



CHAPTER - 12

RETURNS

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Basic features of Returns in GST

1. Electronic filing of returns
2. Invoice level Information and auto population facility
3. Automatic reversal of ITC in case of mismatch
4. Designed to assist the taxpayer to the returns and avail ITC
5. Regular tax payer to furnish monthly returns and one annual return
6. Separate returns for a taxpayer registered under different status
7. Taxpayer required to file returns depending on the activities undertaken.

Purpose of Returns

1. Transfer of information to tax administration
2. Compliance verification program of tax administration
3. Finalization of the tax liabilities
4. Providing necessary inputs for taking policy decision
5. Management of audit and anti-evasion programs

Important Definitions

Sec	Title	Description
2(6)	"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
2(97)	"Return"	means any return prescribed or otherwise required to be furnished by or under this Act or the rules made thereunder
2(67)	"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

Sec	Title	Description
2(106)	"Tax period"	means the period for which the return is required to be furnished
2(92)	"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
2(55)	"Goods & Services tax practitioner"	means any person who has been approved under section 48 to act as such practitioner
2(117)	"Valid Return"	"valid return" means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full;

Basics of Return under GST Law

Q.1 : What do you mean by Return ?

Ans.: Under GST laws, a taxpayer is required to estimate his Tax liability on “**self-assessment**” basis and deposit the Tax. **The term “return” ordinarily means statement of information (facts) furnished by the taxpayer, to tax Government, 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.

Q.2: Why is filing of Return necessary ?

Ans.: 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

Q.3 :State the Important features of Return under GST mechanism?

Ans.: The basic features of the return mechanism in GST include

- ➔ electronic filing of returns,
- ➔ uploading of invoice level information and auto-population of information relating to ITC from returns of supplier to that of recipient,
- ➔ invoice-level information matching and auto-reversal of ITC in case of mismatch.

The returns mechanism is designed to assist the taxpayer to file returns and avail ITC.

Q.4: Whether E-filing of Return is mandatory?

Ans.: All the returns under GST laws are to be filed electronically. Taxpayers can file the statements and returns by various modes.

Firstly, they can file their statement and returns directly on the GST common portal online.

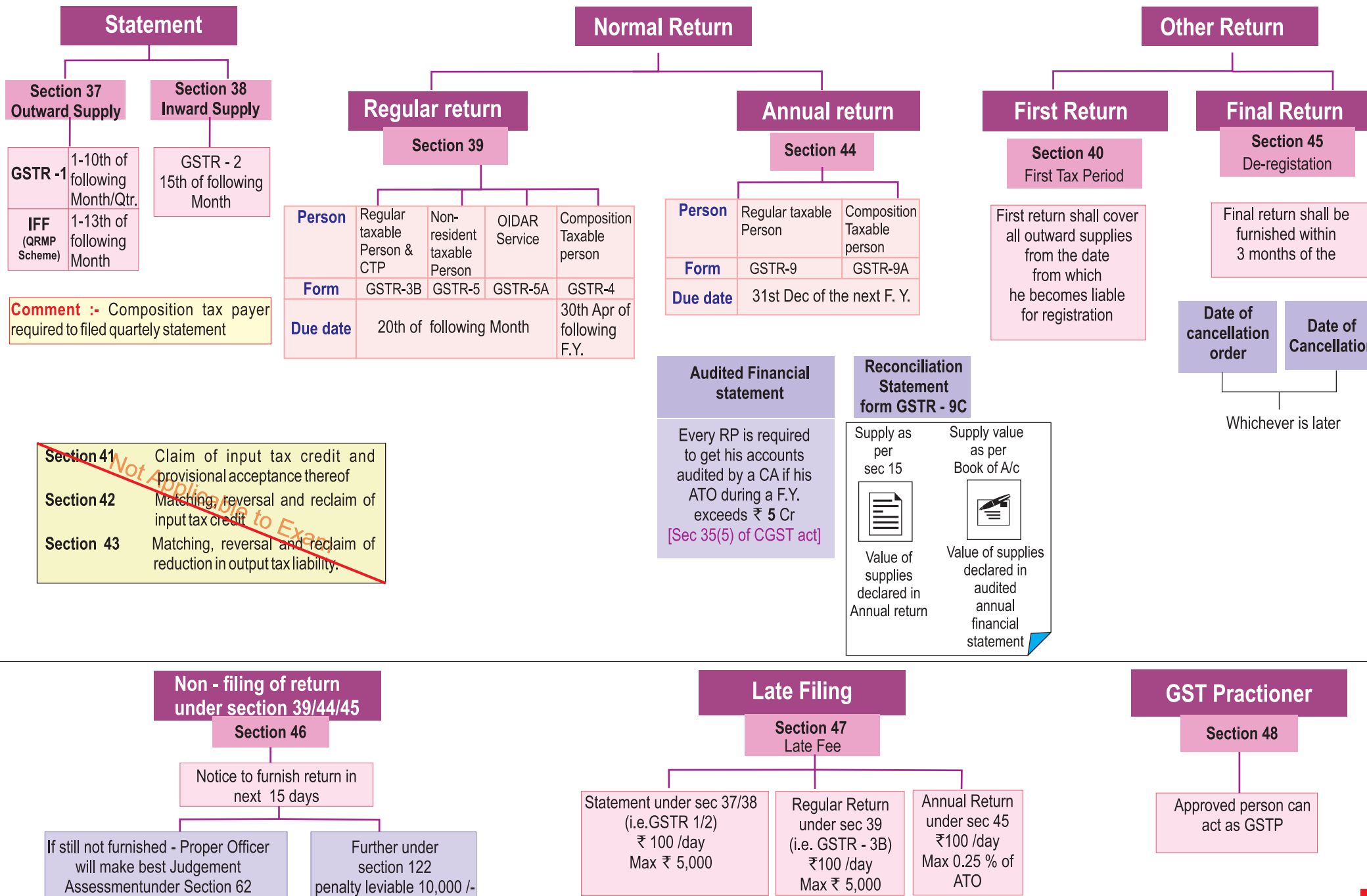
However, this may be tedious and time consuming for taxpayers with large number of invoices. For such taxpayers, offline utilities have been provided by GSTN that can be used for preparing the statements offline after downloading the auto populated details and uploading them on the common portal.

GSTN has also developed an ecosystem of **GST Suvidha Providers (GSP)** that will integrate with the common portal.

