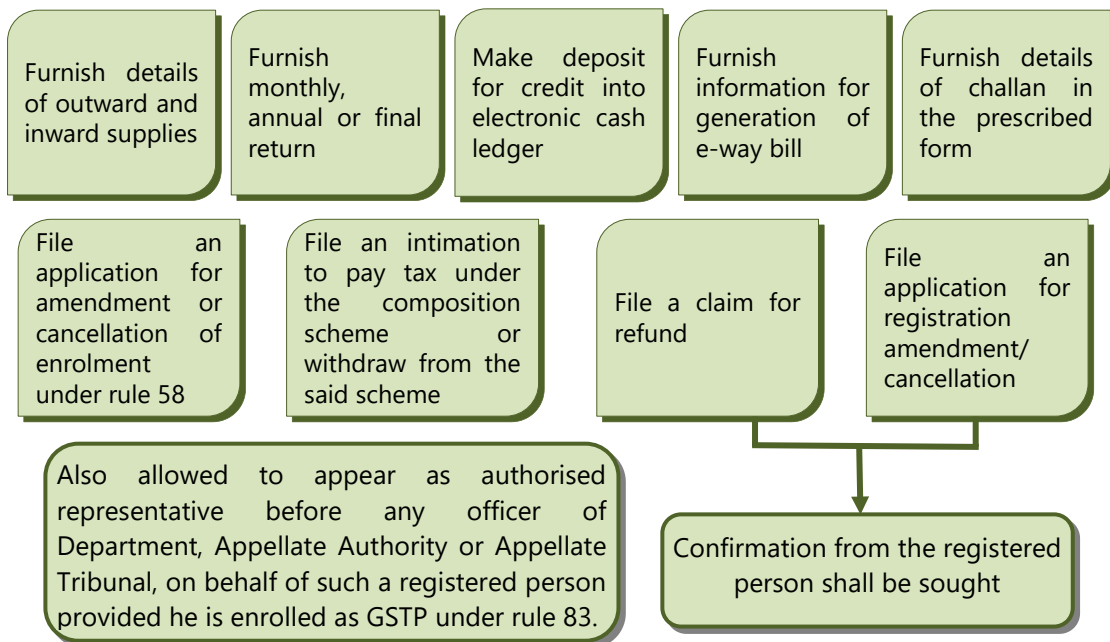
The eligibility criteria for GSTP has been explained by way of a diagrams given below and at next page.





**(ii) What are the activities which can be undertaken by a GSTP?**

A GSTP can undertake any/all of the following activities on behalf of a registered person, if so authorised by him:



**Furnishing returns through GSTP:** When a registered person opts to furnish his return through GSTP, such registered person:

Gives his consent in prescribed form to any GSTP to prepare and furnish his return

Before confirming submission of any statement prepared by GSTP, ensures that the facts mentioned in the return are true and correct.

Thus, the responsibility for correctness of any particulars furnished in the return or other details filed by the GSTP continues to rest with the registered person on whose behalf such return and details are furnished.

