

## 10. RETURNS UNDER GST

### MODEL WISE ANALYSIS OF PAST EXAM PAPERS OF IPCC AND CA INTER

Q.NO.	M-17	N-17	M-18 (O)	M-18 (N)	N-18 (O)	N-18 (N)	M-19 (O)	M-19 (N)	N-19 (O)	N-19 (N)	N-20(O)	N-20(N)
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### SECTION 1: THEORY FOR CLASSROOM DISCUSSION

#### 1. INTRODUCTION

- 1) Normally, a return depicts (i.e. presents) the statement of information (facts) furnished by the tax payer to the tax administrator at regular time intervals.
- 2) As far as any tax law is concerned, the estimation of tax will be made by the government on the basis of the returns submitted by the tax payers. This mandates the government to frame the procedure for filing the information in the form of returns that it needed.
- 3) Further, 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.

- 4) Filing of GST returns helps in **determination of tax liability** of the return filer and at the same time it also has a huge bearing on determination of tax liability of other persons with whom the former has entered into taxable activities.
- 5) Generally the tax payer files the return in a prescribed format (determined based on the liability of tax payer) which is having different segments.
- 6) 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.
- 7) The 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 tax payers, irrespective of turnover, till further announcements were made in this regard. Council has extended GSTR-3B filing requirement till end of March, 2019.

## **2. RETURN MECHANISM UNDER GST**

- 1) **Electronic mode** of filing of return is mandatory under GST. There are various facilities available to file an E-Return which are as follows -
  - a) Directly through **GSTN (GST Network) portal** (in case of small tax payers) (or)
  - b) **In the case of large tax payers** who has to upload too many invoices at the time of filing return, can file the return by using the offline utilities 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 (or)
  - c) Using the services of **GSPs** (GST Suvidha Providers)

## **3. FURNISHING DETAILS OF OUTWARD SUPPLIES**

### 1) **WHO IS REQUIRED TO FURNISH DETAILS OF OUTWARD SUPPLIES?**

A registered person **including** a casual registered person but **excludes** -

- a) Input service distributor (ISD)
- b) **A Non-Resident taxable person**
- c) Person paying tax under **composition scheme**
- d) Person **deducting tax at source**
- e) Person **collecting tax at source** i.e., e-commerce operator (ECO), not being an agent
- f) A supplier of online information and database access or retrieval services (**OIDAR**)

### 2) **WHAT IS THE FORM FOR SUBMISSION OF DETAILS OF OUTWARD SUPPLIES?**

The person filing the details of outward supplies shall file the same in **GSTR-1 Form** through the common portal, either directly or from a notified Facilitation Centre.

### 3) **WHAT IS THE DUE DATE OF SUBMISSION OF GSTR-1?**

- a) The due date for filing the monthly GSTR-1 is **10<sup>th</sup> day of the next month**. However, the monthly GSTR-1 can be filed on or after **16<sup>th</sup> of the next following month**, if the due date of 10<sup>th</sup> of the next following month is **missed**.

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.

- b) Further, monthly GSTR-1 **cannot** be filed between 11<sup>th</sup> and 15<sup>th</sup> day of the next month.
- c) Taxpayers with annual aggregate turnover up to Rs.1.5 Crore to file details of outward supplies in Form GSTR-1 on a quarterly basis (till the quarter January-March 2021) and on monthly basis by taxpayers with annual aggregate turnover greater than Rs.1.5 Crore.
- d) Due date of filing of GSTR-1 may be extended by the Commissioner/Commissioner of SGST/UTGST for a class of taxable persons by way of a notification.

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

- 4) **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 1st of the month subsequent of the tax period onwards. For example, GSTR-1 for the calendar month of April, can be filed from 1st May onwards. GSTR-1 for the quarter of April to June can be filed from 1st July onwards.

**FOCUS POINTS:**

- a) A taxpayer cannot file GSTR-1 before the end of the current tax period but can fill information of all invoices generated.

**Exceptions** to this rule -

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

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

5) **WHAT ARE THE CONTENTS OF GSTR-1?**

- a) The tax revenue is transferred to the State which is the place of supply as GST is a destination based tax. 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 in almost all the tables.

- b) **Contents:** the following information will be given in GSTR-1 which were discussed as follows

- i) **Basic & Other Details:** General information such as GSTIN, legal name and trade name, aggregate T/O in the previous year, Tax period, HSN-wise summary of outward supplies, details of documents issued.