Q.5 : What do you mean by B2B and B2C supply?

- Ans.:**
- 1) B2B means business to business transaction. In such type of transactions, the recipient is also a registered supplier and hence, takes ITC.
 - 2) 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.

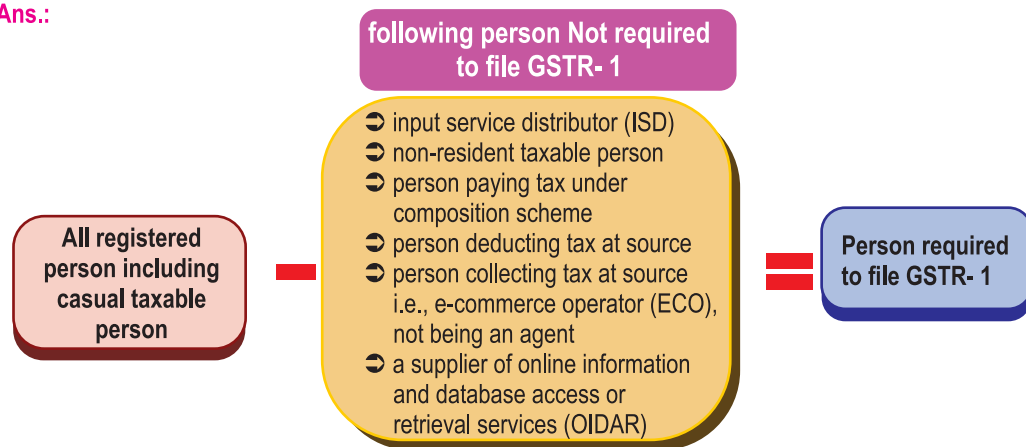
Statement / Return



Sec 37 : Furnishing details of outward supplies

Q.6: Who is required to furnish details of outward supplies and What is the form and due date? (Sec 37 (1))

Ans.:



Form for submission of details of outward supplies

The details of outward supplies are required to be furnished, electronically, in **Form GSTR-1**.

Due date of submission of GSTR-1

GSTR-1 for a particular month is filed on or before the 10th day of the immediately succeeding month.

Comment :

- Time limit to Supplier filed details of outward supply :-** GSTR-1 of a month can be filed any time between 1st and 10th day of the succeeding month.
- Blocking Period :-** GSTR-1 cannot be filed during the period from 11th day to 15th day of month succeeding the tax period.
- Extension :-** 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.

N/No. 83/2020 CT dated 10.11.2020

With effect from 01.01.2021, the time limit for furnishing the details of outward supplies in Form GSTR-1 has been extended in the following manner:

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

Q.7: Whether tax payer can file GSTR-1 before the end of the current tax period?

Ans.: No, A taxpayer cannot file 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 GSTR-1 after confirming receipt of the application.

Q. 8 Is the necessary to file GSTR-1, even if there is no business activity in any particular tax period

Ans.: Filing of GSTR-1 is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period.

For such tax period(s), a Nil GSTR-1 is required to be filed.

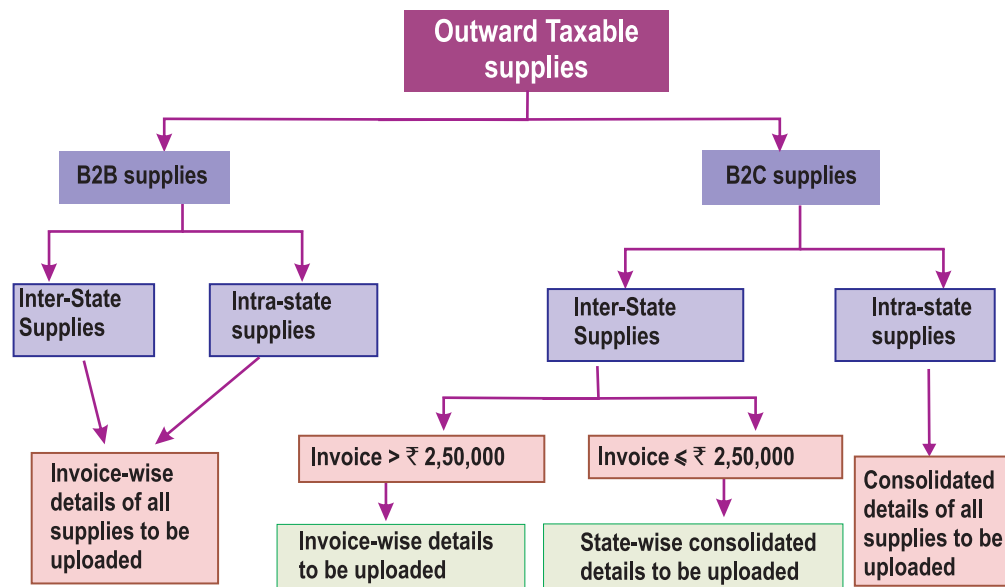
A Nil GSTR-1 can be filed through an SMS using the registered mobile number of the taxpayer. GSTR-1 submitted through SMS is verified by registered mobile number-based OTP facility.

A taxpayer can file Nil GSTR-1, anytime from 1st of the month subsequent of the tax period onwards.

Rule 59. Form and manner of furnishing details of outward supplies.-

- Furnishing of details of outward supplies in case of monthly scheme:-**
Every registered person,
other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017,
required to furnish the details of outward supplies of goods or services or both under section 37, shall furnish such details in **FORM GSTR-1** for the month or the quarter, as the case may be, electronically through the common portal, either directly or through a Facilitation Centre as may be notified by the Commissioner.
- Furnishing of details of outward supplies in case of QRMP scheme:-**
The registered persons required to furnish return for every quarter under proviso to subsection (1) of section 39 (i.e. under QRMP Scheme)
may furnish the details of such outward supplies of goods or services or both to a registered person, as he may consider necessary,
for the first and second months of a quarter,
up to a cumulative value of ₹ 50 Lakhs in each of the months,-
using **invoice furnishing facility** ("IFF") electronically on the common portal, duly authenticated in the manner prescribed under rule 26, **from the 1st day of the month succeeding such month till the 13th day of the said month.**
- Data given in IFF not be furnished again in GSTR - 1 for QRMP scheme:-**
The details of outward supplies furnished using the IFF, for the first and second months of a quarter, shall not be furnished in FORM GSTR-1 for the said quarter.
- Details in GSTR - 1**
The details of outward supplies of goods or services or both furnished in FORM GSTR-1 shall include the—
 - invoice wise details of all—**
 - inter-State and intra-State supplies made to the registered persons; and
 - inter-State supplies with invoice value more than ₹2,50,000 made to the unregistered persons;

(b)	consolidated details of all– (i) intra-State supplies made to unregistered persons for each rate of tax; and (ii) State wise inter-State supplies with invoice value upto ₹ 2,50,000 made to unregistered persons for each rate of tax;
(c)	debit and credit notes , if any, issued during the month for invoices issued previously.

