

**Question 6**

CS Execu.

Which of these electronic ledgers are maintained online?

- (a) Electronic liability register
- (b) Electronic credit ledger
- (b) Electronic cash ledger
- (d) All of the above

  
  
  

**Question 7**

CS Execu.

Balance in electronic credit ledger under SGST can be used against which liability?

- (a) SGST Liability only
- (b) SGST and IGST liability
- (c) SGST, IGST and CGST liability
- (d) None of the above

  
  
  

**Question 8**

CS Execu.

Which of the following shall be discharged first, while discharging liability of a taxable person?

- (a) All dues related to previous tax period
- (b) All dues related to current tax period
- (c) Demand raised under section 73 and 74
- (d) No such condition is mandatory

  
  
  

**Question 9**

CS Execu.

The input tax credit as self-assessed in the return of a registered person shall be credited to his \_\_\_\_\_, in accordance with Section 41, to be maintained in such manner as may be prescribed.

- (a) Electronic cash ledger
- (b) Electronic credit ledger
- (c) Personal ledger account
- (d) Refund account

  
  
  

**Question 10**

CS Execu.

Suppose one dealer has a credit of Rs. 5 lakhs in his Electronic ITC Ledger. That dealer has interest arrears dues of Rs. 6 lakhs and penalty dues of Rs. 2 lakhs. If so, how much, he has to deposit to settle the above interest and penalty dues?

- (a) Rs. 3 lakhs
- (b) Rs. 6 lakhs
- (c) Rs. 2 lakhs
- (d) Rs. 8 lakhs

  
  
  

**Question 11**

CS Execu.

What is the late fee for delay in issuing the Certificate of TDS Deduction to the Deductee?

- (a) Rs. 100 per day with a Maximum of Rs. 5,000
- (b) Rs. 100 per day with a Maximum of Rs. 10,000
- (c) Rs. 100 per day with a Maximum of Rs. 15,000
- (d) No Late fee is leviable

  
  
  



**Question 12**

CS Execu.

The TDS Remittance of the Deductor will be shown in the :

- (a) Electronic ITC Ledger of the Deductor
- (b) Electronic ITC Ledger of the Deductee
- (c) Electronic Cash Ledger of the Deductor
- (d) Electronic Cash Ledger of the Deductee

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**Answers**

|    |    |   |   |   |   |   |   |   |    |
|----|----|---|---|---|---|---|---|---|----|
| 1  | 2  | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| d  | b  | d | a | b | d | b | a | b | d  |
| 11 | 12 |   |   |   |   |   |   |   |    |
| a  | d  |   |   |   |   |   |   |   |    |

CA VIVEK GABA



## Chapter 15: Returns

## Descriptive Questions

Easy

**Question 1**

MTP Oct'21

**Discuss the eligibility for QRMP scheme under GST?****5 Marks****Answer:**

Registered persons (other than supplier of online information and database access or retrieval services (OIDAR) located in non-taxable territory and providing such services to a non-taxable online recipient), having an aggregate turnover up to ` 5 crore in the preceding financial year, and who have opted to furnish quarterly return under QRMP scheme are eligible for QRMP scheme as the class of persons who shall furnish a return for every quarter from January, 2021 onwards, and pay the tax due every month.

Thus, the taxpayers whose aggregate turnover is up to ` 5 crore in the preceding financial year are eligible for QRMP scheme. For computing aggregate turnover, details furnished in returns for tax periods in the preceding financial year shall be taken into account.

**Question 2**

MTP Oct'19

**Mr. X, a regular tax payer, did not make any taxable supply during the month of July. Is he required to file any goods and service tax return?****3 Marks****Answer:**

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

Therefore, Mr. X is required to file monthly return even if he did not make any taxable supply during the month of July.

**Question 3**

MTP Sep'22

**Elaborate the provisions relating to annual return contained under section 44 of the CGST Act, 2017.****5 Marks****Answer:**

Every registered person, other than an input service distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person shall furnish an annual return which may include a self-certified reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year, with the audited annual financial statement for every financial year electronically, within prescribed time, form and manner.



However, the Commissioner may exempt any class of registered persons from filing annual return. Further, any department of the Central Government or a 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, is not required to furnish annual return.

**Question 4**

RTP Nov '20

The due date for payment of tax by a person paying tax under section 10 of the CGST Act, 2017, i.e. a composition supplier is aligned with the due date of return to be filed by the said person. Discuss the correctness or otherwise of the statement.

**Answer:**

The statement is not correct. Every registered person paying tax under section 10, i.e. a composition supplier, is required to file a return annually in Form GSTR-4. Form GSTR-4 for a financial year should be furnished by 30th April of the succeeding financial year. However, a composition supplier is required to pay his tax on a quarterly basis. A quarterly statement for payment of self-assessed tax in GST CMP-08 is required to be furnished by 18th day of the month succeeding such quarter. Therefore, while the return is to be furnished annually, payment of tax needs to be made on a quarterly basis, by a composition supplier.

