

# RETURNS

## SECTION 37,39,40,44,45,46,47

### RULE 59,62,68,80,81

**Question 1: Explain Furnishing of Return of outward supplies under section 37 / Rule 59 (GSTR-1)**

**Answer: Furnishing of Return of outward supplies under section 37 / Rule 59**

As per notification no. 83/2020 CT 10/11/2020, every registered person shall be required to file a statement of outward supply in GSTR-1 on monthly basis upto 11<sup>th</sup> of the month succeeding the relevant month but if turnover in the preceding year is upto 5 crores, such person has the option to file such statement on quarterly basis upto 13<sup>th</sup> on the month succeeding the relevant quarter. A registered person whose turnover has crossed 5 Crores during any particular quarter, such person shall be required to file the return on monthly basis from the first month of the succeeding quarter.

The registered persons required to furnish GSTR-1 on quarterly basis may furnish the details of such outward supplies of goods or services or both (invoice) to a registered person, as he may consider necessary, for the **first and second months of a quarter, up to a cumulative value of fifty lakh rupees** in each of the months, - using invoice furnishing facility 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.

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.

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.]

Notwithstanding anything contained in this rule,—

- (a) a registered person required to file GSTR-1 on monthly basis, 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, 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, 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 ninety-nine per cent. 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, if he has not furnished the return in **FORM GSTR-3B** for preceding tax period.]

**The return shall contain the following particulars:**

Table No. 1. GSTIN

Table No. 2. Legal name / Trade name.

Table No. 3. Aggregate Turnover in the preceding financial year

Table No. 4. Taxable outward supplies (invoice wise) made to registered persons other than zero rated supply.

Table No. 5. Taxable outward Inter-State supplies (invoice wise) to unregistered persons where the invoice value is more than ₹2.5 lakh.

Table No. 6. Zero rated supplies

Table No. 7. Consolidated details of Taxable Supplies to unregistered persons except table 5 (Rate wise and State wise)

Table No. 8. Nil rated, exempted and non GST outward supplies

Table No. 9. Amendments to table 4,5,6 including debit note, credit note etc.

Table No. 10. Amendments to table no. 7

Table No. 11. Consolidated statement of advances received/advance adjusted in the current tax Period / Amendments of information furnished in earlier tax period.

Table No. 12. HSN-wise summary of outward supplies

Table No. 13. Serial number of Documents issued during the tax period.

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.

### **Question 2: Whether Nil GSTR-1 is to be filed**

**Answer:** 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, 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. For example, GSTR-1 for the calendar month of April, can be filed from 1st May onwards. GSTR-1 for the quarter of April to June can be filed from 1st July onwards.

Taxpayer opting for voluntary cancellation of GSTIN has to file GSTR-1 for active period.

In cases where a taxpayer has been converted from a normal taxpayer to composition taxpayer, 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.

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

**Answer:**

#### **(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. 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.

#### **(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.

**Example:** A supplier discovers a mistake in details of the invoice furnished in GSTR-1 for the month of August, in October. He can rectify the said mistake in the GSTR-1 for the month of October.

#### **(c) Time limit for rectification**

If 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 discovered an error in GSTR 1 of November 2021 in the subsequent month, in this case it can be rectified till the return (GSTR 3B) for September 2022 is filed on 20<sup>th</sup> October 2022 but if annual return has been filed on 10<sup>th</sup> August 2022, error can not be rectified after 10<sup>th</sup> August 2022.

### **Question 4: Explain classification of Goods/Services under GST.**

**Answer:** There are many varieties of goods / services. Since all goods/ services do not carry the same rate of GST, therefore, it is necessary to identify the goods/services through groups and sub-groups and then to

determine the rate of GST on each group or sub-groups of goods/services. The exercise of placing the various goods/services under the various groups or sub-groups is known as 'Classification' of a product/services and such classification is given in GST Tariff and it is called Harmonised system of Nomenclature. All the goods are divided into 21 broad categories which are called section and sections are further divided into 98 small categories which are called chapters. Each product given in the GST Tariff has a specific 8 digit code number first 2 digit refer to Chapter next 2 heading next 2 sub-heading and last 2 are specific for the product e.g. Code No. for Tobacco is 2401 20 50 and for mobile phone is 8517 12 10 and for Chocolate is 1806 90 10 (**Nomenclature means** a system of naming things)

All services are covered in chapter 99 and each service has a code of 6 digit which is called services accounting code.

HSN or HS (Harmonized Commodity Description and Coding System) is a standardized system of nomenclature of different goods developed by World Customs Organization, which is accepted globally. HSN uses 6-digits uniform codes to classify different goods. India uses eight-digits codes for more specific and precise classification.

### **Position from 01.04.2021**

As per notification no. 12/2017, w.e.f 01.04.2021, if annual turnover in preceding year is upto 5 crore, the supplier shall be required to mention four digits of HSN in case of B2B supply but it will be optional for B2C supply. If turnover is more than 5 crores, supplier shall be required to mention six digit of HSN.