- ii) **Details of Outward Supplies:** Details such as B2B including UIN holders, B2C inter- state supplies where invoice value > ₹ 2.5 lakhs, Consolidated details of other B2C supplies, Zero rated and Deemed exports, Debit/ Credit notes issued, Nil rated/ Exempted/ Non GST, Amendments for prior period, Advances received/advances adjusted.

6) **WHAT KINDS OF DETAILS OF OUTWARD SUPPLIES ARE REQUIRED TO BE FURNISHED IN GSTR-1?(NOV 20)**

- a) A registered person is required to furnish the details such as invoices, revised invoices, debit and credit notes.

- b) Further the mentioned details will depends upon whether the supply is -

- i) **B2B** (Business to Business - a case where the recipient is also a registered supplier) (or) **B2C** (Business to Customer - a case where the recipient is consumer or unregistered) **AND**

- ii) Intra-State or Inter-State supplies

- c) Normally the invoices shall be uploaded **invoice wise**. But there are certain exceptions and relaxations are also provided which are as follows. Details of Debit note and Credit note for invoices issued in the previous months shall also be filed with GSTR-1.

d)

Business transaction is a	Inter-state supplies	Intra-state supplies
B2B	All the details of Invoices of supplies shall be uploaded <b>individually</b>	
B2C	<p>a) All the details of Invoice of supplies shall be uploaded <b>individually</b> in the cases where the value of invoice is <b>exceeding Rs.2,50,000</b></p> <p>b) However, it is sufficient to upload <b>State-wise consolidated</b> details in the cases where the value of invoice is <b>less than or equal to Rs.2,50,000</b></p>	<b>Consolidated</b> details of Invoices can be uploaded.

**Example:** 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.

#### FOCUS POINTS:

- Invoices can be **modified/ deleted any number of times** till the submission of GSTR-1 of a tax period **irrespective** of the due date.
- Scanned copies** of invoices are **not required** to be uploaded **except** certain fields like invoice number, date, value, taxable value, rate of tax, amount of tax etc.
- Description of each item** in the invoice will **not** be uploaded **but** the HSN code, accounting codes in respect of supply of goods and services respectively has to be fed.
- The minimum number of digits of HSN code that a taxpayer has to upload depends on his turnover in the last year. The **minimum number of digits** of the HSN code is Nil, 2, 4 for the tax payers having the annual turnover in the preceding FY is less than or equal to Rs.1.5 Crores, more than Rs.1.5 Crores and upto Rs.5 Crores and more than Rs.5 Crores respectively.

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 under3:

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

**EX:** 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.

#### **7) COMMUNICATION OF DETAILS OF GSTR-1 TO THE RECIPIENT OF SUPPLY:**

The details of GSTR-1 furnished by the supplier is made available electronically (auto populated) to the recipient(s) in Part A of Form GSTR- 2A/ Form GSTR-4A (For composition levy) after the 10th day of the succeeding month (Due date of filing of GSTR-1).

#### **8) HOW ARE THE DETAILS OF OUTWARD SUPPLY FURNISHED (IN GSTR-1) IN PRIOR PERIODS AMENDED?**

- Any particulars furnished in GSTR-1 for prior periods can be amended **by way of amendment tables** given in GSTR-1 of subsequent periods.

- b) The supplier can make the **amendments** with respect to -
- i) **Current tax period:** The details of original debit notes/ credit notes / refund vouchers (Table 9 contents).
  - ii) **Earlier tax periods:** Revision in the debit notes/ credit notes / refund vouchers issued (Table 9 contents).
  - iii) Details of **original invoice** (No and Date) for current tax period, the particulars of which have been **wrongly entered in GSTR-1** of the earlier months and details of **missing invoices** which were issued in earlier months.
- c) **Rectification of errors:** If the supplier discovers any error or omission, he shall rectify the same and pay the tax and interest, in case there is short payment.
- d) **Time limit for Rectification:** The maximum time limit within which such amendments are permissible is **earlier** of -
- i) \*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
  - ii) \*Date of filing of the relevant annual return
- \*Actual date of filing and not the due date.**

*Example, An entity has furnished the annual return for the year 2019-20 on August 15, 2020. An error is discovered in respect of a transaction pertaining to November, 2019. The entity has filed the returns for the month of September, 2020 on October 20, 2020. In this case, the rectification of the error pertaining to the transaction in November, 2019 cannot be rectified beyond August 15, 2020.*

#### **FOCUS POINTS:**

- a) Nil return in GSTR-1 needs to be filed even if there is no business activity in the tax period.
- b) Filing of GSTR-1 for current month is possible only when GSTR-1 for the previous month has been filed.
- c) Taxpayer opting for voluntary cancellation of GSTIN will have to file GSTR-1 for active period.
- d) In case the tax payer was converted from normal scheme to composition, 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.