**Question 5**

RTP Nov '23

Batra Ltd., a normal taxpayer, is winding up its business in Rajkot. The Tax Consultant of Batra Ltd. has suggested that Batra Ltd. will have to file either the annual return or the final return at the time of voluntary cancellation of registration in the State of Rajkot.

Do you agree with the stand taken by Tax Consultant of Batra Ltd.? Offer your comments. Ignore the aggregate turnover of Batra Ltd.

**Answer:**

No, the stand taken by Tax Consultant of Batra Ltd. is not correct.

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

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

**Question 6**

PYQ Jan'21

The aggregate turnover of Mr. Prithvi, a registered person for the FY 2017-18 and 2018-19 were ₹ 140 lakh and ₹ 170 lakh respectively. He has not filed the annual return (GSTR-9) under section 44(1) of CGST Act, 2017 before the due date. Discuss the penal provisions, if any, for not filing the returns before the due date.

3 Marks

**Answer:**



The penal provisions for not filing the annual return (GSTR-9) under section 44(1) of the CGST Act, 2017 before the due date are as under: -

a) ₹ 100 for every day during which such failure continues,

or

b) 0.25% of the turnover of the registered person in the State/Union Territory whichever is lower.

**Note:** - It may be noted that filing of GSTR-9 has been made voluntary in respect of financial years 2017-18 and 2018-19 for the registered persons whose turnover is less than ₹ 2 crores and who have not furnished the said annual return before due date. Here, the annual return is deemed to be furnished on the due date if it has not been furnished before the due date.

### Question 7

PYQ Nov'20

"In Form GSTR-1, submission of invoice-wise details of outward supplies is mandatory for all kind of invoices issued during the tax period." Comment on the validity of the above statement with reference to GST laws.

3 Marks

**Answer:**

The said statement is not valid.

In respect of following outward supplies, consolidated details and not invoice-wise details are required to be uploaded in the GSTR-1:

- Intra-State supplies made to unregistered persons for each rate of tax
- Inter-State supplies made to unregistered persons with invoice value up to ₹ 2,50,000 for each rate of tax separately for each State.

### Question 8

PYQ Nov'19

Explain the consequences, if the taxable person under GST law files the GST return under Section 39(1) of the CGST Act, 2017, but does not make payment of self-assessment tax.

2 Marks

**Answer:**

If the taxable person under GST law files the GST return under section 39(1) of the CGST Act, 2017, but does not pay the self-assessment tax, the return is not considered as a valid return. Since the input tax credit can be availed only on the basis of a valid return, the taxable person, in the given case, will not be able to claim any input tax credit.

He shall pay interest, penalty, fees or any other amount payable under the CGST Act for filing return without payment of tax.

### Question 9

PYQ July'21, PYQ May'18, MTP Aug'18

Explain who is required to furnish final return, time limit for filing of final return and late fee for delay in filing final return.

5 Marks

**Answer:**

Every registered person who is required to furnish a return and whose registration has been surrendered or cancelled is required to file a final return.

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



1. date of cancellation or
2. date of order of cancellation whichever is later. Quantum of late fee for not filing the final return is as follows:
  - ` 100 for every day during which such failure continues or
  - ` 5,000 whichever is lower.

An equal amount of late fee is payable under the respective SGST/UTGST Act as well.

### Question 10

PYQ May'22, PYQ Nov'18

"All taxpayers are required to file GSTR-1 only after the end of the current tax period." Comment on the validity of the above statement with reference to GST law. **3 Marks**

**Answer:**

The statement is partially valid.

A taxpayer cannot file Form GSTR-1 before the end of the current tax period. However, following are the exceptions to this rule:

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

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

**Moderate**

### Question 1

MTP Nov'21

What are the cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF? **6 Marks**

**Answer:**

- A registered person shall not be allowed to furnish the details of outward supplies in Form GSTR-1, if he has not furnished the return in Form GSTR-3B for preceding two months.
- 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.
- A registered person, who is restricted from using the amount available in electronic credit ledger to discharge his liability towards tax in excess of 99% of such tax liability under rule 86B of the CGST Rules, shall not be allowed to furnish the details of outward supplies in Form GSTR-1 or using IFF, if he has not furnished the return in Form GSTR-3B for preceding tax period.

### Question 2

MTP March '23

Briefly elaborate the provisions relating to nil GSTR-3B. **5 Marks**

**Answer:**

- 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 1st day of the subsequent month/quarter for which the return is being filed for.