**Example:** The turnovers of Yellow Lemon Pvt. Ltd., Red Pepper Pvt. Ltd. And Blue Berry Pvt. Ltd. in the previous financial year are ₹ 1.5 crore, ₹ 4.8 crore and ₹ 6 crore respectively. While Yellow Lemon Pvt. Ltd. And Red Pepper Pvt. Ltd. will be required to upload 4 digits of HSN code of the goods sold to registered persons, uploading of 4 digits HSN code will be optional for the two companies when the goods are sold to unregistered persons. Blue Berry Pvt. Ltd. will have to upload 6 digits of HSN code of goods sold by it. This will be the position from 01.04.2021.

## **MAY 2019 (OLD COURSE)**

### **Question 9 (b)**

**Marks 1+2+1**

Please answer following individual independent cases with reference to Section 37 of the CGST Act, 2017 and rule-59 of CGST Rules, 2017:

Mr. Kolly is registered supplier in the State of Gujarat. He is filing GSTR 1 every month. During the month of February, 2022 he was out of India and so did not do any transaction during the month. He believes that as there is no transaction there is no need to file GSTR 1 for the month of February, 2022. Is he correct?

**Answer:**

**Not Correct:** GSTR-1 needs to be filed even if there is no business transaction (Nil Return) in the tax period hence intention of Mr. Kolly is not correct and he is liable to file GSTR-1.

## **NOV 2018 (NEW COURSE)**

### **Question 11 (c)**

**Marks 2**

A taxpayer can file GSTR-1 under CGST Act, 2017, only after the end of the current tax period. State exceptions to this.

**Answer:** A taxpayer can file GSTR-1 only after the end of the current tax period however, following are the exceptions to this rule:

- (i) Casual taxpayers, after the closure of business.
- (ii) 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.

**NOV 2018 (OLD COURSE)**

**Question 12****Marks 5**

(a) What kinds of invoice details of outward supplies are required to be furnished in GSTR-1 for outward supplies?

**Answer: Refer answer given in the book**

**NOV 2020 (NEW COURSE)**

**Question 7 (c).****3 Marks**

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

**Answer: The above statement is wrong with reference to Rule 59 of the CGST Rules 2017**

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

(a) invoice wise details of all –

- (i) inter-State and intra-State supplies made to the registered persons; and
- (ii) inter-State supplies with invoice value more than two and a half lakh rupees made to the unregistered persons;

(b) consolidated details of all –

- (i) intra-State supplies made to unregistered persons for each rate of tax; and
- (ii) State wise inter-State supplies with invoice value upto two and a half lakh rupees made to unregistered persons for each rate of tax;

As per above assessee have to furnish both the details i.e. invoice wise and consolidated details in the GSTR-1.

**RTP MAY 2020**

**Question 13**

Mr. Gauri Shiva, a registered person in Punjab, supplies goods taxable @ 12% [CGST @ 6%, SGST @ 6% & IGST @ 12%] in the States of Punjab and Haryana. He has furnished the following details in relation to independent supplies made by him in the quarter ending June, 2021:-

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

The aggregate annual turnover of Mr. Gauri Shiva in the preceding financial year was ₹ 1.20 crore. With reference to rule 59 of the CGST Rules, 2017, discuss the manner in which the details of above supplies are required to be furnished in GSTR-1.

**Answer:**

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

- (a) invoice wise details of all –
- (i) inter-State and intra-State supplies made to the registered persons; and
  - (ii) inter-State supplies with invoice value more than two and a half lakh rupees made to the unregistered persons;
- (b) consolidated details of all –
- (i) intra-State supplies made to unregistered persons for each rate of tax; and
  - (ii) State wise inter-State supplies with invoice value upto two and a half lakh rupees made to unregistered persons for each rate of tax;

Thus, in view of the above-mentioned provisions, Mr. Gauri Shiva should furnish the details of outward supplies of goods made by him during the quarter ending June 2021 in the following manner: -

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

### **RTP MAY 2019**

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

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

**Answer:**

Section 37 of the CGST Act, 2017 stipulates that GSTR-1 for a particular month is required to be filed on or before the 11th day of the immediately succeeding month, i.e. on a monthly basis.

However, presently, as a measure of easing the compliance requirement for small tax payers, GSTR-1 has been allowed to be filed quarterly by small tax payers with aggregate annual turnover up to ₹5 crore in the preceding financial year or the current financial year. Tax payers with annual aggregate turnover above ₹5 crore will however continue to file GSTR- 1 on a monthly basis.

In view of the same, M/s Cavenon Enterprises can file its GSTR-1 on quarterly basis as its aggregate turnover does not exceed ₹5 crore in the preceding financial year.

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

**Question 5: Explain Furnishing of returns u/s Section 39 GSTR 3B**

**Answer: Section 39.** As per notification no. 84/2020 CT 10/11/2020 Every registered person, shall submit a return in GSTR 3B every month or part thereof upto 20<sup>th</sup> of subsequent month but if turnover is not exceeding 5 crore, return can be file on quarterly basis and such return should be submitted upto 22<sup>nd</sup> of subsequent month or 24<sup>th</sup> of subsequent month depending upon the place where he is registered (Applicable from Jan 2021).

**Form and manner of furnishing of return GSTR 3B Rule 61**

(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 shall submit return upto **22<sup>nd</sup> of the month** succeeding the 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 shall submit return upto **24<sup>th</sup> of the month** succeeding the quarter. Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within twenty days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.

Every registered person who is required to furnish a return shall furnish a return for every tax period whether or not any supplies of goods or services or both have been made during such tax period.