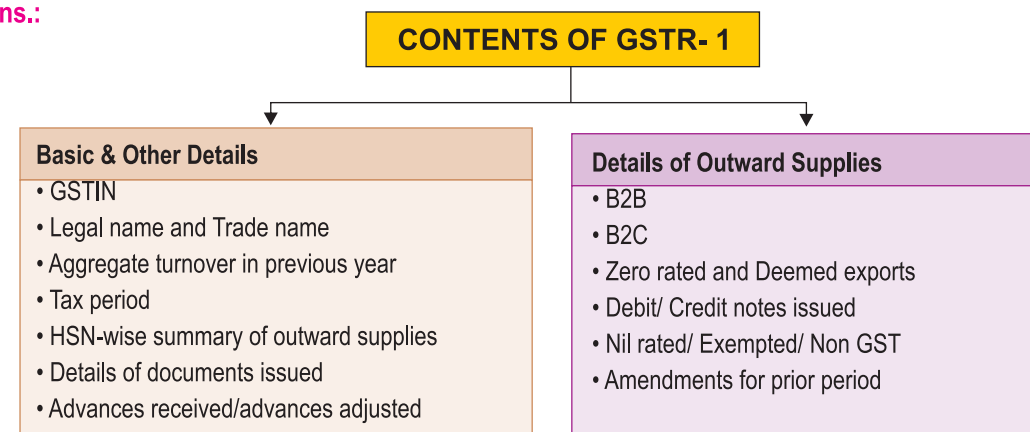


(5)	Details of IFF :- The details of outward supplies of goods or services or both furnished using the IFF shall include the
(a)	invoice wise details of inter-State and intra-State supplies made to the registered persons;
(b)	debit and credit notes, if any, issued during the month for such invoices issued previously
(6)	Restriction on furnishing GSTR -1 or IFF :- Notwithstanding anything contained in this rule,
(a)	a registered person (Monthly Scheme) shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1, if he has not furnished the return in FORM GSTR-3B for preceding two months;
(b)	a registered person, required to furnish return for every quarter under the proviso to Sec 39(1), (QRMP Scheme) shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility (IFF), if he has not furnished the return in FORM GSTR-3B for preceding tax period;

(c)	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,
	shall not be allowed to furnish the details of outward supplies of goods or services or both under section 37 in FORM GSTR-1 or using the invoice furnishing facility, (IFF) if he has not furnished the return in FORM GSTR-3B for preceding tax period

Q.9 : What are the contents of GSTR-1?

Ans.:



Q.10 : Explain the importance of GSTR-1 to recipient of supply?

Ans.:

As per Sec 37(2) (read with rule 59(3) and 59(4))of CGST Act-

- Communication to the recipient :-** The details of outward supplies for a month furnished by the supplier are communicated and made available electronically (auto populated) to the respective recipient(s) in **Part A of Form GSTR- 2A/ Form GSTR-4A** (in case of registered person opting for composition levy) through the **common portal after the 10th day of the succeeding month** (due date of filing of GSTR-1).
- Modification by the recipient :-**
 - The recipient is provided an opportunity to **add, correct or delete** such details in a **two-way communication process**. After such modifications, recipient files the details of inward supplies in **Form GSTR-2 by 15th day of that month**.
 - The details of inward supplies **added, corrected or deleted by the recipient in Form GSTR-2/Form GSTR-4** (quarterly return for registered person opting for composition levy) are made **available to the supplier electronically in Form GSTR-1A** through the common portal.
 - The supplier may either **accept or reject the modifications** made by the recipient between 15th day and 17th day of that month.
- Amendment in GSTR- 1 :-** If supplier accepts the modifications made by the recipient, GSTR-1 furnished earlier by him gets amended accordingly.

Rule -60. Form and manner of ascertaining details of inward supplies.-

Details in GSTR - 2A

- (1) **The details of outward supplies furnished by the supplier** in FORM GSTR-1 or using the IFF shall be made available electronically to the concerned registered persons (recipients) in
 - ➔ Part A of FORM GSTR-2A,
 - ➔ in FORM GSTR-4A and
 - ➔ in FORM GSTR-6A
 through the common portal, as the case may be.
- (2) **The details of invoices furnished by a non-resident taxable person** in his return in FORM GSTR-5 under rule 63 shall be made available to the recipient of credit
 - ➔ in Part A of FORM GSTR-2A
 electronically through the common portal.
- (3) **The details of invoices furnished by an Input Service Distributor** in his return in FORM GSTR-6 under rule 65 shall be made available to the recipient of credit
 - ➔ in Part B of FORM GSTR-2A
 electronically through the common portal.
- (4) **The details of tax deducted at source furnished by the deductor** under sub-section (3) of section 39 in FORM GSTR-7 shall be made available to the deductee
 - ➔ in Part C of FORM GSTR-2A
 electronically through the common portal
- (5) **The details of tax collected at source furnished by an e-commerce operator** under section 52 in FORM GSTR-8 shall be made available to the concerned person
 - ➔ in Part C of FORM GSTR-2A
 electronically through the common portal.
- (6) **The details of the integrated tax paid on the import of goods** or goods brought in domestic Tariff Area from Special Economic Zone unit or a Special Economic Zone developer on a bill of entry shall be made available
 - ➔ in Part D of FORM GSTR-2A
 electronically through the common portal.