**Question 3**

RTP May'19

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

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

**Answer:**

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

However, presently, as a measure of easing the compliance requirement for small tax payers, GSTR-1 has been allowed to be filed quarterly by small tax payers with aggregate annual turnover up to ₹ 1.5 crore in the preceding financial year or the current financial year. Tax payers with annual aggregate turnover above

₹ 1.5 crore will however continue to file GSTR- 1 on a monthly basis.

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

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

**Question 4**

PYQ Nov'19

Discuss the provisions of Section 39(9) of the CGST Act, 2017, relating to rectification of errors/omissions in GST returns already filed and also state its exceptions. State the time limit for making such rectification.

**Answer:**

5 Marks

VG Sir



Omission or incorrect particulars discovered in the returns filed under section 39 can be rectified in the return to be filed for the month/quarter during which such omission or incorrect particulars are noticed. Any tax payable as a result of such error or omission will be required to be paid along with interest. Exception Section 39(9) of the CGST Act does not permit rectification of error/omission discovered on account of scrutiny, audit, inspection or enforcement activities by tax authorities. The time limit for making such rectification is earlier of the following dates:

- (ii) ~~Due date for filing return for September month of next financial year or~~
- (iii) ~~Actual date of filing annual return~~

**As per amendment Provided that no such rectification of any omission or incorrect particulars shall be allowed after the 30th day of November following the end of the financial year to which such details pertain, or the actual date of furnishing of relevant annual return, whichever is earlier.**

### Question 5

RTP May '21

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

Will your answer in (a) change, if Miss Kashi has placed an order for some purchases during August over her mobile phone, which has been received in her premises and she intends to take input tax credit on the same?

Assuming in (a) above, Miss Kashi does not have internet facility in her mobile and there is no facilitation centre notified by the Commissioner, whether no return is required to be filed in the absence of means to file return? Explain.

**Answer:**

a) The advice given by tax consultant is correct.

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

Therefore, in the given case, even though Miss Kashi was out of station on a religious pilgrimage with her family for 55 days and thus, could not do any business transaction during the month of August, she is still required to file Nil GSTR-3B for that month.

b) Nil GSTR-3B means that the return has nil or no entry in all its Tables. Since in the present case, Miss Kashi has received certain purchases, she cannot file Nil GSTR-3B, as the said purchases will need to be disclosed in the "Table for Eligible ITC" in GSTR-3B.

Thus, Miss Kashi is required to file monthly return, GSTR-3B for the month of August.

c) GSTR-3B can be submitted electronically on the common portal, either directly or through a Facilitation Centre notified by the Commissioner. Further, a Nil GSTR-3B can be filed through an SMS using the registered mobile number of the taxpayer.



Thus, Miss Kashi is required to file Nil GSTR-3B for the month of August through an SMS using her registered mobile number even though there is no internet facility in her mobile and no Facilitation Centre notified by the Commissioner.

**Question 6**

RTP May '22

Mr. Ayushman, a registered person having intra-State aggregate turnover of ₹ 1.2 crores in the preceding financial year did not file GSTR-3B for the month of September, 2023 by 10th November, 2023. The amount of tax payable for the month of September, 2023 is ₹ 8 lakh. All his supplies are intra-State supplies. Is there any late fee payable for the same? If yes, what is the amount of late fee payable?

- Will your Answer be different in (a), if Mr. Ayushman has intra-State aggregate turnover of ₹ 5 crores in the preceding financial year?
- Will your Answer be different in (a), if total amount of tax payable in the GSTR-3B for the month of September is Nil?

**Answer:**

1. As per section 47 of the CGST Act, 2017 read with Notification No 19/2021 CT dated 01.06.2021, the registered persons whose aggregate turnover is  $\leq$  ₹ 1.5 crores in the preceding FY, and who fails to furnish the returns required under section 39 by the due date shall pay a late fee of ₹ 2,000 (₹ 1,000 each under CGST & SGST or ₹ 2,000 under IGST).

Thus, late fee is payable in the given case and the amount of late fee payable is ₹ 2,000 (₹ 1,000 each under CGST & SGST).

2. As per section 47 of the CGST Act, 2017 read with Notification No 19/2021 CT dated 01.06.2021, the registered persons whose aggregate turnover is more than ₹ 1.5 crores but less than equal to ₹ 5 crores in the preceding FY, and who fails to furnish the returns required under section 39 by the due date shall pay a late fee of ₹ 5,000 (₹ 2,500 each under CGST & SGST or ₹ 5,000 under IGST).

Thus, late fee is payable in the given case and the amount of late fee payable is ₹ 5,000 (₹ 2,500 each under CGST & SGST).

3. As per section 47 of the CGST Act, 2017 read with Notification No 19/2021 CT dated 01.06.2021, any registered person whose total amount of tax payable in the GSTR-3B is Nil and who fails to furnish the returns required under section 39 by the due date shall pay a late fee of ₹ 500 (₹ 250 each under CGST & SGST or ₹ 500 under IGST).