If any registered person after furnishing a return in GSTR 3B discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in such form and manner as may be prescribed, subject to payment of interest under this Act:

**Provided** that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year to which such details pertain, or the actual date of furnishing of relevant annual return, whichever is earlier.

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

**Question 6: Explain QRMP Scheme.**

**Answer:**

**QRMP Scheme**

As per notification no. 85/2020 CT 10/11/2020, Every registered person filing return on monthly/quarterly basis 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.

Every registered person required to furnish return on quarterly basis shall pay the tax due, for each of the first two months of the quarter, by depositing the said amount in FORM GST PMT-06, by the twenty fifth day of the month succeeding such month:

As per notification no. 85/2020 dated 10<sup>th</sup> November 2020, the persons who have opted to furnish GSTR 3B on quarterly basis shall pay tax, in first month or second month or both months of the quarter by way of making a deposit of an amount in the electronic cash ledger equivalent to, -

(i) thirty five per cent. 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 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:

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.

This notification shall come into force with effect from the 1st day of January, 2021.

The amount deposited above by the registered persons, 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.

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

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

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

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

**Example 1:** A registered person, who has opted for QRMP Scheme, has paid a total amount of ₹100/- in cash as tax liability in the previous quarter of October to December. He opts to pay tax under fixed sum method. He therefore pays ₹35/- each on 25<sup>th</sup> February and 25<sup>th</sup> March for discharging tax liability for the first 2 months of quarter viz. January and February.

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

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

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





	From a supplier under composition scheme, Exempt	
supply		
Non GST supply		

### 6.1 Payment of tax

Description	Tax payable	Paid through ITC				Tax paid TDS./TCS	Tax/Cess paid in cash	Interest	Late Fee
		Integrated Tax	Central Tax	State/UT Tax	Cess				
1	2	3	4	5	6	7	8	9	10
Integrated Tax									
Central Tax									
State/UT Tax									
Cess									

### 6.2 TDS/TCS Credit

Details	Integrated Tax	Central Tax	State/UT Tax
1	2	3	4
TDS			
TCS			

Verification (by Authorised signatory)

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

### Instructions:

- Value of Taxable Supplies = Value of invoices + value of Debit Notes – value of credit notes + value of advances received for which invoices have not been issued in the same month – value of advances adjusted against invoices
- Details of advances as well as adjustment of same against invoices to be adjusted and not shown separately
- Amendment in any details to be adjusted and not shown separately.

### Question 7: Explain Manner of opting for furnishing quarterly return.

#### **Answer: Rule 61A**

(1) Every registered person intending to furnish return (GSTR 3B) on a quarterly basis shall 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:

**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,-

- becomes ineligible for furnishing the return on a quarterly basis as per the conditions and restrictions notified in this regard; or
- opts for furnishing of return on a monthly basis, electronically, on the common portal:

**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.

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

**Question 8: Discuss the provisions of Section 39(9) of the CGST Act, 2017, relating to rectification of errors/ omissions in GST returns already filed and also state its exceptions. State the time limit for making such rectification.**

**Answer: As per Section 39(9)** Subject to the provisions of sections 37 and 38, if any registered person after furnishing a return GSTR 3B discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in such form and manner as may be prescribed, subject to payment of interest under this Act (earlier in GSTR 3, there were tables for rectification of the error in the earlier return just like GSTR 1 but now there is no such table in GSTR 3B hence rules will be framed for rectification of error)

**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., 20th 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 31st December of next financial year. Hence, if annual return for the year 2021-22 is filed before 20th October 2022, then no rectification of errors/omissions in returns pertaining to FY 2021-22 would be permitted thereafter.

**NOV 2019 (NEW COURSE)**

**Question.8. (b)**

**(5 Marks)**

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

**Answer: Refer answer given in the book**

**NOV 2019 (NEW COURSE)**

**Question.8. (c) (i)**

**(2 Marks)**

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

**Answer: As per Rule 61(2)** Every registered person required to furnish return, shall, subject to the provisions of section 49, 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, i.e. all payments must be done before filing GSTR 3B.

**Further as per section 2(117)** "valid return" means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full; i.e. the return shall be considered to be invalid if tax has not been paid.

**Question 9: Explain Manner of furnishing of return or details of outward supplies by short messaging service facility.**

**Answer: As per 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.]

**Question 10: Explain Statement and return by composition dealer.**

**Answer: Rule 62**

(1) Every registered person [paying tax under section 10 shall-

- (i) furnish a statement, every quarter or, as the case may be, part thereof, containing the details of payment of self-assessed tax in **FORM GST CMP-08**, till the 18<sup>th</sup> day of the month succeeding such quarter; and
- (ii) furnish a return for every financial year or, as the case may be, part thereof in **FORM GSTR-4**, till the thirtieth day of April following the end of such financial year,]

electronically through the common portal.

(2) Every such registered person shall discharge his liability towards tax or interest by debiting the electronic cash ledger.

(4) A registered person who has opted to pay tax under section 10 from the beginning of a financial year shall, where required, furnish the details of outward and inward supplies and return under rules 59, 60 and 61 relating to the period during which the person was liable to furnish such details and returns 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.

