

# RETURNS



*The section numbers referred to in the Chapter pertain to CGST Act and rule numbers referred to in the Chapter pertain to CGST Rules, unless otherwise specified. Examples/Illustrations/Questions and Answers given in the Chapter are based on the position of GST law existing as on 30.04.2025.*

## LEARNING OUTCOMES

**After studying this Chapter, you will be able to –**

- ❑ comprehend and analyse provisions relating to statements furnishing details of outward supplies and inward supplies
- ❑ understand and analyse provisions relating to furnishing of returns under section 39
- ❑ understand and analyse provisions relating to furnishing of other returns/statements
- ❑ provide an overview of provisions relating to default/delay in furnishing return
- ❑ explain the provisions relating to GST practitioner

## 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 and completeness 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.

**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.**

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 transactions in course or furtherance of business.



Chapter IX of the CGST Act [Sections 37 to 48<sup>1</sup>] and sections 150 & 123 prescribe 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

<sup>1</sup> Sections 42, 43 and 43A have been omitted.

Section 40	First return
Section 41	Availment of input tax credit**
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
Section 150	Obligation to furnish information return
Section 123	Penalty for failure to furnish information return

Apart from this, section 52, *inter alia*, prescribes a statement for tax collection at source to be furnished by Electronic Commerce Operator. *The same has already been discussed in Chapter 12 – Electronic Commerce Transactions in this Module of the Study Material.*

*\*\*Provisions of section 41 relating to availment of input tax credit have already been discussed in Chapter 7 – Input Tax Credit in this Module of the Study Material; thus, said provisions are not discussed here.* 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<sup>2</sup>]. 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.**

**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

<sup>2</sup> Rules 69, 70, 71, 72, 73, 74, 75, 76, 77 and 79 have been omitted.

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.



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

- ❖ **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)].
- ❖ **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)].
- ❖ **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)].
- ❖ **Input service distributor** means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office [Section 2(61)].
- ❖ **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.

However, a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims [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)].
- ❖ **Online information and database access or retrieval services** means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply impossible to ensure in the absence of information technology and includes electronic services such as,—
  - (i) advertising on the internet;
  - (ii) providing cloud services;
  - (iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;



- (iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;
  - (v) online supplies of digital content (movies, television shows, music and the like);
  - (vi) digital data storage; and
  - (vii) online gaming [Section 2(17) of the IGST Act]
- ❖ **Zero rated supply** means any of the following supplies of goods or services or both, namely:—
- (a) export of goods or services or both; or
  - (b) supply of goods or services or both for authorised operations to a Special Economic Zone developer or a Special Economic Zone unit [Section 16 of the IGST Act].



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

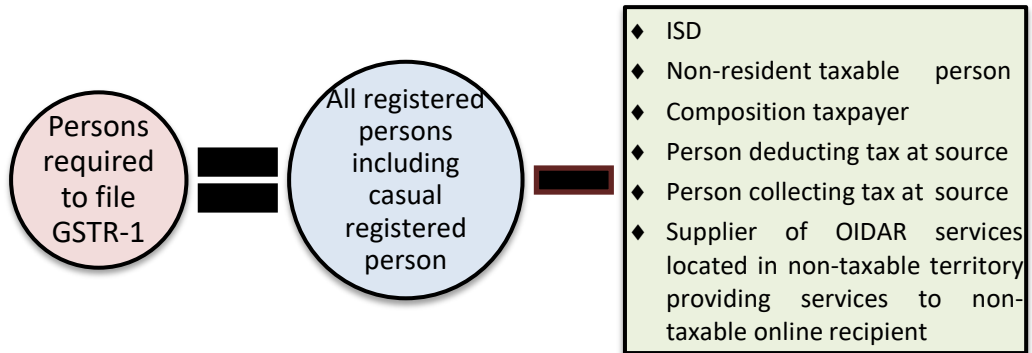
#### (i) Who is required to furnish the details of outward supplies? [Section 37(1) read with rule 59(1)]

The details of outward supplies (*see definition under Relevant Definitions*) 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 (NRTP)
- ❖ 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 a non-taxable online recipient [*Provisions relating to OIDAR services and non-taxable online recipient have been discussed in detail in Chapter 14: Import and Export under GST in Module 3 of this Study Material.*]



**(ii) What is the form for submission of details of outward supplies? [Section 37(1) read with rule 59(1)]**

The details of outward supplies are required to be furnished, electronically, in **Form GSTR-1 for the month or quarter**. 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? [Section 37(1)]**

GSTR-1 for a particular tax period is filed on or before the 10<sup>th</sup> day of the immediately succeeding tax period. In other words, GSTR-1 of a month/quarter can be filed any time between 1<sup>st</sup> and 10<sup>th</sup> day of the succeeding month/quarter. 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 time limit for furnishing the details of outward supplies in Form GSTR-1 is extended<sup>3</sup> as follows:

Class of registered person	Time limit for furnishing the details of outward supplies in Form GSTR-1 for each quarter/month
Registered persons opting for QRMP scheme <sup>4</sup>	13 <sup>th</sup> day of the month succeeding such quarter
Others	11 <sup>th</sup> day of the month succeeding such month

**(iv) Invoice Furnishing Facility [IFF] for taxpayers opting for QRMP Scheme [Sub-rules (2) and (3) of rule 59]**

Invoice Furnishing Facility (IFF) is a facility provided to quarterly taxpayers who are in QRMP scheme, to file their details of outward supplies in first two months of the quarter, to pass on the credit to their recipients.

Invoice furnishing facility (IFF) is not mandatory, but an optional facility made available to the registered persons under the QRMP scheme. At his option, a registered person may choose to furnish the details of outward supplies made during a quarter in Form GSTR-1 only, without using the IFF.

The facility of furnishing details of invoices in IFF has been provided so as to allow details of such supplies to be duly reflected in the Form GSTR-2A and Form GSTR-2B of the concerned recipient. Otherwise, in case where a buyer has made purchases from a person opting for QRMP scheme, he could not have claimed full ITC but due to introduction of IFF, such delay will not occur

<sup>3</sup> vide Notification No. 83/2020 CT dated 10.11.2020

<sup>4</sup> QRMP scheme - a Quarterly Return scheme where payment has to be made on monthly basis - has been discussed in detail subsequently in this chapter.

as the details submitted using IFF will be reflected in the GSTR-2A, GSTR-2B, GSTR-4A<sup>5</sup> or GSTR-6A<sup>6</sup> of the recipients, as the case may be.

Taxpayers opting for QRMP Scheme may furnish the details of such outward supplies to a registered person, as he may consider necessary, for the 1<sup>st</sup> and 2<sup>nd</sup> months of a quarter, upto a cumulative value of ₹ 50 lakh in each of the first 2 months of the quarter using IFF electronically on the common portal. However, invoices pertaining to last month of a quarter are to be uploaded in GSTR-1 only.

The invoices are to be furnished in IFF till the 13<sup>th</sup> day of the succeeding month. After 13<sup>th</sup> of the month, this facility for furnishing IFF for previous month would not be available.



**(1)** The facility for the month of January will expire by 13<sup>th</sup> of February.

As a facilitation measure, continuous upload of invoices would also be provided for the registered persons wherein they can save the invoices in IFF from the 1<sup>st</sup> day of the month till 13<sup>th</sup> day of the succeeding month. The said facility would however be available, say for the month of July, from 1<sup>st</sup> August till 13<sup>th</sup> August. Similarly, for the month of August, the said facility will be available from 1<sup>st</sup> September till 13<sup>th</sup> September<sup>7</sup>.

The details of invoices furnished using IFF in the first 2 months of the quarter are not required to be furnished again in GSTR-1 for the said quarter.



**(2)** A registered person who has availed the QRMP scheme wants to declare 2 invoices out of the total 10 invoices issued in the 1<sup>st</sup> month of quarter since the recipient of supplies covered by those 2 invoices desires to avail ITC in that month itself. Details of these 2 invoices may be furnished using IFF.

The details of the remaining 8 invoices shall be furnished in Form GSTR-1 of

<sup>5</sup> Form GSTR-4A is the system generated statement of inward supplies of a composition supplier. It has been discussed subsequently in this chapter.

<sup>6</sup> Form GSTR-6A is the system generated statement of inward supplies of an ISD. It has been discussed subsequently in this chapter.

<sup>7</sup> Circular No. 143/13/2020 GST dated 10.11.2020

the said quarter. The two invoices furnished in IFF shall be reflected in Form GSTR-2B of the concerned recipient of the 1<sup>st</sup> month of the quarter and remaining 8 invoices furnished in Form GSTR-1 shall be reflected in Form GSTR-2B of the concerned recipient of the last month of the quarter.



**There will be no late fee applicable on late filing of IFF, as IFF is neither mandatory nor allowed to be filed after the due date. However, if a registered person does not opt to upload invoices using IFF, then he has to upload invoice details for all the 3 months of the quarter in Form GSTR-1.**

**(v) What are the cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF? [Section 37(4) read with rule 59(6)]**

A registered person shall not be allowed to furnish the details of outward supplies for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him.

However, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of outward supplies, even if he has not furnished the details of outward supplies for one or more previous tax periods [Section 37(4)].

Further, rule 59(6) stipulates that:

- (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 the preceding month.**
- (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.**

- (iii) a registered person, to whom an intimation has been issued on the common portal under the provisions of rule 88C(1) in respect of a tax period, shall not be allowed to furnish the details of outward supplies Form GSTR-1 or using IFF for a subsequent tax period, unless he has either deposited the amount specified in the said intimation or has furnished a reply explaining the reasons for any amount remaining unpaid, as required under the provisions of rule 88C(2). Rule 88C has been discussed subsequently in this chapter.
- (iv) a registered person, to whom an intimation has been issued on the common portal under the provisions of rule 88D(1) in respect of a tax period/periods, shall not be allowed to furnish GSTR-1/IFF for a subsequent tax period, unless he has either paid the amount equal to the excess ITC as specified in the said intimation or has furnished a reply explaining the reasons in respect of the amount of excess ITC that still remains to be paid, as required under the provisions of rule 88D(2). Rule 88D has been discussed subsequently in this chapter.
- (v) a registered person shall not be allowed to furnish GSTR-1/IFF, if he has not furnished the details of the bank account as per the provisions of rule 10A<sup>8</sup>.



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

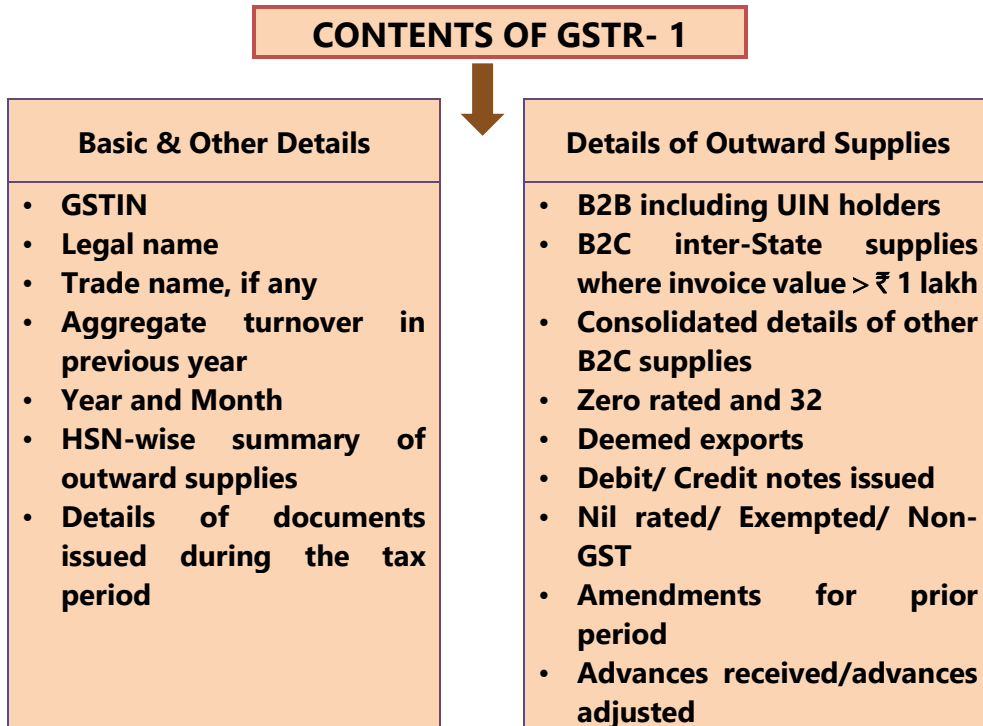
**However, following are the exceptions to this rule:**

- 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.**

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<sup>8</sup> Provisions of rule 10A have been discussed in Chapter 9 – Registration in this Module of the Study Material.

**(vi) What are the contents of GSTR-1?**

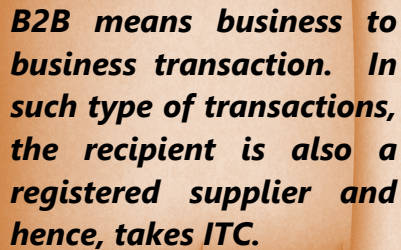
*GST is a destination-based consumption tax. Hence, the tax revenue is transferred to the State which is the place of supply<sup>9</sup> of the particular transaction. Since, the place of supply is crucial for determining the share of every State in the tax revenue, GSTR-1 also captures information relating to place of supply.*

**(vii) What kind of details of outward supplies are required to be furnished in GSTR-1 and IFF? [Explanation to section 37 read with sub-rules (4) and (5) of rule 59]**

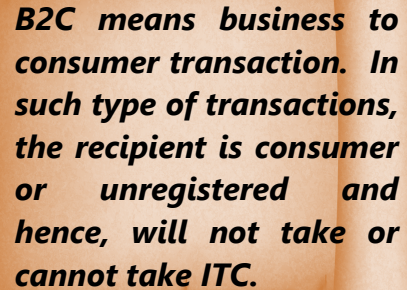
Uploading of invoices in IFF and GSTR-1 depends on whether the supply is B2B or B2C. Further, uploading of invoice in GSTR-1 also depends on whether

<sup>9</sup> Principles determining the place of supply have been discussed in detail in Chapter 3 – Place of Supply in Module 1 of this Study Material.

the supply is intra-State or inter-State. Let us first understand what is B2B supply and what is B2C supply?



***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.***

**(A) Details of outward supplies required to be furnished in IFF**

In the IFF, the registered person has to submit the B2B (business to business) invoice details of both inter-State and intra-State supply transactions along with debit and credit notes of the B2B invoices issued during the month.

The details of outward supplies furnished using IFF shall include the –

- (a) invoice wise details of inter-State and intra-State supplies made to the registered persons;
- (b) debit and credit notes, if any, issued during the month for such invoices issued previously.

From the above discussion, it can be inferred that IFF shall include **invoices pertaining to B2B supplies** irrespective of whether they are intra-State or inter- State supplies. This is so because the recipients will take ITC basis such invoices.

**(B) Details of outward supplies required to be furnished in GSTR-1/GSTR-1A**

The registered person is required to furnish:-

- (i) details of invoices and revised invoices issued in relation to supplies made by him **to registered and unregistered persons** (i.e. B2B as well as B2C supplies) and debit notes and credit notes in GSTR-1 and
- (ii) additional details or the amendments of the details of outward supplies of goods or services or both furnished in Form GSTR-1A, as per the requirement of the registered person

in the following manner:

<b>Sl. No.</b>	<b>Invoice-wise details of ALL</b>	<b>Consolidated details of ALL</b>	<b>Debit and credit notes</b>
(i)	Inter-State and Intra-State supplies made to registered persons, i.e. B2B supplies.	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 ₹ <b>1,00,000</b> , i.e. B2C supplies	Inter-State supplies made to unregistered persons with invoice value upto ₹ <b>1,00,000</b> for each rate of tax separately for each State	

From the above discussion, it can be inferred that for B2B supplies, details of all invoices need to be uploaded in GSTR-1/ Form GSTR-1A irrespective of whether they are intra-State or inter- State supplies. This is so because the recipient will take ITC basis such invoices.

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 ₹ 1 lakh in inter-State B2C supplies need to be uploaded. For inter-State B2C invoices upto ₹ 1 lakh, State wise summary is sufficient and for all intra-State B2C invoices, only consolidated details need to be given.



**(3)** Mr. XY makes intra-State taxable supplies for ₹ 10,000 and ₹ 50,000 to Mr. AB, a registered person and ₹ 2,60,000 to Mr. DE, an unregistered person. He also makes inter-State taxable supplies for ₹ 1,00,000 and ₹ 45,000 to Mr. RS, a registered person and ₹ 90,000 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.

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

Details related to invoices can be modified/deleted any number of times till the submission of IFF/ GSTR-1 of a tax period. The uploaded invoice details are in a draft version till the time IFF/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 furnished 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 I of CGST Act, the taxable value will have to be worked out as prescribed and furnished.**



**Description of each item in the invoice need not be furnished. 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.



**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.**

The tax payer will be required to report HSN in GSTR-1 as under<sup>10</sup>:

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



**(4)** The aggregate turnover 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.

<sup>10</sup> Notification No. 78/2020 CT dated 15.10.2020

**(viii) How are the details of outward supply furnished in the current period amended? [Proviso to rule 59(1)]**

In cases where a taxpayer, after having filed Form GSTR-1, realizes that some amendment (downward or upward) is required to be made in his tax liability in Form GSTR-1, an optional Form GSTR-1A is provided to him.

This allows him to add any particulars of the current tax period missed out in reporting in Form GSTR-1 of current tax period or amend any particulars already declared in Form GSTR-1 of current tax period (including those declared in IFF, for the first and second months of a quarter, if any, for quarterly taxpayers).



A registered person may, after furnishing the details of outward supplies of goods or service or both in Form GSTR-1 for a tax period but before filing of return in Form GSTR-3B for the said tax period, at his own option, amend or furnish additional details of outward supplies of goods or services or both in Form GSTR-1A for the said tax period [Proviso to rule 59(1)].



**(5)** A supplier issued two invoices INV1 and INV2 in the month of January. Then, he furnished the details of the invoice INV1 on 8<sup>th</sup> Feb in Form GSTR-1. However, he misses one invoice INV2 and furnishes the details of the same in Form GSTR-1A on 15<sup>th</sup> Feb.

In this case, INV1 will go to Form GSTR-2B of the recipient for the month of January made available on 14<sup>th</sup> Feb. Further, INV2 will be made available in Form GSTR-2B of the recipient for the month of February made available on 14<sup>th</sup> March.



**(6)** A supplier issued two invoices INV 3 and INV 4 in the month of January. Then, he furnished the details of the invoice INV 3 on 15<sup>th</sup> Feb in Form GSTR-1.

However, he declared INV 4 in Form GSTR-1A on 16<sup>th</sup> Feb. In this case, both INV3 and INV4 will be made available in Form GSTR-2B of the recipient for the month of February made available on 14<sup>th</sup> March.

**Key features of Form GSTR-1A are as follows:**

- ❑ Form GSTR-1A is an optional facility.
- ❑ It can be filed only once for a return period.
- ❑ It allows to amend the records filed in the Form GSTR-1 of current tax period only.
- ❑ The corresponding effect of the changes made through Form GSTR-1A on the liability of the taxpayer shall be reflected in Form GSTR-3B for the same tax period.
- ❑ At the recipient's end, the ITC for the supplies declared or amended by the suppliers through Form GSTR-1A will be available to the recipient in Form GSTR-2B generated for the next tax period.
- ❑ It can be amended only electronically through the common portal, either directly or through a Facilitation Centre as may be notified by the Commissioner.
- ❑ There is no due date for filing of GSTR-1A. For the taxpayers filing Form GSTR-1 on monthly basis:
  - ❖ Form GSTR-1A will be available on the portal every month from the due date of filing of Form GSTR-1 or the actual date of filing of Form GSTR-1, whichever is later, and will be available till the actual filing of corresponding Form GSTR-3B of the same tax period.
  - ❖ From the liability perspective, the net impact of particulars declared or amended through Form GSTR-1A, along with the particulars declared in Form GSTR-1, shall be auto-populated in Form GSTR-3B for the same tax period as that of Form GSTR-1.
- ❑ For the QRMP taxpayers, who files Form GSTR-1 on Quarterly basis:
  - ❖ Form GSTR-1A shall be available quarterly after actual filing of Form GSTR-1 (Quarterly) or the due date of filing of Form GSTR -



1 (Quarterly), whichever is later, and will be available till the actual filing of Form GSTR-3B of the same tax period.

- ❖ The supplies reported in Form GSTR-1 of the current tax period (including those declared in IFF, for the first month, M1 and second month, M2 of a quarter, if any) can be amended through corresponding quarterly GSTR-1A.
  - ❖ From the liability perspective, the net impact of the particulars declared in GSTR 1A (Quarterly), along with particulars furnished in Form GSTR-1 (Quarterly) (or through IFF of Month M1 and M2, if filed), shall be auto-populated in Form GSTR-3B (Quarterly) of the same tax period.
  - ❖ There will be no separate amendment facility available for records furnished through IFF for the months M1 and M2, during the months M1 and M2.
- In case where change is required to be made in GSTIN of a recipient for a supply reported in Form GSTR-1 of a tax period, the same can be rectified through Form GSTR-1 for the subsequent tax period only.