Details in GSTR - 2B

- (7) An **auto-drafted statement** containing the details of input tax credit shall be made available to the registered person in **FORM GSTR-2B, for every month**, electronically through the common portal, and shall consist of—
 - (I) the details of outward supplies furnished by his supplier,
 - other than a supplier required to furnish return for every quarter under proviso to Sec 39(1), in FORM GSTR-1,
 - 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 FORM GSTR-5 and
 - ➔ details of invoices furnished by an Input Service Distributor in his return in FORM GSTR-6 and
 - ➔ details of outward supplies furnished by his supplier, required to furnish return for every quarter under proviso to Sec 39(1), in FORM GSTR-1 or using the IFF, as the case may be,-
 - (a) **for the first month of the quarter** between the day immediately after the due date of furnishing of FORM GSTR-1 for the preceding quarter to the due date of furnishing details using the IFF for the first month of the quarter;
 - (b) **for the second month of the quarter,** between the day immediately after the due date of furnishing details using the IFF for the first month of the quarter to the due date of furnishing details using the IFF for the second month of the quarter;
 - (c) **for the third month of the quarter,** between the day immediately after the due date of furnishing of details using the IFF for the second month of the quarter to the due date of furnishing of FORM GSTR-1 for the quarter;
 - (iii) the details of the integrated tax paid on the import of goods or goods brought in the domestic Tariff Area from Special Economic Zone unit or a Special Economic Zone developer on a bill of entry in the month.
- (8) **The Statement in FORM GSTR-2B for every month** shall be made available to the registered person,-
- (i) **for the first and second 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 required to furnish return for every quarter under proviso to Sec 39(1), or
 - ➔ in FORM GSTR-1 by a registered person,
 other than those required to furnish return for every quarter under proviso to Sec 39(1), **whichever is later**
 - (ii) **in the third 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 required to furnish return for every quarter under proviso to Sec 39(1).

Points of Comparison	GSTR - 2A	GSTR - 2B
ITC Statement Period	For a particular month	For a particular Period
Nature of statement	Dynamic, as it changes from day to day and when the supplier uploads the documents.	Remains static or constant, as the GSTR-2B for month cannot change based on future actions of the supplier.

Source of information	GSTR- 1, GSTR -5, GSTR- 6 GSTR - 7, GSTR - 8	GSTR- 1, GSTR -5, GSTR- 6 Icegate System
ITC on import of goods	Does not contain these details	Contains ITC on Import of goods as obtained from icegate system [Available from GSTR -2B of August 2020 onwards]

SEC 39: FURNISHING OF RETURNS

(1)	<p>Every registered person, other than</p> <ul style="list-style-type: none"> ➔ an Input Service Distributor or ➔ a non-resident taxable person or ➔ a person paying tax under the provisions of section 10 or ➔ section 51 or section 52 shall, <p>for every calendar month or part thereof, furnish, a return, electronically, of</p> <p>inward and outward supplies of goods or services or both,</p> <ul style="list-style-type: none"> ➔ input tax credit availed, ➔ tax payable, ➔ tax paid and ➔ such other particulars, <p>in such form and manner, and within such time, as may be prescribed:</p>	
	<p>Proviso Provided that the Government may, on the recommendations of the Council, notify certain class of registered persons</p> <ul style="list-style-type: none"> ➔ who shall furnish a return for every quarter or part thereof, ➔ subject to such conditions and restrictions as may be specified therein. 	
(2)	<p>A registered person paying tax under the provisions of section 10, shall, for each financial year or part thereof, furnish a return, electronically,</p> <ul style="list-style-type: none"> ➔ of turnover in the State or Union territory, ➔ inward supplies of goods or services or both, ➔ tax payable, ➔ tax paid and <p>such other particulars in such form and manner, and within such time, as may be prescribed.</p>	

Rule -61. Form and manner of furnishing of return.-

- (1) **Every registered person, other than**
- ➔ OIDAR service provider u/s 14 of IGST Act, 2017
 - ➔ an Input Service Distributor or
 - ➔ a non-resident taxable person or
 - ➔ a person paying tax under the provisions of section 10 or
 - ➔ section 51 or section 52
- shall furnish a return **in FORM GSTR-3B**, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner, as specified under –

i.	Person specified u/s 39(1)	for each month, or part thereof	on or before the 20th day of the month succeeding such month
ii.	Person specified in proviso to sec 39(1) (eligible for QRMP scheme)	for each quarter, or part thereof	on or before the date mentioned in the corresponding entry in column (3) of the said Table

S. No.	Class of registered persons	Due Date
1	2	3
1	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, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.	22 day of the month succeeding such quarter.
2	Registered persons whose principal place of business is in the States of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, 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.	24 day of the month succeeding such quarter.

- (2) Every registered person required to furnish return, under sub-rule (1) **shall, discharge his liability** towards tax, interest, penalty, fees or any other amount payable under the Act or the provisions of this Chapter **by debiting the**
- ➔ electronic cash ledger or
 - ➔ electronic credit ledger and
- include the details in the return in FORM GSTR-3B.

(3)	<p>Every registered person required to furnish return, every quarter, under clause (ii) of subrule (1) (i.e. a person opting for QRMP Scheme) shall pay the tax due under proviso to Sec 39(7), for each of the first two months of the quarter, by depositing the said amount in FORM GST PMT-06, by the 25th day of the month succeeding such month:</p>
Proviso 1	<p>Provided that the Commissioner may, on the recommendations of the Council, by notification, extend the due date for depositing the said amount in FORM GST PMT-06, for such class of taxable persons as may be specified therein:</p>
Proviso 2	<p>Provided further that any extension of time limit notified by the Commissioner of State tax or Union territory tax shall be deemed to be notified by the Commissioner:</p>
Proviso 3	<p>Provided also that while making a deposit in FORM GST PMT-06, such a registered person may— (a) for the first month of the quarter, take into account the balance in the electronic cash ledger. (b) for the second month of the quarter, take into account the balance in the electronic cash ledger excluding the tax due for the first month.</p>
(4)	<p>The amount deposited by the registered persons under sub-rule (3) above, shall be debited while filing the return for the said quarter in FORM GSTR-3B, and any claim of refund of such amount lying in balance in the electronic cash ledger, if any, out of the amount so deposited shall be permitted only after the return in FORM GSTR-3B for the said quarter has been filed.</p>

Rule -61A. -Manner of opting for furnishing quarterly return.-

(1)	<p><i>Every registered person intending to furnish return on a quarterly basis under proviso to Sec 39(1), shall in accordance with the conditions and restrictions notified in this regard, indicate his preference for furnishing of return on a quarterly basis, electronically, on the common portal, from the 1st day of the second month of the preceding quarter till the last day of the first month of the quarter for which the option is being exercised</i></p>
Proviso 1	<p>Provided that 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 the said registered person,— (a) becomes ineligible for furnishing the return on a quarterly basis 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</p>
Proviso 2	<p>Provided further that a registered person shall not be eligible to opt for furnishing quarterly return in case the last return due on the date of exercising such option has not been furnished.</p>