**TEACH PROBLEM NO.1 OF CLASSROOM DISCUSSION)**

#### **Precaution to be taken for a hassle free compliance under GST:**

Under GST, It is most **important to upload** the details of outward supplies in GSTR-1 by 10th of next month. If the number is small, the taxpayer can upload all the information in one go and the invoices (or debit/ credit notes) should be uploaded on a regular basis (in the case of invoices issued largely). GST common portal allows the taxpayer to modify the uploaded invoices till the statement is actually submitted.

The taxpayers shall follow up on uploading the invoices of their inward supplies by their suppliers as it helps in claiming the ITC without any hassle and delay. The system would allow recipients to see if their suppliers have uploaded invoices pertaining to them.

#### **The GST Council at its 42nd meeting held on 5th 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 13th 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 13th 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.

## **4. FURNISHING OF RETURNS**

### **4.1. GSTR-3B**

#### **1) WHAT ARE THE CONTENTS OF GSTR-3B?**

- a) Monthly return (**Form GSTR-3**) should be filed by every registered person other than ISD/NRTP/ composition tax payer, person deducting TCS, ECO and supplier of OIDAR services. **However, filing of GSTR-3 has been deferred till March, 2019.**
- b) **Form GSTR-3B** is being notified as the monthly return to be filed by the registered persons who are required to file GSTR-3 and due date for submission of GSTR-3B is 20<sup>th</sup> of the next month.
- c) GSTR-3B is a simple return containing summary of outward supplies, inward supplies liable to reverse charge, eligible ITC, payment of tax etc. and does not require invoice-wise data of outward supplies.
- d) GSTR-3B can be submitted electronically through the common portal, either directly or through a notified Facilitation Centre.

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 20th 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 22nd or 24th 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.

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

**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 1st of the subsequent month for which the return is being filed for.

#### **e) Contents of GSTR- 3B:**

- i) **Basic Details:** General information such as GSTIN, Legal name of the registered person, Year and Month.
- ii) **Other details:** Details such as Summarised details of outward supplies and inward supplies liable to reverse charge, Summarised details of inter- State supplies made to unregistered persons, composition taxable persons and UIN holders, Eligible ITC, Values of exempt, nil-rated and non-GST inward supplies, Payment of tax, TDS/TCS credit.

## **4.2. RETURN FOR COMPOSITION SCHEME/3% OPTIONAL RATE SUPPLIER**

### **1) STATEMENT AND RETURN (GSTR-4):**

- a) Every registered person paying tax under section 10 or paying tax at optional rate of 3% shall electronically furnish -
  - ❖ A **statement (FORM GST CMP-08)** in the prescribed form containing details of payment of self-assessed tax, for every quarter (or part of the quarter), by **18th day of the month succeeding such quarter**; and
  - ❖ A **return (GSTR-4)** for every financial year (or part of the financial year), **on or before 30th day of April following the end of such financial year**.
  - ❖ Tax for a quarter is to be paid by 18<sup>th</sup> of the month succeeding such quarter.
- b) Every registered person furnishing the statement shall discharge his liability towards tax or interest payable by debiting the electronic cash ledger.
- c) The return furnished shall include (a) **invoice wise inter-State and intra-State inward supplies** received from registered and un-registered persons; and (b) **consolidated details** of outward supplies made.
- d) A registered person who has opted to pay tax under section 10 or by availing the benefit of optional rate of 3% from the beginning of a financial year shall, where required, furnish the details of outward and inward supplies and returns relating to the period during which the person was liable to furnish such details and returns 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.
- e) The person **shall not be** eligible to avail ITC on receipt of invoices or debit notes from the supplier for the period prior to his opting for the composition scheme or paying tax by availing the benefit of optional rate of 3%.
- f) 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 shall, where required, furnish a statement in the prescribed form for the period for which he has paid tax under the composition scheme till the 18th day of the month succeeding the quarter in which the date of withdrawal falls and furnish GSTR-4 for the said period till the 30th day of April following the end of the financial year during which such withdrawal falls.
- g) A registered person who ceases to avail the benefit of optional rate of 3% shall, where required, furnish a statement in the prescribed form for the period for which he has paid tax by availing the benefit under the said notification till the 18th day of the month succeeding the quarter in which the date of cessation takes place and furnish GSTR-4 for the said period till the 30th day of April following the end of the financial year during which such cessation happens.
- h) A proper officer is empowered to cancel registration of taxable person if:
  - 1) A person paying tax under composition scheme has not furnished his GSTR-4 for 3 consecutive tax periods (i.e., **3 consecutive quarters**)
  - 2) Any other taxable person has **not furnished** returns for consecutive period of 6 months.

