RETURNS

For the sake of brevity, the term input tax credit has been referred to as ITC in this Chapter. The section numbers referred to in the Chapter pertain to CGST Act, unless otherwise specified.

LEARNING OUTCOMES

This Chapter will equip you to –

- comprehend and analyse the provisions relating to filing of various types of statements and returns by registered persons,
- appreciate and analyse the provisions relating to filing of information return by various authorities
- determine the late fee for delayed filing of return
- explain the provisions relating to GST practitioner
- apply the above concepts in problem solving
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.
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 taxable activities.

Chapter IX of the CGST Act [Sections 37 to 48] and sections 150 & 123 prescribe the provisions relating to filing of returns as under:

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 37</td>
<td>Furnishing details of outward supplies</td>
</tr>
<tr>
<td>Section 38</td>
<td>Furnishing details of inward supplies</td>
</tr>
<tr>
<td>Section 39</td>
<td>Furnishing of returns</td>
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<tr>
<td>Section 40</td>
<td>First return</td>
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<td>Section 41</td>
<td>Claim of input tax credit and provisional acceptance thereof</td>
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<td>Section 42</td>
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<td>Section 43</td>
<td>Matching, reversal and re-claim of reduction in output tax liability</td>
</tr>
<tr>
<td>Section 44</td>
<td>Annual Return</td>
</tr>
<tr>
<td>Section 45</td>
<td>Final Return</td>
</tr>
<tr>
<td>Section 46</td>
<td>Notice to return defaulters</td>
</tr>
<tr>
<td>Section 47</td>
<td>Levy of late fee</td>
</tr>
<tr>
<td>Section 48</td>
<td>Goods and services tax practitioners</td>
</tr>
</tbody>
</table>
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]. 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.

However, the return filing process is under review and is yet not finalized. A simplified monthly return in Form GSTR 3B was introduced in July, 2017 to help businesses to file returns easily in the initial months of GST roll out. This was to be followed with filing of returns - GSTR - 1, 2 and 3. Further, to ease the compliance requirements for small tax payers, the GST Council allowed taxpayers with annual aggregate turnover up to ₹ 1.5 Crore to file details of outward supplies in Form GSTR-1 on a quarterly basis and on monthly basis by taxpayers with annual aggregate turnover greater than ₹ 1.5 Crore. The GST Council also recommended to postpone the date of filing of Forms GSTR-2 (details of inward supplies) and GSTR-3 (monthly return) for all normal tax payers, irrespective of turnover, till further announcements were made in this regard.

The return process has still not been streamlined and the GST Council has extended GSTR-3B filing requirement till end of March, 2020. Therefore, in the subsequent pages of this Chapter, provisions of only those sections which are practically effective, have been discussed.

The GST Council has decided to introduce a new return filing system from April 2020 [decisions taken at it 31st, 35th and 37th meeting read together]. In the new GST Return System, there will be three main components to the new return – one main return (FORM GST RET-1) and two annexures (FORM GST ANX-1 and FORM GST ANX-2).

However, since this new return process will be effective from a future date, in this chapter only those provisions which are currently effective, have been discussed. The amendments which will be made in the law to give effect to the new process will be given in the Statutory Update, after the new process becomes operational.
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.

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 subsection (3) of section 34 [Section 2(38)].

Electronic cash ledger means the electronic cash ledger referred to in subsection (1) of section 49 [Section 2(43)].

Electronic commerce means the supply of goods or services or both, including digital products over digital or electronic network [Section 2(44)].

Electronic commerce operator means any person who owns, operates or manages digital or electronic facility or platform for electronic commerce [Section 2(45)].

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 [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 essentially automated and involving minimal human intervention and 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 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 OF THE CGST RULES]

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

The details of outward supplies (see definition) 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) of the CGST Rules]

All registered persons including casual registered person

- ISD
- Non-resident taxable person
- Composition taxpayer
- Person deducting tax at source
- Person collecting tax at source
- Supplier of OIDAR services located in non-taxable territory providing services to non-taxable online recipient
The details of outward supplies are required to be furnished, electronically, in Form GSTR-1. Such details can be furnished through the common portal, either directly or from a notified Facilitation Centre.

(iii) What is the due date of submission of GSTR-1? [Section 37(1)]

GSTR-1 for a particular month is filed on or before the 10th day of the immediately succeeding month. In other words, GSTR-1 of a month can be filed any time between 1st and 10th day of the succeeding month. It may be noted that GSTR-1 cannot be filed during the period from 11th day to 15th day of month succeeding the tax period.

The details of outward supplies pertaining to the month of October will be required to be furnished on or before 10th November and GSTR-1 for October cannot be filed between 11th November to 15th November.