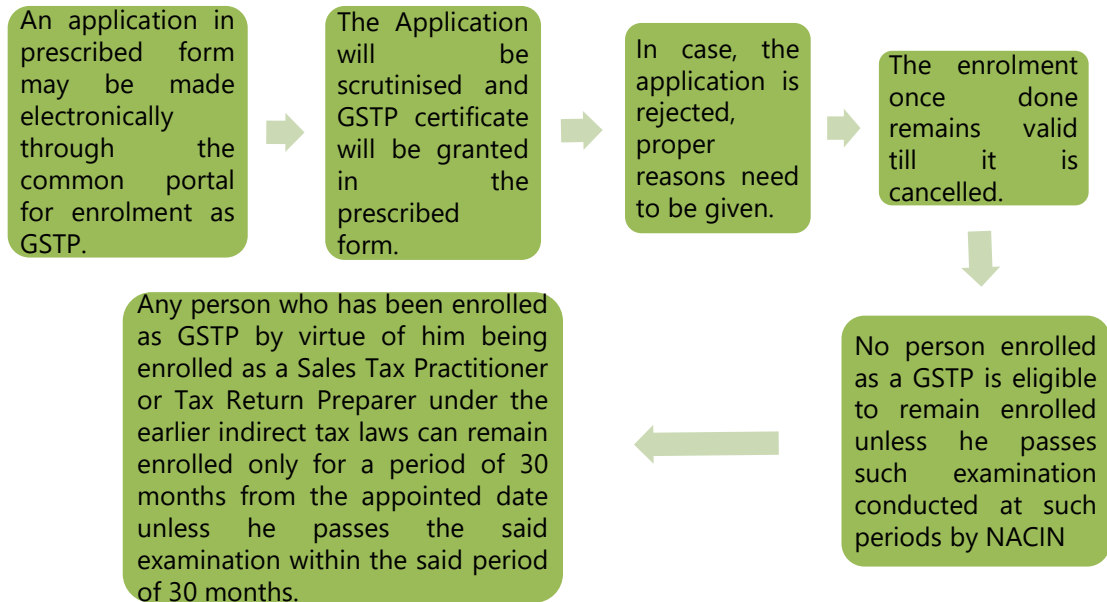
The registered person before confirming, should ensure that the facts mentioned in the return are true and correct before signature. However, failure to respond to request for confirmation is treated as deemed confirmation.

### (iii) Other points

- ❑ A registered person gives his consent and authorises a GSTP in the prescribed form by listing the authorised activities in which he intends to authorise the GSTP. The GSTP accepts the authorisation in Part B of the same form.
- ❑ The GSTP can undertake only such tasks as indicated in the prescribed form. The registered person may, at any time, withdraw such authorization.
- ❑ Any statement furnished by the GSTP is made available to the registered person on the common portal. For every statement furnished by the GSTP, a confirmation is sought from the registered person over email or SMS.
- ❑ The GSTP should prepare all statements with due diligence and affix his digital signature on the statements prepared by him or electronically verify using his credentials.
- ❑ If the GSTP is found guilty of misconduct, his enrolment will be liable to be cancelled and a show cause notice would be issued to him.

#### (iv) What is the procedure for enrolment as GSTP?

The procedure for enrolment of GSTP has been depicted in the following diagram:

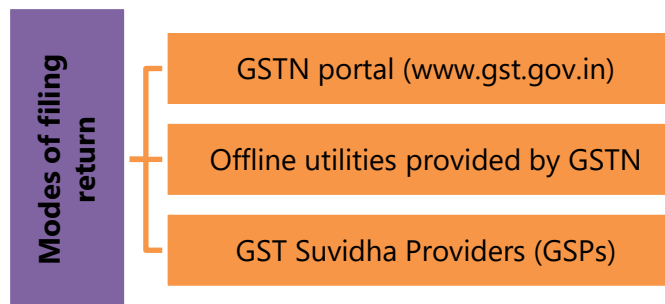


## 8. LET US RECAPITULATE

The provisions relating to returns have been summarised by way of tables and diagrams to help students remember and retain the provisions in a better and effective manner:

### (i) Modes of filing returns

**All the returns are to be filed online.**





**(ii) List of Returns/Statements under GST**

Return / Statement	Periodicity/ Description	Who Files?	Date for filing
<b>GSTR-1</b>	Monthly statement of outward supplies of goods and/or services	Person registered under regular scheme with annual aggregate turnover greater than ₹ 1.5 crore (including a casual taxable person)	Due date prescribed in the Act is 10 <sup>th</sup> day of the next month. However, presently, the same is being extended to 11 <sup>th</sup> day of the next month.
	Quarterly statement of outward supplies of goods and/or services	Person registered under regular scheme with annual aggregate turnover up to ₹ 1.5 crore (including a casual taxable person)	13 <sup>th</sup> day of the month succeeding the quarter has been notified as the due date for the recent quarters
<b>GSTR-3B</b>	Monthly return	Person registered under regular scheme including casual taxable person	<p>Annual turnover ≥ ₹ 5 crore in previous financial year - 20<sup>th</sup> of the month.</p> <p>Annual turnover &lt; ₹ 5 crore in previous financial year - 22<sup>nd</sup> or 24<sup>th</sup> of the month depending upon the State or Union Territory in which they are registered.</p> <p>Presently, the staggered filing has been provided for tax periods till March 2021.</p>