### **2) CONTENTS OF GSTR-4:**

**(FOR STUDENTS SELF-STUDY)**

*There are 2 parts in the details to be filled in this form which are as follows -*

- a) **Basic & Other Details:** Basic details such as GSTIN, Legal name and Trade name, TDS credit received [Table 9], Tax payable and paid [Table 10], Interest, Late fees payable and paid [Table 11], Refund claimed from Electronic cash ledger [Table 12], Debit entries in electronic cash ledger for tax/ interest payment [Table 13].
- b) **Details regarding Inward and Outward Supplies:** Other details such as **Invoice-wise details** of all inward supplies (i.e., intra and inter-State supplies and from registered and unregistered persons) **including reverse charge supplies** [Table 4], **Consolidated details** of outward supplies and tax on it [Table 6], **Consolidated statement** of advances paid/ adjusted on receipt of supply [Table 8], **Amendments** pertaining to inward and outward supplies for earlier tax period [Tables 5 and 7].

- 3) **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.

**FOCUS POINTS:**

- Composition tax payers are required to provide **consolidated details of outward supplies** in GSTR-4 as they are not entitled to ITC.
- The details of **intra-state and non-GST supplies**, CGST, SGST shall alone be provided by a composition tax payer.
- Amendments** in outward supplies need not to be reported invoice-wise as the composition tax payers gives consolidated details.
- The **tax liability** of the composition supplier will be discharged by **debiting the electronic cash ledger** only because he is **not eligible to take ITC**.

(TEACH PROBLEM NO.2 OF CLASSROOM DISCUSSION)

### **4.3. FILING OF RETURN BY A NON-RESIDENT TAXABLE PERSON (NRTP)**

(FOR STUDENTS SELF-STUDY)

- Who is a Non-Resident Taxable person (NRTP)?  
Non-Resident Taxable Persons (NRTPs) are those suppliers -
  - Who do **not have a business establishment** in India and
  - Who have **come for a short period to make supplies** in India.
- PERIODICITY OF RETURNS:** Monthly (every calendar month or a part thereof)
- DETAILS TO BE SUBMITTED:** Unlike the normal tax payers, a NRTP upload all the details of outward supplies and inward supplies in a simplified form at a time.
- FORM OF RETURN TO BE FILED:** GSTR-5
- DUE DATE FOR FILING THE RETURN:** Earlier of (i) **within 20 days** of the end of the relevant calendar month (ii) **within 7 days** of the last day of validity period of registration
- The provision relating to normal tax payers such as interest, penalty, fees etc., shall applies to a **Non-Resident Taxable person (NRTP)**.

**NOTE:** A NRTP is **not required** to file annual return.

### **4.4. DUE DATE FOR PAYMENT OF TAX**

- WHAT IS THE DUE DATE FOR PAYMENT OF TAX?**
  - Unlike** of earlier indirect tax laws, GST tax payment has been **linked** with the due date of filing of returns by the concerned tax payers. So the maximum time limit for payment of GST is **20<sup>th</sup> (18<sup>th</sup> for a composite tax payer)** of the month following the relevant month or quarter as the case may be.
  - However, **non-resident taxable person / casual taxable person** were required to **make advance deposit of tax** of an amount **equivalent to the estimated tax liability** of such person for a period for which registration is sought or extension of registration is sought.
- IF A RETURN HAS BEEN FILED, HOW CAN IT BE REVISED IF SOME CHANGES ARE REQUIRED TO BE MADE?**
  - Normally the details of the returns will be at **transaction-wise** and moreover **individually**. If a need arises for a change in such returns, then it might be due to **change in a set of invoices/ debit/ credit notes** and those kinds of transactions **alone** be allowed to be rectified in the future GSTR-1 via tables specifically provided for the said purposes.