Explanation.—For the purposes of this sub-rule, it is hereby declared that the person shall not be eligible to avail input tax credit on receipt of invoices or debit notes from the supplier for the period prior to his opting for the composition scheme.

(5) 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 shall, where required, furnish [a statement in **FORM GST CMP-08** for the period for which he has paid tax under the composition scheme till the 18<sup>th</sup> day of the month succeeding the quarter in which the date of withdrawal falls and furnish a return in **FORM GSTR-4** for the said period till the thirtieth day of April following the end of the financial year during which such withdrawal falls].

**Form GST CMP - 08****Statement for payment of self-assessed tax**

													Financial					
													Year					
													Quarter					
1.	GSTIN																	
2.	(a)	Legal name	<Auto>															
	(b)	Trade name	<Auto>															
	(c)	ARN	<Auto> (After filing)															
	(d)	Date of filing	<Auto> (After filing)															

**3. Summary of self-assessed liability****(net of advances, credit and debit notes and any other adjustment due to amendments etc.)**

(Amount in ₹in all tables)

Sr. No.	Description	Value	Integrated tax	Central tax	State/ UT tax	Cess
1	2	3	4	5	6	7
1.	Outward supplies (including exempt supplies)					
2.	Inward supplies attracting reverse charge including import of services					
3.	Tax payable (1+2)					
4.	Interest payable, if any					
5.	Tax and interest paid					

**4. Verification**

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Signature

Place : \_\_\_\_\_ Name of Authorised Signatory \_\_\_\_\_  
 Date: \_\_\_\_\_ Designation/Status \_\_\_\_\_

**Instructions:**

1. The taxpayer paying tax under the provisions of section 10 of the Central Goods and Services Tax Act, 2017 shall make payment of tax on quarterly basis by the due date.
2. Adjustment on account of advances, credit/debit notes or rectifications shall be reported against the liability.
3. Negative value may be reported as such if such value comes after adjustment.
4. If the total tax payable becomes negative, then the same shall be carried forward to the next tax period for utilising the same in that tax period.
5. Interest shall be leviable if payment is made after the due date.
6. "Nil" Statement shall be filed if there is no tax liability due during the quarter

Composition dealer shall also be required to file an annual return in GSTR-4 upto 30<sup>th</sup> April following the end of the financial year.

**Particulars of GSTR-4 (Annually) shall be as given below:**

Table No. 1. GSTIN

Table No. 2. Legal name / Trade name.

Table No. 3. Aggregate Turnover during the preceding financial year.

Table No. 4. Inward supplies including supplies on which tax is to be paid reverse charge.

Table No. 5. Tax on outward supplies made.

Table No. 6. Consolidated statement of advances paid/advance adjustment on account of receipt of supply.

Table No. 7. TDS Credit received (Not covered in syllabus)

Table No. 8. Tax Payable and paid

Table No. 9. Interest, Late fee payable and paid

Table No. 10. Refund claimed from electronic cash ledger

Table No. 11. Debit entries in cash ledger for tax/interest payment.

Further as per section 44/Rule 80, every composition person has to file annual return in form no. 9A upto 31<sup>st</sup> December of the subsequent year.

**Question 11: Explain Form and manner of ascertaining details of inward supplies.**

**Answer: As per Rule 60.** 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** through the common portal, as the case may be.

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.

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.

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, 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 outward supplies furnished by his supplier, required to furnish return for every quarter under proviso to sub-section (1) of section 39, 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 sub-section (1) of section 39, or in **FORM GSTR-1** by a registered person, other than those required to furnish return for every quarter under proviso to sub-section (1) of section 39, 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 sub-section (1) of section 39.]

**Question 12: Write a note on GSTR-2A/2B.**

**Answer:** As per Section 38/Rule 60, every registered person shall receive a statement in GSTR-2A/2B on the common portal. It will contain details of inward supplies on which ITC is allowed. ITC shall be allowed only if details of inward supplies given in GSTR-2A/2B.

As per Rule 36(4), Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been furnished by the suppliers under sub-section (1) of section 37, in **FORM GSTR-1** or using the invoice furnishing facility shall not exceed 5 per cent of the eligible credit available in respect of invoices or debit notes the details of which have been furnished by the suppliers under sub-section (1) of section 37 in **FORM GSTR-1** or using the invoice furnishing facility.

Eg. if GSTR-2A/2B is showing tax credit 15,000 but it is not showing ITC of 5,000, in this case recipient can take ITC for  $15,000 + 750 = 15,750$  but if GSTR 2A/2B do not show ITC of invoice of 500, in that case ITC of 15,500 can be taken.

**Example:**

Mr. Vijay, a registered supplier, receives 100 invoices (for inward supply of goods/ services) involving GST of ₹10 lakh, from various suppliers during the month of October 2021. Compute the ITC that can be claimed by Mr. Vijay in his GSTR-3B for the month of October 2021 to be filed by 20th November 2021 in the following independent cases assuming that GST of ₹10 lakh is otherwise eligible for ITC.

Case I Out of 100 invoices, 80 invoices involving GST of ₹6 lakh have been uploaded by the suppliers in their respective GSTR-1s filed on the prescribed due date therefore.

**Answer:** As per sub-rule (4) of rule 36, ITC to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers in GSTR-1, cannot exceed 5% of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers in GSTR-1.