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. As of now this facility has been given till the quarter January - March 2020. Tax payers with annual aggregate turnover above ₹ 1.5 crore will however continue to file GSTR-1 on a monthly basis. [Notification Nos. 57 & 58/2017 CT dated 15.11.2017, 71 & 72 /2017 CT dated 29.12.2017, 17 & 18/2018 CT dated 28.03.2018, 32 & 33/2018 CT dated 10.08.2018, 11 & 12 2019 CT dated 07.03.2019, 27 & 28/2019 CT dated 28.06.2019, 45 & 46 2019 CT dated 09.10.2019].

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.

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.
(iv) 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 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.

(v) What kind of details of outward supplies are required to be furnished in GSTR-1? [Explanation to section 37 read with rule 59(2) of the CGST Rules]

The registered person is required to furnish details of invoices and revised invoices issued in relation to supplies made by him to registered and unregistered persons during a month and debit notes and credit notes in GSTR-1 in the following manner:
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Invoice-wise* details of ALL</th>
<th>Consolidated details of ALL</th>
<th>Debit and credit notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Inter-State and Intra-State supplies made to registered persons</td>
<td>Intra-State supplies made to unregistered persons for each rate of tax</td>
<td>Issued during the month for invoices issued previously</td>
</tr>
<tr>
<td>(ii)</td>
<td>Inter-State supplies made to unregistered persons with invoice value exceeding ₹ 2,50,000</td>
<td>Inter-State supplies made to unregistered persons with invoice value upto ₹ 2,50,000 for each rate of tax separately for each State</td>
<td></td>
</tr>
</tbody>
</table>

It can be seen from the above table that uploading of invoices depends on whether the supply is B2B or B2C plus whether the supply is intra-State or inter-State.

For B2B supplies, all invoices need to be uploaded 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 ₹ 2.5 lakh in inter-State B2C supplies need to be uploaded. For inter-State invoices below ₹ 2.5 lakh, State wise summary is sufficient and for all intra-State invoices, only consolidated details need to be given.
The provisions relating to uploading of invoices are explained by way of a diagram given below:

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

**Example**

For the month of October, the taxpayer can upload invoices from 1\(^{st}\) October to 10\(^{th}\) November. In case of late filing of GSTR-1, invoices can be uploaded after 15\(^{th}\) November.

Invoices can be modified/deleted any number of times till the submission of GSTR-1 of a tax period. The uploaded invoice details are in a draft version till the 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 uploaded 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 uploaded.

Description of each item in the invoice need not be uploaded. Only HSN 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. Notification No. 12/2017 CT 28.06.2017, which has been issued in this regard, provides as under:

<table>
<thead>
<tr>
<th>Annual turnover in the preceding financial year</th>
<th>Number of Digits of HSN Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto ₹ 1.5 crore</td>
<td>Nil</td>
</tr>
<tr>
<td>More than ₹ 1.5 crore and upto ₹ 5 crore</td>
<td>2</td>
</tr>
<tr>
<td>More than ₹ 5 crore</td>
<td>4</td>
</tr>
</tbody>
</table>

(vi) Communication of details of GSTR-1 to the recipient of supply [Section 37(2) read with sub-rules (3) and (4) of rule 59 of the CGST Rules]

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/Notification No. 2/2019 CT (R) dated 07.03.2019) through the common portal after the 10th day of the succeeding month (due date of filing of GSTR-1).

(vii) 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. However, it may happen that, a supplier altogether forgets to include the entire original invoice while furnishing the GSTR-1 for a particular month.

In such cases also, he would be required to show the details of the said missing invoice which was issued in earlier month in the Amendment Table only, as such type of errors would also be regarded as data entry error.

(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.

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.
Time limit for rectification

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:

- Date of filing of monthly return u/s 39 for the month of September following the end of the financial year to which such details pertain or
- Date of filing of the relevant annual return

Example

An entity has furnished the annual return for a financial year (X-Y) on August 15 of the succeeding financial year (Y-Z). An error is discovered in respect of a transaction pertaining to November month of year X-Y. The entity has filed the returns for the month of September of year Y-Z on October 20 of year Y-Z. In this case, the rectification of the error pertaining to the transaction in the November month of year X-Y cannot be rectified beyond August 15 of year Y-Z.

It may be noted that, the expression ‘due date’ is missing in time limits prescribed for making amendments u/s 37(3) [GSTR-1]. Therefore, such date apparently means actual date of filing and not the due date.

- GSTR 1 needs to be filed even if there is no business activity (Nil Return) in the tax period.
- 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, 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 by 10th of next month. 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.

GST common portal allows regular uploading of invoices. Till the statement is actually submitted, the system also allows the taxpayer to modify the uploaded invoices. 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.

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. 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.