- b) **Omission or incorrect** particulars discovered in the returns filed can be rectified in the return to be filed for the month/ quarter as and when they were noticed. Any tax payable as a result of such error or omission will be required to be paid along with interest.
- c) It is important to note here that the rectification of error / omission discovered **on account of scrutiny, audit, inspection or enforcement activities by tax authorities** are **not allowed** to be rectified.
- d) **Time limit for Rectification: The maximum time limit** within which such amendments (error/ omission) are permissible is **earlier** of -
  - i) **Due date of filing of return** for the month of September / quarter ending September following the end of the FY (OR)
  - ii) **Actual date of filing** of the relevant annual return

*Example, The last date of filing of annual return is 31st December of next financial year. Hence, if annual return for the year 2019-20 is filed before 20th October 2020, then no rectification of errors/omissions in returns pertaining to FY 2019-20 would be permitted thereafter.*

**NOTE:** Note: A taxpayer shall sign electronically on the returns submitted by using a DSC (mandatory for all types of companies and LLPs), E-sign (Aadhar-based OTP verification), or EVC (Electronic Verification Code sent to the registered mobile number of the authorized signatory).

**(TEACH PROBLEM NO.3 OF CLASSROOM DISCUSSION)**

## **5. OTHER RETURNS**

### **5.1. FIRST RETURN**

- 1) A person, crossing the specified **threshold (i.e. maximum) turnover limit** and became **liable for registration** within 30 days of so becoming liable for registration, **may issue revised tax invoices** (after the date of grant of registration) **against** the invoices issued by him in the time gap **between the date of becoming liable for registration and the date of granting the registration by the proper officer** so as to **claim the ITC on such invoices issued during such period.**
- 2) The **first return** shall be furnished by the persons mentioned in 1 above, by furnishing the **details of -**
  - a) **Outward supplies** which were **issued after becoming liable to registration** but before grant of the certificate of registration **and**
  - b) **Outward supplies** made in **first tax period** after grant of the certificate of registration.

**(TEACH PROBLEM NO.4 OF CLASSROOM DISCUSSION)**

### **5.2. ANNUAL RETURN (AR)**

- 1) **PERSONS REQUIRED FILING THE ANNUAL RETURN:** All the tax payers filing the returns from GSTR-1 to GSTR-3 were required to file the annual return.

#### **Exceptions:**

- a) Casual Taxable Persons.
  - b) Non- resident taxable person
  - c) Input Service Distributors<sup>1</sup> and
  - d) Persons authorized to deduct/collect tax at source
  - e) **Person supplying OIDAR services from outside India to unregistered persons in India**
- 2) **DUE DATE FOR FILING:** 31<sup>st</sup> December of the next FY of the relevant FY  
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.
  - 3) **FORM FOR ANNUAL RETURN:** GSTR-9 (for normal tax payers), GSTR-9A (for composite tax payers)

- 4) In addition to the annual return, the supplier required to file the annual return shall file the **reconciliation statement** (reconciles the difference between the value of supplies declared in annual return and values declared in audited annual financial statement) and audited annual accounts.

**(TEACH PROBLEM NO.5 OF CLASSROOM DISCUSSION)**

### **5.3. FINAL RETURN**

- 1) **PERSONS REQUIRED FILING THE FINAL RETURN:** Every registered person who is required to furnish return and whose registration has been surrendered or cancelled.
- 2) **DUE DATE FOR FILING:** A final return shall be filed within 3 months of -
- a) Date of cancellation (or)
- b) Date of order of cancellation
- } Whichever is later
- 3) **FORM FOR FINAL RETURN:** Form GSTR-10

### **5.4. DETAILS OF INWARD SUPPLIES OF PERSONS HAVING UIN**

The provisions relating the issuance of details of inward supplies of a person having the UIN was explained as follows -

In case if the UIN was issued for claiming the refund of taxes paid on his inward supplies -	In case if the UIN was issued for other purposes -
A person claiming for the refund of tax paid on invoices shall furnish the details of the inward supplies received in Form GSTR-11 along with application for refund claim.	A person having a UIN shall furnish the details of inward supplies of taxable goods/ services/ both as may be required by the proper officer in Form GSTR-11.

