

CHAPTER 10

Returns

QUESTION BANK

Q1.	Discuss the eligibility for QRMP scheme under GST? (MTP Oct 2021) , 5 Marks
Ans	<p>Registered persons (other than supplier of online information and database access or retrieval services (OIDAR) located in non-taxable territory and providing such services to a non-taxable online recipient), having an aggregate turnover up to Rs. 5 crore in the preceding financial year, and who have opted to furnish quarterly return under QRMP scheme are eligible for QRMP scheme as the class of persons who shall furnish a return for every quarter from January, 2021 onwards, and pay the tax due every month.</p> <p>Thus, the taxpayers whose aggregate turnover is up to Rs. 5 crore in the preceding financial year are eligible for QRMP scheme. For computing aggregate turnover, details furnished in returns for tax periods in the preceding financial year shall be taken into account</p>
Q2.	What are the cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF? (MTP Nov 2021) , 6 Marks
Ans	<p>(i) A registered person shall not be allowed to furnish the details of outward supplies in Form GSTR-1, if he has not furnished the return in Form GSTR-3B for preceding two months</p> <p>(ii) A registered person, opting for QRMP scheme shall not be allowed to furnish the details of outward supplies in Form GSTR-1 or using IFF, if he has not furnished the return in Form GSTR-3B for preceding tax period.</p> <p>(iii) A registered person, who is restricted from using the amount available in electronic credit ledger to discharge his liability towards tax in excess of 99% of such tax liability under rule 86B of the CGST Rules, shall not be allowed to furnish the details of outward supplies in Form GSTR-1 or using IFF, if he has not furnished the return in Form GSTR-3B for preceding tax period.</p>
Q3.	If a return has been filed, how can it be revised if some changes are required to be made? (MTP May 2020) , 5 Marks
Ans	<p>Under GST laws, 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 (upto a prescribed time limit) in the tables specifically provided for the purposes of amending previously declared details.</p> <p>As per section 39(9),The omission or incorrect particulars discovered in the returns filed under section 39 can be rectified in the return to be filed for the month/quarter 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.</p>
Q4.	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 Nov 19) , 3 Marks

Ans	<p>A regular tax payer 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 return is also mandatory.</p> <p>Therefore, Mr. X is required to file monthly return even if he did not make any taxable supply during the month of July</p>																																														
Q5.	<p>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.</p> <p>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</p> <p style="text-align: right;">(RTP May 19)</p>																																														
Ans	<p>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.</p> <p>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.</p> <p>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</p>																																														
Q6.	<p>Mr. Gauri Shiva, a registered person in Punjab, supplies goods taxable @ 12% [CGST @ 6%, SGST @ 6% & IGST @ 12%] in the States of Punjab and Haryana. He has furnished the following details in relation to independent supplies made by him in the quarter ending June, 20XX:-</p> <table border="1"> <thead> <tr> <th>Supply</th><th>Recipient</th><th>Nature of supply</th><th>Value (₹)</th></tr> </thead> <tbody> <tr> <td>1</td><td>Mr. A, a registered person</td><td>Inter-State</td><td>2,20,000</td></tr> <tr> <td>2</td><td>Mr. B, a registered person</td><td>Inter-State</td><td>2,55,000</td></tr> <tr> <td>3</td><td>Mr. C, an unregistered person</td><td>Intra -State</td><td>1,80,000</td></tr> <tr> <td>4</td><td>Mr. D, an unregistered person</td><td>Intra-State</td><td>2,60,000</td></tr> <tr> <td>5</td><td>Mr. M, an unregistered person</td><td>Inter-State</td><td>3,00,000</td></tr> <tr> <td>6</td><td>Mr. N, an unregistered person</td><td>Inter-State</td><td>50,000</td></tr> <tr> <td>7</td><td>Mr. O, an unregistered person</td><td>Inter-State</td><td>2,50,000</td></tr> <tr> <td>8</td><td>Mr. P, an unregistered person</td><td>Inter-State</td><td>2,80,000</td></tr> <tr> <td>9</td><td>Mr. Q, a registered person</td><td>Intra-State</td><td>1,50,000</td></tr> <tr> <td>10</td><td>Mr. R, a registered person</td><td>Intra-State</td><td>4,10,000</td></tr> </tbody> </table>			Supply	Recipient	Nature of supply	Value (₹)	1	Mr. A, a registered person	Inter-State	2,20,000	2	Mr. B, a registered person	Inter-State	2,55,000	3	Mr. C, an unregistered person	Intra -State	1,80,000	4	Mr. D, an unregistered person	Intra-State	2,60,000	5	Mr. M, an unregistered person	Inter-State	3,00,000	6	Mr. N, an unregistered person	Inter-State	50,000	7	Mr. O, an unregistered person	Inter-State	2,50,000	8	Mr. P, an unregistered person	Inter-State	2,80,000	9	Mr. Q, a registered person	Intra-State	1,50,000	10	Mr. R, a registered person	Intra-State	4,10,000
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The aggregate annual turnover of Mr. Gauri Shiva in the preceding financial year was Rs. 1.20 crore. With reference to rule 59 of the CGST Rules, 2017, discuss the manner in which the details of above supplies are required to be furnished in GSTR-1.