(2)	<p>A registered person, <i>whose aggregate turnover exceeds 5 crore rupees during the current financial year,</i> shall opt for furnishing of return on a monthly basis, electronically, on the common portal,</p>
	<p><i>from the first month of the quarter, succeeding the quarter during which his aggregate turnover exceeds 5 crore rupees.</i></p>

SEC 39(7) : Payment of Tax with Return

Persons	Due date of payment of Tax
Every registered person u/s 39(1)	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
Every registered person furnishing return under the proviso to sec 39(1) (i.e person opting for QRMP scheme)	<p>shall pay to the Government, the tax due taking into account ➤ inward and outward supplies of goods or services or both, ➤ input tax credit availed, ➤ tax payable and ➤ such other particulars during a month, in such form and manner, and within such time, as may be prescribed</p>
Every registered person u/s 39(2) (Person opting for composition scheme)	<p>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 (CMP - 08) ➤ manner, (Quarterly) ➤ within such time, (18th of next month) as may be prescribed.</p>

Notification No. 85/2020 – Central Tax New Delhi, the 10th November, 2020

the registered persons,
 ➤ notified under proviso to Sec 39(1),
 ➤ who have opted to furnish a return for every quarter or part thereof,
 as the class of persons who may, in **first month or second month** or both months of the quarter, **follow the special procedure** such that the said persons may pay the tax due under proviso to Sec 39(7) of the said Act, by way of making a deposit of an amount in the electronic cash ledger equivalent to, -

- (I) **35% of the tax liability** paid by debiting the electronic cash ledger **in the return for the preceding quarter** where the return is furnished quarterly; or

(ii)	the tax liability(100%) paid by debiting the electronic cash ledger in the return for the last month of the immediately preceding quarter where the return is furnished monthly:
	Provided that no such amount may be required to be deposited-
(a)	for the first month of the quarter, where the balance in the electronic cash ledger or electronic credit ledger is adequate for the tax liability for the said month or where there is nil tax liability
(b)	for the second month of the quarter, where the balance in the electronic cash ledger or electronic credit ledger is adequate for the cumulative tax liability for the first and the second month of the quarter or where there is nil tax liability:
Proviso	Provided further that registered person shall not be eligible for the said special procedure unless he has furnished the return for a complete tax period preceding such month.
Explanation	For the purpose of this notification, the expression “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.

First Return and precaution for Returns

Q.11 : Explain the provisions pertaining first return & to whom is it applicable?

Ans. As per Sec 40 of CGST Act, Every registered person who has made outward supplies in the period between the date on which he became liable to registration till the date on which registration has been granted shall declare the same in the first return furnished by him after grant of registration.

During the intervening period, such person might have made the outward supplies, so in order to enable such person to declare the taxable supplies made by him for the period between the date on which he becomes liable till the date of grant of registration. Thus first return is to be filed so that ITC can be availed by recipient on such supplies.

Analysis:

- ➔ Supply made during the period when he *liable for registration till the date of registration certificate can be declared in the First return file after grant of registration*
- ➔ 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*.
- ➔ 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.

Example : Mr. R is a supplier of goods located in New Delhi and provides the following facts in relation to his business

➤ Date on which Mr. R became liable for registration under GST	06/08/20XX
➤ Date of filing of application for registration	15/08/20XX
➤ Date of grant of registration certificate	18/08/20XX
➤ Effective date of registration-Date on which Ramesh became liable as application filed within 30 days of becoming liable for registration	06/08/20XX
➤ Due date of filing of First Return after seeking registration i.e. Return Pertaining to tax period August 20XX	20/09/20XX

Mr. R shall, besides declaring the details of taxable supplies effected after 18/08/20XX, also declare the details of outward supplies effected during the period 06/08/20XX to 18/08/20XX in his First Return to be furnished by 20/09/20XX

Q.12: What are the precautions that a taxpayer is required to take for a hassle free compliance under GST?

Ans.

- 1) One of the most important things under GST is the timely uploading of the details of outward supplies in GSTR-1 by 10th of next month.
- 2) 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.
- 3) GST common portal allows regular uploading of invoices even on a real time basis. Therefore, it would always be beneficial for the taxpayers to regularly upload the invoices.
- 4) 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.

Annual Return (Sec 44)

Q.13 : Who are required to furnish Annual Return and what is the due date and prescribed form for annual return? [Section 44(1) read with rule 80]

Ans.:

following person Not required to file Annual Return

- input service distributor (ISD)
- Casual Taxable Person
- non-resident taxable person
- person paying tax under sec 51 and 52
- Any department of CG, SG or Local authority whose books of account are audited by comptroller and auditor general of India or auditor for auditing the account of local authority (Proviso to sec 35(5))

All registered person

Person required to file GSTR- 1

Person	Regular taxable Person	Composition Taxable person
Form	GSTR-9	GSTR-9A
Due date	31st Dec of the next F. Y. (commissioner can extent time limit for furnishing annual return).	



Important Point

TCS-tax collection at sources required to fill Annual Statement as per provision of section 52

Q.14 : Who is required to furnish a Reconciliation Statement? [Section 44(2) read with section 35(5) and rule 80(3)]

Ans.:

- (i) Every registered person must get his accounts audited by a Chartered Accountant or a Cost Accountant if his aggregate turnover during a FY exceeds ₹2 crores.
- (ii) Such registered person is required to furnish electronically through the common portal alongwith Annual Return a copy of

➤ Audited annual accounts

➤ A Reconciliation Statement, duly certified, in prescribed form

Reconciliation Statement will reconcile the value of supplies declared in the return furnished for the financial year with the audited annual financial statement and such other particulars, as may be prescribed

"Provided that for the financial year 2018-2019 and 2019-2020, every registered person whose aggregate turnover exceeds ₹5 crore shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C for the said financial year, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner."