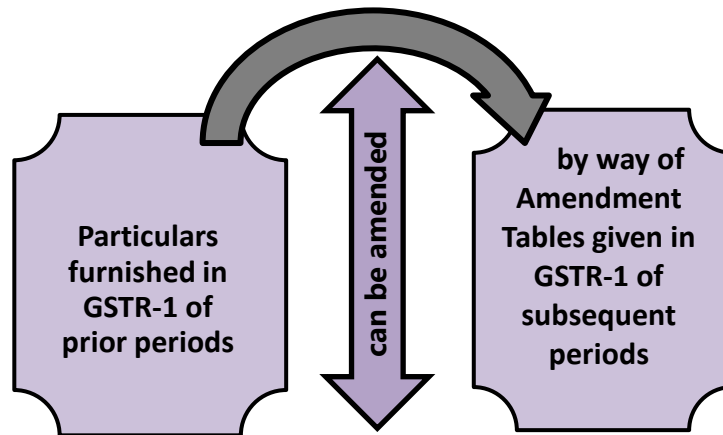
**(ix) How are the details of outward supply furnished in prior periods amended? [Section 37(3)]**

**(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.



**(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.



**(7)** 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**

In above example, 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:

- 30<sup>th</sup> day of November** following the end of the financial year to which such details pertain or
- Date of filing of the **relevant annual return**



(8) 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. In this case, any 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 limit prescribed for making amendments u/s 37(3) [GSTR-1]. Therefore, such date apparently means actual date of filing and not the due date.

#### (x) Nil GSTR-1 [Rule 67A]

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 as prescribed under rule 67A.

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> day of the month subsequent of the tax period. 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 at the beginning of any financial year, 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.*

#### **Regular uploading of invoices**

*GST common portal allows regular uploading of details of invoices. Till the return is actually submitted, the system also allows the taxpayer to modify the uploaded invoices' details. 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. For bulk uploading of invoices, offline utilities or ERP software can be used.*

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.

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

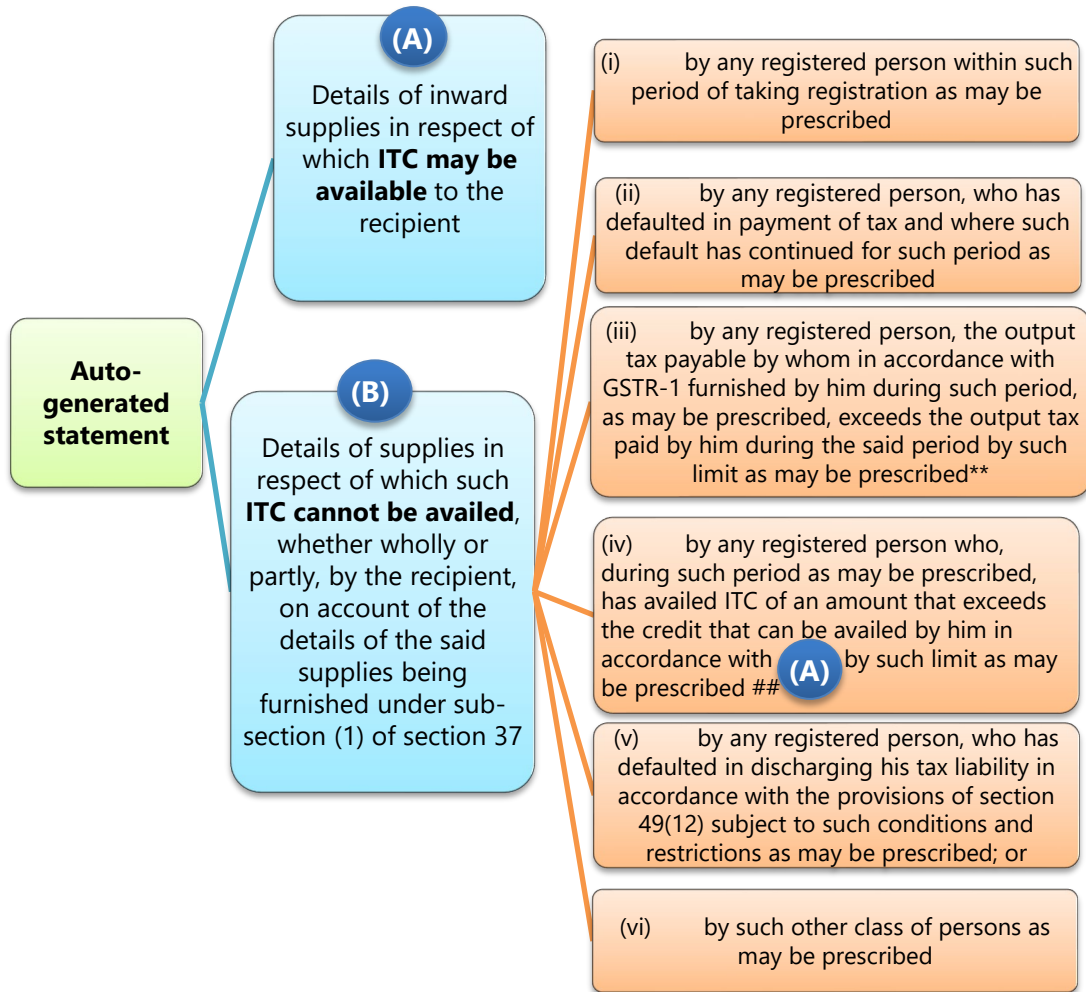
Recipients can also encourage their suppliers to upload their invoices on a regular basis instead of doing it on or close to the due date. The system would allow recipients to see if their suppliers have uploaded invoices pertaining to them.

**(xi) Maximum time-limit for furnishing Form GSTR-1 [Section 37(5)]**

Maximum time-limit upto which a registered person can furnish the details of outward supplies in Form GSTR-1 for a tax period is **3 years** from the due date of furnishing such details. This time limit can be extended by the Government for a registered person or a class of registered persons subject to such conditions and restrictions as may be specified therein.

 **4. COMMUNICATION OF DETAILS OF INWARD SUPPLIES AND INPUT TAX CREDIT [SECTION 38 READ WITH RULE 60]**

The details of outward supplies furnished by the registered persons under section 37(1) and of such other supplies as may be prescribed, and an **Auto-Generated Statement** containing the details of ITC shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.



**\*\*Manner of dealing with difference in liability reported in statement of outward supplies and that reported in return [Rule 88C]**

Rule 88C provides the mechanism for dealing with difference in liability reported in statement of outward supplies between Form GSTR-1 and Form GSTR-3B. Accordingly, where the tax liability as per Form GSTR-1 for a tax period exceeds the tax liability as per Form GSTR-3B for that period by more than a specified extent, the registered person would be intimated on the portal of such difference and be directed to either (i) pay the differential tax liability along with interest, or (ii) explain the difference, within 7 days' period.

Unless the taxpayer either deposits the amount specified in the said intimation or furnishes a reply explaining the reasons for any amount remaining unpaid, such a person should not be allowed to file Form GSTR-1/ IFF for the subsequent tax period.

**Rule 88C reads as follows:**

Where the tax payable by a registered person, in accordance with the statement of outward supplies furnished by him in Form GSTR-1 or using the IFF in respect of a tax period, exceeds the amount of tax payable by such person in accordance with the return for that period furnished by him in Form GSTR-3B, by such amount and such percentage, as may be recommended by the Council, the said registered person shall be intimated of such difference.

Such registered person shall be intimated in prescribed form, electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address\*.

In said intimation, the said difference between GSTR-1 and GSTR-3B will be highlighted and he will be directed to:

- (a) **pay the differential tax liability, along with interest** under section 50, through prescribed form; or
- (b) **explain the aforesaid difference** in tax payable on the common portal,

**within a period of 7 days.**

*\*email address which registered person has provided at the time of registration or as amended from time to time*

Such registered person shall, upon receipt of the aforesaid intimation, either:

- (a) pay the amount of the differential tax liability, as specified in intimation, fully or partially, along with interest under section 50, and furnish the details thereof electronically on the common portal; or
- (b) furnish a reply electronically on the common portal, incorporating reasons in respect of that part of the differential tax liability that has remained unpaid, if any,

within the period of 7 days.

Where any amount specified in the said intimation remains unpaid within 7 days' period and where no explanation or reason is furnished by the registered person in

default or where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be recoverable in accordance with the provisions of section 79<sup>11</sup>.

### **## Manner of dealing with difference in ITC available in Form GSTR-2B and Form GSTR-3B [Rule 88D]**

Rule 88D provides the mechanism which allows system-based intimation to the taxpayer about the excess availment of ITC in Form GSTR-3B vis-a-vis that reported in Form GSTR-2B, above a particular threshold and with provision for self-compliance on the portal by the said taxpayer. A system-based intimation is sent to the registered person in those cases where difference between the ITC availed as per GSTR-3B and that available as per GSTR-2B exceeds such amount and such percentage as may be recommended by the Council. In such cases, the registered person shall be directed to pay an amount equal to the said excess amount of ITC availed along with interest or to give a reasonable explanation and if neither of these is done, then the amount can be demanded under section 73 or section 74 **or section 74A**<sup>12</sup>.

This provision would help in safeguarding the revenue by controlling the difference in ITC availed in Form GSTR-3B and that available as per Form GSTR-2B of the taxpayers and will reduce the ITC mismatches.

New rule 88D provides as follows:

Where the amount of ITC availed by a registered person in the return for a tax period(s) furnished by him in Form GSTR-3B exceeds the ITC available to such person in accordance with the auto-generated statement containing the details of ITC in Form GSTR-2B in respect of the said tax period(s), by specified amount and percentage, the said registered person shall be given an intimation in prescribed

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<sup>11</sup> Section 79 provides the provisions relating to recovery of tax. Same has been discussed in detail in Chapter 19 – Demands and Recovery in Module 3 of this Study Material.

<sup>12</sup> Section 74A contains the provisions relating to determination of tax not paid/short paid or erroneously refunded or ITC wrongly availed/utilized for any reason pertaining to Financial Year 2024-25 onwards. Further, the provisions of sections 73 and 74 are applicable for tax determination relating to the past period up to the Financial Year 2023-24. Section 74A has been discussed in detail in Chapter 19 – Demands and Recovery in Module 3 of this Study Material.

form electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address provided at the time of registration or as amended from time to time. Said intimation shall highlight the said difference and will direct him to —

- (a) pay an amount equal to the excess ITC availed in the said Form GSTR-3B, along with interest payable under section 50, through prescribed form, or
- (b) explain the reasons for the aforesaid difference in ITC on the common portal, within a period of 7 days.

Such registered person shall, upon receipt of said intimation, either,

- (a) pay an amount equal to the excess ITC, as specified in intimation, fully or partially, along with interest payable, through prescribed form and furnish the details thereof, electronically on the common portal, or
- (b) furnish a reply, electronically on the common portal, incorporating reasons in respect of the amount of excess ITC that has still remained to be paid, within 7 days' period.

Where any amount specified in the intimation remains to be paid within 7 days' period and where no explanation/reason is furnished by the registered person in default or where the explanation/reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be liable to be demanded in accordance with the provisions of section 73/ section 74 **or section 74A**.

### **Form and manner of ascertaining details of inward supplies – GSTR-2A and GSTR-2B [Rule 60]**

#### **Form GSTR-2A**

**Form GSTR-2A** - is a system generated read only statement of inward supplies for a recipient. This statement is **updated on a real time basis**.

**GSTR-2A**

Details of outward supplies furnished by the supplier in Form GSTR-1 or using the IFF is made available electronically to the concerned registered persons (recipients) in Form GSTR-2A. Further, Form GSTR-4A is the system generated statement of

inward supplies for composition taxpayer. System generated statement of inward supplies for an ISD is GSTR-6A.

Details of invoices furnished by a non-resident taxable person (NRTP) in Form GSTR-5, details of invoices furnished by an ISD in Form GSTR-6, details of TDS by deductor furnished in Form GSTR-7 and details of TCS by an e-commerce operator furnished in Form GSTR-8<sup>13</sup>, are made available to the recipient, deductee or concerned person, in Form GSTR-2A.

Further, details of the IGST paid on the import of goods or goods brought in DTA from SEZ unit/developer on a bill of entry are also made available in Form GSTR-2A.

The details become available to the recipient for view/download and are updated incrementally as and when supplier(s) upload or change details in their respective form of return/statement, for the given tax period.

### Form GSTR-2B

**Form GSTR-2B** – an **auto-generated statement** containing the details of eligible ITC - is made available to the registered person (recipient) for every month.

**GSTR-2B**

It is a **static statement** and is available only once a month.

**It consists of –**

- (i) the details of outward supplies furnished by the suppliers in Form GSTR-1, other than a supplier who has opted for QRMP scheme, between the day immediately after the due date of furnishing of Form GSTR-1 for the previous month to the due date of furnishing of Form GSTR-1 for the month.
- (ii) the details of invoices furnished by a non-resident taxable person in GSTR-5, details of invoices furnished by an ISD in his return in GSTR-6 and the details of outward supplies furnished by his supplier who has opted for QRMP scheme, in Form GSTR-1 or using the IFF, as the case may be,
  - (a) **for the 1<sup>st</sup> month of the quarter**, between the day immediately after the due date of furnishing of Form GSTR-1 for the preceding quarter to

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<sup>13</sup> Form GSTR-8 has been discussed in detail in Chapter 12 – E-Commerce Transactions in this Module of the Study Material.

the due date of furnishing details using the IFF for the 1<sup>st</sup> month of the quarter;

- (b) **for the 2<sup>nd</sup> month of the quarter**, between the day immediately after the due date of furnishing details using the IFF for the 1<sup>st</sup> month of the quarter to the due date of furnishing details using the IFF for the 2<sup>nd</sup> month of the quarter;
  - (c) **for the 3<sup>rd</sup> month of the quarter**, between the day immediately after the due date of furnishing of details using the IFF for the 2<sup>nd</sup> month of the quarter to the due date of furnishing of Form GSTR-1 for the quarter.
- (iii) additional details or amendments in details of outward supplies furnished by his supplier in Form GSTR-1A filed between the day immediately after the due date of furnishing of Form GSTR-1 for the previous tax period to the due date of furnishing of Form GSTR-1 for the current tax period
  - (iv) the details of IGST paid on the import of goods or goods brought in the DTA from SEZ unit/developer on a bill of entry in the month.

Form GSTR-2B consists of all documents filed by suppliers/ISD in their Form GSTR-1, 5 & 6, between the cut-off dates. It also consists of import data for the period which are received within 13<sup>th</sup> of the succeeding month.

In case of monthly Form GSTR-1, the cut-off date is 00:00 hours on 12<sup>th</sup> of the relevant month to 23:59 hours, on 11<sup>th</sup> of the succeeding month. Whereas for quarterly Form GSTR-1/IFF, Form GSTR-5 and Form GSTR-6, the cut-off date is 00:00 hours on 14<sup>th</sup> day of relevant month to 23:59 hours, on 13<sup>th</sup> day of succeeding month.

The details filed in Form GSTR-1 & 5 (by supplier) & Form GSTR-6 (by ISD) would reflect in the next open Form GSTR-2B of the recipient irrespective of supplier's/ISD's date of filing.



**(9)** If a supplier opting for QRMP files an invoice dated 15<sup>th</sup> July on 13<sup>th</sup> August, it will get reflected in GSTR-2B of July (generated on 14<sup>th</sup> August).

The statement in Form GSTR-2B for every month shall be made available to the registered person,-

- (a) for the 1<sup>st</sup> and 2<sup>nd</sup> month of a quarter, a day after the due date of furnishing of details of outward supplies for the said month,
  - in the IFF by a registered person opting for QRMP, or
  - in Form GSTR-1 by a registered person other than opting for QRMP, whichever is later.
- (b) in the 3<sup>rd</sup> month of the quarter, a day after the due date of furnishing of details of outward supplies for the said month, in Form GSTR-1 by a registered person opting for QRMP.



**(10)** For the quarter July-September, Form GSTR-2B for a registered person (recipient) who has received supplies from QRMP suppliers as well as from other suppliers will be generated as follows:

Month	Date of generation of GSTR 2B
July	14 <sup>th</sup> August
August	14 <sup>th</sup> September
September	14 <sup>th</sup> October

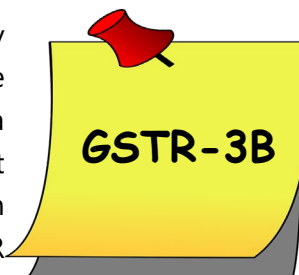


## 5. FURNISHING OF RETURNS UNDER SECTION 39

### 1. GSTR-3B [Section 39(1) read with rule 61 & 61A]

#### (a) Person eligible to file return [Section 39(1)]

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 in such form and manner, and within such time, as may be prescribed.

However, 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 the specified conditions and restrictions. Under this proviso, QRMP scheme has been notified which has been discussed in subsequent paras.

**(b) Return to be filed in Form GSTR-3B**

**GSTR-3B** is the form prescribed for filing return under section 39. It contains 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.

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 can be filed monthly or quarterly.



**(c) Due date for filing return**

- (1) Monthly GSTR-3B** - on or before **20<sup>th</sup> of the month** succeeding the month for which return is furnished.
- (2) Quarterly GSTR-3B**- on or before **22<sup>nd</sup> or 24<sup>th</sup> of the month** succeeding the quarter for which return is furnished in case of a taxpayer opting for QRMP scheme - (*discussed below*).

**(d) Quarterly Return Monthly Payment (QRMP) Scheme**

Quarterly Return Monthly Payment (QRMP) Scheme is a trade facilitation

**Quarterly Return**

measure which further eases the process of doing business.

**Monthly payment**

QRMP Scheme is an **optional return filing scheme**, introduced for small taxpayers having aggregate annual turnover (PAN based) of upto ₹ 5 crore in the preceding financial year to **furnish their Form GSTR-1 and Form GSTR-3B on a quarterly basis while paying their tax on a monthly basis** through a simple challan.

This will significantly reduce the compliance burden on such taxpayers as now the taxpayers need to file only 4 GSTR-3B returns instead of 12 GSTR-3B returns in a year. Similarly, they would be required to file only 4 GSTR-1 returns since Invoice Filing Facility (IFF) is provided under this scheme.

Opting of QRMP scheme is GSTIN wise. Distinct persons can avail QRMP scheme option for one or more GSTINs. It implies that some GSTINs for a PAN can opt for the QRMP scheme and remaining GSTINs may not opt for the said scheme.

**QRMP scheme is GSTIN wise**

**(A) Eligibility for QRMP scheme**

Registered persons<sup>14</sup>, having **an aggregate turnover up to ₹ 5 crore** in the preceding financial year, and who have opted to furnish quarterly return under QRMP scheme<sup>15</sup> as the class of persons who shall **furnish a return for every quarter and pay the tax due every month**<sup>16</sup>.

Thus, the taxpayers whose aggregate turnover is up to ₹ 5 crore in the preceding financial year are eligible for QRMP scheme. For computing

<sup>14</sup> 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

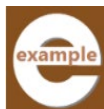
<sup>15</sup> opted under rule 61A of the CGST Rules, 2017

<sup>16</sup> in accordance with the first proviso to section 39(7)

aggregate turnover, details furnished in returns for tax periods in the preceding financial year shall be taken into account.

### **Condition to be fulfilled for becoming eligible to opt for QRMP scheme**

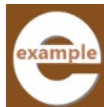
Registered persons under QRMP scheme must have furnished the return for the preceding month, as due on the date of exercising such option. A registered person shall not be eligible to opt for QRMP scheme if he has not **furnished the last return due on the date of exercising such option.**



**(11)** If a registered person intending to avail of QRMP scheme for the quarter 'July to September' is exercising his option on 27<sup>th</sup> July for the said quarter, he must have furnished the return for the month of June which was due on 20<sup>th</sup> July.

### **(B) Manner of exercising option of QRMP scheme**

A registered person intending to opt for QRMP scheme for any quarter shall indicate his preference for furnishing of return on a quarterly basis from 1<sup>st</sup> day of the 2<sup>nd</sup> month of the preceding quarter till the last day of the 1<sup>st</sup> month of the quarter for which the option is being exercised.



**(12)** A registered person intending to avail of QRMP scheme for the quarter 'July to September' can exercise his option from 1<sup>st</sup> May to 31<sup>st</sup> July.

### **No need to exercise option every quarter**

Registered persons under QRMP scheme are not required to exercise the option every quarter. Where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the said option.

Further, where such option has been exercised once, the said registered person shall continue to furnish the return on a quarterly basis for future tax periods, unless he–

- (a) becomes ineligible for this scheme as per the conditions and restrictions notified in this regard; or

(b) opts for furnishing of return on a monthly basis, electronically, on the common portal.

**(C) Option of QRMP scheme to lapse**

In case where a registered person’s aggregate turnover crosses ₹ 5 crore during a quarter in a financial year, he shall not be eligible for furnishing of return on quarterly basis from the first month of the succeeding quarter. He shall opt for furnishing of return on a monthly basis, electronically, on the common portal, from the first month of the quarter, succeeding the quarter during which his aggregate turnover exceeds ₹ 5 crore.

The facility for opting out of the scheme for a quarter will be available from 1<sup>st</sup> day of 2<sup>nd</sup> month of preceding quarter to the last day of the 1<sup>st</sup> month of the quarter.