### **5.5. DEFAULT IN FURNISHING RETURN**

- 1) Where a registered person fails to furnish a normal return/ annual return/ final return/ TCS statement, a notice shall be issued requiring him to furnish such return within fifteen days.
- 2) **LATE FEES:**

	Delay in filing return	Delay in filing annual return
<b>Persons required to pay late fees</b>	Any registered person who fails to furnish a statement of outward supplies/returns/ final return by the due date	Any registered person who fails to furnish the Annual Return by the due date
<b>Quantum of late fees</b>	<b>For other than Nil Return:</b> Lower of - a) Rs.25 per day of default (or) b) Rs.5,000 <b>For nil Return:</b> Lower of - a) Rs.10 per day of default (or) b) Rs.5,000	Lower of - a) Rs.100 per day of default (or) b) 0.25% of the turnover of registered person in the State/ UT

**(TEACH PROBLEM NO.6 OF CLASSROOM DISCUSSION)**

## **SECTION 2: PROBLEMS FOR CLASSROOM DISCUSSION**

**PROBLEM NO.1:** M/s Cavenon Enterprises, a registered supplier of designer wedding dresses under regular scheme, has aggregate annual turnover of Rs.30 lakh in the preceding financial year. It is of the view that in the current financial year, it is permitted to file its monthly 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.

During a given tax period in the current financial year, owing to an off-season, M/s Cavenon Enterprises has not made any taxable supply. Therefore, M/s Cavenon Enterprises opines that no return under GST is required to be filed for the said period. You are required to examine the technical veracity of the opinion of M/s Cavenon Enterprises.

(RTP M19(N&O)) (ANS.: NIL RETURN IS REQUIRED TO FILE)

(SOLVE PROBLEM NO. 1 OF ASSIGNMENT PROBLEMS AS REWORK)

Note: \_\_\_\_\_

**PROBLEM NO.2:** Mr. X, a composition tax payer, did not render any taxable supply during the quarter July-September. Is he required to file any goods and service tax return? (NEW SM)

(ANS.: REQUIRED TO FILE QUARTERLY RETURN) (SOLVE PROBLEM NO. 2 OF ASSIGNMENT PROBLEMS AS REWORK)

Note: \_\_\_\_\_

**PROBLEM NO.3:** ABC Ltd. furnished annual returns for the year 2019-20 on September 15, 2020. An error is discovered in respect of a transaction pertaining to outward supplies of January 2020. Determine the time limit to rectify the mistake in case return of September 2020 furnished on October 15, 2020.

(ANS.: 15<sup>TH</sup> SEPTEMBER, 2020) (SOLVE PROBLEM NO. 3 OF ASSIGNMENT PROBLEMS AS REWORK)

Note: \_\_\_\_\_

**PROBLEM NO.4:** Who is required to furnish Final Return under CGST Act, 2017 and what is the time limit for the same? Discuss.

(M18 (N) - 5M, MTP N18(N&O))

(SOLVE PROBLEM NO. 4 OF ASSIGNMENT PROBLEMS AS REWORK)

Note: \_\_\_\_\_

**PROBLEM NO.5:** Explain the provision relating to filing of Annual Return under section 44 of CGST Act, 2017 and Rules there under. (M18(O) - 5M, MTP N18(O)) (SOLVE PROBLEM NO. 5 OF ASSIGNMENT PROBLEMS AS REWORK)

Note: \_\_\_\_\_

**PROBLEM NO.6:** Jhanak Services Ltd. were liable to make payment of tax of CGST of Rs.2,00,000 and SGST of Rs.2,00,000 for the month of January 2020. However, the tax was deposited on 18-04-2020 on his own, without department taking any action. Jhanak Services Ltd. has shown the amount as payable in his return filed on 25-02-2020.

i) Compute the amount of interest and late fee payable by Jhanak Services Ltd.

ii) Calculate late fee if return was filed on 18-04-2020 and payment was made on the same day.