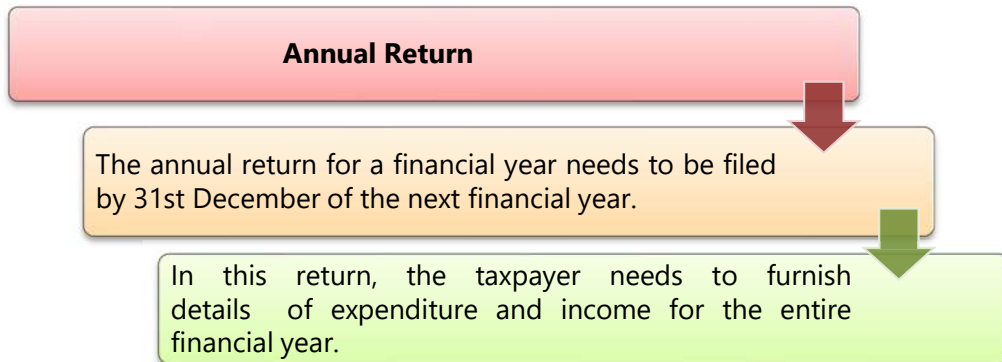
<b>GSTR-4</b>	Return for a financial year	Registered person paying tax under composition scheme	30 <sup>th</sup> April of the next financial year
<b>GSTR-5</b>	Monthly return	Registered non-resident taxpayer	20 <sup>th</sup> day of the next month or within 7 days after expiry of registration, whichever is earlier
<b>GSTR-9</b>	Annual return	Registered person other than an ISD, tax deductor/tax collector, casual taxable person and a non-resident taxpayer	31 <sup>st</sup> December of the next financial year
<b>GSTR-10</b>	Final return	Taxable person whose registration has been surrendered or cancelled	Within three months of the date of cancellation or date of order of cancellation, whichever is later.
<b>GSTR-11</b>	Details of inward supplies	Persons who have been issued a Unique Identity Number (UIN)	-

### (iii) Due date of payment of tax

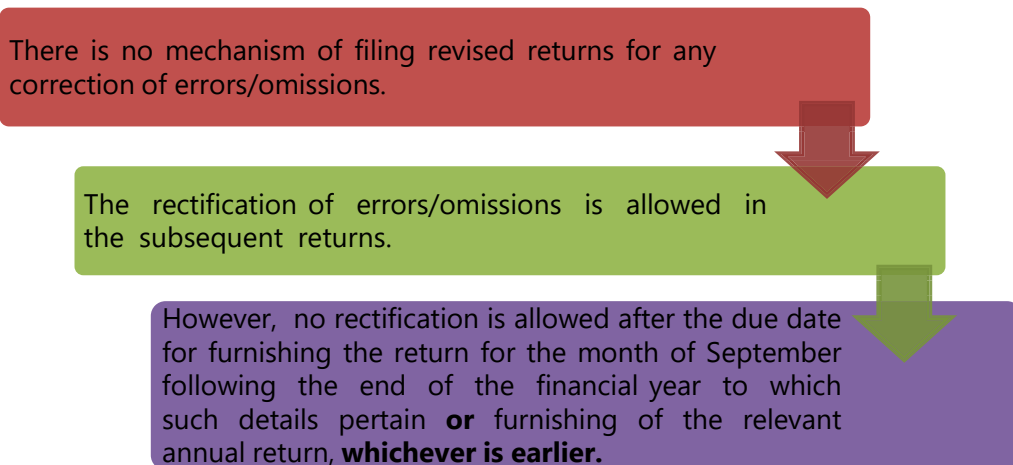
#### Due date of payment of tax

- Payment should be made on or before 20<sup>th</sup> of every month
- For registered persons paying tax under composition scheme, payment for a quarter should be made on or before 18<sup>th</sup> of the month succeeding the quarter