(RTP May 2020)

Ans Rule 59 of the CGST Rules, 2017, inter alia, stipulates that the details of outward supplies of goods and/or services furnished in form GSTR-1 shall include the–

- (a) invoice wise details of all –
 - (i) inter-State and intra-State supplies made to the registered persons; and
 - (ii) inter-State supplies with invoice value more than two and a half lakh rupees made to the unregistered persons
- (b) consolidated details of all –
 - (i) intra-State supplies made to unregistered persons for each rate of tax; and
 - (ii) State wise inter-State supplies with invoice value upto two and a half lakh rupees made to unregistered persons for each rate of tax;
- (c) Thus, in view of the above-mentioned provisions, Mr. Gauri Shiva should furnish the details of outward supplies of goods made by him during the quarter ending June 20XX in the following manner:-

Supply	Recipient	Nature of supply	Value(₹)	Manner of furnishing details
1	Mr. A, a registered person	Inter-State	2,20,000	Invoice-wise details
2	Mr. B, a registered person	Inter-State	2,55,000	Invoice-wise details
3	Mr. C, an unregistered person	Intra-State	1,80,000	Consolidated details of supplies 3 and 4
4	Mr. D, an unregistered person	Intra-State	2,60,000	
5	Mr. M, an unregistered person	Inter-State	3,00,000	Invoice-wise details
6	Mr. N, an unregistered person	Inter-State	50,000	Consolidated details of supplies 6 and 7
7	Mr. O, an unregistered person	Inter-State	2,50,000	
8	Mr. P, an unregistered person	Inter-State	2,80,000	Invoice-wise details
9	Mr. Q, a registered person	Intra-State	1,50,000	Invoice-wise details
10	Mr. R, a registered person	Intra-State	4,10,000	Invoice-wise details

Q7. Miss Kashi is a registered intra-State supplier of goods in Haryana. During the months of August and September, she was out of station on a religious pilgrimage with her family for 55 days. Thus, no business transaction was made during August. Miss Kashi is of the opinion that as there is no transaction, there is no need to file monthly return [GSTR-3B] for the month of August. However, her tax consultant has advised her to file nil GSTR-3B.

	<p>Whether the advice given by tax consultant is correct? Explain</p> <p>(b) Will your answer in (a) change, if Miss Kashi has placed an order for some purchases during August over her mobile phone, which has been received in her premises and she intends to take input tax credit on the same?</p> <p>(c) Assuming in (a) above, Miss Kashi does not have internet facility in her mobile and there is no facilitation centre notified by the Commissioner, whether no return is required to be filed in the absence of means to file return? Explain</p> <p style="text-align: right;">(RTP May 2021)</p>
Ans	<p>The advice given by tax consultant is correct.</p> <p>Under GST law, 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.</p> <p>Therefore, in the given case, even though Miss Kashi was out of station on a religious pilgrimage with her family for 55 days and thus, could not do any business transaction during the month of August, she is still required to file Nil GSTR-3B for that month</p> <p>(b) Nil GSTR-3B means that the return has nil or no entry in all its Tables. Since in the present case, Miss Kashi has received certain purchases, she cannot file Nil GSTR-3B, as the said purchases will need to be disclosed in the "Table for Eligible ITC" in GSTR-3B.</p> <p>Thus, Miss Kashi is required to file monthly return, GSTR-3B for the month of August.</p> <p>(c) GSTR-3B can be submitted electronically on 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.</p> <p>Thus, Miss Kashi is required to file Nil GSTR-3B for the month of August through an SMS using her registered mobile number even though there is no internet facility in her mobile and no Facilitation Centre notified by the Commissioner.</p>
Q8.	<p>Discuss the provisions of Section 39(9) of the CGST 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</p> <p style="text-align: right;">(NOV 2019 Suggested) , 5 Marks</p>
Ans	<p>Omission or incorrect particulars discovered in the returns filed under section 39 can be rectified in the return to be filed for the month/quarter during which such omission or incorrect particulars are noticed.</p> <p>Any tax payable as a result of such error or omission will be required to be paid along with interest.</p> <p>Exception</p> <p>Section 39(9) of the CGST Act does not permit rectification of error/omission discovered on account of scrutiny, audit, inspection or enforcement activities by tax authorities.</p> <p>The time limit for making such rectification is earlier of the following dates:</p> <p>(i) Due date for filing return for September month of next financial year or</p> <p>(ii) Actual date of filing annual return</p>
Q9.	<p>The aggregate turnover of Mr. Prithvi, a registered person for the FY 2017-18 and 2018-19 were ₹ 140 lakh and ₹ 170 lakh respectively. He has not filed the annual return (GSTR-9) under section 44(1) of CGST Act, 2017 before the due date.</p> <p>Discuss the penal provisions, if any, for not filing the returns before the due date. JAN 2021 SUGGESTED, 3 Marks</p>
Ans	<p>The penal provisions for not filing the annual return (GSTR-9) under section 44(1) of the CGST Act, 2017 before the due date are as under:-</p>

	<p>(a) ` 100 for every day during which such failure continues, or (b) 0.25% of the turnover of the registered person in the State/Union Territory whichever is lower.</p> <p>Note:- It may be noted that filing of GSTR-9 has been made voluntary in respect of financial years 2017- 18 and 2018-19 for the registered persons whose turnover is less than ` 2 crores and who have not furnished the said annual return before due date. Here, the annual return is deemed to be furnished on the due date if it has not been furnished before the due date. OK</p>
Q10.	Explain who is required to furnish final return, time limit for filing of final return and late fee for delay in filing final return. JULY 2021 SUGGESTED, 5 Marks
Ans	<p>Every registered person who is required to furnish a return and whose registration has been surrendered or cancelled is required to file a final return.</p> <p>The final return has to be filed within 3 months of the:</p> <p>(i) date of cancellation or (ii) date of order of cancellation whichever is later</p> <p>Quantum of late fee for not filing the final return is as follows:</p> <p>(i) ` 100 for every day during which such failure continues or (ii) ` 5,000 whichever is lower</p> <p>An equal amount of late fee is payable under the respective SGST/UTGST Act as well.</p>