4. FURNISHING OF RETURNS UNDER SECTION 39

(i) GSTR-3B [Rule 61(5) of the CGST Rules]

Section 39(1) prescribes a monthly return in Form GSTR-3 for every registered person, other than an input service distributor, a non-resident taxable person, a composition tax payer, person deducting tax at source, 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 a non-taxable online recipient. GSTR-3 is to be filed by 20th day
of the month succeeding the relevant calendar month or part thereof. However, filing of GSTR-3 has been deferred by the GST Council.

Currently, return in Form GSTR-3B is being notified as the monthly return to be filed by the registered persons who are required to file GSTR-3. Presently, the due date of submission for GSTR-3B is being notified as 20th day of the month succeeding the relevant month.

GSTR-3B can be submitted electronically through the common portal, either directly or through a notified Facilitation Centre. GSTR-3B is a simple return containing 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.

The broad content of GSTR-3B are given below:

**CONTENTS OF GSTR-3B**

<table>
<thead>
<tr>
<th>Basic Details</th>
<th>Other details relating to supplies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• GSTIN</td>
<td>• Summarised details of outward supplies and inward supplies liable to reverse charge</td>
</tr>
<tr>
<td>• Legal name of the registered person</td>
<td>• Summarised details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders</td>
</tr>
<tr>
<td>• Tax period</td>
<td>• Eligible ITC</td>
</tr>
</tbody>
</table>

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(ii) **GSTR-4 – Return for composition supplier and person paying tax under Notification No. 2/2019 CT (R) dated 07.03.2019** [Section 39(2) read with Notification No. 21/2019 CT dated 23.04.2019 issued under section 148, and rule 62 of the CGST Rules]

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

The following persons are required to file an **annual** return in **Form GSTR-4**:

- Every registered person paying tax under section 10, i.e. composition supplier; or

- **Every registered person paying tax by availing the benefit of Notification No. 2/2019 CT (R) dated 07.03.2019.**

**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 notified Facilitation Centre.

**Quarterly statement for payment of self-assessed tax:** The persons required to file GSTR-4 are also 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 18th day of the month succeeding such quarter.

While a composition supplier and the person paying tax under Notification No. 2/2019 CT (R) are required to file the return GSTR-4 annually, they are required to pay the tax quarterly.

(b) **Due date for filing GSTR-4 and Statement for payment of self-assessed tax**

**GSTR-4 for a financial year should be furnished by 30th April of the succeeding financial year.**

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1 A concessional rate of tax @ 6% is payable under Notification No. 2/2019 CT (R) dated 07.03.2019. The provisions relating to this notification are discussed in detail in Chapter 3: Charge of GST in Module 1 of this Study Material.
13.20 GOODS AND SERVICES TAX

Due date of filing annual GSTR-4 for a financial year
By 30th day of April following the end of such financial year

GST CMP-08 (quarterly statement for payment of self-assessed tax) should be furnished by 18th day of the month succeeding such quarter.

Due date of filing GST CMP-08 for a quarter
By 18th day of the month succeeding such quarter

(c) Contents of GSTR-4

The broad contents of GSTR-4 are given below:

<table>
<thead>
<tr>
<th>CONTENTS OF GSTR- 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic &amp; Other Details</strong></td>
</tr>
<tr>
<td>• GSTIN</td>
</tr>
<tr>
<td>• Legal name and Trade name</td>
</tr>
<tr>
<td>• TDS/TCS credit received [Table 7]</td>
</tr>
<tr>
<td>• Tax, interest, late fee payable and paid [Table 8]</td>
</tr>
<tr>
<td>• Refund claimed from Electronic cash ledger [Table 9]</td>
</tr>
</tbody>
</table>

© The Institute of Chartered Accountants of India
Consolidated details of outward supplies
Composition taxpayers and persons paying tax under Notification No. 2/2019 CT (R) are neither entitled for any ITC nor entitled to pass on any input tax credit to its customers. Therefore, composition taxpayers and persons paying tax under Notification No. 2/2019 CT (R) 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).

Tax liability
Since composition suppliers and persons paying tax under Notification No. 2/2019 CT (R) in GSTR-4 are not eligible to take ITC, they discharge their tax liability only by debiting electronic cash ledger.

(d) Auto-population of inward supplies
The inward supplies of a composition supplier/person paying tax under Notification 2/2019 CT (R) received from registered persons filing GSTR-1 will be auto populated in FORM GSTR-4A for viewing.

(e) Statements/return for the period prior to opting for composition scheme
If a registered person opts to pay tax under composition scheme/Notification No. 2/2019 CT (R) 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/Notification No. 2/2019 CT (R) 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 and the person paying tax under Notification No. 2/2019 CT (R) 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/Notification No. 2/2019 CT (R).