ITC to be claimed by Mr. Vijay in his GSTR-3B for the month of October 2021 to be filed by 20th November 2021 will be computed as under

Invoices	Amount of ITC involved in the invoices (₹)	Amount of ITC that can be availed (₹)
In respect of 80 invoices uploaded in GSTR-1	6 lakh	6 lakh [Refer Note 1 below]
In respect of 20 invoices not uploaded in GSTR-1	4 lakh	₹30,000 [Refer Note 2 below]
Total	10 lakh	6,30,000

**Notes:**

- (1) In respect of invoices uploaded by the suppliers in their GSTR-1, full ITC can be availed.
- (2) The ITC in respect of invoices not uploaded has to be restricted to 5% of eligible ITC in respect of invoices uploaded in GSTR-1. Thus, in respect of 20 invoices not uploaded in GSTR-1s, the ITC has been restricted to ₹30,000 [5% of ₹6 lakh].

Case II Out of 100 invoices, 75 invoices involving GST of ₹8.5 lakh have been uploaded by the suppliers in their respective GSTR-1s filed on the prescribed due date therefor.

**Answer:** As per sub-rule (4) of rule 36, ITC to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers in GSTR-1, cannot exceed 5% of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers in GSTR-1.

ITC to be claimed by Mr. Vijay in his GSTR-3B for the month of October 2021 to be filed by 20th November 2021 will be computed as under

Invoices	Amount of ITC involved in the invoices (Rs.)	Amount of ITC that can be availed (Rs.)
In respect of 75 invoices uploaded in GSTR-1	8.5 lakh	8.50 lakh [Refer Note 1 below]
In respect of 25 invoices not uploaded in GSTR-1	1.5 lakh	42,500 [Refer Note 2 below]
Total	10 lakh	8,92,500

**Notes:**

(1) In respect of invoices uploaded by the suppliers in their GSTR-1, full ITC can be availed.

(2) The ITC in respect of invoices not uploaded has to be restricted to 5% of eligible ITC.

Hence ITC allowed shall be ₹8,50,000 + 5% of ₹8,50,000 = ₹8,92,500

**Circular No. 123/ 42/ 2019 GST dated 11.11.2019 has clarified the following issues in relation to restriction in availment of ITC in terms of rule 36(4) as under:**

- (1) The restriction shall be applied only on the invoices/ debit note, details of which are required by supplier to be uploaded under section 37(1) of the CGST Act. Therefore, taxpayer may avail full ITC in respect of IGST paid on imports, documents issued under RCM, which are outside the ambit of section 37(1).
- (2) ITC under rule 36(4) shall be calculated on total eligible ITC from all suppliers against all supplies whose details have been uploaded by the supplier. Therefore, the restriction is not on supplier basis.
- (3) The calculation would be based only on those invoices on which ITC is available and therefore, invoices on which ITC is not available [say under section 17(5) of the CGST Act] would not be considered for calculation of 5% of the eligible ITC available.

**NOV 2020 (NEW COURSE)**

**Question 5.****8 Marks**

KNK Ltd., a registered supplier of Mumbai is a manufacturer of heavy machines. Its outward supplies (exclusive of GST) for the month of January, 2022 are as follows:

S. No	Particulars	Amount (₹)
(i)	Inter- State	85,00,000
(ii)	Intra State	15,00,000

Applicable rate of CGST, SGST and IGST on outward supply are 9%, 9% and 18% respectively.

Details of GST paid on inward supplies during the month of January, 2022 are as follows:

S. No	Particulars	CGST paid ₹	SGST paid ₹
(i)	Raw materials A (of which 70% of inputs procured were used and 30% were in stock at the end of the January, 2022)	60,000	60,000
(ii)	Raw materials B (of which 90% material received in factory and remaining material completely damaged due to a road accident on the way to factory. There was no negligence on the part of the KNK Ltd.)	50,000	50,000
(iii)	Construction of pipelines laid outside the factory premises	30,000	30,000
(iv)	Insurance charges paid for trucks used for transportation of goods	55,000	55,000

**Additional information:**

- (i) There is no opening balance of any Input Tax Credit and all the conditions necessary for availing the Input Tax Credit (ITC) have been fulfilled.
- (ii) Details of GST paid on inward supplies are available in GSTR 2A except for item (i) i.e. Raw Material A, for which supplier has not filed its GSTR-1 for the month of January 2022, hence corresponding Input Tax Credit (ITC) is not reflecting in GSTR.2A of KNK Ltd. in January, 2022.

Compute the following:

- (i) Amount of eligible Input Tax Credit (ITC) available for the month of January, 2022
- (ii) Net minimum GST payable in Cash, for the month of January, 2022 after using available Input Tax Credit. Working notes should form part of your answer.