**(D) Form and manner of filing return – GSTR-3B under QRMP scheme**

**Due date for filing return in case of a taxpayer opting for QRMP scheme** - Quarterly GSTR-3B **on or before 22<sup>nd</sup> or 24<sup>th</sup> of the month** succeeding the quarter for which return is furnished (Refer the Table given below for details\*\*).

**\*\*Due dates for taxpayers opting for QRMP scheme**

Class of registered persons	Due date
Registered persons whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Union territories of Daman & Diu & Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.	<b>22<sup>nd</sup> day</b> of the month succeeding such quarter.
Registered persons whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan,	<b>24<sup>th</sup> day</b> of the month

Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha, the Union territories of Jammu and Kashmir, Ladakh, Chandigarh or Delhi.

succeeding such quarter.

**(e) 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 GSTR-3B, anytime on or after the 1<sup>st</sup> day of the subsequent month/quarter for which the return is being filed for.

**(f) Maximum time-limit for furnishing Form GSTR-3B [Section 39(11)]**

Maximum time-limit upto which a registered person can furnish the return in Form GSTR-3B for a tax period is **3 years** from the due date of furnishing such return. This time limit can be extended by the Government for a registered person or a class of registered persons subject to such conditions and restrictions as may be specified therein.

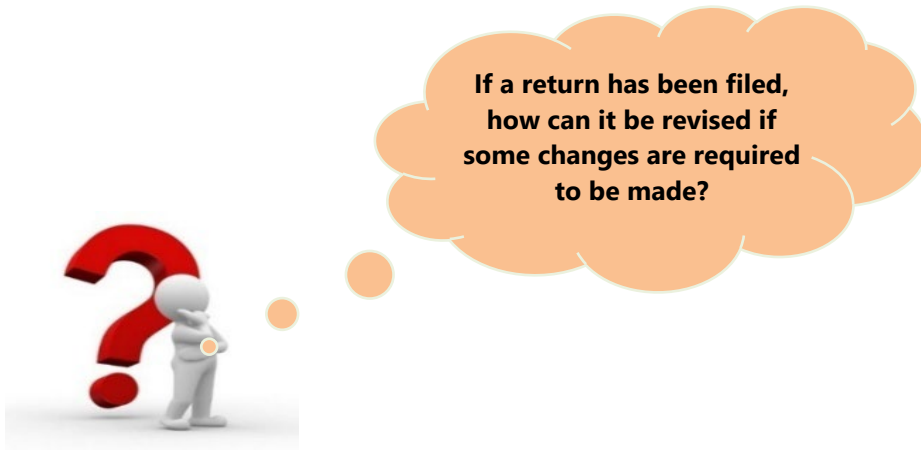


(g) **Broad contents of GSTR-3B**

The broad contents of GSTR-3B are given below

<b>CONTENTS OF GSTR- 3B</b>	
<b>Basic Details</b>	<b>Other details relating to supplies</b>
<ul style="list-style-type: none"><li>• <b>GSTIN</b></li><li>• <b>Legal name of the registered person</b></li><li>• <b>Year and Month/Quarter</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Summarised details of outward supplies and inward supplies liable to reverse charge</b></li><li>• <b>Summarised details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders</b></li><li>• <b>Eligible and ineligible ITC</b></li><li>• <b>Values of exempt, nil-rated and non-GST inward supplies</b></li><li>• <b>Payment of tax</b></li><li>• <b>TDS/TCS credit</b></li></ul>

(g) **Rectification of errors/omissions [Section 39(9)]**



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- 3B 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 (including return filed by a composition supplier, return for TDS, ISD return and return by NRTP) 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, taxpayer 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 aforementioned situations.

### **Time limit for making rectification**

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

- 30<sup>th</sup> day of November** following the end of the financial year to which such details pertain 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 30<sup>th</sup> November (of 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 for any of the previous tax periods and GSTR-1 for the said tax period has been furnished by him<sup>17</sup>.*

★ *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).*

## **2. GSTR-4 – Return for composition supplier [Section 39(2) and second proviso to section 39(7) read with rule 62]**

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

A registered person paying tax under composition levy (provisions of section 10), shall, for each financial year or part thereof, furnish a return, electronically, of turnover in the State or Union territory, inward supplies of goods and/or services, tax payable, tax paid and such other particulars in such form and manner, and within such time, as may be prescribed.

<sup>17</sup> The Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return, even if he has not furnished the returns for one or more previous tax periods or has not furnished the details of outward supplies under sub-section (1) of section 37 for the said tax period [Proviso to section 39(10)].

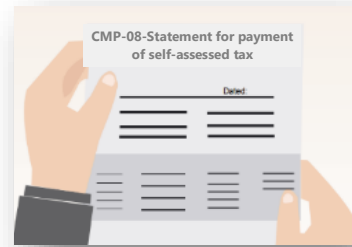
A composition supplier is required to file a return on yearly basis in **Form GSTR-4**.

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.



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

Every composition supplier 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.



The composition supplier are 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 yearly, he is required to pay the tax quarterly.**

### (b) Due date for filing Form GSTR-4 and Form GST CMP-08

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

**Due date of filing GSTR-4 for a financial year**



**By 30<sup>th</sup> day of June 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) What kind of details of outward supplies are required to be furnished in GSTR-4?**

GSTR-4 shall include the—

- (a) invoice-wise inter-State and intra-State inward supplies received from registered and unregistered persons; and
- (b) consolidated details of outward supplies made.

**(d) 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.

The broad contents of GSTR-4 are given below.



**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).



**Discharge of Tax liability**

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

**(e) Nil GST CMP-08 [Rule 67A]**

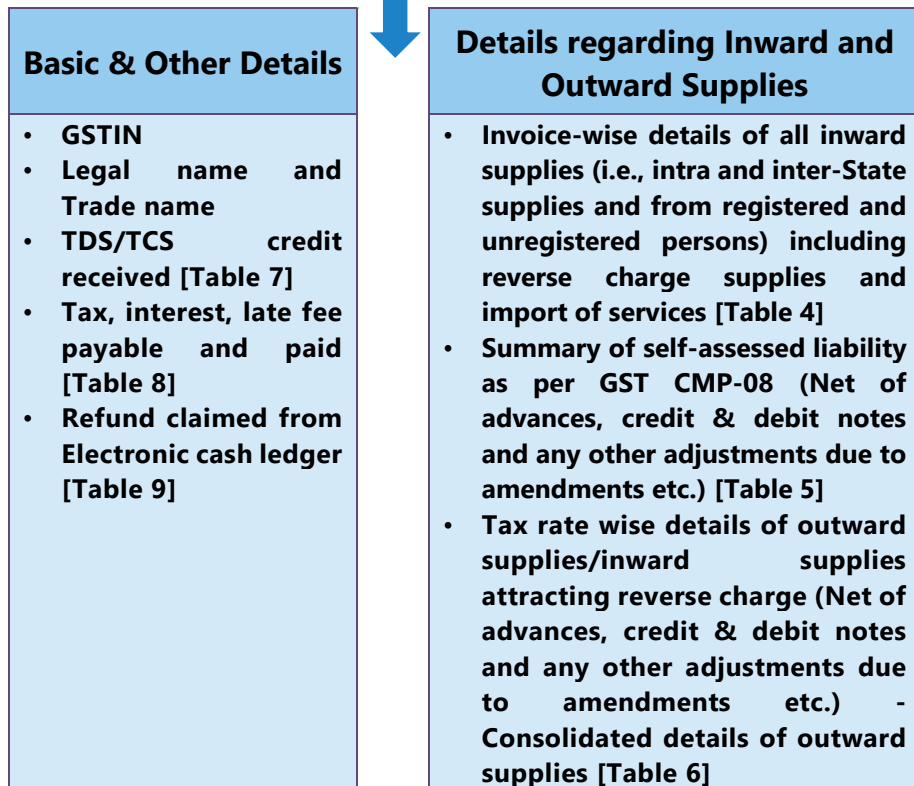
Filing of GST CMP-08 is mandatory for all taxpayers who have opted to pay tax under composition scheme, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GST CMP-08 is required to be filed.

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) Broad contents of GSTR-4**

**CONTENTS OF GSTR- 4**



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

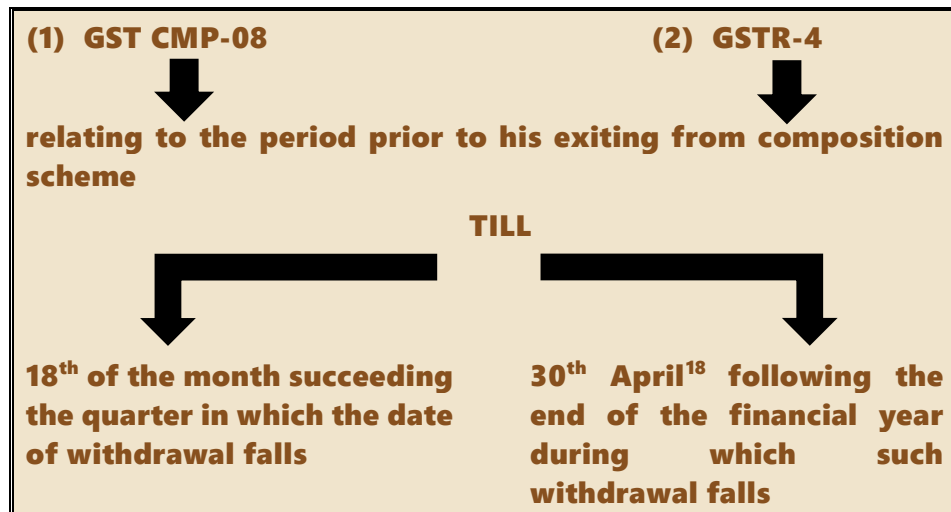
If a registered person opts to pay tax under composition scheme from the beginning of a financial year, he will, where required, furnish statements/return relating to the period prior to paying tax under composition scheme till the

- 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.

**(h) 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-

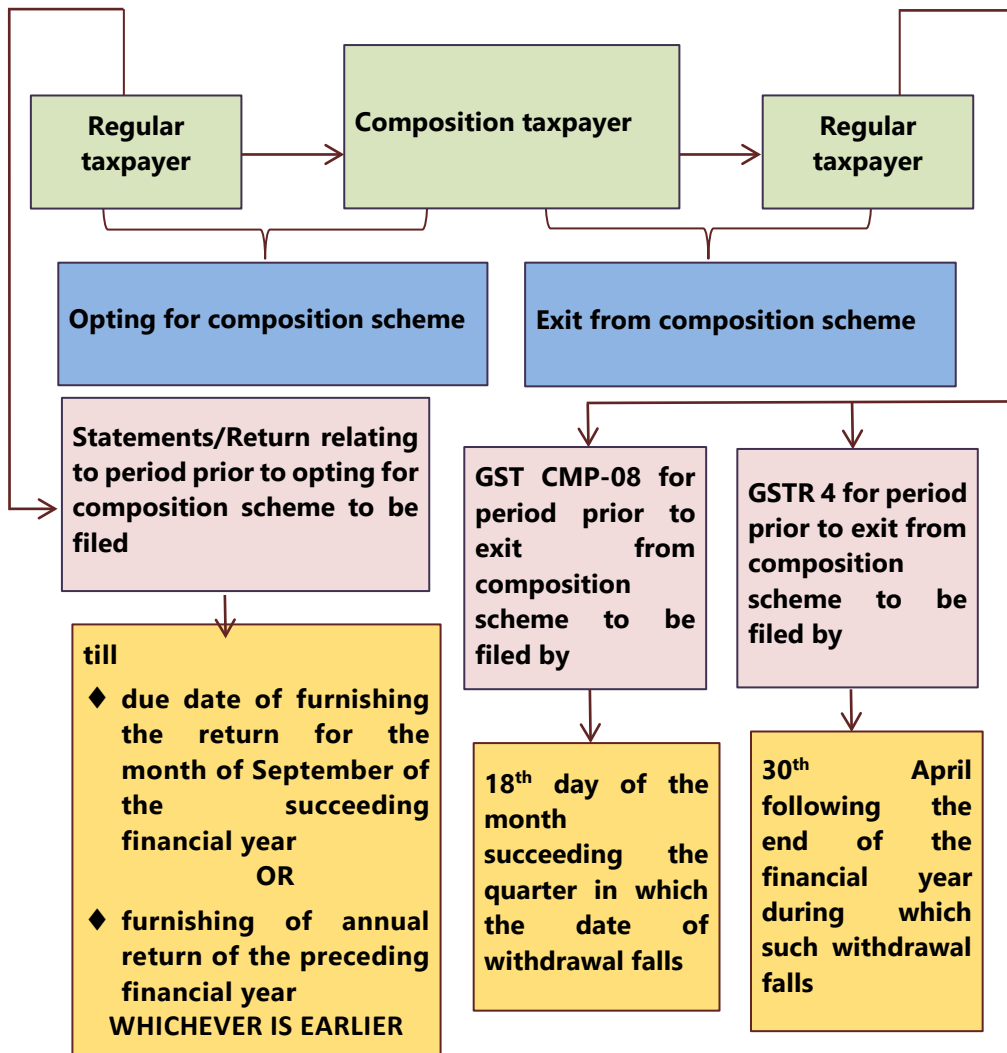


<sup>18</sup> As stated earlier, due date for filing Form GSTR-4 shall be 30<sup>th</sup> June following the end of such financial year, from FY 2024-25 onwards.

The provisions explained in points (f) and (g) above have been explained by way of a diagram given at 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 a financial year beyond 3 months from the due date of furnishing the said return
- (b) any other taxable person has not furnished returns for such continuous tax period as may be prescribed.



### 3. **GSTR-5 - Return for Non-Resident Taxable Persons [Section 39(5) read with rule 63]**

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 8 – Registration in this Module of the Study Material.

#### (a) **Monthly return**

A registered NRTP is not required to file the Statement of Outward Supplies and return which are otherwise applicable 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 an NRTP are incorporated in GSTR-5.



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

GSTR-5 should be furnished within **13 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<sup>19</sup>.

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

An 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 CGST Rules till the last date of filing GSTR-5.

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<sup>19</sup> As per rule 63, GSTR-5 needs to be furnished within **20 days** after the end of the tax period or within 7 days after the last day of the validity period of registration, whichever is earlier.



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

#### 4. **GSTR-6 – Return for Input Service Distributor [Section 39(4) read with rule 65]**

An ISD is required to distribute both eligible as well as ineligible credit as per rule 39.

##### (a) **Monthly Return**

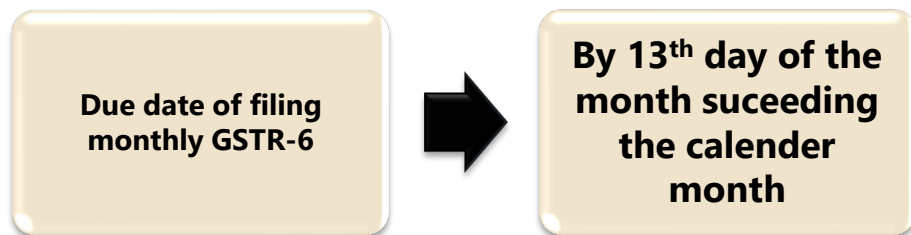
ISD is not required to file statement of outward supplies with its return. It needs to file only a **monthly return** in **Form GSTR-6** for distribution of ITC amongst its units.

**Form GSTR-6** contains the details of ITC received for distribution, total ITC/ eligible/ ineligible ITC to be distributed for the tax period, distribution of ITC (ISD invoices & ISD credit notes), details of debit/ credit notes received, etc.



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

The details in GSTR-6 should be furnished **on/before 13<sup>th</sup> of the month succeeding the calendar month.**



(c) **Auto-population of ITC received for distribution**

The details of ITC received for distribution by an ISD will be auto populated in **Form GSTR-6A** when the registered suppliers file their GSTR-1.

Form GSTR-6A is a system generated 'draft' statement of inward supplies for an ISD and is a read only form. ISD can view the auto-populated details of ITC received for distribution in GSTR-6A.



(d) **Nil Return**

A 'Nil' return is to be filed in case of no ITC being available for distribution or no ITC is being distributed during the month.

**5. GSTR-7 - Return for tax deducted at source [Section 39(3) and section 51 read with rule 66]**

Normally, whenever taxable goods or services or both are supplied to a Central/ State Government's Department/ establishment or, local authority, or Governmental agencies, recipient is required to deduct tax at source under section 51 where the total value of such supply exceeds ₹ 2,50,000.



(a) **Monthly return**

Deductor shall furnish a monthly return in **Form GSTR-7 for every calendar month of the deductions made during the month. Deductor shall furnish said return for every calendar month whether or not any deductions have been made during the said month.**

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

The details in GSTR-7 should be furnished **on/ or before 10<sup>th</sup> day of the month succeeding the calendar month.**

(c) **TDS details available to deductee on common portal**

The details of TDS furnished by the deductor in GSTR-7 shall be made available electronically to each of the deductees on the common portal after filing of Form GSTR-7. The supplier can take this amount as credit in his electronic cash ledger after validation and use the same for payment of tax or any other liability.

(d) **Tax Deduction at Source (TDS) Certificate**

A TDS certificate is generated by the system in Form GSTR-7A for both deductor (the person who is deducting tax) and deductee (the supplier from whose payment, TDS is deducted). The certificate is generated once the deductor furnishes a return in Form GSTR-7 on the GST Portal and the deductee accepts the details uploaded by the deductor and files his return. It contains the details pertaining to value on which tax has been deducted, rate of deduction, amount of tax deducted at source and amount paid to the Government.

**Note** - It is not mandatory to file a nil Form GSTR-7 if no TDS is deducted in the tax period.



## 6. DUE DATE FOR PAYMENT OF TAX [SECTION 39(7)]

Every registered person who is required to furnish a return under sub-section (1), other than the person referred to in the proviso thereto, 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.

However, every registered person furnishing return under QRMP scheme shall pay to the Government, in such form and manner, and within such time, as may be prescribed –

- (a) an amount equal to the tax due taking into account inward and outward supplies of goods or services or both, ITC availed, tax payable and such other particulars during a month; or
- (b) in lieu of the amount referred to in clause (a), an amount determined in such manner and subject to such conditions and restrictions as may be prescribed.

**Due dates for payment of tax** in respect of the persons required to file monthly **GSTR-3B, GSTR-5 and GSTR-7 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, due dates for payment of tax in respect of the persons required to file quarterly **GSTR-3B under QRMP Scheme for 1<sup>st</sup> two months of the quarter is delinked**. Every registered person under QRMP scheme shall pay the tax due for each of the first 2 months of the quarter, by depositing the said amount in, by the 25<sup>th</sup> day of the month succeeding such month.

Similarly, 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> June of the following financial year, tax for a quarter is to be paid by 18<sup>th</sup> of the month succeeding such quarter.

Further, **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).

Every registered person required to furnish return<sup>20</sup> shall, discharge their liability towards tax, interest, penalty, fees or any other amount payable under GST law by debiting the electronic cash ledger or electronic credit ledger and include the details in the return.

#### **Monthly payment of tax under QRMP Scheme [First proviso to section 39(7) read with sub-rules (3) and (4) of rule 61]**

The registered person under the QRMP Scheme would be required to pay the **tax due in 1<sup>st</sup> month or 2<sup>nd</sup> month or both** the months of the quarter by depositing the tax due in **GST PMT-06**. The payment is to be made by **25<sup>th</sup> day of the month succeeding such month**.



**Monthly Payment of tax**

However, the Commissioner may, on the recommendations of the Council, by notification, extend the due date for depositing the said amount in

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<sup>20</sup> subject to the provisions of section 49

Form GST PMT-06, for specified class of taxable persons. Further, any extension of time limit notified by the Commissioner of State tax/UT shall be deemed to be notified by the Commissioner:

While making a deposit of tax, such a registered person may –

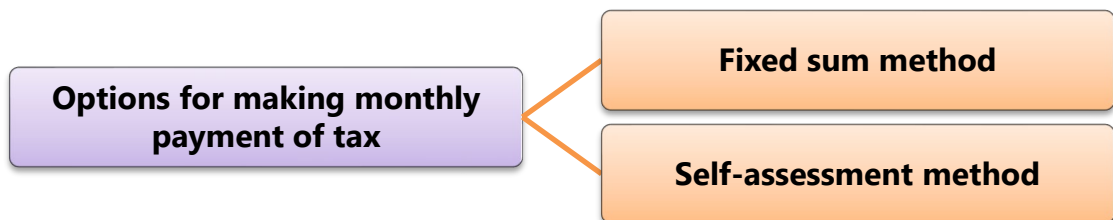
- (a) for the **1<sup>st</sup> month of the quarter**, take into account the balance in the electronic cash ledger.
- (b) for the **2<sup>nd</sup> month of the quarter**, take into account the balance in the electronic cash ledger excluding the tax due for the 1st month.

At the time of filing the return for the said quarter in Form GSTR-3B, the amount deposited by the registered person in the first 2 months of the quarter shall be debited.

This amount is debited solely for the purposes of offsetting the liability furnished in that quarter's Form GSTR-3B. However, any amount left after filing of that quarter's Form GSTR-3B may either be claimed as refund or may be used for any other purpose in subsequent quarters.