(f) 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 and a registered person who ceases to pay tax under Notification No. 2/2019 CT (R) will, where required, furnish-

<table>
<thead>
<tr>
<th>(1) GST CMP-08</th>
<th>(2) GSTR-4</th>
</tr>
</thead>
<tbody>
<tr>
<td>relating to the period prior to his exiting from composition scheme/ceasing to pay tax under Notification No. 2/2019 CT (R)</td>
<td></td>
</tr>
<tr>
<td>18th of the month succeeding the quarter in which the date of withdrawal/cessation falls</td>
<td>30th April following the end of the financial year during which such withdrawal/cessation falls</td>
</tr>
</tbody>
</table>

The provisions explained in points (e) and (f) 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 3 consecutive tax periods

(b) any other taxable person has not furnished returns for consecutive period of 6 months.
RETURNS

Regular taxpayer

Composition taxpayer/Person paying tax under Notification No. 2/2019 CT (R)

Regular taxpayer

Opting for composition scheme/Notification No. 2/2019 CT (R)

Exit from composition scheme/Notification No. 2/2019 CT (R)

Statements/Return relating to period prior to opting for composition scheme/Notification No. 2/2019 CT (R) to be filed

GST CMP-08 for period prior to exit from composition scheme/Notification No. 2/2019 CT (R) to be filed by

GSTR 4 for period prior to exit from composition scheme/Notification No. 2/2019 CT (R) to be filed by

 بهذا:

♦ 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

18th day of the month succeeding the quarter in which the date of withdrawal/cessation falls

30th April following the end of the financial year during which such withdrawal/cessation falls

GSTR-3B and GSTR-4 need to be filed even if there is no business activity (nil return) in the tax period.
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 9 – Registration.

(a) Monthly return

A registered NRTP is not required to file the Statement of Outward Supplies and return applicable for a normal tax payer.

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 a NRTP are incorporated in GSTR-5.

(b) Last date of filing return

GSTR-5 should be furnished within 20 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.

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

A 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.

A NRTP is not required to file an annual return.
(iv) **GSTR-6 – Return for Input Service Distributor [Section 39(4) read with rule 60(5) and rule 65 of the CGST Rules]**

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

(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** electronically through the common portal. **Form GSTR-6** contains the details of input tax credit received for distribution, total ITC/eligible/ineligible ITC to be distributed for the tax period, distribution of ITC, details of debit/credit notes, etc.

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

The details in GSTR-6 should be furnished **on/before 13th of the month succeeding the calendar month**. GSTR-6 can only be filed after 10th of the month and before 13th of the month succeeding the tax period.

(c) **Auto-population of input tax credit received for distribution**

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

(v) **GSTR-7 - Return for tax deducted at source [Section 39(3) read with rule 60(6) and rule 66 of the CGST Rules]**

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.

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(a) **Monthly return**

Deductor shall furnish a monthly return in Form GSTR-7 electronically through the common portal.

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

The details in GSTR-7 should be furnished **on/before 10th of the month succeeding the calendar month** in which tax has been deducted at source.

(c) **TDS details made available in GSTR-2A/4A**

The details of TDS furnished by the deductor in GSTR-7 shall be made available electronically to each of the suppliers in Part C of Form GSTR-2A/ Form GSTR-4A (in case of registered person opting for composition levy) on the common portal after the due date of filing of Form GSTR-7. The supplier can take this amount as credit in his Electronic Cash Register and use the same for payment of tax or any other liability.

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

A TDS certificate is required to be issued by deductor (the person who is deducting tax) in Form GSTR-7A to the deductee (the supplier from whose payment, TDS is deducted), within 5 days of crediting the amount to the Government. 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.

(vi) **Due date for payment of tax**

Due dates for payment of tax in respect of the persons required to file 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, in case of registered persons paying tax under composition scheme or Notification No. 2/2019 CT (R) dated 07.03.2019, 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 30th April of the following year, tax for a quarter is to be paid by 18th of the month succeeding such quarter.**

Also, 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).

(vii) 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-1 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 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, assessee 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:

- Due date of filing of return for the month of September following the end of the financial year [i.e., 20\textsuperscript{th} October of next financial year] or
- Actual date of filing of the relevant annual return

The last date of filing of annual return for a financial year is 31\textsuperscript{st} December of next financial year. Hence, if annual return for the financial year ending March, 20XX is filed before 20\textsuperscript{th} October 20XX, then no rectification of errors/omissions in returns pertaining to financial year ending March, 20XX 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. Filling of returns for current month is possible only when returns of the previous month have been filled. 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).

5. OTHER RETURNS

(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 of CGST Rules – Discussed in detail in Chapter-10: Tax Invoice, Credit and Debit Notes]. 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 [Section 52(4) read with rule 60(7) and rule 67 of the CGST Rules]**

(a) **Monthly return**

An ECO liable to collect tax at source shall furnish a monthly return in **Form GSTR-8** electronically through the common portal. Form GSTR-8 contains the details of supplies of goods or services or both effected through ECO, including the supplies of goods or services or both returned through it and the amount of tax collected at source.