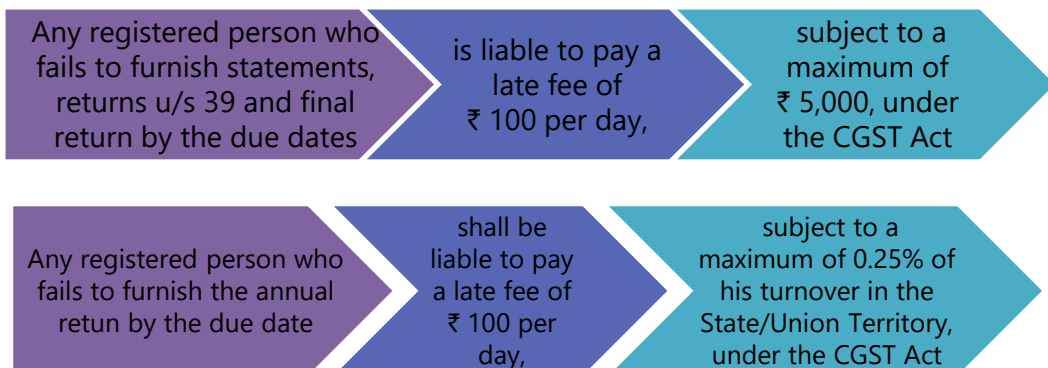
#### (iv) Annual return



#### (v) Revision of returns



#### (vi) Late fee for delay in filing of returns





## 9. TEST YOUR KNOWLEDGE

1. Mr. X, a regular taxpayer, did not make any taxable supply during the month of July.

*Is he required to file a GSTR-3B?*

2. If a return has been filed, how can it be revised if some changes are required to be made?

3. M/s Cavenon Enterprises, a registered supplier of designer wedding dresses under regular scheme, has aggregate annual turnover of ₹ 30 lakh in the preceding financial year. It is of the view that in the current financial year, it is permitted to file its statement of outward supplies (GSTR-1) on a quarterly basis while its accountant advises it to file the same on a monthly basis.

*You are required to advise M/s Cavenon Enterprises on the same.*

4. Mr. Kohli is a registered supplier in the State of Gujarat. He is filing GSTR-1 every month. During the month of February, he went out of India and thus, could not do any business transaction during that month. He believes that as there is no transaction, there is no need to file GSTR-1 for the month of February.

*Is he correct? Explain.*

5. Mr. Kalpesh is a registered dealer in Kerala paying tax under composition levy from 1<sup>st</sup> April. However, he opts to pay tax under regular scheme from 1<sup>st</sup> December.

*Is he liable to file GSTR-4 for the month of November? Discuss.*

6. Mrs. Zarina, a registered dealer in Rajasthan, did not file GSTR-3B for the month of June but she wants to file GSTR-3B for the month of July.

*Is it possible? Answer with reference to section 39 of the CGST Act.*

7. X has not made any outward supply during the month of September. However, X has procured certain input services during the month. X is of the opinion that he can file Nil GSTR-3B for the month of September through SMS.

*Whether the understanding of X is correct? Explain.*

8. A is a chartered accountant in practice and is registered under GST. On a query regarding return filing process by a potential client, A has represented him as a GST practitioner. A is of the view that since he is a qualified chartered accountant

*with a GST registration in the name of his proprietorship firm, he also qualifies as GST practitioner.*

*Is the understanding of A correct? Discuss.*

9. *Quicktax, a GST return filing service provider, has asked its clients to provide the scanned copies of the tax invoices issued to B2B customers for uploading on the GST portal and filing the return.*

*Whether the process followed by Quicktax is correct?*

10. *X Ltd. is winding up its business in Rajasthan. The Tax Consultant of X Ltd. has suggested that X Ltd. will have to file either the annual return or the final return at the time of voluntary cancellation of registration in the state of Rajasthan.*

*Do you agree with the stand taken by Tax Consultant of X Ltd.? Offer your comments.*



## 10. ANSWERS/HINTS

1. A regular taxpayer is required to furnish a return u/s 39 for every month even if no supplies have been effected during such period. In other words, filing of Nil GSTR-3B is also mandatory.

Therefore, Mr. X is required to file GSTR-3B even if he did not make any taxable supply during the month of July.

2. In GST since the returns are built from details of individual transactions, there is no requirement for having a revised return. Any need to revise a return may arise due to the need to change a set of invoices or debit/ credit notes. Instead of revising the return already submitted, the system allows changing the details of those transactions (invoices or debit/credit notes) that are required to be amended. They can be amended in any of the future GSTR- 1 in the tables specifically provided for the purposes of amending previously declared details.