### Options for making monthly payment of tax

While generating the challan, taxpayers should select "**Monthly payment for quarterly taxpayer**" as reason for generating the challan. The said person can use any of the following two options provided below for monthly payment of tax during the first 2 months –



- (a) **Fixed sum method:** If a taxpayer chooses this option, a facility is available on the GST portal for generating an auto-generated/pre-filled challan in Form GST PMT-06. The challan amount is calculated by the system which cannot be edited. The amount is equal to:

- (i) **35% of the tax paid in cash** in the return for the preceding quarter where the return was **furnished quarterly**; or
- (ii) **tax liability paid in cash in the return** for the last month of the immediately preceding **quarter where the return was furnished monthly**.

For easy understanding, the same is explained by way of examples given below:

- (i) **In case the last return filed was on quarterly basis for quarter ending March:**

Tax paid in cash in quarter (January - March)		Tax required to be paid in each of the months – April and May	
CGST	100	CGST	35
SGST	100	SGST	35
IGST	500	IGST	175
Cess	50	Cess	17.5

- (ii) **In case the last return filed was monthly for tax period March:**

Tax paid in cash in March		Tax required to be paid in each of the months – April and May	
CGST	50	CGST	50
SGST	50	SGST	50
IGST	80	IGST	80
Cess	-	Cess	-

However, no such amount may be required to be deposited-

- (a) **for the 1<sup>st</sup> month of the quarter**, where the balance in the electronic cash ledger/electronic credit ledger is adequate for the tax liability for the said month or where there is nil tax liability;
- (b) **for the 2<sup>nd</sup> month of the quarter**, where the balance in the electronic cash ledger/electronic credit ledger is adequate for the cumulative tax liability for the 1<sup>st</sup> and the 2<sup>nd</sup> month of the quarter or where there is nil tax liability

Monthly tax payment through this method would not be available to those registered persons who have not furnished the return for a complete tax period preceding such month.

A **complete tax period** means a tax period in which the person is registered from the first day of the tax period till the last day of the tax period.

- (b) **Self-Assessment Method:** The said persons, in any case, can pay the tax due by considering the tax liability on inward and outward supplies and the ITC available, in Form GST PMT-06. In order to facilitate ascertainment of the ITC available for the month, an auto-drafted input tax credit statement has been made available in Form GSTR-2B, for every month.

The registered person under QRMP is free to avail either of the two tax payment methods above in any of the two months of the quarter.

As already discussed earlier, at the time of filing the return for a quarter in Form GSTR-3B, the amount deposited by the registered person in the first 2 months of the quarter shall be debited. Further, any amount left after filing of that quarter's Form GSTR-3B may either be claimed as refund or may be used for any other purpose in subsequent quarters.

However, such refund claim<sup>21</sup> shall be permitted only after the return in Form GSTR-3B for the said quarter has been furnished. Further, this deposit cannot be used by the taxpayer for any other purpose till the filing of return for the quarter.

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<sup>21</sup> Provisions relating to refund are discussed in Chapter 15 – Refunds in Module 3 of this Study Material.

### Applicability of interest

#### **A. For registered person making payment of tax by opting Fixed Sum Method**

No interest would be payable in case the tax due is paid in the first 2 months of the quarter by way of depositing auto-calculated fixed sum amount (as discussed above) by the due date.

In other words, if while furnishing return in Form GSTR-3B, it is found that in any or both of the first 2 months of the quarter, the tax liability net of available credit on the supplies made /received was higher than the amount paid in challan, then, no interest would be charged provided they deposit system calculated amount for each of the first 2 months and discharge their entire liability for the quarter in Form GSTR-3B of the quarter by the due date.

In case such payment of tax by depositing the system calculated amount in Form GST PMT-06 is not done by due date, interest would be payable at the applicable rate, from the due date of furnishing Form GST PMT-06 till the date of making such payment.

Further, in case Form GSTR-3B for the quarter is furnished beyond the due date, interest would be payable as per the provisions of section 50 for the tax liability net of ITC.



**(13)** A registered person, who has opted for the QRMP Scheme, had paid a total amount of ₹ 100/- in cash as tax liability in the previous quarter of October to December.

He opts to pay tax under fixed sum method. He therefore pays ₹ 35/- each on 25<sup>th</sup> February and 25<sup>th</sup> March for discharging tax liability for the first 2 months of quarter viz. January and February.

In his return for the quarter, it is found that liability, based on the outward and inward supplies, for January was ₹ 40/- and for February it was ₹ 42/-. However, no interest would be payable for the lesser amount of tax (i.e. ₹ 5 and ₹ 7 respectively) discharged in these 2 months provided that he discharges his entire liability for the quarter in the Form GSTR-3B of the quarter by the due date.



**(14)** A registered person, who has opted for the QRMP Scheme, had paid a total amount of ₹ 100/- in cash as tax liability in the previous quarter of October to December. He opts to pay tax under fixed sum method. He therefore pays ₹ 35/- each on 25<sup>th</sup> February and 25<sup>th</sup> March for discharging tax liability for the first 2 months of quarter viz. January and February.

In his return for the quarter, it is found that total liability for the quarter net of available credit was ₹ 125, but he files the return on 30<sup>th</sup> April. Interest would be payable at applicable rate on ₹ 55 [₹ 125 – ₹ 70 (deposit made in cash ledger in first and second month)] for the period between due date of quarterly GSTR 3B and 30<sup>th</sup> April.

**B. For registered person making payment of tax by opting self-assessment method**

Interest amount would be payable as per the provision of section 50 for tax or any part thereof (net of ITC) which remains unpaid / paid beyond the due date for the first 2 months of the quarter.

Interest payable, if any, shall be paid through Form GSTR-3B.

**Note:** It is clarified that no late fee is applicable for delay in payment of tax in first 2 months of the quarter.



## 7. OTHER RETURNS/ STATEMENTS

**(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– *Discussed in detail in Chapter-9: Tax Invoice, Credit and Debit Notes in this Module of the Study Material*].

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) **GSTR – 8 - Statement for tax collection at source** [*The provisions relating to GSTR-8 have already been discussed in detail in Chapter 12 – Electronic Commerce Transactions in this Module of the Study Material.*]
- (iii) **GSTR – 9/9A and GSTR-9B - Annual Return & Annual Statement [Sections 44, 52(5) read with rule 80]**
  - (a) **Who is required to furnish the annual return and what is the due date for the same?**

All registered persons are required to file an annual return. However, following persons are not required to file annual return:

- (i) Casual taxable persons
- (ii) Non-resident taxable person
- (iii) Input service distributors
- (iv) Persons authorized to deduct/collect tax at source under section 51/52, and

The Commissioner may, on the recommendations of the Council, by notification, exempt any class of registered persons from filing annual return under this section.



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

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

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

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



It may be noted that an **ECO<sup>22</sup> required to collect tax at source** has to file an annual statement referred to in section 52(5) in **Form GSTR-9B (yet to be notified)**. The statement for a financial year needs to be filed by **31<sup>st</sup> December** of the next financial year.

**(c) Who is required to furnish a self-certified reconciliation statement?**

- (i) All registered persons are required to file furnish a self-certified reconciliation statement alongwith annual return if their aggregate turnover during a financial year exceeds ₹ 5 crores. However, following persons are not required to file self-certified reconciliation statement:
- (a) Casual taxable persons
  - (b) Non-resident taxable person
  - (c) Input service distributors

<sup>22</sup> The provisions relating to ECOs have been discussed in detail in Chapter 12 – Electronic Commerce Transactions in this Module of the Study Material.

- (d) Persons authorized to deduct/collect tax at source under section 51/52, and
- (ii) Such registered person should furnish, electronically, the annual return along with a copy of **self-certified reconciliation statement**, duly certified, in **Form GSTR-9C**<sup>23</sup>.

**Self-certified reconciliation statement will reconcile the value of supplies declared in the return furnished for the financial year with the audited annual financial statement.**



**Value of supplies declared  
in Annual return**

**Value of supplies declared in  
audited Annual Financial Statement**

**(d) Exemption from the requirement of furnishing annual return including self-certified reconciliation statement**

The department of the Central/State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force, are exempt from the requirement of furnishing an annual return including self-certified reconciliation statement.

**(e) Maximum time-limit for furnishing annual return**

Maximum time-limit upto which a registered person can furnish an annual return for a financial year is **3 years** from the due date of furnishing said annual return. This time limit can be extended by the

<sup>23</sup>Notification No. 15/2025 CT dated 17.09.2025 exempts a registered person whose aggregate turnover in the financial year 2024-25 is up to ₹2 crore rupees from filing annual return for the said financial year. This is only for information of the students and is not relevant for the examination purposes.

Government for a registered person or a class of registered persons subject to such conditions and restrictions as may be specified therein.

**(iv) GSTR - 10 - Final Return [Section 45 read with rule 81]**

**(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 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**.

**(v) GSTR – 11 - Details of inward supplies of persons having UIN [Rule 82]**

Every person who has been issued a Unique Identity Number (UIN) is required to furnish the details of inward supplies in Form GSTR-11.

**(a) When UIN is issued for claiming refund of taxes paid on inward supplies**

Such person shall furnish the details of those 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**.

**(vi) GSTR-5A – Return for persons providing OIDAR services to non-taxable online recipient (NTOR) or registered person other than NTOR or online money gaming from a place outside India to a person in India [Rule 64]**

Every registered person either providing:

(i) online money gaming from a place outside India to a person in India,

or

(ii) providing OIDAR services (*see definition from Relevant Definitions*) from a place outside India:

(a) to a non-taxable online recipient referred to in section 14 of the IGST Act

or

(b) to a registered person other than a non-taxable online recipient,

shall file return in **Form GSTR-5A** by **20<sup>th</sup> day of the month succeeding the calendar month/part thereof**.

Form GSTR-5A needs to be filed even if there is no business activity (i.e. it is a Nil Return) for a tax period.





## 8. DEFAULT/DELAY IN FURNISHING RETURN [SECTIONS 46 & 47]

### (i) Notice to return defaulters [Section 46 read with rule 68]

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, failing which the tax liability will be assessed under section 62, based on the relevant material available with the proper officer. In addition to tax so assessed, applicable interest and penalty will also be payable.

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

Late fee is applicable for delay in furnishing of return / details of outward supply as per the provision of 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 (including returns under QRMP Scheme) [Section 39]
- (C) Final Return [Section 45]
- (D) TCS Statement [Section 52]



**Quantum of late fee prescribed by section 47 is as under:**





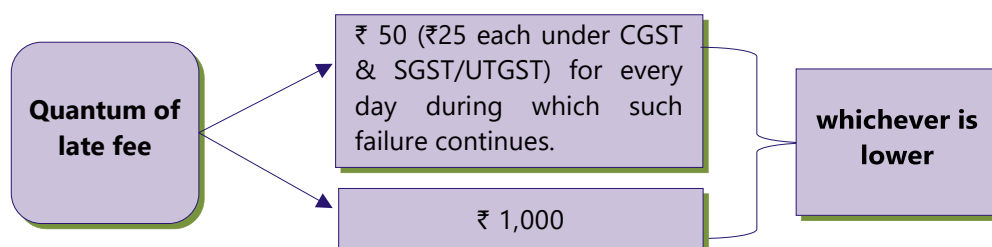
**It may be noted that the late fee payable by a registered person for delayed filing of a return and/or annual return under section 47 is with reference to only the CGST Act. An equal amount of late fee is payable by such person under the respective SGST/UTGST Act as well. Hence, the late fee amount mentioned herein pertains to both CGST as well as SGST/UTGST.**

### **Rationalisation of late fees for delayed filing of Forms GSTR-1, GSTR-3B, GSTR-4, GSTR-7 and GSTR-9**

The late fee can be waived off partially or fully by the Central Government [Section 128<sup>24</sup>]. In view of this, late fees for delayed filing of Forms GSTR-1, GSTR-3B, GSTR-4, GSTR-7 and GSTR-9 have been rationalized<sup>25</sup> as follows:

#### **(i) For delayed filing of GSTR-7:-**

Total amount of late fee payable under section 47 by any registered person, required to deduct tax at source under the provisions of section 51 for delayed filing of GSTR-7, shall be as follows:



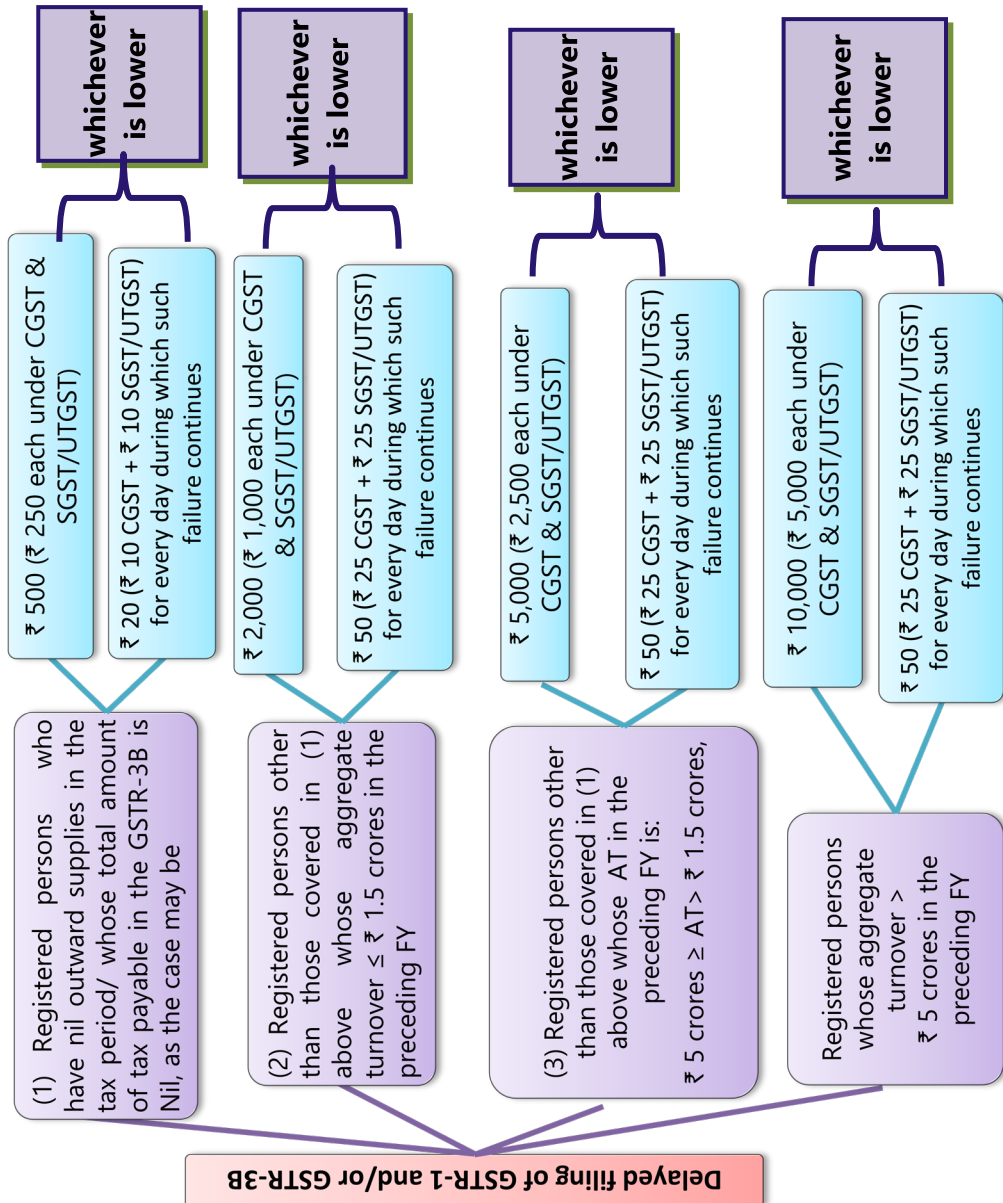
**Where the total amount of Central and State tax deducted at source in a month is Nil, the total amount of late fee stands waived.**

<sup>24</sup> Section 128 has been discussed at the Final level.

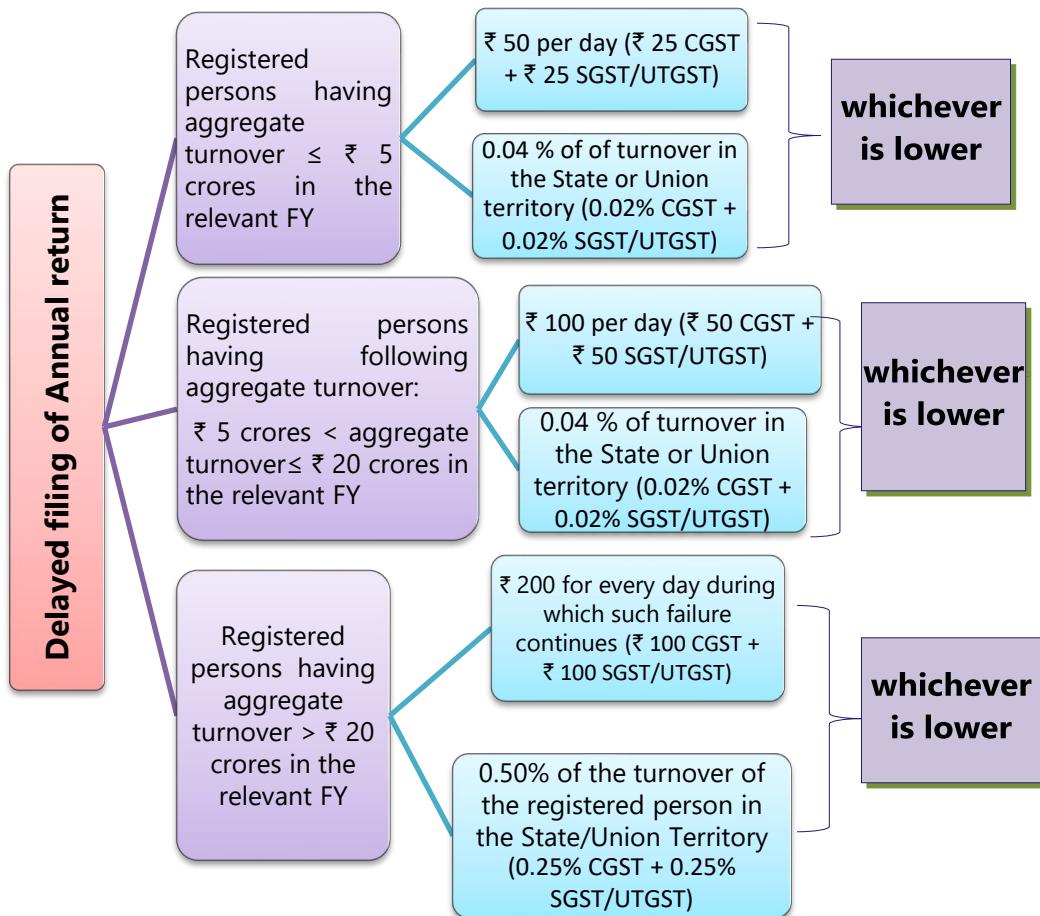
<sup>25</sup> vide Notification No. 4/2018 CT dated 23.01.2018, Notification No. 73/2017 CT dated 29.12.2017, Notification No. 76/2018 CT dated 31.12.2018, Notification Nos 19-22/2021 CT all dated 01.06.2021 and Notification No. 07/2023 CT dated 31.03.2023

**(ii) For delayed filing of GSTR-1 and/or GSTR-3B:-**

Amount of late fee payable under section 47 by the registered person who fail to furnish Form GSTR-1 and/or Form GSTR-3B by the due date, shall be as follows:





**(iv) For delayed filing of GSTR-9:-****Class of registered persons****Quantum of Late fee**

**Clarification on applicability of late fee for delay in furnishing of Form GSTR-9C**

**Late fee is leviable:**

- (a) *for delay in furnishing of **complete annual return** (Form GSTR-9 + Form GSTR-9C<sup>26</sup>)*
- (b) *for the period from the due date of furnishing of the said annual return upto the date of furnishing of the **complete annual return**, i.e.:*
  - i. *where Form GSTR-9C is not required to be furnished, the date of furnishing of Form GSTR-9;*
  - ii. *where Form GSTR-9C is required to be furnished along with Form GSTR-9,*
    - a. *date of furnishing of Form GSTR-9, if Form GSTR-9C is furnished alongwith Form GSTR-9; or*
    - b. *date of furnishing of Form GSTR-9C, if Form GSTR-9C is furnished subsequent to furnishing of Form GSTR-9.*

**Late fee is not separately leviable for delayed furnishing of Form GSTR-9 and Form GSTR-9C.**

**[Circular No. 246/03/2025 GST dated 30.01.2025]**



## **9. 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.

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<sup>26</sup> where FORM GSTR-9C is also required to be furnished

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.