Substituted by
N/N 79/2020-CT dt 15/10/2020

Foreign Airline company Exempt from furnishing reconciliation statement N/N 9/2020 CT dt 16/03/2020

The persons who are foreign company,

shall not be required to furnish reconciliation statement in FORM GSTR-9C to the CGST Rules, 2017 section 44(2) of the CGST Act read with rule 80(3) of the CGST rules

Provided that a statement of receipts and payments for the financial year in respect of its Indian Business operations, duly authenticated by a practicing Chartered Accountant in India or a firm or a Limited Liability Partnership of practicing Chartered Accountants in India is submitted for each GSTIN by the 30th September of the year succeeding the financial year.

Sec 45 : Final Return

Q.15 : Who are required to furnish Final Return? [Section 45 read with rule 81]

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

Q.16 : What is the time-limit for furnishing Final Return? [Section 45]

Ans.: 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.

Comment :- Cancellation of registration does not in any way affect the liability of the tax payer to pay any dues under GST law, irrespective of whether such due have been determined before or after the date of cancellation

Example : Mr. Raj to registration in November 2018 due to the health issue he discontinued the business from December 2020, he applied for cancellation of registration in February 2021. Proper officer ordered the cancellation in March 2021 and mentioned cancellation will be effective from April 2021. Once Mr. Raj discharged all his past dues.

Ans.: Final Return has to be filed within 3 months of the :

- (i) date of cancellation April 21 (i.e. July 21, within 3 months from April 21)
- (ii) date of order of cancellation March 21 (i.e. June 21, within 3 months from March 21),
whichever is later.

Therefore, Mr. Raj filed final return upto July 2021

Sec 46 & 47: DEFAULT IN FURNISHING RETURN

Q.17: What are the consequences if return is not filed within due date? [Section 46 read with section 52 and rule 68]

Ans.: Notice to return defaulters : A notice in prescribed form shall be issued, electronically, to a registered person who fails to furnish return under

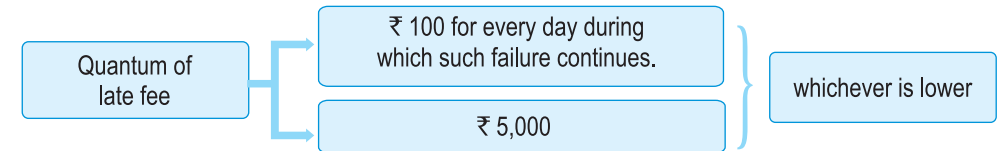
- ➔ section 39 [Normal Return] or
- ➔ section 44 [Annual Return] or
- ➔ section 45 [Final Return] or
- ➔ section 52 [TCS Statement].

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.

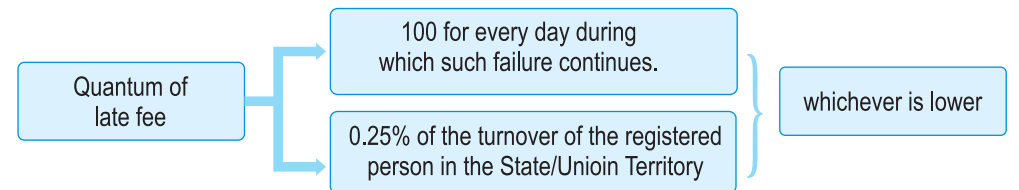
Q.18: What is the Late fee levied for delay in filing return? [Section 47(1)]

Ans.: Any registered person who fails to furnish following by the due date:

- (A) Statement of Outward Supplies [Section 37]
- (B) Statement of Inward Supplies [Section 38]
- (C) Returns [Section 39]
- (D) Final Return [Section 45],



Late fees for annual return : Any registered person who fails to furnish the **annual return** required under section 44 by the due date shall be liable to pay a **late fee as under**



Comment :- Late fees will be double [Analysis] : Since aforeside fee is specified u/s 47 of CGST, an equal fee/penalty would be levied under corresponding provision of SGST/UTGST Act and therefore, fee will be doubled.

Clarification regarding Standard Operating Procedure to be followed in case of non-filers of returns [Circular No. 129/48/2019 GST dt 24/12/2019]

Issue :- What are the appropriate procedure to be followed in case of non-furnishing of return under section 39 or section 44 or section 45 of the CGST Act, 2017

Legal provision:-

Section 46 of the CGST Act read with rule 68 of the CGST Rules, 2017 requires issuance of a notice in FORM GSTR-3A to a registered person who fails to furnish return under section 39 or section 44 or section 45 requiring him to furnish such return within 15 days.

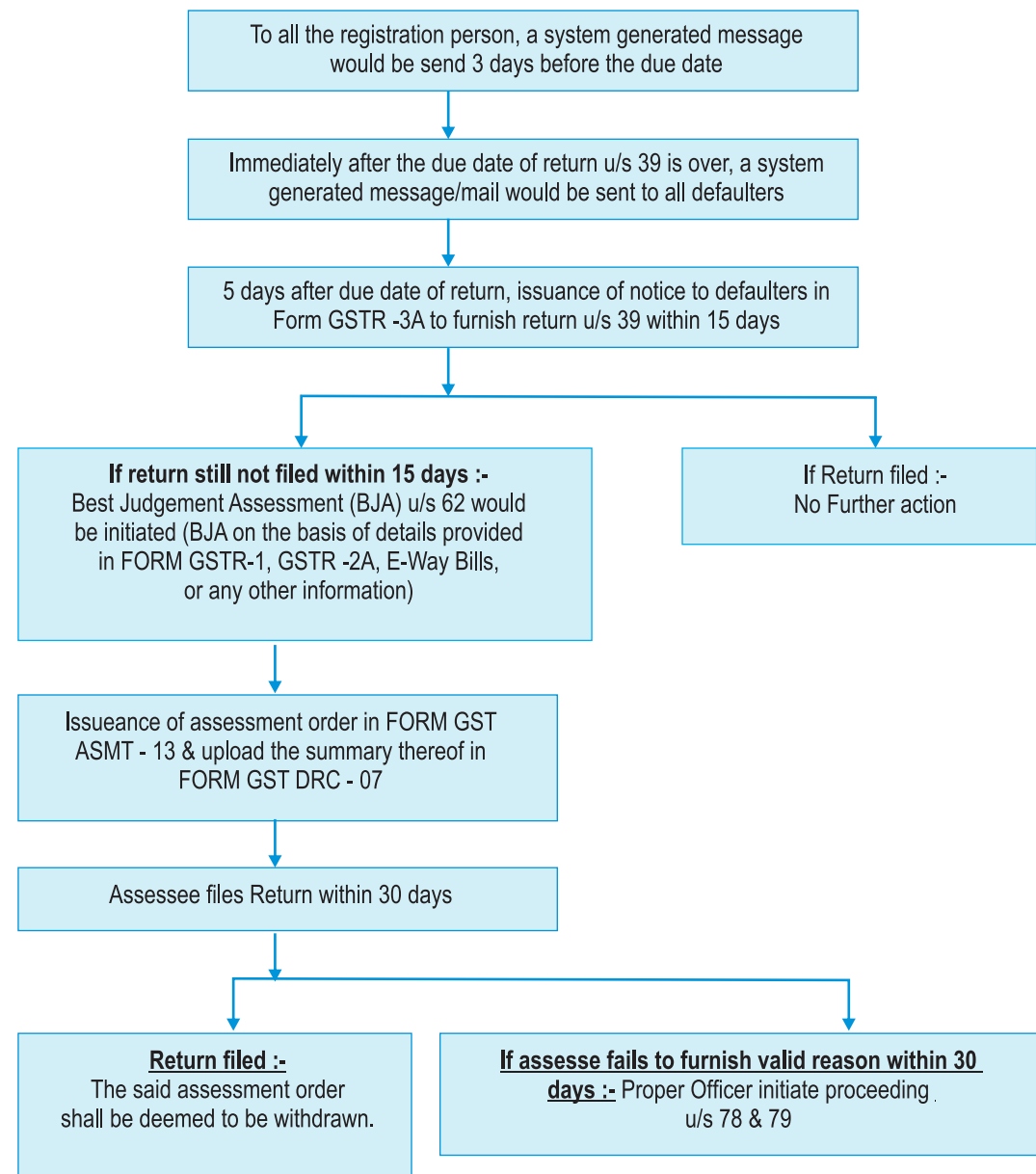
section 62 provides for assessment of non-filers of return of registered persons who fails to furnish return under section 39 or section 45 even after service of notice under section 46.