**Solution:**

**(i) Amount of eligible Input Tax Credit (ITC) available for the month of January, 2022**

**Raw Material B**

CGST (50,000 X 90%)	45,000
SGST (50,000 X 90%)	45,000

**Insurance charges for trucks used for transportation of goods (eligible)**

CGST	55,000
SGST	55,000

Total ITC of CGST	1,00,000
Add: As per rule 36(4) 5% of 1,00,000	5,000
Total ITC of CGST Eligible	1,05,000

Total ITC of SGST	1,00,000
Add: As per rule 36(4) 5% of 1,00,000	5,000
Total ITC of SGST Eligible	1,05,000

**Output tax**

Inter State Sale	85,00,000
IGST @ 18%	15,30,000
Intra State Sale	15,00,000
CGST @ 9%	1,35,000
SGST @ 9%	1,35,000

**(ii) Calculation of Net Minimum GST payable in cash**

	IGST	CGST	SGST
Output tax	15,30,000	1,35,000	1,35,000
ITC CGST/SGST	-	(1,05,000)	(1,05,000)
Net Tax Payable in cash	15,30,000	30,000	30,000



**Notes:**

**1.** In case of Raw material A supplier has not furnished GSTR-1 and due to this amount is not shown in GSTR-2A of the purchaser in this case KNK Ltd is not eligible to take credit but as per rule 36(4), Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers, shall not exceed [ 5 per cent ] of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers.

**2. As per section 17(5),** ITC on goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples shall not be allowed hence only 90% tax credit shall be allowed in case of Raw Material B

**3. As per section 17(5),** ITC on construction of pipelines laid outside the factory premises shall not be allowed.

**Question 13: Explain Filing of First Return.****Answer: Filing of First Return Section 40**

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.

When a person becomes liable to registration after his turnover crossing 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.

The registered person shall declare his outward supplies made during said period in the first return furnished by him after grant of registration.

**Question 14: Explain filing of Annual return****Answer: Filing of Annual return. Section 44/Rule 80**

Every registered person shall furnish an annual return for every financial year electronically in form no. GSTR-9 upto 31<sup>st</sup> December of the subsequent year, eg. for financial year 21-22, Return to be submitted upto 31<sup>st</sup> December 2022. Composition dealer shall file annual return in GSTR-9A.

**Particulars of GSTR-9 shall be as given below:**

Table No. 1. GSTIN

Table No. 2. Name of Taxable Person

Table No. 3. Date of Statutory Audit.

Table No. 4. Auditors

Table No. 5. Details of Expenditure.

Table No. 6. Details of Income.

Table No. 7. Return reconciliation Statement.

Table No. 8. Other Amounts.

Table No. 9. Profit as per the Profit and Loss Statement

**Persons required to file Annual Return**

Sl. No	Persons	Form
01.	Every Registered Person	GSTR-9
02.	Composition Tax Payer	GSTR-9A
03.	Every electronic commerce operator required to collect tax at source under section 52	GSTR-9B
04.	(i) NRTP (ii) Persons providing OIDAR services (iii) Input Service Distributor, (iv) A person paying tax under section 51, (v) A casual taxable person,	Exempt from filing Annual Return

Every person whose turnover has exceeded ₹2 crore shall be required to submit audit report in GSTR-9C.

**MAY 2018 (OLD COURSE)****Question 12 (c)****Marks 5**

Explain the provision relating to filing of Annual Return under section 44 of CGST Act, 2017 and Rules there under.

**Answer: Refer answer given in the book**

**Question 15: Explain filing of Final Return**

**Answer: Filing of Final return Section 45 / Rule 81.**

Every registered person whose registration has been cancelled shall furnish a final return in form no. GSTR-10 within three months of the date of cancellation or date of order of cancellation, whichever is later, eg. if cancellation order has been issued on 20<sup>th</sup> October 2021 but registration has been cancelled w.e.f. 1<sup>st</sup> October 2021, 3 months shall be determined from 20<sup>th</sup> October 2021.

**Particulars of GSTR-10 shall be as given below:**

Table No. 1. GSTIN

Table No. 2. Legal Name

Table No. 3. Business Name

Table No. 4. Address

Table No. 5. Application Reference Number (ARN) of surrender application.

Table No. 6. Effective Date of Surrender/Cancellation.

Table No. 7. Whether cancellation order has been passed.

Table No. 8. If yes , Unique ID of cancellation order.

Table No. 9. Date of Cancellation order

Table No. 10. Particulars of closing Stock held on date of surrender / cancellation.

Table No. 11. Amount of Tax Payable on closing stock.

**RTP NOV– 2020**

Kalim & Associates made an application for cancellation of GST registration in the month of March due to closure of its business. Its application for cancellation of GST registration was approved on 14th September. In the given case, Kalim & Associates is:

- (a) required to file Final Return on or before 13th December
- (b) not required to file Final Return
- (c) required to file Final Return on or before 30th September
- (d) required to file Final Return on or before 14th December

**Answer: (d)**

**NOV 2019 (OLD COURSE)****Question.9. (b)****(5 Marks)**

Discuss about the late fee levied for delay in filing:

- (i) Final Return
- (ii) Annual Return

**Answer: Refer answer given in the book**

**MAY 2018 (NEW COURSE)****Question 12****(5 Marks)**

(c) Who is required to furnish Final Return under CGST Act, 2017 and what is the time limit for the same? Discuss.

**Answer: Refer answer given in the book**

**Question 16: Explain Notice to Return defaulters**

**Answer: Notice to Return Defaulters Section 46 / Rule 68**

Where a registered person fails to furnish a return under section 39 or section 44 or section 45, a notice shall be issued requiring him to furnish such return within fifteen days in GSTR-3A.

**Question 17: Explain Penalty for late filing of Return**

**Answer: Levy of late fee Section 47**

If any person has not filed any return, notice shall be given u/s 46/ Rule 68 in form no. GSTR-3A.