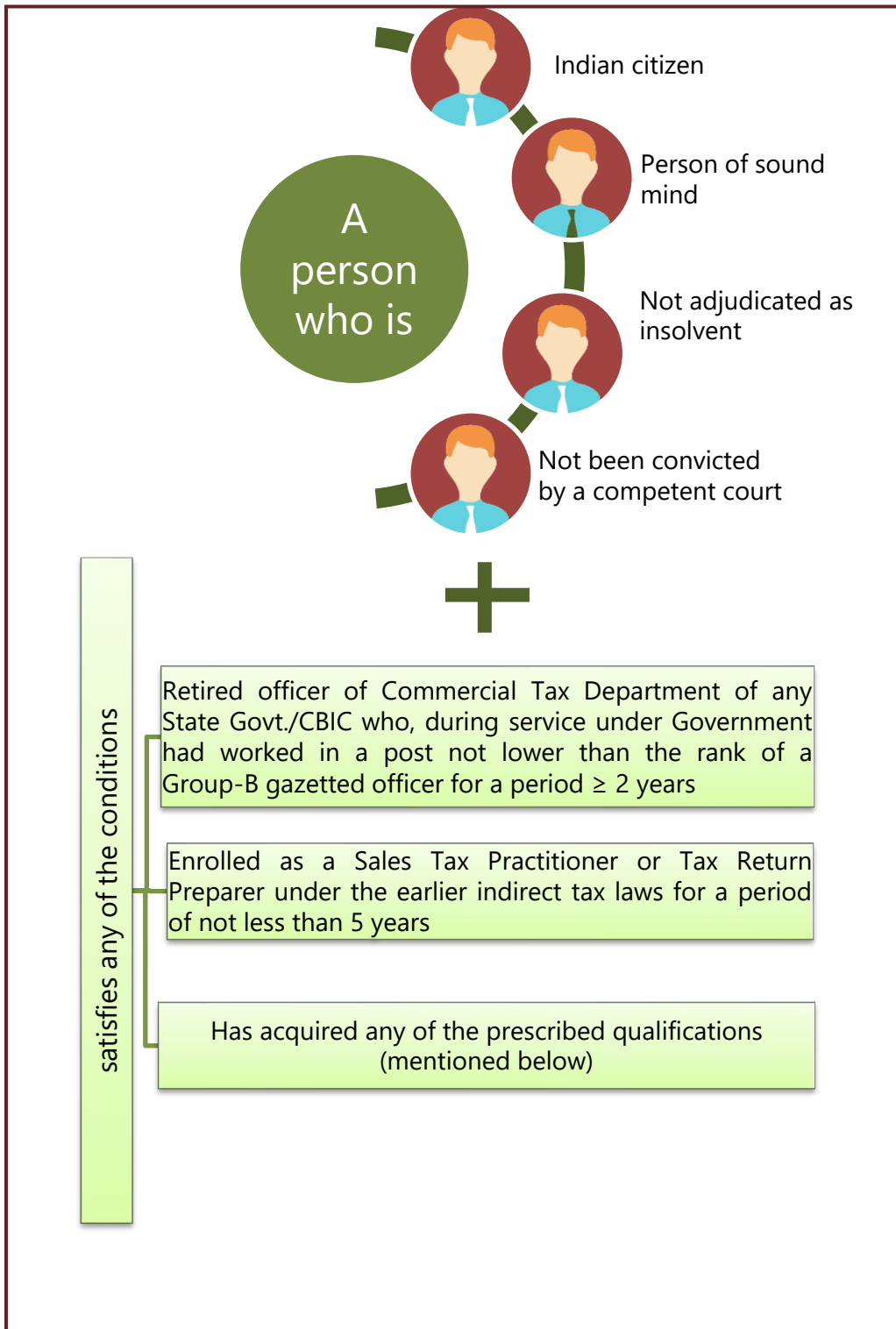


Standardized formats have been prescribed for making application for enrolment as GSTP, certificate of enrolment, show cause notice for disqualification, order of rejection of application of enrolment, list of approved GSTPs, authorisation letter and withdrawal of authorisation.

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 diagrams given at following page.

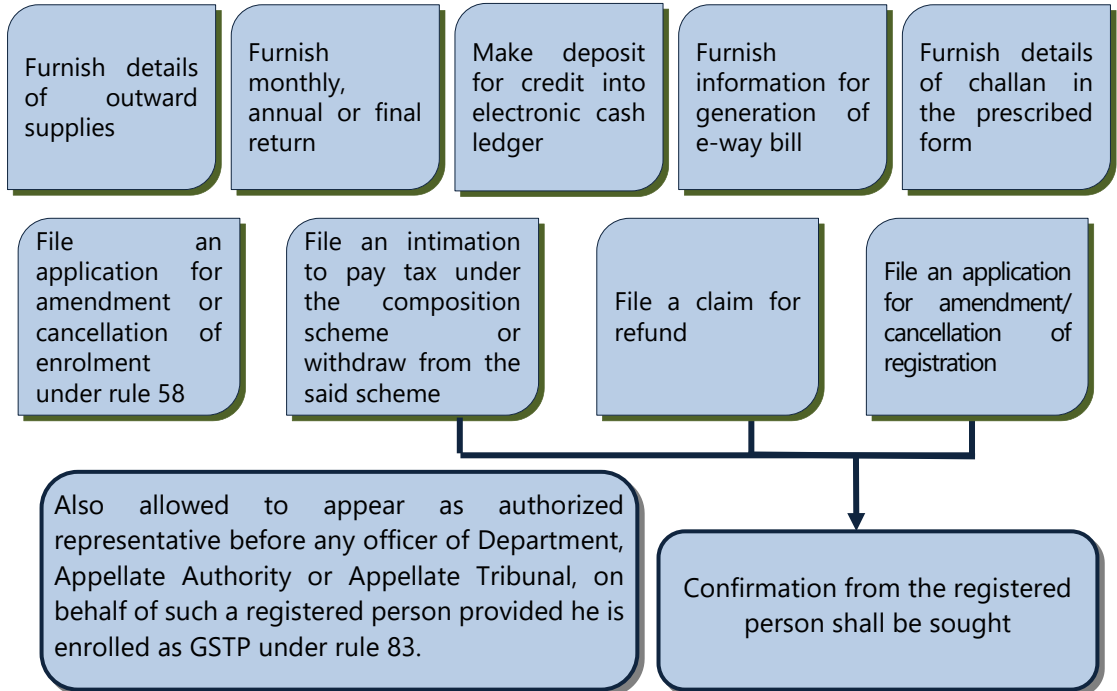


### Prescribed Qualifications

- (i) Graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force
- (ii) Degree examination of any Foreign University recognised by any Indian University as equivalent to the degree examination mentioned in sub-clause (i)
- (iii) Any other examination notified by the Government, on the recommendation of the Council, for this purpose
- (iv) Any degree examination of an Indian University or of any Foreign University recognised by any Indian University as equivalent of the degree examination
- (v) Has passed final examination of ICAI/ ICSI/ Institute of Cost Accountants of India.

### (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.

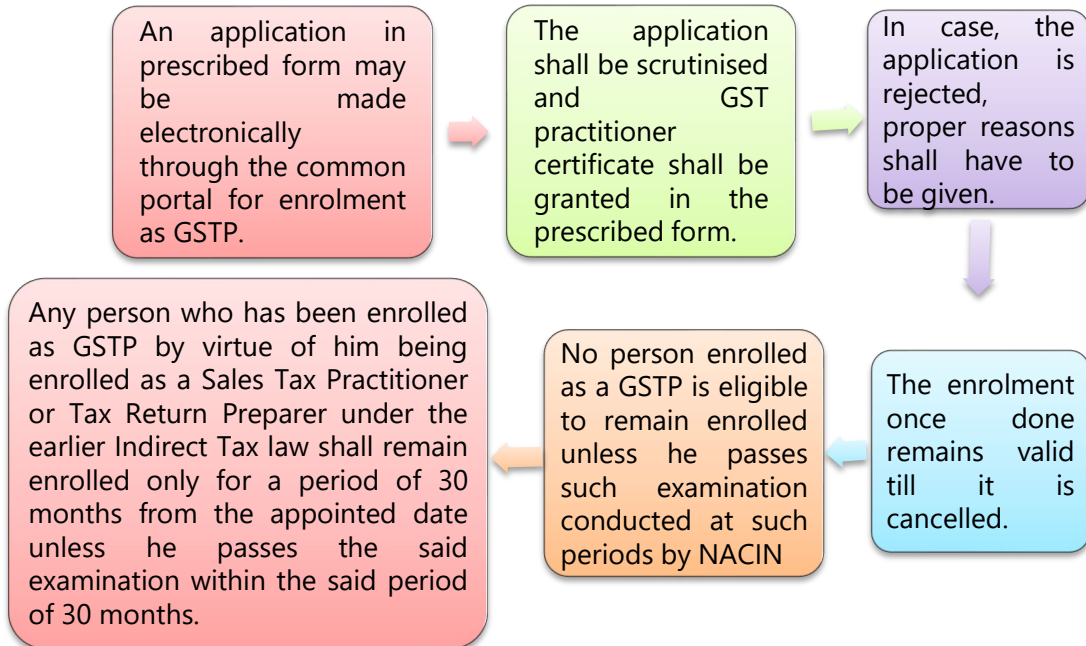
Thus, the responsibility for correctness of any particulars furnished in the return or other details filed by the GSTP continues to rest with the registered person on whose behalf such return and details are furnished. The registered person before confirming, should ensure that the facts mentioned in 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 by way of a diagram is given below:

**ENROLMENT OF GSTP**

## 10. INFORMATION RETURN [SECTIONS 150 & 123]

**(i) Who shall furnish the information return? [Section 150(1)]**

Information return is based on the idea of verifying the compliance levels of registered persons through information procured from independent third party sources.

Authorities who are responsible for maintaining record of registration or statement of accounts or any periodic return or document containing details of payment of tax and other details of transaction of goods or services or both or transactions related to a bank account or consumption of electricity

or transaction of purchase, sale or exchange of goods or property or right or interest in a property under any law for the time being in force, shall furnish an Information Return of the same in respect of such periods, within such time, in such form and manner and to such authority/agency as may be prescribed. The authorities required to furnish Information Return are given subsequently by way of a diagram.

**(ii) Defective Information Return [Section 150(2)]**

Where the Commissioner, or an officer authorised by him in this behalf, considers that the information furnished in the information return is defective, he may intimate the defect to the person who has furnished such information return.

He shall give such person an opportunity of rectifying the defect within a period of 30 days from the date of such intimation or within such further period which, on an application made in this behalf, the said authority may allow.

However, if the defect is not rectified within the said period of 30 days or, the further period so allowed], then, notwithstanding anything contained in any other provisions of this Act, such information return shall be treated as not furnished and the provisions of this Act shall apply.

**(iii) Issuance of notice for failure to furnish the information return within stipulated time [Section 150(3)]**

Where a person who is required to furnish information return has not furnished the same within the specified time\*, the said authority may serve upon him a notice requiring furnishing of such information return within a period not exceeding 90 days from the date of service of the notice and such person shall furnish the information return.

\*time specified in sub-section (1) or sub-section (2) of section 150

Taxable person

State Government's authority responsible for the collectiof VAT/sales tax/ State excise duty or Central Government's authority responsible for the collection of excise duty or customs duty

Income tax authority

Banking company within the meaning of section 45A(a) of the RBI Act, 1934

State Electricity Board or an electricity distribution or transmission licensee under the Electricity Act, 2003 or any other entity entrusted with such functions by the Central Government or the State Government

Registrar/Sub-Registrar appointed under section 6 of the Registration Act, 1908

Local authority /other public body/association

Registrar within the meaning of the Companies Act, 2013

Registering Authority empowered to register motor vehicles under the Motor Vehicles Act, 1988

Collector referred to in clause (c) of section 3 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

Recognised stock exchange

Depository

Officer of the RBI

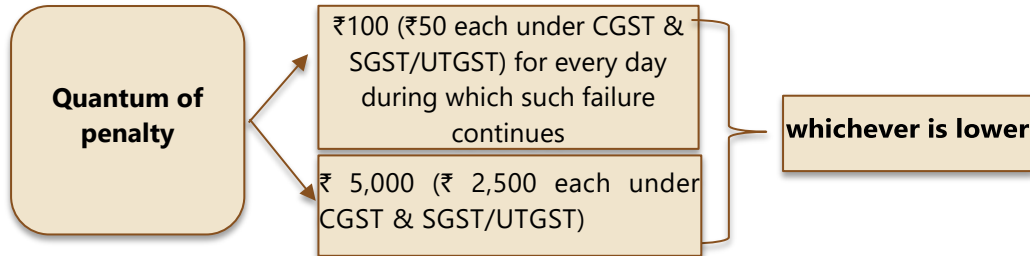
GSTN

UIN holder

Any other specified person

**(iv) Penalty for failure to furnish information return [Section 123]**

If the person to whom the notice has been issued under section 150(3) fails to furnish the information return within the period specified in said notice, the proper officer may direct that such person shall be liable to pay a penalty.



**LET US RECAPITULATE**

**1. Meaning of Returns**

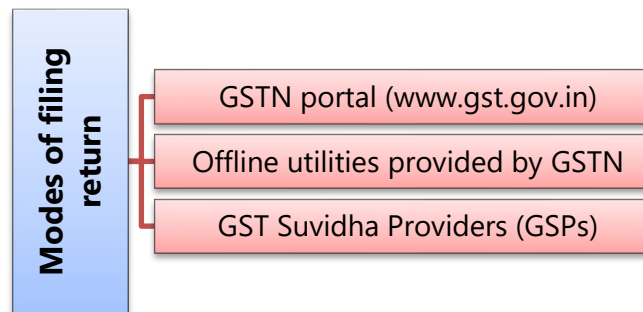
Return

A statement of information furnished by the taxpayer, to tax administrators, at regular intervals.

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 and completeness of the tax compliance of the taxpayers.

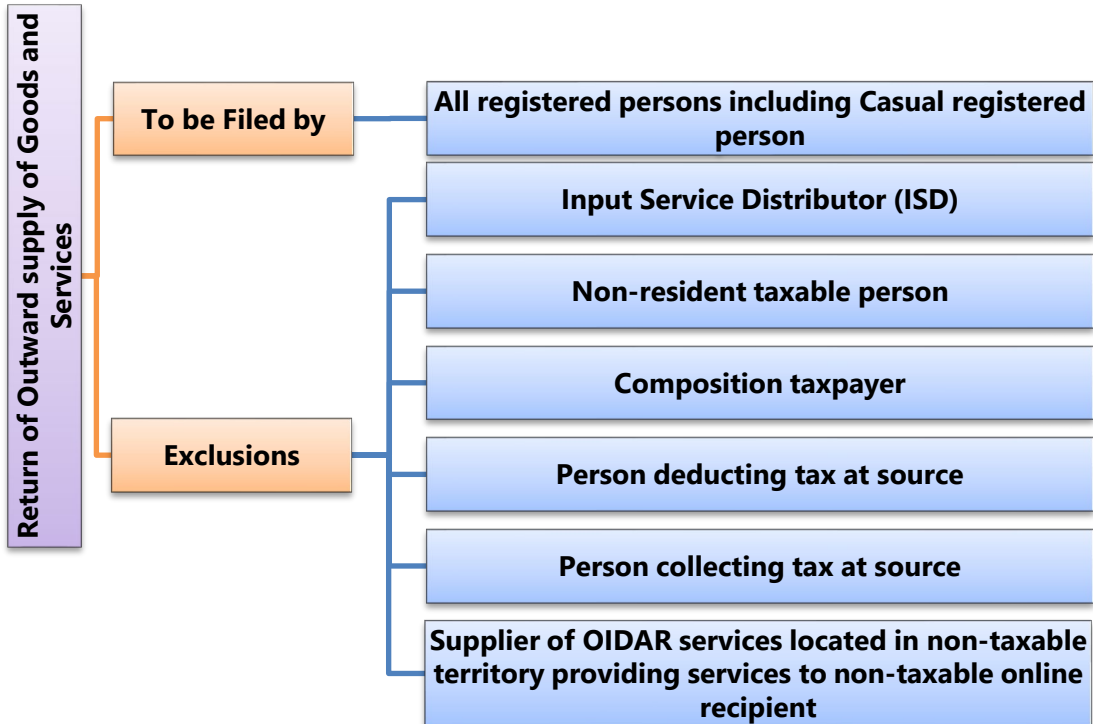
**2. Modes of filing returns**

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

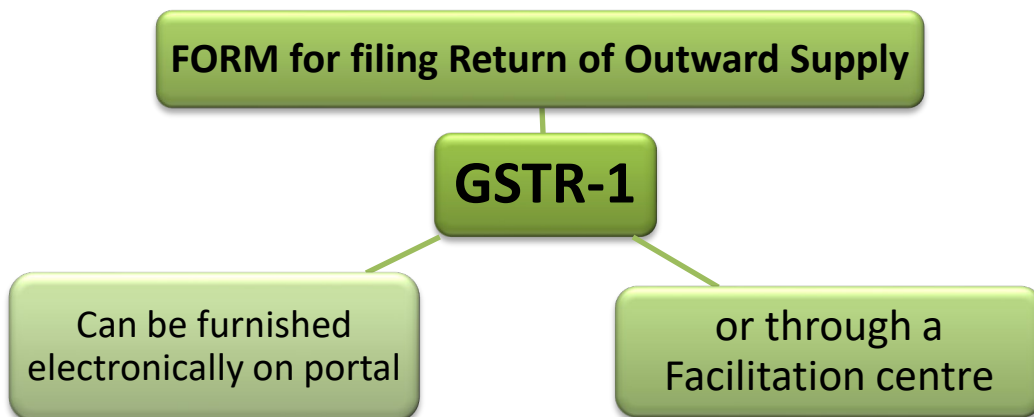


### 3. Furnishing details of outward supplies [Section 37 read with rule 59]

Who is required to furnish the details of outward supplies?

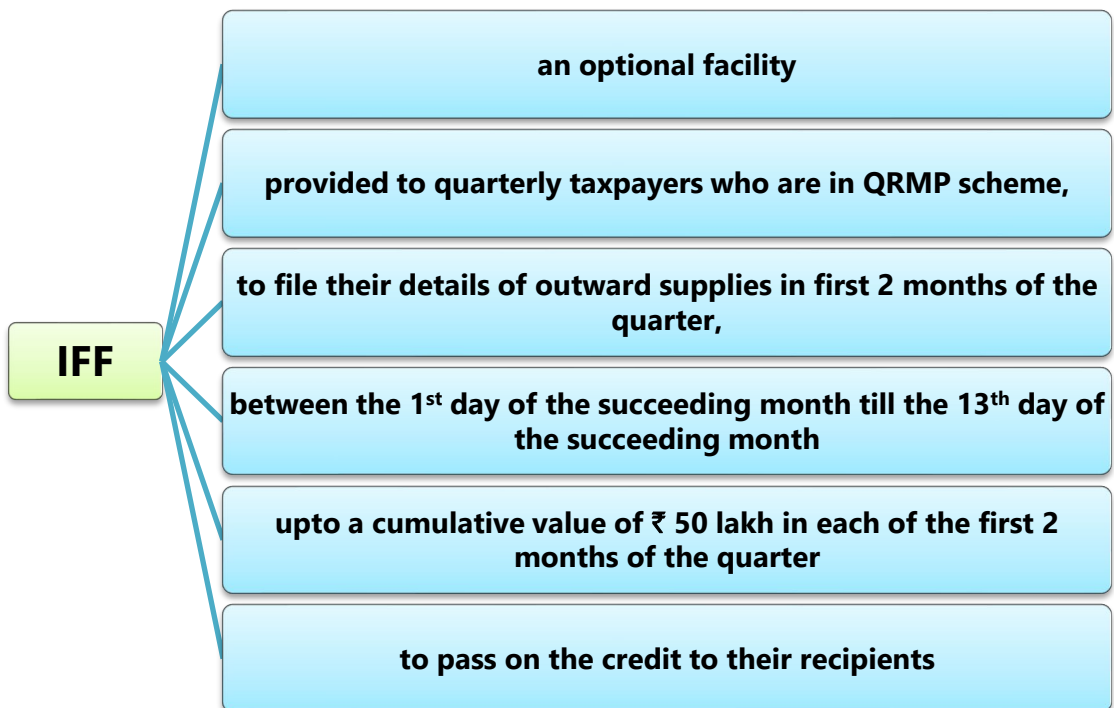


What is the form for submission of details of outward supplies?