As per section 39(9), omission or incorrect particulars discovered in the returns filed u/s 39 can be rectified in the return to be filed for the month during which such omission or incorrect particulars are noticed. Any tax payable as a result of such error or omission will be required to be paid along with interest. The rectification of errors/omissions is carried out by entering appropriate particulars in "Amendment Tables" contained in GSTR-1.

3. Section 37 stipulates that GSTR-1 for a particular month is required to be filed on or before the 10<sup>th</sup> day of the immediately succeeding month, i.e. on a monthly basis.

However, presently, as a measure of easing the compliance requirement for small taxpayers, GSTR-1 has been allowed to be filed quarterly by small taxpayers with aggregate annual turnover up to ₹ 1.5 crore in the preceding financial year or the current financial year. Taxpayers with annual aggregate turnover above ₹ 1.5 crore will however continue to file GSTR- 1 on a monthly basis.

In view of the same, M/s Cavenon Enterprises can file its GSTR-1 on quarterly basis as its aggregate turnover does not exceed ₹ 1.5 crore in the preceding financial year.

4. No, Mr. Kohli is not correct. GSTR-1 needs to be filed even if there is no business activity in the tax period. Therefore, in the given case, even though Mr. Kohli was out of India and thus, could not do any business transaction during the month of February, he is still required to file GSTR-1 for that month.
5. Where a taxpayer opts to withdraw from the composition scheme, he has to file GSTR-4 for the period prior to his opting for payment of tax under regular scheme. Therefore, in the given case, Mr. Kalpesh is liable to file GSTR-4 for the month of October since he was paying tax under composition scheme during the month of October.
6. As per section 39(10), a registered person is not allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him

Therefore, in the given case, Mrs. Zarina cannot file GSTR-3B for July if she has not filed GSTR-3B for the preceding month, i.e., June.

7. Nil GSTR-3B means that the return has nil or no entry in all its Tables. Since in the present case X has received certain input services, he cannot file Nil GSTR-3B through SMS as the said input services will need to be disclosed in the Table for Eligible ITC in GSTR-3B.
8. The understanding of A is not correct.

A chartered accountant can become a GST practitioner (GSTP). However, holding a certificate of practice as a chartered accountant and having GST registration does not imply that such chartered accountant is a GST practitioner as well. For becoming a GSTP, even a chartered accountant in practice has to follow the

enrolment process of GSTP as provided under the GST law and only upon approval of such enrolment can a chartered accountant represent himself as a GSTP.

- 9.** No, the process followed by Quicktax is not correct.

The registered persons supplying goods or services to B2B customers are required to upload the invoice wise details of supplies made during the tax period. However, there is no requirement to upload the scanned copies of the invoices issued to the customers on the GST portal at the time of filing returns. Only information required as per GST returns is to be captured in the return filing utility and the same is to be uploaded on the GST portal and not the scanned copies of the actual invoices.

- 10.** No, the stand taken by Tax Consultant of X Ltd. is not correct.

Annual return is required to be filed by every registered person paying tax as a normal taxpayer. Final return is filed by the registered persons who have applied for cancellation of registration within three months of the date of cancellation or the date of cancellation order.

In the given case, X Ltd., a registered person, is winding up its business and has thus, applied for cancellation of registration. Therefore, it is required to file both annual return and final return.

## AMENDMENTS MADE VIDE THE FINANCE (NO. 2) ACT, 2019

The Finance (No. 2) Act, 2019 has come into force from 01.08.2019. However, the amendments made in section 39 of the CGST Act vide the Finance (No. 2) Act, 2019 would become effective only from a date to be notified by the Central Government in the Official Gazette. Such a notification has not been issued till the time this Study Material is being released for printing. Therefore, the applicability or otherwise of such amendment for May 2021 and/or November 2021 examinations shall be announced by the ICAI only after such notification is issued by the Central Government.

In the table given below, the existing provisions<sup>9</sup> of section 39 are compared with the provisions as amended by the Finance (No. 2) Act, 2019.