Any registered person who fails to furnish the details of outward or inward supplies required under section 37 or section 38 or returns required under section 39 or section 45 by the due date shall pay a late fee of **₹ 25** for every day but if there are no outward supplies in any month/quarter, late fee payable shall be **₹10** for every day during which such failure continues subject to a maximum amount of five thousand rupees.

**Example 1:**

- (i) If delay is 20 days, late fee shall be ₹500 but if there are no outward supplies late fee payable shall be ₹200.
- (ii) If delay is 60 days, late fee shall be ₹1,500 but if there are no outward supplies late fee payable shall be ₹600.
- (iii) If delay is 42 days, late fee shall be ₹1,050 but if there are no outward supplies late fee payable shall be ₹420.
- (iv) If delay is 240 days, late fee shall be ₹5,000 but if there are no outward supplies late fee payable shall be ₹2400.

The above Late Fee is under CGST Act, and an equal amount shall be payable under SGST/UTGST Act i.e. in fact the late fee shall be double of the amount as mentioned above.

Any registered person who fails to furnish the annual return u/s 44 by the due date shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter per cent of his turnover.

**Example 2:**

- (i) Delay is 20 days and turnover is ₹ 60,00,000, penalty shall be ₹ 2,000 or ₹ 15,000 i.e. ₹ 2,000
- (ii) Delay is 20 days and turnover is ₹ 10,00,000, penalty shall be ₹ 2,000 or ₹ 2,500 i.e. ₹ 2,000
- (iii) Delay is 40 days and turnover is ₹ 10,00,000, penalty shall be ₹ 4,000 or ₹ 2,500 i.e. ₹ 2,500
- (iv) Delay is 100 days and turnover is ₹ 50,00,000, penalty shall be ₹ 10,000 or ₹ 12,500 i.e. ₹ 10,000

Further equal amount shall be payable under SGST/UTGST Act.

**Example 3**

Mr. Y, a registered person, has filed its GSTR-3B for the month of September on 19th November. Determine the amount of late fee payable if tax payable is ₹90,000 (Outward Supplies ₹ 9,00,000), if any, by Mr. Y.

**Answer:** As per section 47, any registered person who fails to furnish, *inter alia*, the returns required under section 39 by the due date is required to pay a late fee of ₹25 for every day during which such failure continues subject to a maximum amount ₹5,000.

Due date of filing GSTR-3B for a month is 20th day of the succeeding month. Thus, there is a delay of 30 days [11 + 19] by Mr. Y in filing of GSTR-3B for the month of September. Hence, late fee of ₹750 (₹25 x 30) will be payable by Mr. Y.

Further equal amount shall be payable under SGST/UTGST Act.

**IPC NOV 2017 (MODIFIED)**

**Question 6**

**(Marks 3)**

Bring out the salient points in respect of fee leviable on late filing of GST returns and also determine the late fee payable by PQR Ltd., where the filing of GST return has been delayed by 45 days.

**Answer:** Any registered person who fails to furnish the details of outward or inward supplies required under section 37 or section 38 or returns required under section 39 or section 45 by the due date shall pay a late fee of **₹25** under Central GST and **₹25** under State GST however if tax payable is Nil, Penalty Shall be **₹10** under

Central GST and ₹10 under State GST for every day during which such failure continues subject to a maximum amount of ₹ 5,000.

If Return has been delayed by 45 days and GST is payable, late fee shall be ₹ 1,125 under CGST Act and ₹ 1,125 under SGST Act. But if tax payable is Nil, late fee shall be ₹450 under CGST Act and ₹450 under SGST Act

**Question 18: Explain Purpose of Filing of Returns**

**Answer:** 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 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.

**Question 19: Explain filing of return by the non resident taxable person**

**Answer:** Every non resident taxable person shall be required to file monthly return in GSTR 5 within 20 days after expiry of relevant month. But it should be filed within 7 days after the last day of period of registration specified u/s 27. (NRTP is not required to file GSTR 1 or GSTR 3B or Annual return)  
Section 39(5)/Rule 63,

**Question 20: Explain filing of return by persons providing online information and database access or retrieval services**

**Answer: Form and manner of submission of return by persons providing online information and database access or retrieval services**

Every registered person providing online information and database access or retrieval services from a place outside India to a person in India other than a registered person shall file return in FORM GSTR-5A on or before the 20 days of the month succeeding the calendar month or part thereof. Rule 64 (such person are not required to file GSTR 1 or GSTR 3B or Annual return)

**Question 21: Explain filing of return by the input service distributor (Not covered in syllabus)**

**Answer:** Every input service distributor shall submit a monthly return in form no. GSTR 6 within 13 days after the end of relevant month (they are not required to file GSTR 1 or GSTR 3B or Annual return)  
Section 39(4) / Rule 65

**Question 22: Explain filing of return by the person required to deduct tax at source u/s 51 (Not covered in syllabus)**

**Answer:**

As per section 51, the following person shall be required to deduct tax at source

- (a) a department or establishment of the Central Government or State Government; or
- (b) local authority; or
- (c) Governmental agencies; or
- (d) such persons or category of persons as may be notified by the Government on the recommendations of the Council,

(hereafter in this section referred to as "the deductor"), to deduct tax at the rate of one per cent from the payment made or credited to the supplier (hereafter in this section referred to as "the deductee") of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees:

Such person shall file monthly return in GSTR 7 within **10 days** from the end of relevant month. (they are not required to file GSTR 1 or GSTR 3B or Annual return)

Section 39(3)/Rule 66

**Question 23: Explain filing of return by the Electronic Commerce operator required to collect tax u/s 52 (Not covered in syllabus)**

**Answer:** As per section 52, every electronic commerce operator (hereafter in this section referred to as the "operator"), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent, as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.