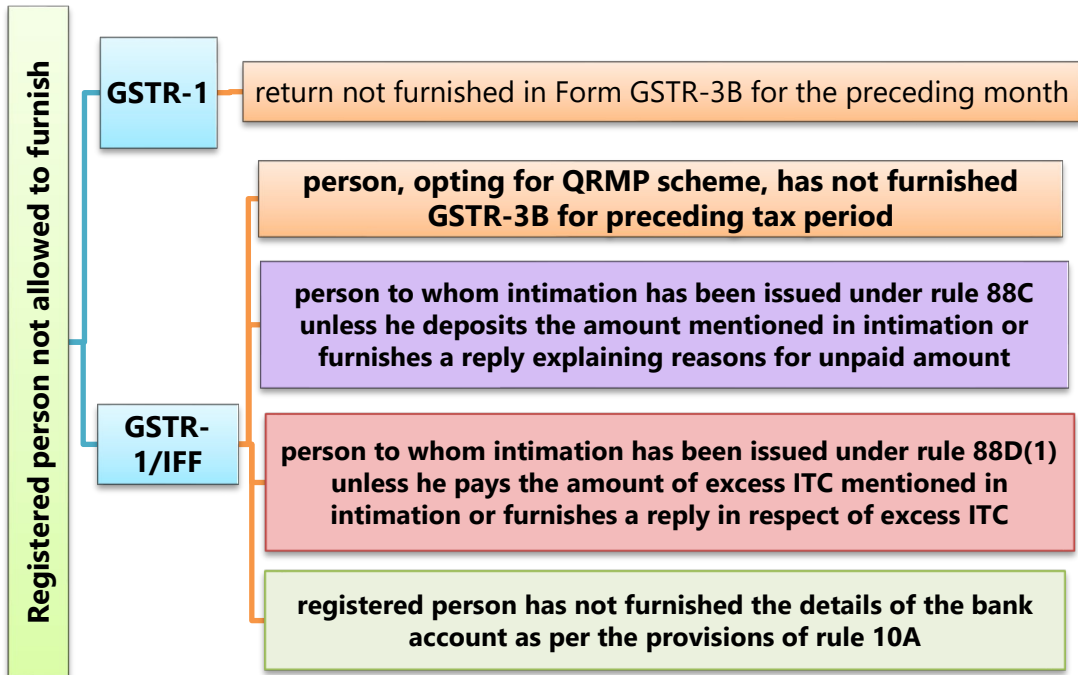


**Due Dates for Submission of Form GSTR-1**

<b>Class of registered person</b>	<b>Time limit for furnishing the details of outward supplies in Form GSTR-1 for each quarter/month</b>
Registered persons opting for QRMP scheme	<b>13<sup>th</sup> day</b> of the month succeeding such quarter
Others	<b>11<sup>th</sup> day</b> of the month succeeding said month

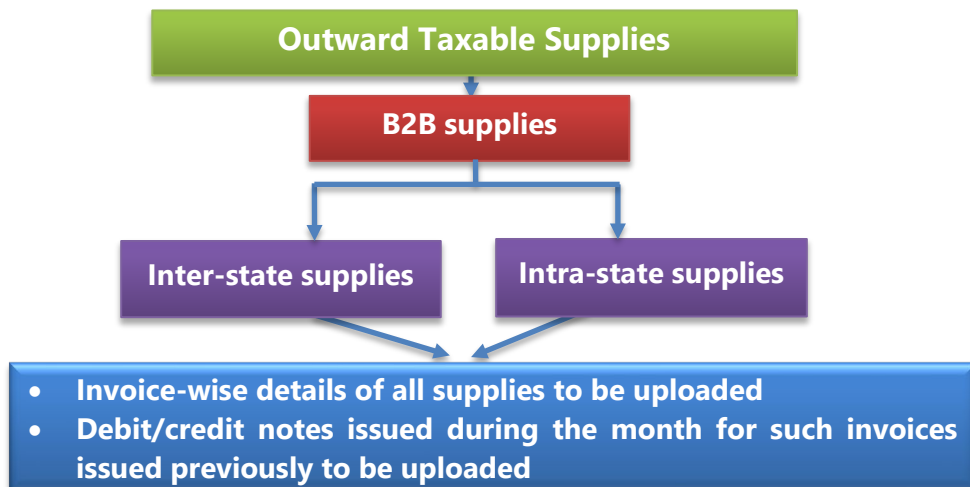
**Invoice Furnishing Facility [IFF] for taxpayers opting for QRMP Scheme**

What are the cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF?

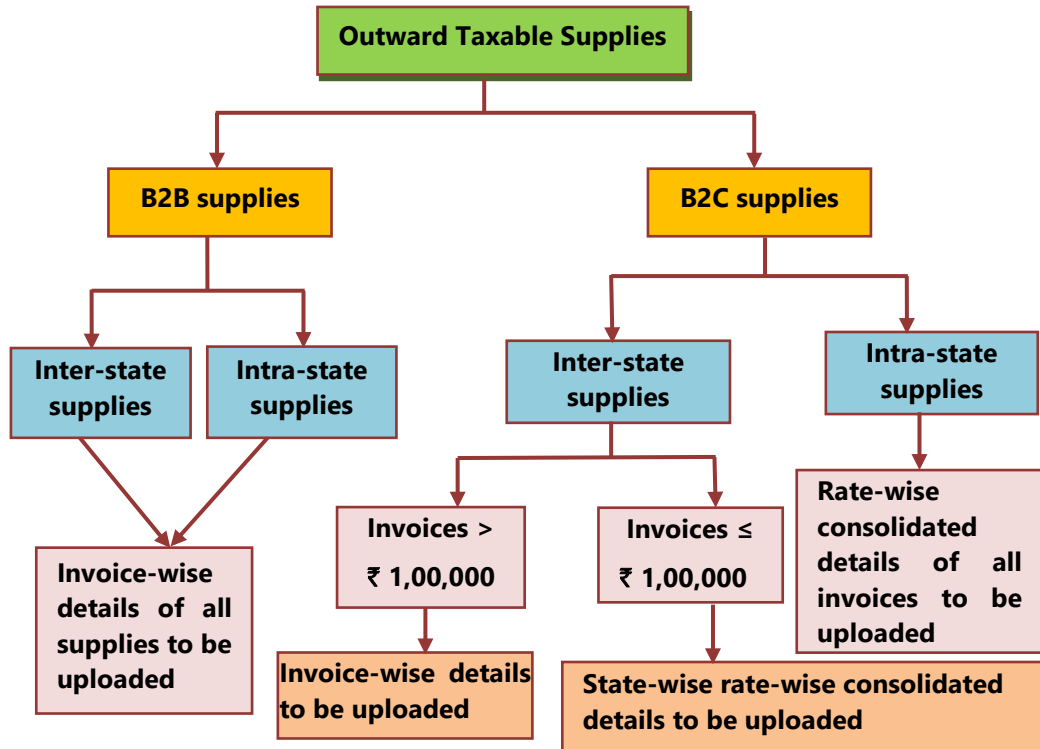


What kind of details of outward supplies are required to be furnished in GSTR-1/ GSTR-1A and IFF?

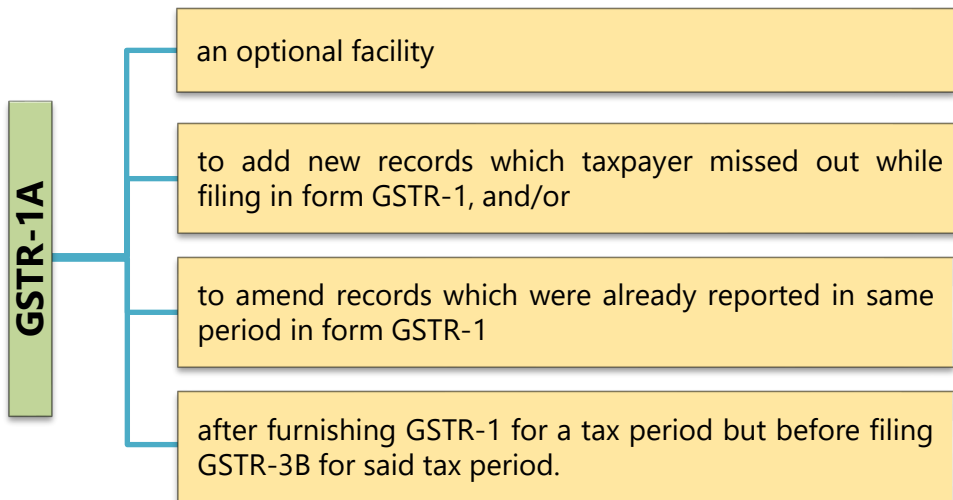
Details to be furnished through IFF

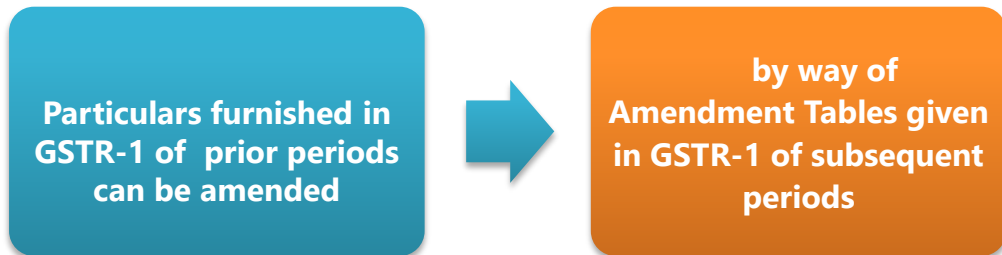


**Details to be furnished in GSTR-1/ GSTR-1A**



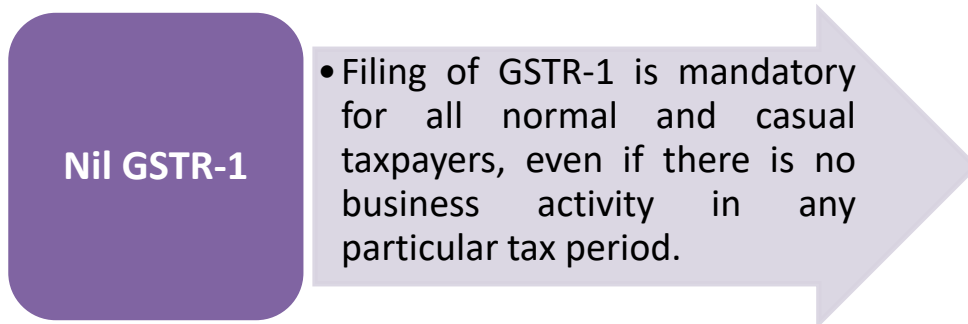
**Amendment of GSTR-1 for current period**



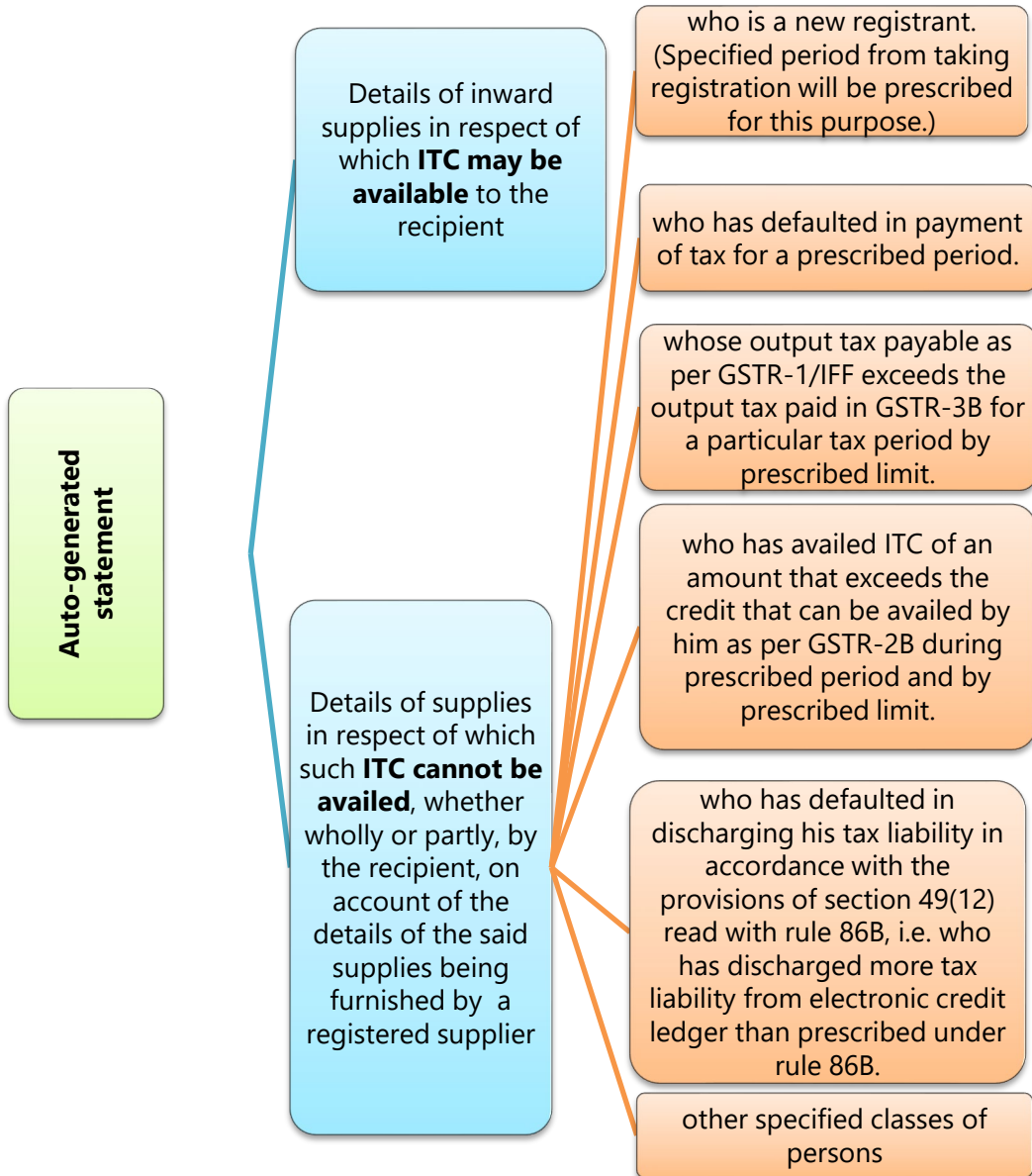
**Rectification of errors in GSTR-1/ GST filed for previous periods**

Maximum time limit within which such amendments are permissible is earlier of the following dates:

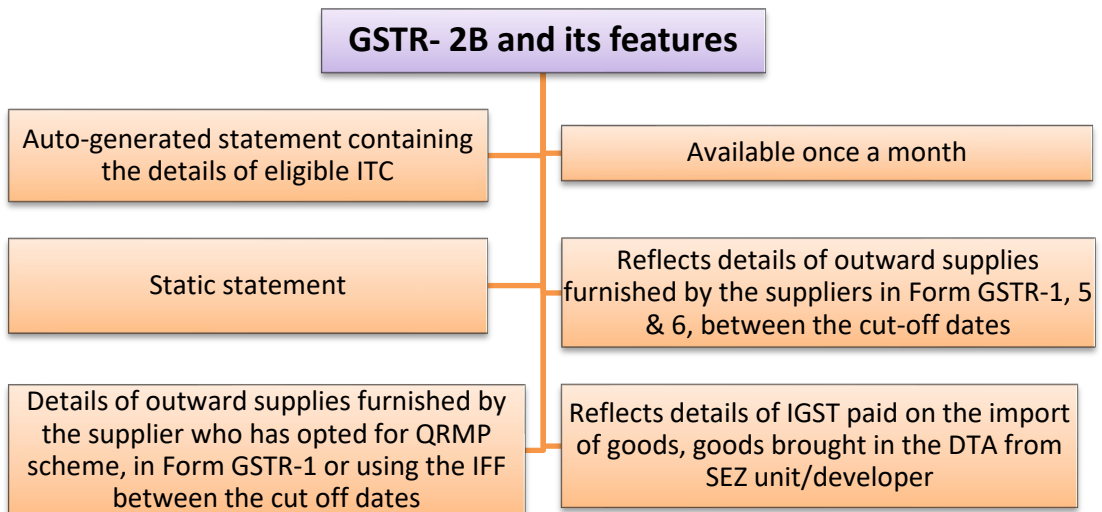
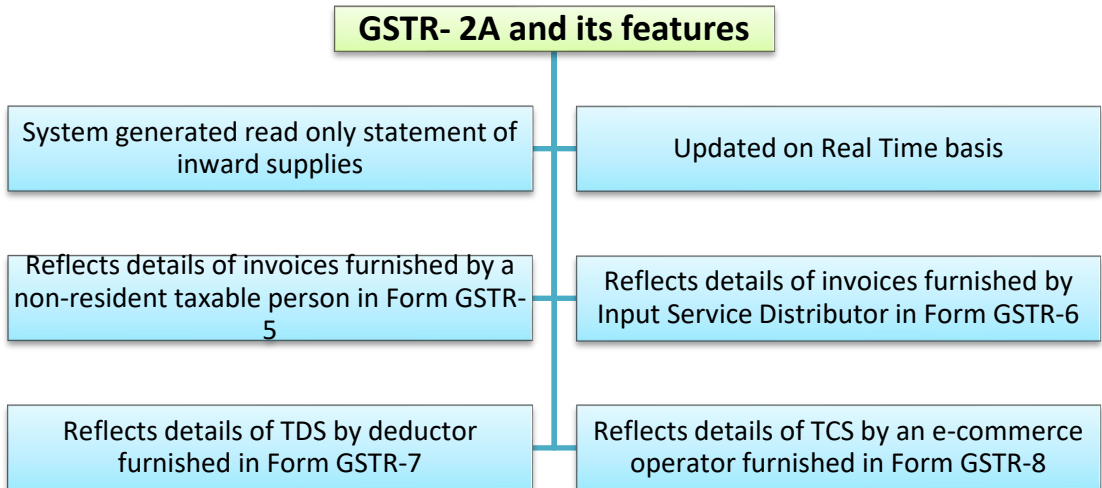
- 30<sup>th</sup> day of November following the end of the financial year to which such details pertain or
- Date of filing of the relevant annual return

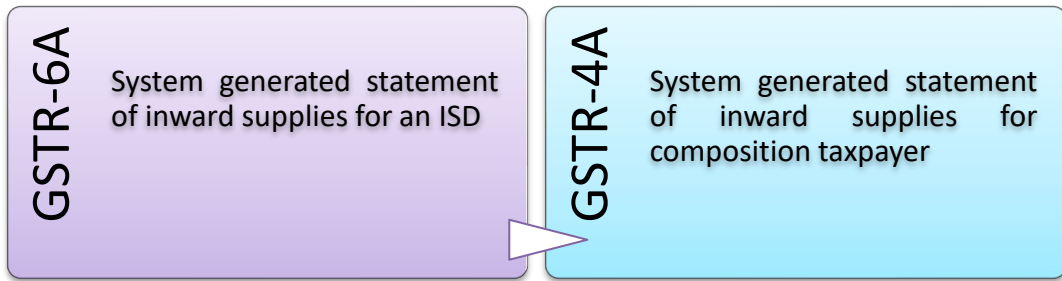
**Filing of Nil GSTR-1**

4. Furnishing details of inward supplies [Section 38 read with rule 60]

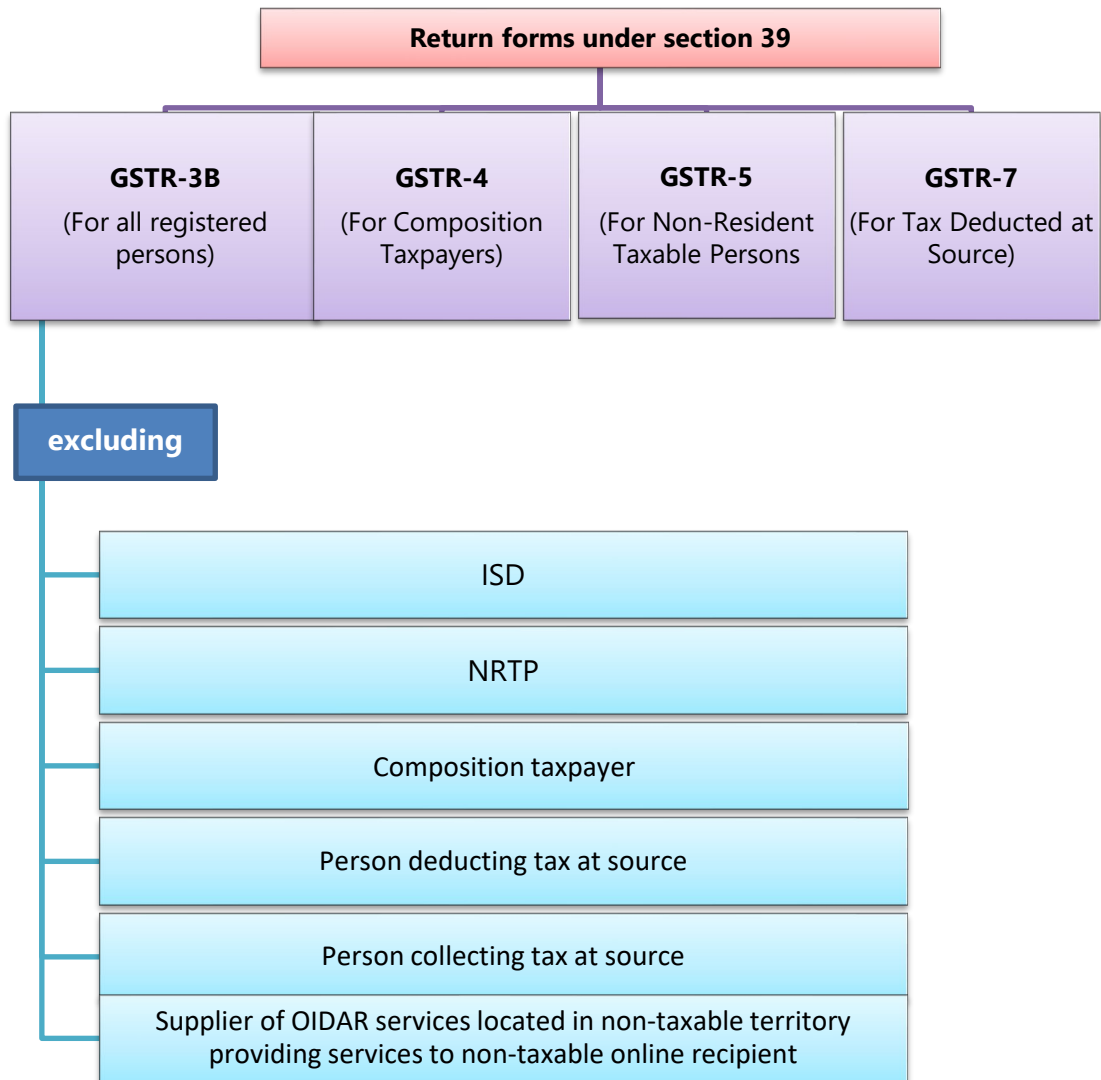


### Form and manner of ascertaining details of inward supplies – GSTR-2A and GSTR-2B





### 5. Furnishing of returns under section 39



### Due dates for furnishing Form GSTR-3B

**GSTR-3B** can be filed monthly or quarterly and due date for filing are as follows:

- ❖ **Monthly GSTR-3B** on or before **20<sup>th</sup>** of the month succeeding the month for which return is furnished.
- ❖ **Quarterly GSTR-3B** on or before **22<sup>nd</sup>** and **24<sup>th</sup>** of the month (Depending upon State) succeeding the quarter for which return is furnished in case of a taxpayer opting for QRMP scheme.