CLARIFICATION:- No separate notice is required to be issued for best judgment assessment under section 62 and in case of failure to file return within 15 days of issuance of FORM GSTR3A, the best judgment assessment in FORM ASMT-13 can be issued without any further communication.

Following guidelines are hereby prescribe to ensure uniformity in the implementation of the provision

- ➡ System generated message would be sent to all registered persons **3 days before the due date** of filing returns.
- ➡ Once the due date for filing **GSTR-3B** passes, a system generated email or message would be sent to all defaulters (i.e. to all the authorised persons as well as the director / partner / proprietor, etc.).
- ➡ **5 days after the due date of furnishing the return**, a notice in **GSTR-3A** shall be issued electronically to all the defaulters asking them to furnish such return within **15 days**.
- ➡ If the said return is not filed within **15 days**, the Revenue Authorities may start to *assess the tax liability on best judgement* basis taking into account the information available / gathered and issue order in GST ASMT-13. The Revenue Authorities would then be required to *upload the summary in GST DRC-07*.
- ➡ In order to assess the aforesaid tax liability, the *Revenue Authorities may take into account the details of outward supplies* as per GSTR-1, details of *inward supplies* auto-populated in GSTR-2A, information available from *e-way bills*, or *any other information* available from any other source including inspection at business premises.
- ➡ If a *valid return is furnished within 30 days* of the service of aforesaid assessment order, the said *assessment order* shall be deemed to *have been withdrawn*. **Else**, *recovery proceedings could be initiated*.
- ➡ In certain cases, the Commissioner may resort to *provisional attachment of property* to protect revenue, before issuance of order in GST ASMT-13.
- ➡ Proper officer may also proceed to *cancel the GST registration* in cases where the return has not been furnished for the period specified in section 29

Standard Operating Procedure



Sec 48 : Goods and Service tax practitioners

Q.19 : Explain the concept of GST Practitioners ?

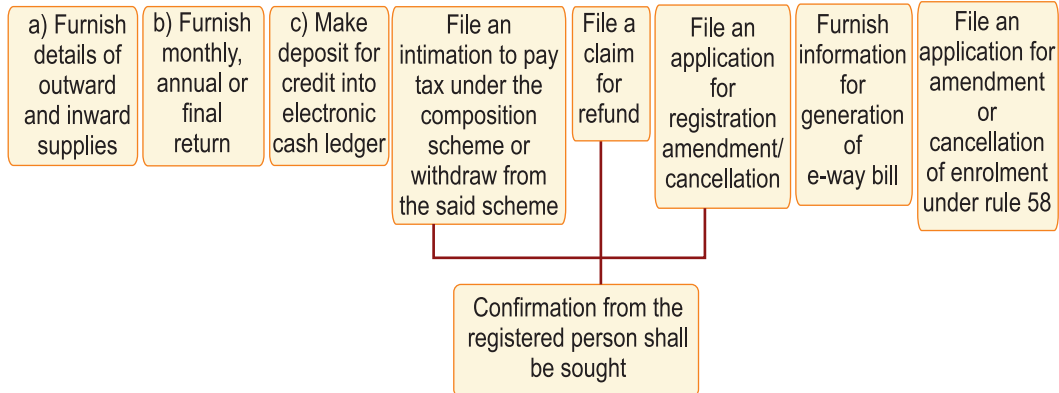
Ans.: A registered person may authorised an approved GSTP to furnish information, on his behalf, to the Government.

GSTN will provide 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.

Q.20 : What are the activities which can be undertaken by a GSTP ?