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

The details in GSTR-8 should be furnished **on/before 10th of the month succeeding the calendar month in which tax has been collected at source.** Further, the amount of tax collected by ECO (TCS amount) is required to be deposited by the 10th of the month succeeding the calendar month in which tax has been collected at source.

(c) **TCS details made available in GSTR-2A**

The details of TCS furnished by the ECO in Form GSTR-8 shall be made available electronically to each of the suppliers in Part C of Form GSTR-2A on the common portal after the due date of filing of Form GSTR-8.

(d) **Rectification of errors/omissions in GSTR-8**

If after submission of GSTR-8, the ECO discovers any discrepancy therein on his own - not being the result of any scrutiny, audit, inspection or enforcement proceedings - he should rectify such discrepancy in GSTR-8 to be filed for the month during which such discrepancy is noticed, subject to payment of interest under section 50.

The rectification is not allowed after the due date of filing of GSTR-8 for the month of September following the end of the financial year [i.e., 10th October of next financial year] or the actual date of filing of the relevant annual statement [GSTR-9B], whichever is earlier.

(f) **Claiming of TCS by supplier [Section 52(7)]**

The supplier who has supplied the goods and/or services through the ECO claims credit, in his electronic cash ledger of the TCS reported by the ECO in the GSTR-8 filed by it.
(iii) GSTR – 9/9A and GSTR-9B - Annual Return & Annual Statement
[Sections 44, 52 read with rule 80 of the CGST Rules]

(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 and
(iv) Persons authorized to deduct/collect tax at source under section 51/52.

The annual return for a financial year needs to be filed by 31st 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.

ECO required to collect tax at source: An ECO required to collect tax at source is required to file an annual statement referred to in section 52(5) in Form GST-9B (yet to be notified). The statement for a financial year needs to be filed by 31st December of the next financial year.

(c) Who is required to furnish a reconciliation statement? [Section 44(2) read with section 35(5) and rule 80(3) of the CGST Rules]

Section 35 contains the provisions relating to accounts and records. Sub-section (5) of section 35 read along with section 44(2) and rule 80 of the CGST Rules stipulates as follows:

(i) Every registered person must get his accounts audited by a Chartered Accountant or a Cost Accountant if his aggregate turnover during a financial year exceeds ₹ 2 crores.

(ii) Such registered person should furnish, electronically, the annual return along with a copy of -
GOODS AND SERVICES TAX

- Audited annual accounts
- A reconciliation statement, duly certified, in Form 9C

However, 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 getting its accounts audited and furnishing the copy of audited annual accounts and a duly certified reconciliation Statement.

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.

Value of supplies declared in Annual return

Value of supplies declared in audited Annual Financial Statement

(iv) GSTR - 10 - Final Return [Section 45 read with rule 81 of the CGST Rules]

(a) Who are required to furnish final return?

Every registered person who is required to furnish return u/s 39(1) and whose registration has been surrendered or 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:

- date of cancellation
- date of order of cancellation

whichever is later.
(v) GSTR – 11 - Details of inward supplies of persons having UIN [Rule 82 of the CGST Rules]

(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 [Rule 64 of the CGST Rules]

Every registered person providing OIDAR services from a place outside India to a person in India other than a registered person shall file return in FORM GSTR-5A by 20th day of the month succeeding the calendar month or part thereof.

Claim of input tax credit and provisional acceptance thereof [Section 41]— Every registered person is entitled to take the credit of eligible input tax, as self-assessed, in this return, subject to prescribed condition and restrictions. Such amount is credited on a provisional basis to his electronic credit ledger and can be utilized only for payment of self-assessed output tax as per the return.

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

(i) Notice to return defaulters [Section 46 read with rule 68 of the CGST Rules]

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]**

Delay in filing any of the following by their respective due dates, attracts late fee:

(A) Statement of Outward Supplies [Section 37]
(B) Returns [Section 39]
(C) Final Return [Section 45]

<table>
<thead>
<tr>
<th>Quantum of late fee</th>
<th>₹100 for every day during which such failure continues.</th>
<th>whichever is lower</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Late fees for delay in filing annual return under section 44**

A registered person who fails to furnish the annual return under section 44 by the due date is required to pay a late fee as under:

<table>
<thead>
<tr>
<th>Quantum of late fee</th>
<th>₹100 for every day during which such failure continues.</th>
<th>whichever is lower</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25% of the turnover of the registered person in the State/Union Territory</td>
<td>$100</td>
<td>whichever is lower</td>
</tr>
</tbody>
</table>

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

**7. 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 of the CGST Rules.
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.