### QRMP scheme

Optional return filing scheme

Quarterly Return

Monthly payment

#### Eligibility

- Taxpayers having aggregate turnover of up to ₹ 5 crore in the preceding financial year

#### Condition to be fulfilled for becoming eligible

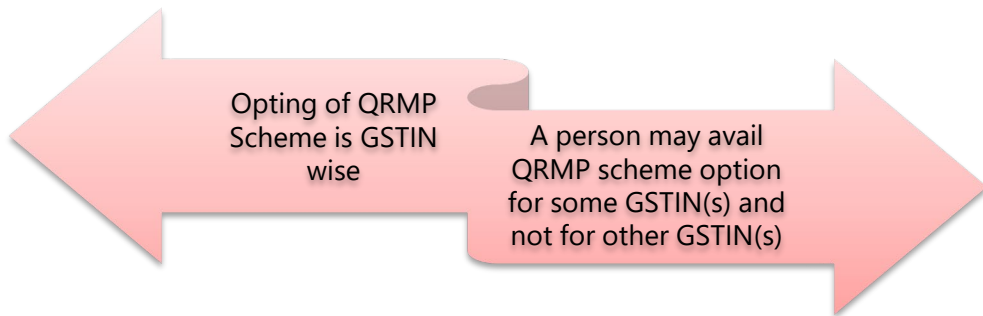
- Taxpayer must have furnished the last return, as due on the date of exercising such option

#### Manner of Exercising option

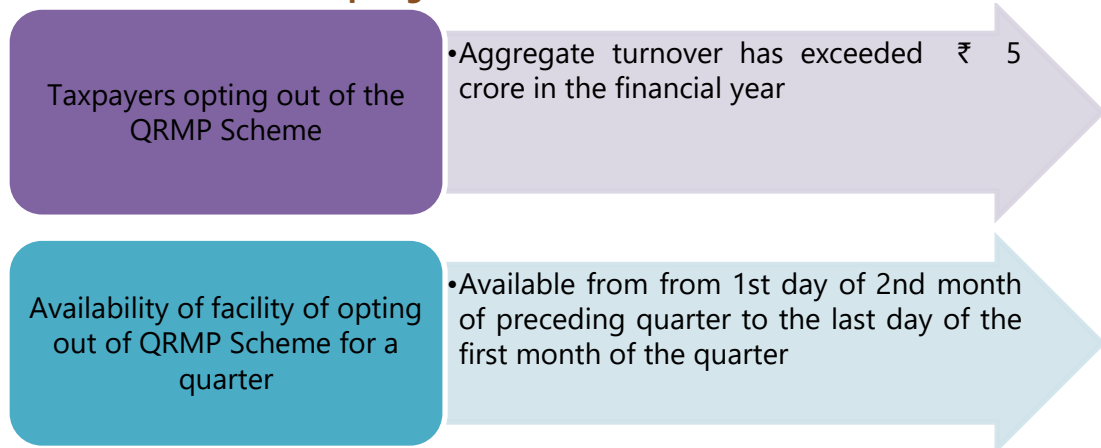
- Taxpayers can opt in for any quarter from 1st day of 2nd month of preceding quarter to the last day of the first month of the quarter for which the option is being exercised

#### Validity of option once exercised

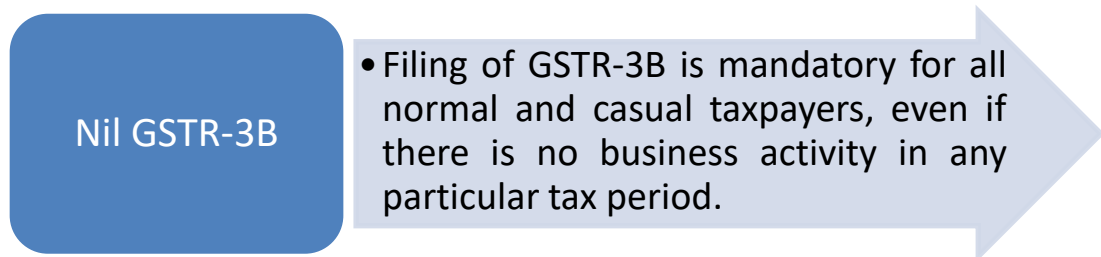
- Taxpayers are not required to exercise their option every quarter. Where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the said option.



### Opting out of the QRMP Scheme

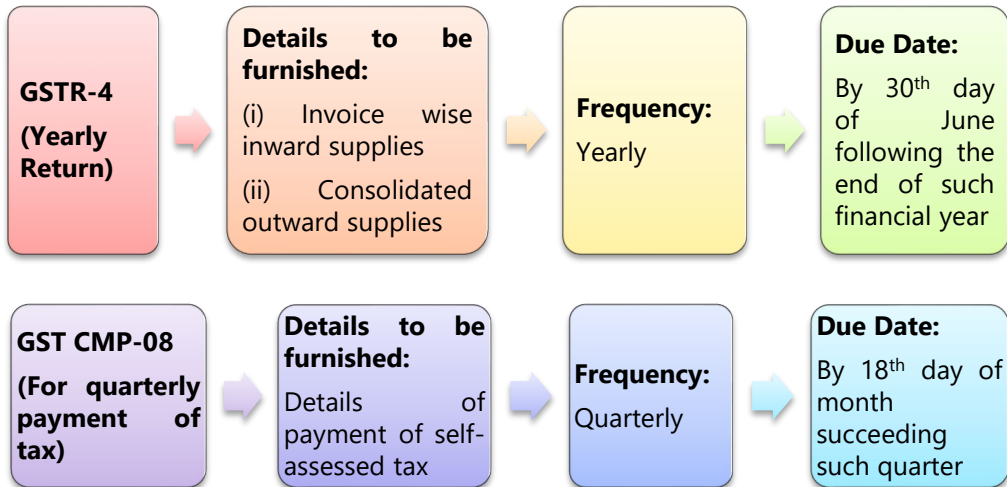


### Nil GSTR-3B



### Form GSTR-4 and GST CMP-08: For Composition dealers

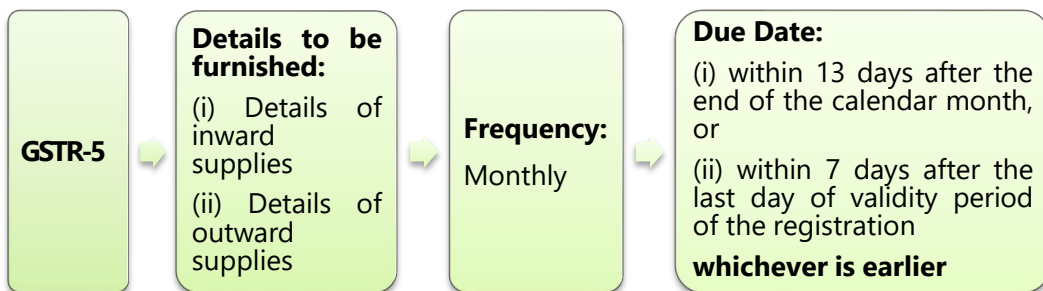
- ❖ A composition supplier is required to file the return GSTR-4 yearly and is required to pay the tax quarterly in Form GST CMP-08.



#### Note:

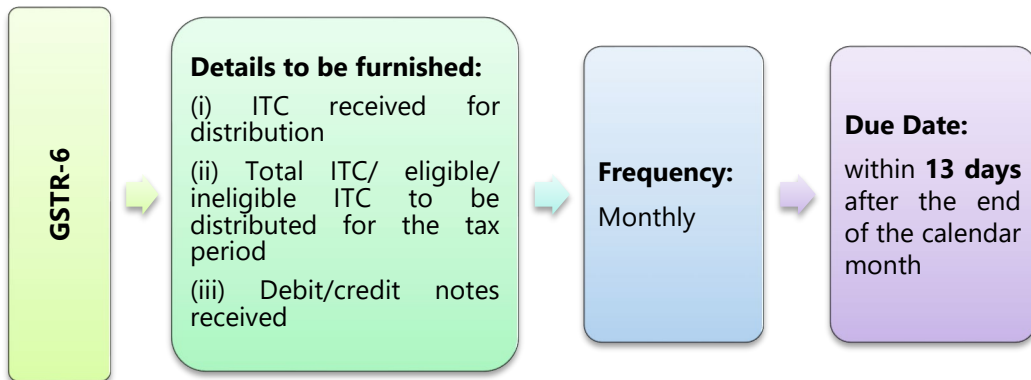
- (1) The inward supplies of a composition supplier received from registered persons filing GSTR-1 will be auto populated in **FORM GSTR-4A** for viewing.
- (2) **Filing of NIL GST CMP-08 is mandatory** for all taxpayers who have opted to pay tax under composition scheme if there is no business activity in any tax period.

### Form GSTR-5: For Non-Resident Taxable Person (NRTPs)



**Note:** An N RTP is not required to file an Annual Return.

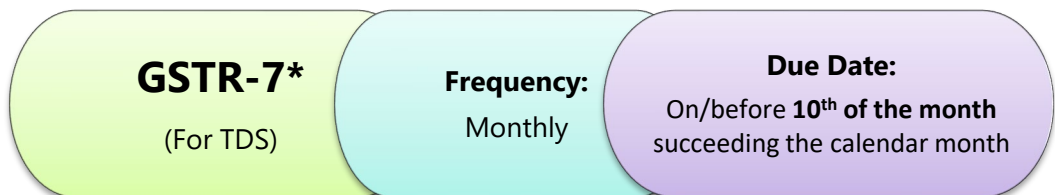
### Form GSTR-6: Return for Input Service Distributors (ISDs)



**Note:** An ISD is not required to file an Annual Return.

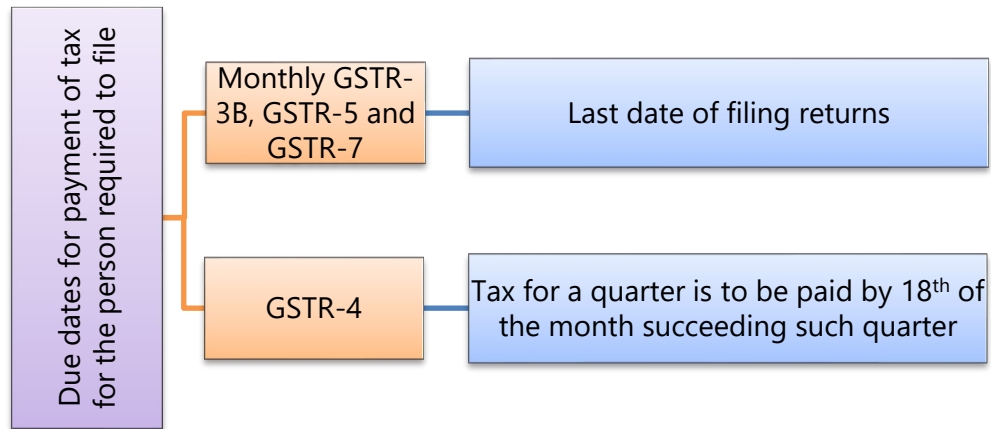
### Form GSTR-7: For Tax Deducted at Source (TDS)

- ❖ GSTR-7 is a return for tax deducted at source, whenever taxable goods or services or both are supplied to a Central/ State Government's Department/ establishment or, local authority, or Governmental agencies, recipient is required to deduct tax at source and total value of supply exceeds ₹ 2,50,000.
- ❖ **GSTR-7A-** Form for issue of TDS certificate by deductor to the deductee.



**\*GSTR-7 would be furnished even for a month, where no TDS is required to be deducted.**

## 6. Due date for payment of tax



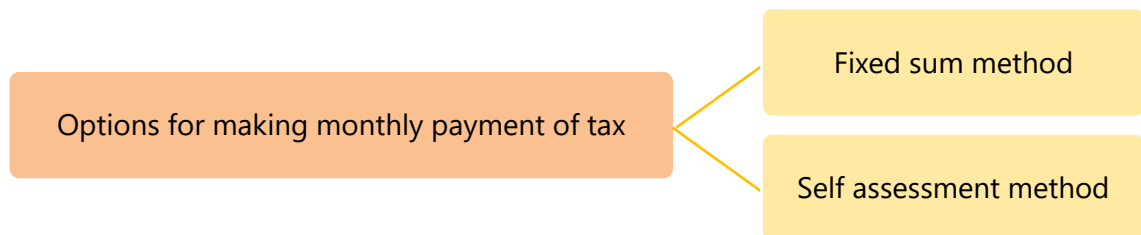
### Payment of tax under QRMP scheme

Tax due in each of the first 2 months of the quarter

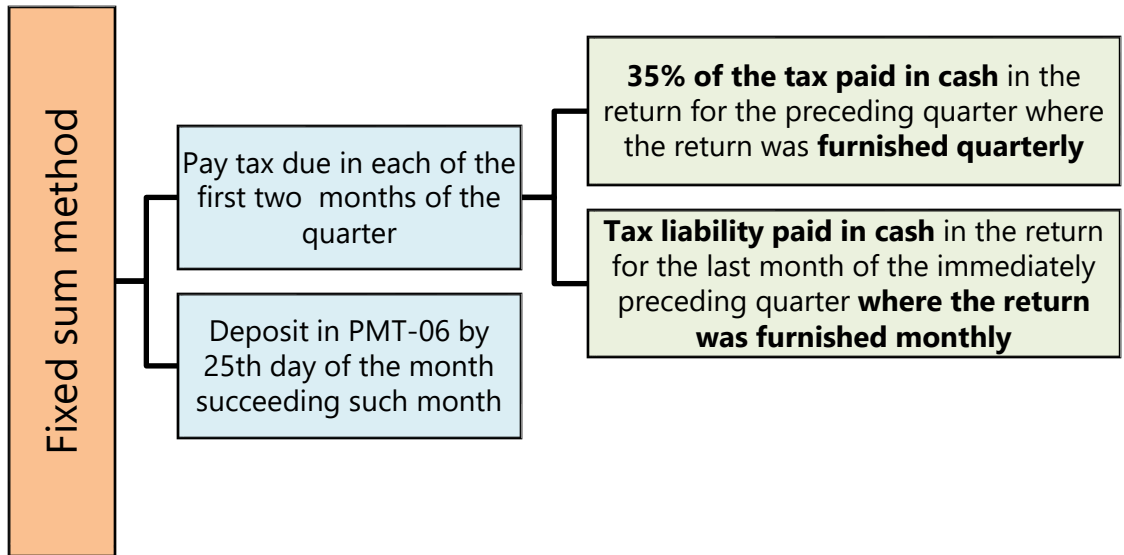
To be paid by depositing in pre filled Form GST PMT-06

Payment to be made by 25th of the succeeding month

### Options for making monthly payment of tax under QRMP scheme

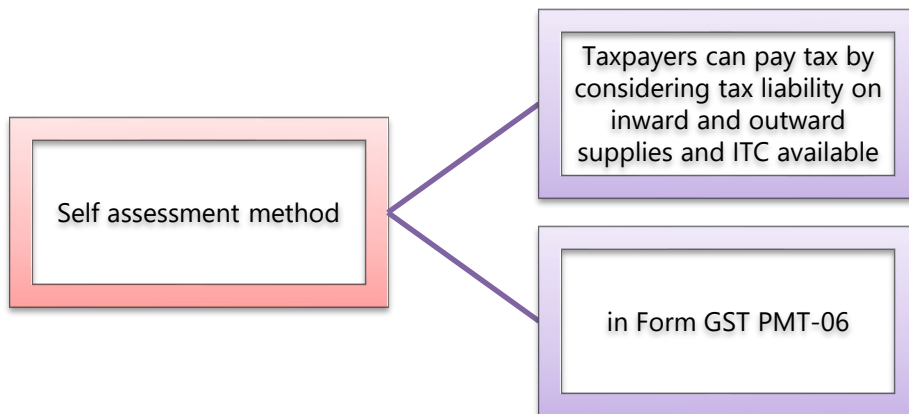


**Method 1: Fixed Sum Method**



Monthly tax payment through this method would not be available to those registered persons who have not furnished the return for a complete tax period preceding such month.

**Method 2: Self Assessment Method**



**Applicability of Interest -****(1) For Fixed Sum method taxpayers**

Where auto-calculated fixed sum amount for first 2 months of quarter is paid by due date

- No interest would be applicable even if the liability for the said month was found higher
- If GSTR-3B of the quarter is filed by the due date by discharging the entire liability

Where tax payer makes monthly payment beyond due date

- Interest is payable at the applicable rate from due date of furnishing GST PMT-06 till date of making payment

Where Form GSTR-3B is furnished beyond due date

- Interest payable as per provisions of section 50 of the CGST Act, 2017 for the tax liability net of ITC

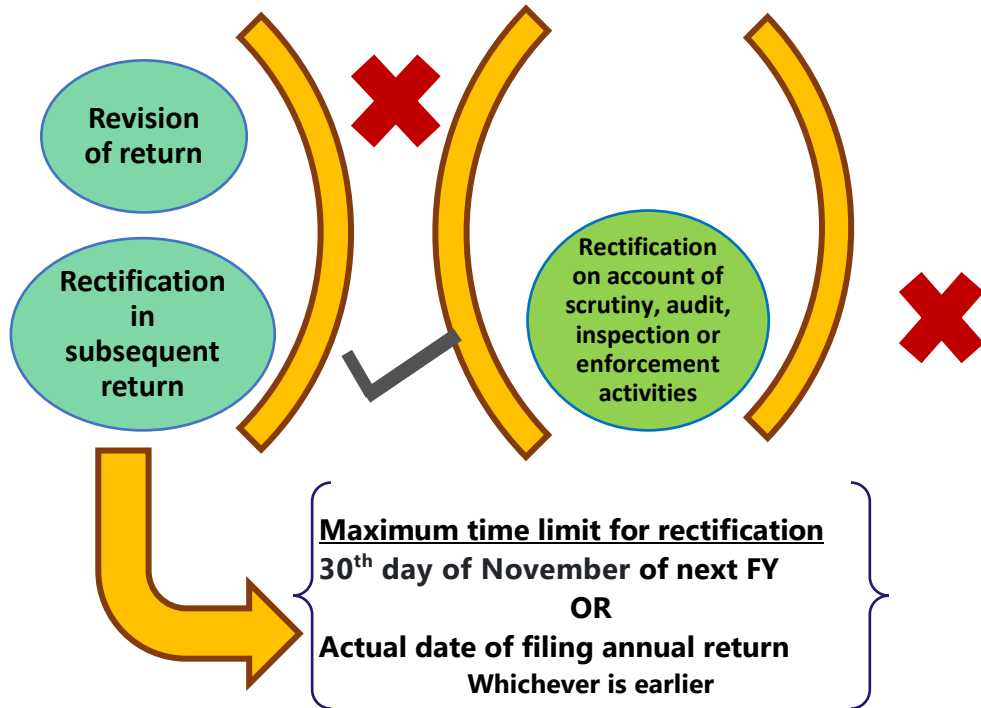
**(2) For Self-assessment method taxpayers**

Interest payable as per provisions of section 50 of the CGST Act

for tax or any part thereof (net of ITC) which remains unpaid/ paid beyond the due date