Thus, late fee is leviable even if total amount of tax payable in the GSTR-3B for the month of September is Nil. The amount of late fee would be ₹ 500 (₹ 250 each under CGST & SGST).

**As per amendment Provided that no such rectification of any omission or incorrect particulars shall be allowed after the 30th day of November following the end of the financial year to which such details pertain, or the actual date of furnishing of relevant annual return, whichever is earlier.**



**Question 7**

List the details of outward supplies which can be furnished using Invoice Furnishing Facility (IFF). Also briefly list the cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF.

**5 Marks**

Answer:

Details of outward supplies which can be furnished using IFF are as follows:

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

Cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/using IFF:

- A registered person is not allowed to furnish Form GSTR-1, if he has not furnished the return in Form GSTR-3B for the preceding 2 months<sup>2</sup>/ for the preceding 1 month<sup>3</sup>.
- A registered person, opting for QRMP (Quarterly Return Monthly Payment) scheme is not allowed to furnish Form GSTR-1/using IFF, if he has not furnished the return in Form GSTR-3B for preceding tax period.

<sup>2</sup> Position of law till 31.12.2021

<sup>3</sup> Position of law w.e.f. 01.01.2022

**Question 8**

PQR Ltd., have filed their GSTR-3B return for the month of August, 2023 within the due date i.e. 20.09.2023. It was noticed in October, 2023 that tax dues for the month of August, 2023 have been short paid by ` 10,000. The shortfall of ` 10,000 was paid through cash ledger and credit ledger amounting to ` 7,500 and ` 2,500 respectively while filing GSTR-3B of October, 2023 which was filed on 20.11.2023.

- (1) Examine and compute the interest payable if any under the CGST Act, 2017.
- (2) What would be your answer if, GSTR-3B for the month of August 2023 had been filed belatedly on 20.11.2023 as above.

Note: Ignore the effect of the leap year. Electronic cash ledger and credit ledger carried sufficient balance for the above shortfall.

**5 Marks**

Answer:

In case of delayed payment of tax, interest is payable @ 18% per annum from the date following the due date of payment to the actual date of payment of tax.

However, interest is payable only on the short-paid tax which is paid through electronic cash ledger if return under section 39 is furnished after the due date.

(i) In the given case, PQR Ltd. has furnished the return for August 2020 by the due date. Hence, interest is payable on the entire amount of short payment of ` 10,000, as under:

$$= ` 10,000 \times 18\% \times 61/365 = ` 300.82 \text{ or } 301 \text{ (rounded off)}$$

(ii) If PQR Ltd. has furnished the return for August 2020 after the due date, interest is payable only on the short payment which is paid through electronic cash ledger, i.e. ` 7,500, as under:

$$= ` 7,500 \times 18\% \times 61/365 = ` 225.62 \text{ or } 226 \text{ (rounded off)}$$



**Question 9**

Mr. Sumit is a registered dealer in the state of Punjab. In the month of May, he decides to apply for QRMP scheme. As he wants to switch to QRMP scheme, he had not filed his returns for the months of May and June.

Please guide to Mr. Sumit regarding the following:

- (A) Conditions and restrictions of QRMP scheme.  
 (B) Manner of exercising option of QRMP scheme.

**3 Marks**

**Answer:**

(A) Conditions and restrictions of QRMP scheme

Mr. Sumit has to fulfil the following conditions and restrictions for opting for QRMP scheme:

- His aggregate annual turnover (PAN based) is up to ` 5 crore in the preceding financial year.
- He has furnished the return for the preceding month, as due on the date of exercising such option.
- He is not required to exercise the option every quarter.

(B) Manner of exercising option of QRMP scheme

Registered person - Mr. Sumit - intending to opt for QRMP scheme for any quarter should indicate his preference for furnishing of return on a quarterly basis from 1st day of the 2nd month of the preceding quarter till the last day of the 1st month of the quarter for which the option is being exercised.

**Difficulty****Question 1**

MTP May'20, March '19, March'21, Oct'22, Sep'23

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

**Answer:**

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 amendment in the details of those individual details of those transactions (invoices or debit/credit notes) that are required to be amended. They can be amended in any of the future GSTR- 1 in the tables specifically provided for the purposes of amending previously declared details. Omission or incorrect particulars discovered in the returns filed under section 39 of the CGST Act, 2017 can be rectified in the return to be filed for the month during which such omission or incorrect particulars are noticed. Any tax payable as a result of such error or omission will be required to be paid along with interest. The rectification of errors/omissions is carried out by entering appropriate particulars in "Amendment Tables" contained in GSTR-1. However, no such rectification of any omission or incorrect particulars is allowed after the due date for furnishing of return for the month of September or second quarter (in case of quarterly filers) following the end of the financial year to which such details pertain, or the actual date of furnishing of relevant annual return, whichever is earlier.