Standardised 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 a diagrams given below:

- A person who is
  - Indian citizen
  - Person of sound mind
  - Not adjudicated as insolvent
  - Not been convicted by a competent court

- Satisfies any of the conditions
  - Retired officer of Commercial Tax Department of any State Govt./CBIC who, during service under Government had worked in a post not lower than the rank of a Group-B gazetted officer for a period ≥ 2 years
  - Enrolled as a Sales Tax Practitioner or Tax Return Preparer under the earlier indirect tax law for a period of not less than 5 years
  - Has acquired any of the prescribed qualifications (mentioned at next page)
(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:

- Furnish details of outward and inward supplies
- Furnish monthly, annual or final return
- Make deposit for credit into electronic cash ledger
- **Furnish information for generation of e-way bill**
- Furnish details of challan in the prescribed form
- File an application for amendment or cancellation of enrolment under rule 58
- File an intimation to pay tax under the composition scheme or withdraw from the said scheme
- File a claim for refund
- File an application for registration amendment/cancellation

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.

Confirmation from the registered person shall be sought.
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

An application in prescribed form may be made electronically through the common portal for enrolment as GSTP.

The application shall be scrutinised and GST practitioner certificate shall be granted in the prescribed form.

In case, the application is rejected, proper reasons shall have to be given.

The enrolment once done remains valid till it is cancelled.

Any person who has been enrolled as GSTP by virtue of him being enrolled as a Sales Tax Practitioner or Tax Return Preparer under the earlier Indirect Tax law shall remain enrolled only for a period of 30 months from the appointed date unless he passes the said examination within the said period of 30 months.

No person enrolled as a GSTP is eligible to remain enrolled unless he passes such examination conducted at such periods by NACIN.

8. 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 at next page by way of a diagram.
<table>
<thead>
<tr>
<th>Role</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable person</td>
<td>State Government's authority responsible for the collection of VAT/sales tax or Central Government's authority responsible for the collection of excise duty or customs duty</td>
</tr>
<tr>
<td>Income tax authority</td>
<td>Banking company within the meaning of section 45A(a) of the RBI Act, 1934</td>
</tr>
<tr>
<td>Local authority /other public body/association</td>
<td>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</td>
</tr>
<tr>
<td>Registrar/Sub-Registrar appointed</td>
<td>Registrar/Sub-Registrar appointed under section 6 of the Registration Act, 1908</td>
</tr>
<tr>
<td>Registrar within the meaning of the Companies Act, 2013</td>
<td>Registrar within the meaning of the Companies Act, 2013</td>
</tr>
<tr>
<td>Registering Authority empowered to register motor vehicles</td>
<td>Registering Authority empowered to register motor vehicles under the Motor Vehicles Act, 1988</td>
</tr>
<tr>
<td>Collector referred to in clause (c) of section 3 of the Right to</td>
<td>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</td>
</tr>
<tr>
<td>Recognised stock exchange</td>
<td>Recognised stock exchange</td>
</tr>
<tr>
<td>Depository</td>
<td>Depository</td>
</tr>
<tr>
<td>Officer of the RBI</td>
<td>Officer of the RBI</td>
</tr>
<tr>
<td>GSTN</td>
<td>GSTN</td>
</tr>
<tr>
<td>UIN holder</td>
<td>UIN holder</td>
</tr>
<tr>
<td>Any other specified person</td>
<td>Any other specified person</td>
</tr>
</tbody>
</table>
(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

(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.

- **Quantum of penalty**
  - ₹100 for every day during which such failure continues
  - ₹5,000

  whichever is lower
LET US RECAPITULATE

The provisions relating to returns have been summarised by way of tables and diagrams to help students remember and retain the provisions in a better and effective manner:

1. Modes of filing returns

   All the returns are to be filed online

   - GSTN portal (www.gst.gov.in)
   - Offline utilities provided by GSTN
   - GST Suvidha Providers (GSPs)