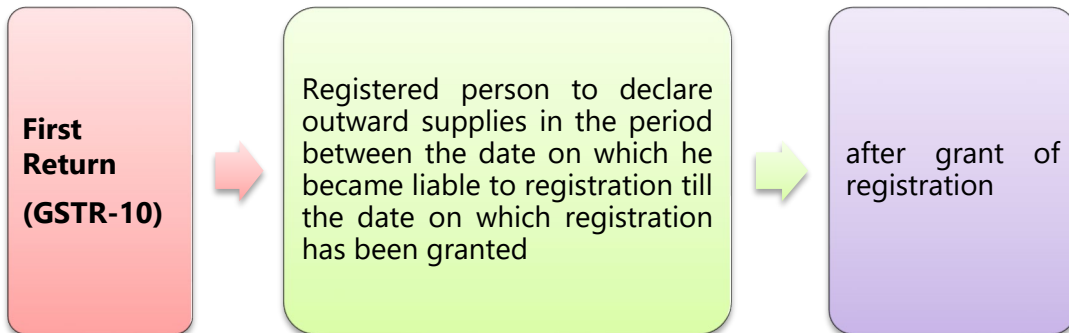
for the first 2 months of the quarter

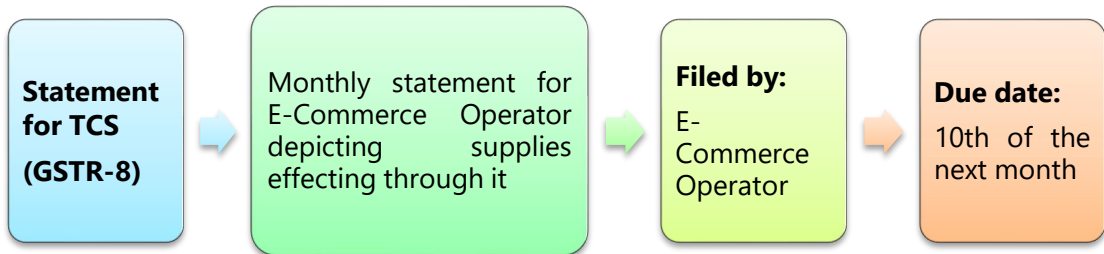
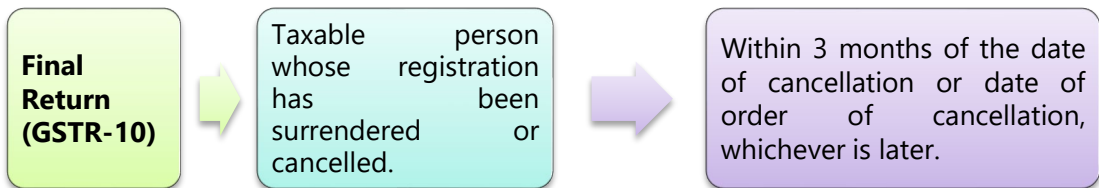
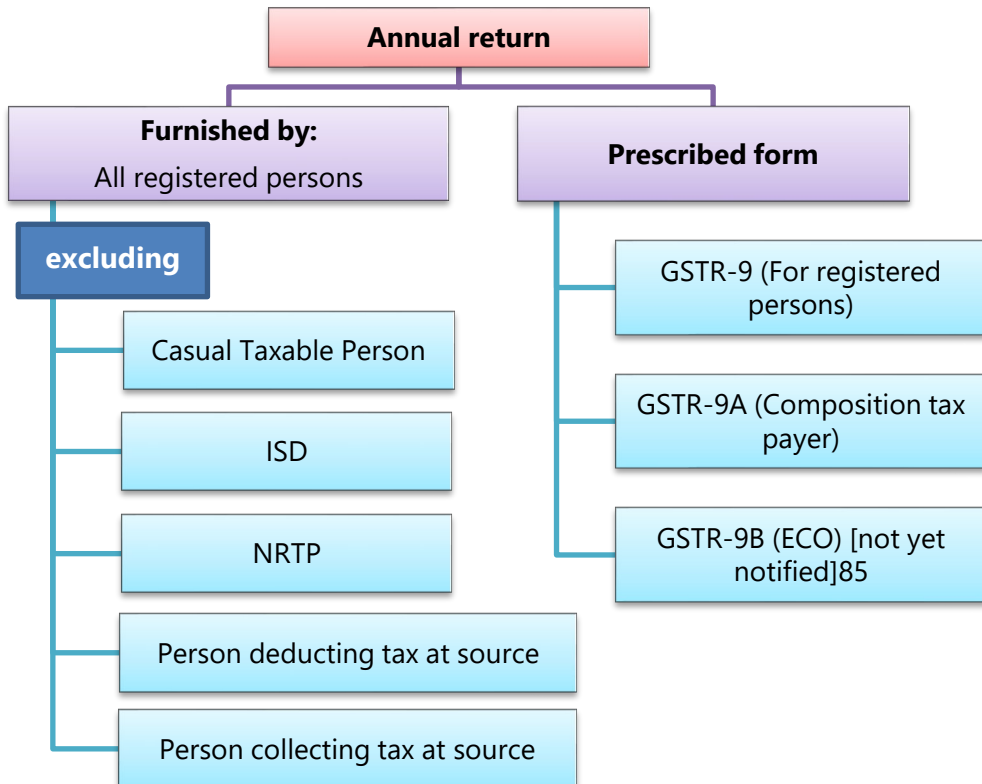
### 7. Rectification of errors/omissions

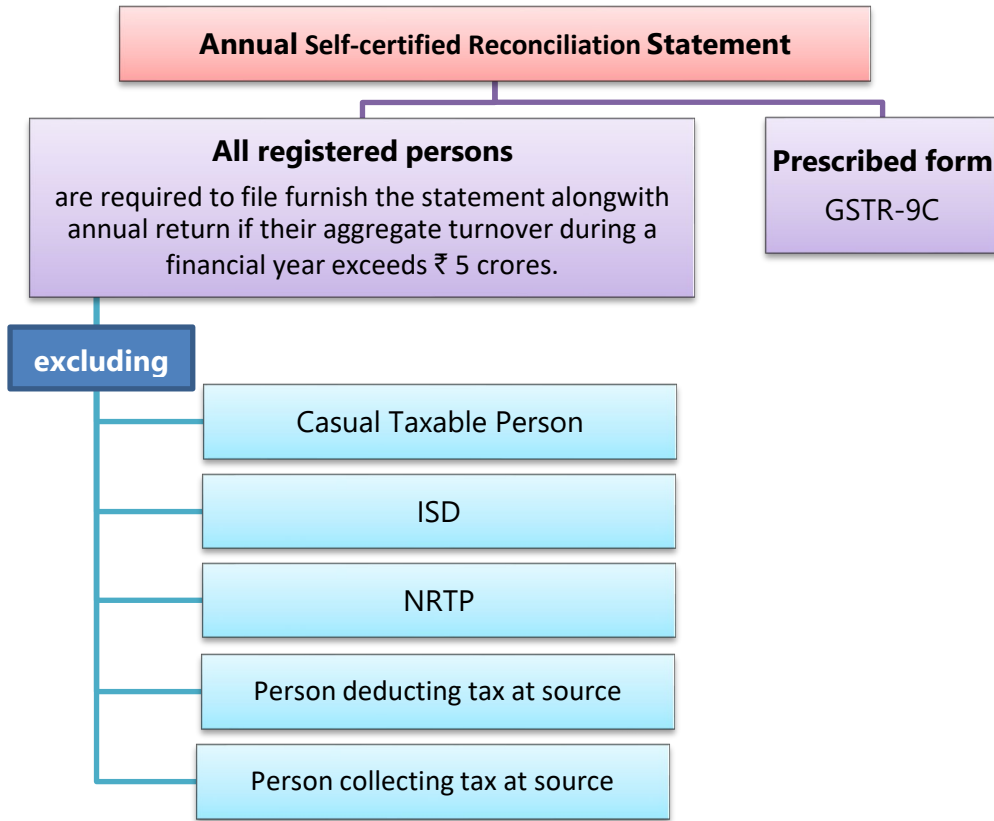


### 8. Other returns/ statements

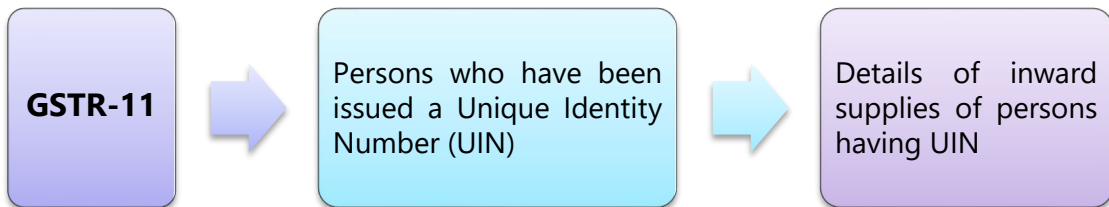
#### (i) First return



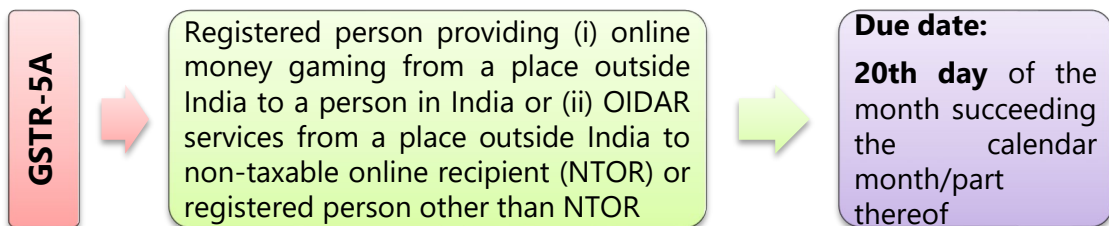
**(ii) GSTR – 8 - Statement for tax collection at source****(iii) Final return****(iv) Annual Return & Annual Statement**



**(v) GSTR – 11 - Details of inward supplies of persons having UIN**



**(vi) GSTR – 5A - Return for persons providing OIDAR services**



## 9. Information return

### (i) Who shall furnish the information return?

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Taxable person

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Local authority /other public body/association

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State/Central Government's authority responsible for the collectiof VAT/sales tax/  
State excise duty or excise duty or customs duty respectively

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Income tax authority

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Banking company

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State Electricity Board or an electricity distribution or transmission or any other  
entity entrusted with such functions

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Registrar/Sub-Registrar appointed under the Registration Act

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Registrar within the meaning of the Companies Act, 2013

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Registering Authority empowered to register motor vehicles under the Motor  
Vehicles Act, 1988

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Collector referred to in clause (c) of section 3 of the Right to Fair Compensation  
and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

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Recognised stock exchange

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Depository

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Officer of the RBI

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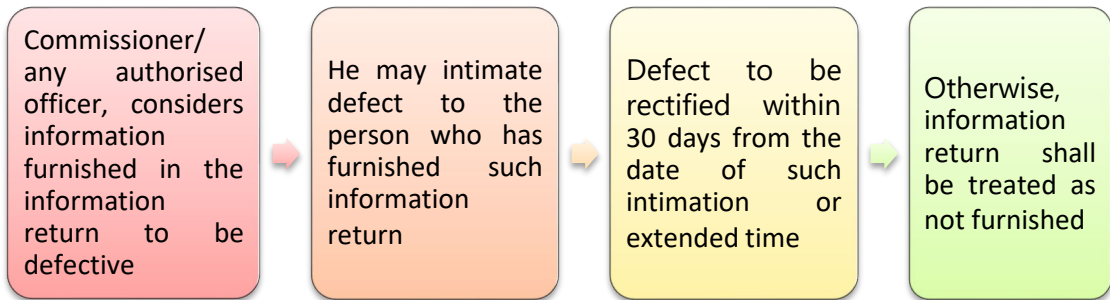
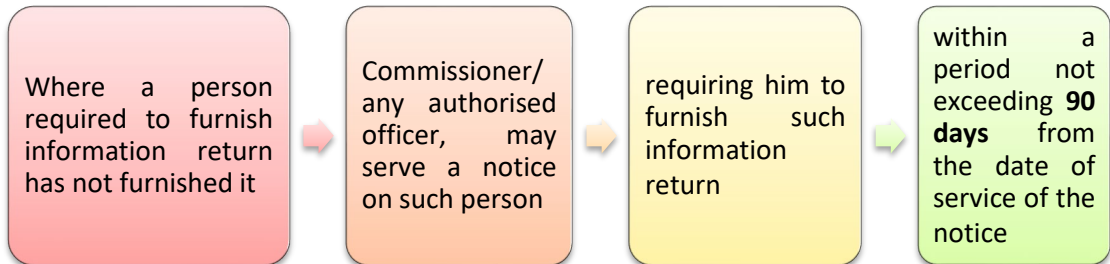
GSTN

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UIN holder

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Any other specified person

**(ii) Defective Information Return****(iii) Issuance of notice for failure to furnish the information return within stipulated time****TEST YOUR KNOWLEDGE**

1. Which type of taxpayers need to file annual return under section 44? Enumerate.
2. Is an annual return under section 44 and a final return one and the same? Explain.
3. Do input service distributors (ISDs) need to file separate statement of outward supplies (GSTR-1) with their return? Discuss.
4. Is it compulsory for a taxpayer to file return by himself? Explain.
5. Mr. Anand Kumar, a regular taxpayer, filed GSTR-1 for the month of August before the due date. Later, in the month of February next year, he discovers error in the GSTR-1 of the month of August already filed and wants to revise it.  
You are required to advise him on the future course of action in this scenario.
6. B Ltd. has filed the return for the month of October belatedly. At the time of computing the late fee to be paid for delay in filing return, B Ltd. has taken a view

*that if the late fee has been paid as per the provisions under the CGST Act, there is no requirement of paying the late fee under the SGST Act for the same default.*

*Whether B Ltd. has taken a correct view? Examine.*

7. *Tax authorities have been scrutinizing the returns furnished by A Ltd. During the scrutiny process, A Ltd. has been made aware by the authorities about an incorrect disclosure in a return under section 39 filed by it for a particular tax period.*

*A Ltd. seeks your opinion to rectify the incorrect disclosure made in the return.*

8. *ABC Ltd. applied for cancellation of GST registration in the month of March. In the month of September, the consultant of ABC Ltd. suggested to furnish the final return in said month. He advised the company that a final return needs to be furnished before the due date of furnishing the return for the month of September of subsequent financial year or before furnishing of annual return (for the financial year in which cancellation has been sought for), whichever is earlier. However, the jurisdictional authorities have yet not passed the order of cancellation due to reasons not known to ABC Ltd.*

*Whether the advice given by the consultant of ABC Ltd. is correct? Examine.*

9. *XYZ Ltd. has deducted TDS from the consideration payable to A Ltd. for supplies made by it. The deductee, i.e. A Ltd., seeks your advice on taking credit for the TDS deducted by XYZ Ltd. Also, whether the tax deducted by XYZ Ltd. will be shown in the electronic credit ledger or electronic cash ledger of A Ltd.?*

10. *Whether GSTPs are required to furnish any return for disclosure of activities carried out by them for any of the registered person during a tax period? Elucidate.*



## ANSWERS

1. Every registered person, other than ISD's, casual/non-resident taxpayers, tax deductors at source, tax collector at source are required to file an annual return in Form GSTR-9. Taxpayer under composition scheme are required to file annual return in Form GSTR-9A. The department of the Central/State Government or a local authority, whose books of account are subject to audit by the Comptroller and Auditor-General of India or an auditor appointed for auditing the accounts of local authorities under any law for the time being in force, are exempt from the requirement of furnishing the annual return.

2. No. Annual return has to be filed by every registered person paying tax as a normal taxpayer, with certain exceptions. Final return has to be filed only by those registered persons whose registration under GST has been cancelled. The final return has to be filed within three months of the date of cancellation or the date of cancellation order, whichever is later.
3. No, the ISDs need to file only a return in Form GSTR-6 and the return has the details of credit received by them from the service provider and the credit distributed by them to the recipient units. Since their return itself covers these aspects, there is no requirement to file separate statement of outward supplies.
4. No. A registered taxpayer can also get his return filed through a Goods and Services Tax Practitioner(GSTP) as authorised by him subject to confirmation of registered person over mail or SMS each time when return filed by GSTP .
5. The mechanism of filing revised return for any correction of errors/omission is not available under GST. The rectification of errors/omission is allowed in the subsequent returns.

Therefore, Mr. Anand Kumar who discovered an error in GSTR-1 for the month of August cannot revise it. However, he should rectify said error in the GSTR-1 filed for the month of February and should pay the tax and interest, if any, in case there is short payment, in the return to be furnished for February. The error can be rectified by furnishing appropriate particulars in the "Amendment Tables" contained in GSTR-1.

However, as per section 37(3), no rectification of details furnished in GSTR-1 shall be allowed after 30<sup>th</sup> day of November following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier.

6. The understanding of B Ltd. is incorrect. For arriving at the late fee payable on account of delayed filing of GST return, the computation of late fee is made separately for CGST and SGST/UTGST. This is because the provisions of late fee on delayed filing of return are prescribed in both CGST Act and SGST/UTGST Act although a common return is filed for both the laws.
7. In terms of section 39(9), any rectification in the return (under section 39) furnished by the registered person is allowed only when the error or omission is discovered on account of reasons other than scrutiny, audit, inspection, or enforcement activity by the tax authorities.

In the present case, since the incorrect disclosure has been highlighted to A Ltd. by the tax authorities during the process of scrutiny, the rectification of the incorrect disclosure cannot be made by A Ltd. on its own.

- 8.** No, the advice of the consultant is not correct.

In terms of section 45 read with rule 81, every registered person who is required to furnish GSTR-3B and whose registration has been cancelled is required to file a final return within three months of the date of cancellation or date of order of cancellation, whichever is later.

In the given case, the registration of the company has not been cancelled. Therefore, requirement of filing final return will arise only when the registration of the company gets cancelled.

- 9.** In terms of section 51(5) read with rule 66, the deductee shall claim credit, in his electronic cash ledger, of the tax deducted and reflected in GSTR-7 of the deductor, after validation. Similarly, rule 87(9), *inter alia*, provides that any amount deducted under section 51 shall be credited to the electronic cash ledger of the deductee.

Therefore, in the present case, A Ltd., can take credit of TDS amount deducted by XYZ Ltd. in its electronic cash ledger and use the same for payment of tax, interest, penalty, late fee or any other amount.

- 10.** In terms of section 48(2), a registered person may authorise an approved GSTP to furnish the details of outward supplies under section 37, the details of inward supplies under section 38 and the return under section 39 or annual return under section 44 or final return under section 45 and to perform other prescribed functions. Thus, the GSTP can furnish the specified documents or information on behalf of the registered person with prior authority of the registered person.

However, there is no specific return furnishing mechanism for GSTP itself to disclose the activities carried out by it for any of the registered person during a tax period.

## AMENDMENTS MADE VIDE THE FINANCE ACT, 2025

The Finance Act, 2025 has come into force from 29.03.2025. However, most of the amendments made under the CGST Act and the IGST Act vide the Finance Act, 2025 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 30.04.2025. Therefore, **the applicability or otherwise of such amendment for May 2026, September 2026 and/or January 2027 examinations shall be informed by the ICAI by way of an announcement.**

In the table given below, the existing provisions of sections 38 and 39 are compared with the provisions as amended by the Finance Act, 2025.

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	Existing provisions	Provisions as amended by the Finance Act, 2025	Remarks
38(1)	The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and <del>an auto-generated statement</del> containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such	The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and <b>a statement</b> containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form and manner, within such time, and subject to such conditions and	Section 38(1) is to be amended to omit the expression "auto generated" with respect to statement of input tax credit in the said sub section.

	conditions and restrictions as may be prescribed.	restrictions as may be prescribed.	
<b>38(2)</b>	<p>The <b><del>auto-generated statement under</del></b> sub-section (1) shall consist of-</p> <p>(a) details of inward supplies in respect of which credit of input tax may be available to the recipient; <b>and</b></p> <p>(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37,--</p> <p>(i) by any registered person within such period of taking registration as may be</p>	<p>The <b>statement referred in</b> sub-section (1) shall consist of-</p> <p>(a) details of inward supplies in respect of which credit of input tax may be available to the recipient;</p> <p>(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, <b>including</b> on account of the details of the said supplies being furnished under sub-section (1) of section 37,--</p> <p>(i) by any registered person within such period of taking</p>	<p>Section 38(2) is to be amended by omitting the expression "auto generated" with respect to statement of input tax credit in said sub section and also to insert the expression "including" after the words "by the recipient" in clause (b) of said sub-section to make the said clause more inclusive.</p> <p>Further, a new clause (c) is to be inserted in the said sub-section to provide for an enabling clause to prescribe other details to be made available in statement of input tax credit.</p>

	<p>prescribed; or</p> <p>(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or</p> <p>(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed,</p>	<p>registration as may be prescribed; or</p> <p>(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or</p> <p>(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as</p>	
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	<p>exceeds the output tax paid by him during the said period by such limit as may be prescribed;</p> <p>or</p> <p>(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed;</p> <p>or</p> <p>(v) by any registered person,</p>	<p>may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed;</p> <p>or</p> <p>(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed;</p> <p>or</p>	
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	<p>who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed;</p> <p>or</p> <p>(vi) by such other class of persons as may be prescribed.</p>	<p>(v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed;</p> <p>or</p> <p>(vi) by such other class of persons as may be prescribed.</p> <p><b>(c) such other details as may be prescribed.</b></p>	
<p><b>39(1)</b></p>	<p>Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax</p>	<p>Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person</p>	<p>Section 39(1) is to be amended so as to provide for an enabling clause to prescribe conditions and restriction for</p>

	<p>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 services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, within such time, as may be prescribed:</p>	<p>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 services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, within such time, <b>and subject to such conditions and restrictions</b>, as may be prescribed:</p>	<p>filing of return under the said sub-section.</p>
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