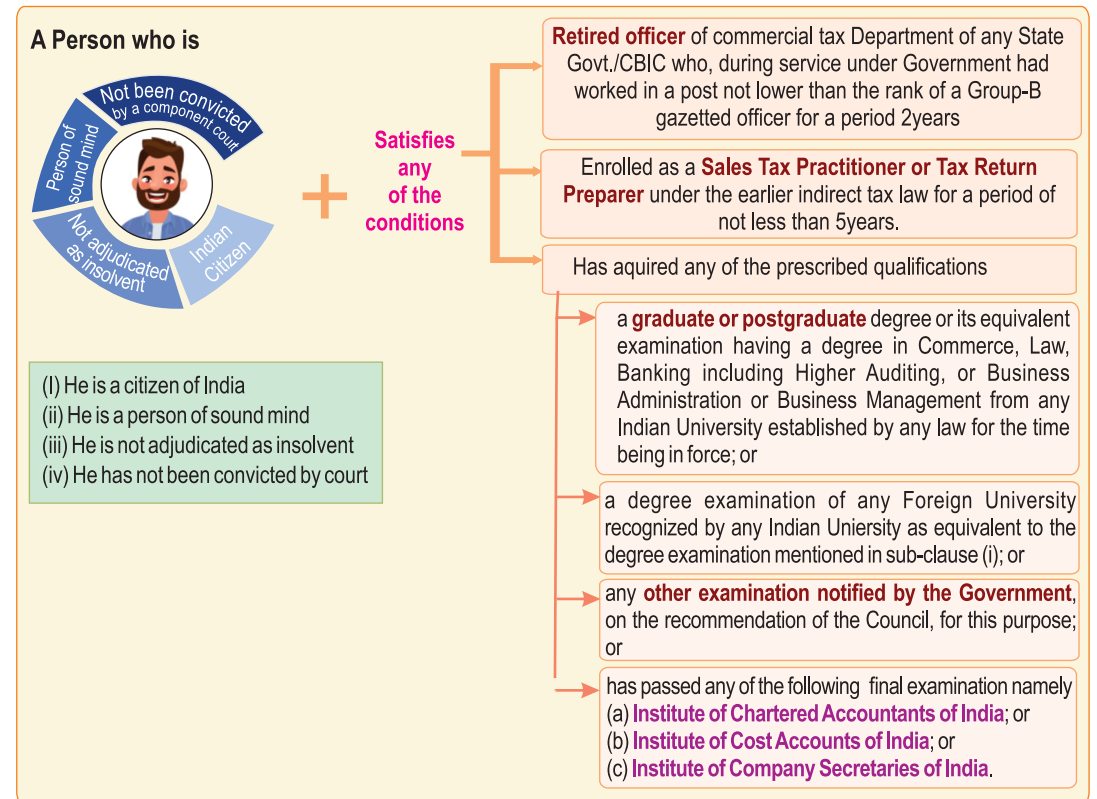
Ans.: A goods and services tax practitioner can undertake any or all of the following activities on behalf of a registered person, if so authorised by him to-



Also allowed to appear as authorised representative before any officer of Department, Appellate Authority or Appellate Tribunal, on behalf of such a registered person provided he is enrolled as GSTP under rule 83.

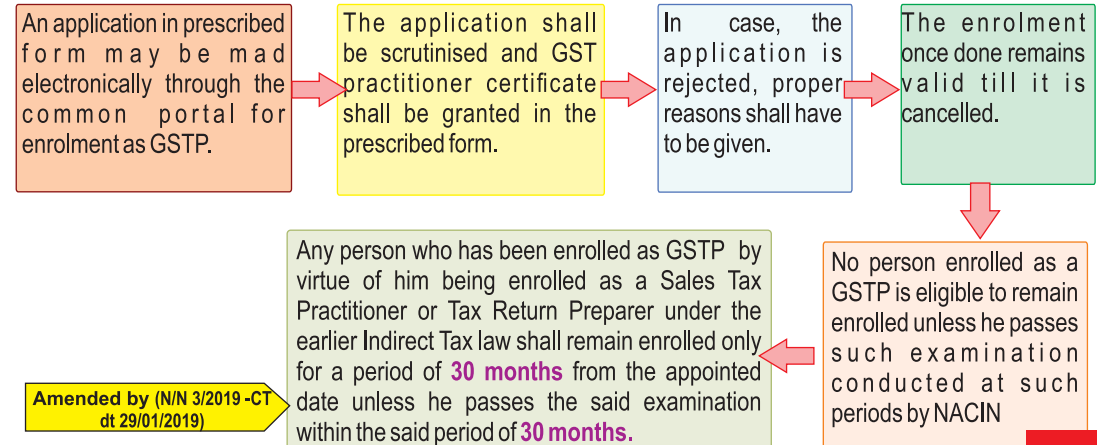
Q.21 : What is the eligibility criteria for GSTP ?

Ans.: GSTP shall apply for registration in FORM PCT-01 electronically on common portal. following are the eligibility criteria :



Q.22 : What is the procedure for enrolment as GSTP ?

Ans.:



Amended by N/N 3/2019 -CT dt 29/01/2019

Q.23 : Whether GST Fee is responsible for correctness of any particulars furnished in the return on the behalf of register person ?

Ans.: When a registered person opts to furnish his return through GSTP, such registered person:

- (i) Gives his consent in prescribed form to any GSTP to prepare and furnish his return
- (ii) Before confirming submission of any statement prepared by GSTP, ensure 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 GST practitioners shall continue 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 shall be treated as deemed confirmation.

Other important comments for GSTP

- Any registered person may give consent and authorise a GST practitioner in the prescribed form by listing the authorised activities in which he intends to authorise the GST practitioner.
- The registered person authorising a GSTP shall have to authorise in the prescribed form and the GST practitioner will have to accept the authorisation in Part B of the same form.
- The GST practitioner shall be allowed to undertake only such tasks as indicated in the prescribed form. The registered person may, at any time, withdraw such authorisation in the prescribed form.
- Any statement furnished by the GST practitioner shall be made available to the registered person on the GST Common Portal. For every statement furnished by the GST practitioner, a confirmation shall be sought from the registered person over email or SMS.
- The GST practitioner shall 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 GST practitioner is found guilty of misconduct, his enrolment will be liable to be cancelled and a show cause notice would be issued to him.

Manner of furnishing of return or details of outward supplies by short messaging service facility(Rule 67A)

Notwithstanding anything contained in this Chapter, for a registered person who is required to furnish

- a Nil return under section 39 in FORM GSTR-3B or
- a Nil details of outward supplies under section 37 in FORM GSTR-1 or
- a Nil statement in FORM GST CMP-08

for a tax period,

any reference to electronic furnishing shall include furnishing of the said return or the details of outward supplies or statement through

a short messaging service using the registered mobile number and the said return or the details of outward supplies or statement shall be verified by a registered mobile number based One Time Password facility.

Explanation. - For the purpose of this rule, a Nil return or Nil details of outward supplies or Nil statement shall mean a return under section 39 or details of outward supplies under section 37 or statement under rule 62, for a tax period that has nil or no entry in all the Tables in FORM GSTR-3B or FORM GSTR-1 or FORM GST CMP-08, as the case may be.”

Newly Inserted by N/N
79/2020 dt 15/10/2020