(ANS.: I) DUE DATE: 20.02.2020, LATE FEE: RS.125 UNDER CGST, RS.125 UNDER SGST; II) LATE FEE: CGST: RS.1,450; SGST: RS.1,450) (SOLVE PROBLEM NO. 6 OF ASSIGNMENT PROBLEMS AS REWORK)

Note: \_\_\_\_\_

### SECTION 3: PRINTED SOLUTIONS FOR CLASSROOM DISCUSSION

#### **PROBLEM NO.1**

Section 37 of the CGST Act, 2017 stipulates that GSTR-1 for a particular month is required to be filed on or before the 10th day of the immediately succeeding month, i.e. on a monthly basis.

However, presently, as a measure of easing the compliance requirement for small tax payers, GSTR-1 has been allowed to be filed quarterly by small tax payers with aggregate annual turnover up to Rs.1.5

crore in the preceding financial year or the current financial year. Tax payers with annual aggregate turnover above Rs.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 Rs.1.5 crore in the preceding financial year.

Further, GSTR-1 needs to be filed even if there is no business activity in a tax period. Thus, in the present case, even if no supply has been made by M/s Cavenon Enterprises, a nil return is required to be filed for the relevant tax period.

### **PROBLEM NO.2**

Composition tax payer is required to furnish return u/s 39 for every quarter even if no supplies have been effected during such period. In other words, filing of NIL return is also mandatory.

Therefore, Mr. X is required to file quarterly return even if he did not render any taxable supply during the quarter July-September.

### **PROBLEM NO.3**

Annual return has been furnished by September 15, 2020 and return for the month of September 2020 filed on October 15, 2020. The rectification of error pertaining to January 2020 cannot be done beyond September 15, 2020 as per provision of Section 37 (3).

### **PROBLEM NO.4**

Every registered person who is required to furnish a return u/s 39(1) of the CGST Act, 2017 and whose registration has been surrendered or cancelled shall file a Final Return electronically in the prescribed form through the common portal.

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.

### **PROBLEM NO.5**

Every registered person, other than

- an Input Service Distributor,
- a person deducting/collecting tax at source,
- a casual taxable person and
- a non-resident taxable person,

Shall furnish an annual return for every financial year electronically in prescribed form on or before 31st December following the end of such financial year.

Every registered person who is required to get his accounts audited under section 35(5) of the CGST Act, 2017 shall furnish the annual return electronically along with a copy of the audited annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement, and other prescribed particulars.

### **PROBLEM NO.6**

- a) Due date of payment was 20-02-2020.

The delay in payment was as follows: February, 2020 - 9 days, March - 31 days, April - 18 days, total - 58 days. Interest payable under CGST =  $2,00,000 \times 18\% \times 58/365 = \text{Rs.}5,720.55$ . Interest payable under SGST = Rs.5,720.55.

Due date of filing return was 20-02-2020. It was filed five days after due date. Hence late fee payable under section 47(1) of CGST Act - Rs.125 (Rs.25 per day) and SGST - Rs.125.

- b) Return was filed 58 days after due date. Fee payable under section 47(1) of CGST Act for late filing of return for 58 days: CGST - Rs.1,450 (Rs.25 per day), SGST - Rs.1,450 and Total late fee - Rs.2,900.

## SECTION 4: ASSIGNMENT PROBLEMS

**PROBLEM NO.1:** If a return has been filed, how can it be revised if some changes are required to be made? (MTP M19(N&O))

**PROBLEM NO.2:** Examine whether the following statement is true or false giving brief reasons:

A composition tax payer, who has not rendered any taxable supply during a quarter, is not required to file any return. (MTP M18 (N&O), MTP N18(O)) (ANS.: FALSE)

**PROBLEM NO.3:** XYZ Ltd. furnished annual returns for the year 2019-20 on September 15, 2020. An error is discovered in respect of a transaction pertaining to outward supplies of January 2020. Determine the time limit to rectify the mistake in case return of September '2020 furnished on October 15, 2020. (ANS.: 15<sup>TH</sup> SEPTEMBER)

**PROBLEM NO.4:** Mr. P, a composition tax payer, did not render any taxable supply during the quarter July-September. Is he required to file any goods and service tax return?