2. List of statements/returns under GST

<table>
<thead>
<tr>
<th>Return / Statement</th>
<th>Periodicity/ Description</th>
<th>Who Files?</th>
<th>Date for filing</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSTR-1</td>
<td>Monthly statement of outward supplies of goods and/or services</td>
<td>Person registered under regular scheme with annual aggregate turnover greater than ₹ 1.5 crore (including a casual taxable person)</td>
<td>10th of the next month</td>
</tr>
<tr>
<td>Form</td>
<td>Description</td>
<td>Taxpayers</td>
<td>Due Date</td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>GSTR-3B</td>
<td>Quarterly statement of outward supplies of goods and/or services</td>
<td>Person registered under regular scheme with annual aggregate turnover up to ₹ 1.5 crore (including a casual taxable person)</td>
<td>10th of the month succeeding the quarter</td>
</tr>
<tr>
<td>GSTR-3B</td>
<td>Monthly return</td>
<td>Person registered under regular scheme including casual taxable person</td>
<td>20th of the next month</td>
</tr>
<tr>
<td>GSTR-4</td>
<td>Return for a financial year</td>
<td>Registered person paying tax under composition scheme/Notification No. 2/2019 CT (R) dated 07.03.2019</td>
<td>30th April of the next financial year</td>
</tr>
<tr>
<td>GST CMP-08</td>
<td>Quarterly statement for payment of tax</td>
<td></td>
<td>18th of the month succeeding the quarter</td>
</tr>
<tr>
<td>GSTR-5</td>
<td>Monthly return</td>
<td>Registered non-resident taxpayer</td>
<td>20th of the next month or within 7 days after expiry of registration, whichever is earlier</td>
</tr>
<tr>
<td>GSTR-5A</td>
<td>Monthly return</td>
<td>Registered person providing OIDAR services from a place outside India to a non-taxable online recipient</td>
<td>20th of the next month</td>
</tr>
<tr>
<td>GSTR-6</td>
<td>Monthly return</td>
<td>Input service distributor (ISD)</td>
<td>13th of the next month</td>
</tr>
<tr>
<td>GSTR-7</td>
<td>Monthly return</td>
<td>Registered person required to deduct tax at source</td>
<td>10th of the next month</td>
</tr>
<tr>
<td>GSTR-8</td>
<td>Monthly statement</td>
<td>E-commerce operator required to collect tax at source</td>
<td>10&lt;sup&gt;th&lt;/sup&gt; of the next month</td>
</tr>
<tr>
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<td>-----------------------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>GSTR-9</td>
<td>Annual return</td>
<td>Registered person other than an ISD, tax deductor/tax collector, casual taxable person and a non-resident taxpayer</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; December of the next financial year</td>
</tr>
<tr>
<td>GSTR-9A</td>
<td>Annual return</td>
<td>Registered person paying tax under composition scheme</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; December of the next financial year</td>
</tr>
<tr>
<td>GSTR-9B</td>
<td>Annual statement</td>
<td>E-commerce operator required to collect tax at source</td>
<td>31&lt;sup&gt;st&lt;/sup&gt; December of the next financial year</td>
</tr>
<tr>
<td>GSTR-9C</td>
<td>Reconciliation statement</td>
<td>Registered person whose aggregate turnover during a financial year exceeds ₹ 2 crore.</td>
<td>To be submitted along with the annual return [GSTR-9]</td>
</tr>
<tr>
<td>GSTR-10</td>
<td>Final return</td>
<td>Taxable person whose registration has been surrendered or cancelled</td>
<td>Within three months of the date of cancellation or date of order of cancellation, whichever is later.</td>
</tr>
<tr>
<td>GSTR-11</td>
<td>Details of inward supplies</td>
<td>Persons who have been issued a Unique Identity Number (UIN)</td>
<td>-</td>
</tr>
</tbody>
</table>
3. **Due date of payment**

- Payment should be made on or before 20\(^{th}\) of every month
- For registered persons paying tax under composition scheme/Notification No.2/2019 CT (R) dated 07.03.2019, payment for a quarter should be made on or before 18\(^{th}\) of the month succeeding the quarter

4. **Annual return [GSTR-9/9A]**

The annual return for a financial year needs to be filed by 31\(^{st}\) December of the next financial year.

In this return, the taxpayer needs to furnish details of expenditure and income for the entire financial year.

5. **Revision of returns**

There is no mechanism of filing revised returns for any correction of errors/omissions.

The rectification of errors/omissions is allowed in the subsequent returns.

However, no rectification is allowed after the due date for furnishing the return for the month of September following the end of the financial year or furnishing of the relevant annual return, whichever is earlier.
6. **Penal provisions relating to returns**

Any registered person who fails to furnish statements, returns u/s 39 and final return by the due dates is liable to pay a late fee of ₹ 100 per day, subject to a maximum of ₹ 5,000, under the CGST Act.

Any registered person who fails to furnish the annual return [GSTR 9/9A] by the due dates shall be liable to pay a late fee of ₹ 100 per day, subject to a maximum of 0.25% of his turnover in the State/Union Territory, under the CGST Act.

**TEST YOUR KNOWLEDGE**

1. **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?**

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

3. **Which type of taxpayers need to file annual return under section 44?**

4. **Is an annual return under section 44 and a final return one and the same?**

5. **Do input service distributors (ISDs) need to file separate statement of outward supplies with their return?**

6. **Is it compulsory for a taxpayer to file return by himself?**

**ANSWERS/HINTS**

1. 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.

2. 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-1 in the tables specifically provided for the purposes of amending previously declared details.

As per section 39(9), omission or incorrect particulars discovered in the returns filed u/s 39 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.

3. 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. Casual tax payers, non-resident taxpayers, ISDs and persons authorized to deduct/collect tax at source are not required to file annual return.

4. 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 who have applied for cancellation of registration. The final return has to be filed within three months of the date of cancellation or the date of cancellation order, whichever is later.