Once the announcement for applicability of such amendments for examination(s) is made by the ICAI, students should read the amended provisions given hereunder in place of the related provisions discussed in the Chapter.

Section No.	Existing provisions	Provisions as amended by the Finance (No. 2) Act, 2019	Remarks
39	<p><b>Sub-section (1)</b></p> <p>Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return,</p>	<p><b>Sub-section (1)</b></p> <p>Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or</p>	<p>Under the existing provisions, composition taxpayers as well as registered persons paying tax under <i>Notification No. 2/2019 CT (R) dated 07.03.2019</i> are required to file annual return and make quarterly payment of taxes in terms of <i>Notification No. 21/2019 CT</i></p>

<sup>9</sup> Provisions existing as on the date when the Study Material was released for printing



	<p>electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed, on or before the twentieth day of the month succeeding such calendar month or part thereof.</p>	<p>services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, <b>and within such time, as may be prescribed:</b></p> <p><b>Provided that the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a return for every quarter or part thereof, subject to such conditions and restrictions as may be specified therein.</b></p>	<p><i>dated 23.04.2019</i> issued under section 148 read with rule 62 of CGST Rules.</p> <p>Such provisions are now being incorporated in the CGST Act vide the amendment being proposed by the Finance (No. 2) Act, 2019 in section 39.</p> <p>Section 39 of the CGST Act is being amended so as to allow the composition taxpayers (which includes taxpayers paying tax under <i>Notification No. 2/2019 CT (R) dated 07.03.2019</i> by virtue of amendment being made in section 10 of the CGST Act vide the Finance (No. 2) Act, 2019) to furnish annual return along with quarterly payment of taxes.</p> <p>Further, other specified taxpayers may be given the option for quarterly or monthly</p>
	<p><b><u>Sub-section (2)</u></b></p> <p>A registered person paying tax under the provisions of section 10 shall, for each quarter or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services or both, tax payable and tax paid within eighteen days</p>	<p><b><u>Sub-section (2)</u></b></p> <p>A registered person paying tax under the provisions of section 10, shall, for each <b>financial year</b> or part thereof, furnish a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services or both, tax payable, tax paid <b>and such other particulars in such form and manner, and within</b></p>	

	after the end of such quarter.	<b>such time, as may be prescribed.</b>	furnishing of returns and payment of taxes under the proposed new return system.
	<p><b><u>Sub-section (7)</u></b></p> <p>Every registered person, who is required to furnish a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return:</p>	<p><b><u>Sub-section (7)</u></b></p> <p>Every registered person who is required to furnish a return under sub-section (1), <b>other than the person referred to in the proviso thereto</b>, or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return:</p> <p><b>Provided that every registered person furnishing return under the proviso to sub-section (1) shall pay to the Government, the tax due taking into account inward and outward supplies of goods or services or both, input tax credit availed, tax payable and such other particulars during a month, in such form and manner, and</b></p>	

		<p>within such time, as may be prescribed:</p> <p>Provided further that every registered person furnishing return under sub-section (2) shall pay to the Government the tax due taking into account turnover in the State or Union territory, inward supplies of goods or services or both, tax payable, and such other particulars during a quarter, in such form and manner, and within such time, as may be prescribed.</p>	
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## **Note**

The Study Material follows a systematic approach of explaining the GST law by first extracting the statutory provisions followed by their analysis. Students may note that the provisions which do not form part of the syllabus are not included in such statutory provisions. Such excluded provisions can either be complete sections or rules or sub-sections/sub-rules of sections/rules.

However, where a section/rule is included in the syllabus, but contains reference to *inter alia* another section/rule which is excluded from the syllabus, the entire section has been given in the statutory provisions i.e., the reference to the excluded section has not been removed while reproducing the statutory provisions. While analysing the section, however, only the relevant portion has been dealt with in detail.

The discussion on the GST law in this Study Material incorporates the content and images made available by the CBIC on its website [www.cbic.gov.in](http://www.cbic.gov.in) namely, FAQs on GST, e-flyers issued on various aspects of GST, sectoral FAQs as also the user manuals and FAQs available on the GST common portal [www.gst.gov.in](http://www.gst.gov.in), to the extent relevant to such discussion.