(MTP M19(O)) (ANS.: REQUIRED TO FILE QUARTERLY RETURN)

**PROBLEM NO.5:** Mr. X, a regular tax payer, did not make any taxable supply during the month of July. Is he required to file any goods and service tax return? (MTP N19 (N&O)) (ANS.: REQUIRED TO FILE MONTHLY RETURN)

**PROBLEM NO.6:** Mr. Alok, a registered supplier of taxable goods, filed GSTR 3B for the month of January 2020 on 15<sup>th</sup> April, 2020. The prescribed due date to file the said GSTR 3B was 20<sup>th</sup> February, 2020. The amount of net GST payable on supplies made by him for the said month worked out to Rs.36,500 which was paid on the same date of filing the return.

Briefly explain the related provisions and compute the amount of interest payable under the CGST Act, 2017 by Mr. Alok. (M19 (O) - 4M) (ANS.: AMOUNT OF INTEREST: RS.987)

## SECTION 5: ADDITIONAL QUESTIONS FOR SELF PRACTICE

**PROBLEM NO.1:** Answer the following individual independent cases with reference to section 37 of the CGST Act, 2017 and rule 59 of CGST Rules, 2017:

- i) Mr. Kolly is registered supplier in the state of Gujarat. He is filing GSTR-1 every month. During the month of February 2020 he was out of India and so did not do any transaction during the month. He believes that as there is no transaction there is no need to file GSTR-1 for the month of February 2020. Is he correct?
- ii) Mr. Kaji is a registered dealer in Kerala. He was registered as a normal tax payer for FY 2019-20. But on 15-01-2020, he converted from normal tax payer to composition tax payer. Is he liable to file GSTR-1 for the month of February 2020?
- iii) Mrs. Zeel a registered dealer in Rajasthan did not file GSTR-1 for the month of June 2020 but she wants to file GSTR-1 for the month of July 2020. Is it possible? (M19(O) - 4M)

(ANS.: NIL RETURN IN GSTR-1; II) REQUIRED TO FILE RETURN ON QUARTERLY BASIS; III) CAN FILE RETURN OF JULY 2020 ONLY IF HE HAD FILE JUNE 2020 RETURN)

**PROBLEM NO.2:** Discuss about the late fee levied for delay in filing:

- |                 |   |
|-----------------|---|
| i) Final Return | ii) Annual Return <span style="float: right;">(N19 (O) - 4M)</span> |
|-----------------|---|

**PROBLEM NO.3 :** M/s Guruji Enterprises, a registered supplier of designer wedding dresses under regular scheme, has aggregate annual turnover of ₹50 lakh in the preceding financial year. It is of the view that in the current financial year, it is permitted to file its monthly 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 Guruji Enterprises on the same. Will your answer change, if no supply is made by M/s Guruji Enterprises? (MTP NOV 20)

**PROBLEM NO.4:** 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.

(NEW SM)

**ROBLEM NO.5:** Ms. Pragma, a taxpayer registered under regular scheme (Section 9), files GSTR-3B for the month of October on 20th November. After filing the return, she discovers that the value of a taxable supply has been under-reported therein.

Ms. Pragma now wants to file a revised GSTR-3B. Examine the scenario and give your comments.(NEW SM)

## SECTION 6: TEST YOUR KNOWLEDGE

- 1) Discuss the provisions of section 39(9) of the GST Act, 2017, relating to rectification of errors / omissions in GST returns already filed and also state its exceptions. State the time limit for making such rectification. (N19 (N) - 5M)
- 2) Explain the consequences, if the taxable per under GST law files the GST return under Section 39(1) of the CGST Act, 2017, but does not make payment of self - assessment tax. (N19(N) - 5M)
- 3) 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. (NEW SM)
- 4) 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. (NEW SM)
- 5) 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. (NEW SM)
- 6) 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? (NEW SM)
- 7) 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. (NEW SM)

## SECTION 7: THINGS TO REMEMBER

### LATE FEES

	Delay in filing return	Delay in filing annual return
<b>Persons required to pay late fees</b>	<b>Any registered person who fails to furnish a statement of outward supplies/ returns/ final return by the due date</b>	<b>Any registered person who fails to furnish the Annual Return by the due date</b>
<b>Quantum of late fees</b>	<b><u>For other than Nil Return:</u></b> Lower of - a) Rs.25 per day of default (or) b) Rs.5,000 <b><u>For nil Return:</u></b> Lower of - a) Rs.10 per day of default (or) b) Rs.5,000	Lower of - a) Rs.100 per day of default (or) b) <b>0.25% of the turnover</b> of registered person in the State/ UT

**THE END**