5. 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.

6. No. A registered taxpayer can also get his return filed through a Goods and Services Tax Practitioner.
AMENDMENTS MADE VIDE THE FINANCE (NO. 2) ACT, 2019

The Finance (No. 2) Act, 2019 has become effective from 01.08.2019. However, the amendments made in the CGST Act and the IGST Act vide the Finance (No. 2) Act, 2019 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 the time this Study Material is being released for printing. Therefore, the applicability or otherwise of such amendments for May 2020 and/or November 2020 examinations shall be announced by the ICAI only after such notification is issued by the Central Government.

In the table given below, the existing provisions\(^2\) relating to returns are compared with the provisions as amended by the Finance (No. 2) Act, 2019.

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.

<table>
<thead>
<tr>
<th>Section No.</th>
<th>Existing provisions</th>
<th>Provisions as amended by the Finance (No. 2) Act, 2019</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>39 Sub-section (1)</td>
<td>Every registered person, other than 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, for every calendar month or part thereof, furnish, in such form and</td>
<td>Sub-section (1) Every registered person, other than 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, for every calendar month or part thereof, furnish, a return, electronically, of</td>
<td>Under the existing provisions, composition taxpayers as well as registered persons paying tax under Notification No. 2/2019 CT (R) dated 07.03.2019 are required to file annual return and make quarterly payment of taxes in</td>
</tr>
</tbody>
</table>

\(^2\) Provisions existing as on the date when the Study Material was released for printing

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manner as may be prescribed, 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 as may be prescribed, on or before the twentieth day of the month succeeding such calendar month or part thereof.

### Sub-section (2)
A registered person paying tax under the provisions of section 10 shall, for each quarter or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of turnover in the State or Union territory, inward supplies of goods or services of goods or services of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed, in such form and manner, and within such time, as may be prescribed:

Provided that 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 such conditions and restrictions as may be specified therein.

### Sub-section (2)
A registered person paying tax under the 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 or services or both, tax payable, tax paid and such other particulars as may be prescribed, in such form and manner, and within such time, as may be prescribed.

Such provisions are now being incorporated in the CGST Act vide the amendment being proposed by the Finance (No. 2) Act, 2019 in section 39. Section 39 of the CGST Act is being amended so as to allow the composition taxpayers (which includes tax payers paying tax under Notification No. 2/2019 CT (R) dated 07.03.2019 by virtue of amendment being made in section 10 of the CGST Act vide the Finance (No. 2) Act, 2019) to furnish return for the financial year along with quarterly payment of taxes.

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Terms of Notification No. 21/2019 CT dated 23.04.2019 issued under section 148 read with rule 62 of CGST Rules.

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services or both, tax payable and tax paid within eighteen days after the end of such quarter.

Sub-section (7)

Every registered person, who is required to furnish a return under sub-section (1) or sub-section (2) 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:

Provided that every registered person furnishing return under the proviso to sub-section (1) 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

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

Sub-section (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:

Further, other specified taxpayers may be given the option for quarterly or monthly furnishing of returns and payment of taxes under the proposed new return system.
| 44 | **Sub-section (1)**  
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 for every financial year | **Sub-section (1)**  
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 for every financial year electronically in such form and manner as | This amendment seeks to empower the Commissioner to extend the due date for furnishing annual return (GSTR-9/9A). |

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

Provided further that every registered person furnishing return under sub-section (2) 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.
may be prescribed on or before the thirty-first day of December following the end of such financial year.

Provided that the Commissioner may, on the recommendations of the Council and for reasons to be recorded in writing, by notification, extend the time limit for furnishing the annual return for such class of registered persons as may be specified therein:

Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

<table>
<thead>
<tr>
<th>52</th>
<th><strong>Sub-section (4)</strong></th>
<th><strong>Sub-section (4)</strong></th>
<th>This amendment seeks to empower the Commissioner to extend the due date for furnishing monthly statement by an ECO liable to</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically,</td>
<td>Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically,</td>
<td></td>
</tr>
</tbody>
</table>
containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, in such form and manner as may be prescribed, within ten days after the end of such month.

Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the statement for such class of registered persons as may be specified therein:

Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

collect tax at source (GSTR-8).
<table>
<thead>
<tr>
<th>Sub-section (5)</th>
<th>Sub-section (5)</th>
<th>This amendment seeks to empower the Commissioner to extend the due date for furnishing annual statement by an ECO liable to collect tax at source (GSTR-9B).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the thirty first day of December following the end of such financial year.</td>
<td>Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the thirty first day of December following the end of such financial year.</td>
<td></td>
</tr>
<tr>
<td>Provided that the Commissioner may, on the recommendations of the Council and for reasons to be recorded in writing, by notification, extend the time limit for furnishing the annual statement for such class of registered...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
persons as may be specified therein:
Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.