*Explanation.*—For the purposes of this sub-section, the expression "net value of taxable supplies" shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.

Every electronic commerce operator required to collect tax at source u/s 52 shall furnish a monthly statement in GSTR 8 within **10 days** of the succeeding month (They are not required to file GSTR 1 or GSTR 3B but Annual return has to be filed in form no. GSTR 9B)

As per rule 67,

## PRACTICE PROBLEMS

**Question 1:** Mr. X, a regular taxpayer, did not make any taxable supply during the month of July. Is he required to file a GSTR-3B?

**Answer:** A regular taxpayer 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 GSTR-3B is also mandatory. Therefore, Mr. X is required to file GSTR-3B even if he did not make any taxable supply during the month of July.

**Question 2:** Mr. Kalpesh is a registered dealer in Kerala paying tax under composition levy from 1st April. However, he opts to pay tax under regular scheme from 1st December.

Is he liable to file GSTR-4 upto the month of November? Discuss.

**Answer:** Where a taxpayer opts to withdraw from the composition scheme, he has to file GSTR-4 for the period prior to his opting for payment of tax under regular scheme. Therefore, in the given case, Mr. Kalpesh is liable to file GSTR-4 upto the month of October since he was paying tax under composition scheme during the month of October.

**Question 3:** Mrs. Zarina, a registered dealer in Rajasthan, did not file GSTR-3B for the month of June but she wants to file GSTR-3B for the month of July.

Is it possible? Answer with reference to section 39 of the CGST Act.

**Answer:** As per section 39(10), a registered person is not allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him

Therefore, in the given case, Mrs. Zarina cannot file GSTR-3B for July if she has not filed GSTR-3B for the preceding month, i.e., June.

**Question 4:** X has not made any outward supply during the month of September. However, X has procured certain input services during the month. X is of the opinion that he can file Nil GSTR-3B for the month of September through SMS.

Whether the understanding of X is correct? Explain.

**Answer:** Nil GSTR-3B means that the return has nil or no entry in all its Tables. Since in the present case X has received certain input services, he cannot file Nil GSTR- 3B through SMS as the said input services will need to be disclosed in the Table for Eligible ITC in GSTR-3B.

**Question 5:** Quicktax, a GST return filing service provider, has asked its clients to provide the scanned copies of the tax invoices issued to B2B customers for uploading on the GST portal and filing the return.

Whether the process followed by Quicktax is correct?

**Answer:** No, the process followed by Quicktax is not correct.

The registered persons supplying goods or services to B2B customers are required to upload the invoice wise details of supplies made during the tax period. However, there is no requirement to upload the scanned copies of the invoices issued to the customers on the GST portal at the time of filing returns. Only information required as per GST returns is to be captured in the return filing utility and the same is to be uploaded on the GST portal and not the scanned copies of the actual invoices.

**Question 6:** X Ltd. is winding up its business in Rajasthan. The Tax Consultant of X Ltd. Has suggested that X Ltd. will have to file either the annual return or the final return at the time of voluntary cancellation of registration in the state of Rajasthan. Do you agree with the stand taken by Tax Consultant of X Ltd.? Offer your comments.

**Answer:** No, the stand taken by Tax Consultant of X Ltd. is not correct.

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

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

## MULTIPLE CHOICE QUESTIONS

**1. Who is required to furnish details of outward supplies in Form GSTR-1?**

- (a) Person paying tax under composition scheme
- (b) Non-resident taxable person
- (c) Both (a) & (b)
- (d) None of the above

**2. What does N stand for in HSN?**

- (a) Network
- (b) Nationalization
- (c) Nomenclature
- (d) Nomination

**3. Which form is furnished for submission of details of outward supplies u/s 37?**

- (a) GSTR-1
- (b) GSTR-2
- (c) GSTR-3
- (d) GSTR-5

**4. Composition tax payer is required to file annual return in Form no. \_\_\_\_\_.**

- (a) GSTR-2
- (b) GSTR-3
- (c) GSTR-4
- (d) GSTR-5

**5. Which of the following are not required to file the Annual Return?**

- (a) Input Service Distributor
- (b) Casual Taxable Person
- (c) Non-resident Taxpayer
- (d) All of the above

**6. The maximum amount of late fee payable by any registered person on failure to furnish return under section 39 by the due date is ₹ \_\_\_\_.**

- (a) 1,000
- (b) 5,000
- (c) 10,000
- (d) 25,000

**7. The due date of filing Final Return is \_\_\_\_\_.?**

- (a) 20th of the next month
- (b) 18th of the month succeeding the quarter
- (c) Within three months of the date of cancellation or date of order of cancellation, whichever is later
- (d) 31st December of next financial year

**8. What is the due date for submission of monthly GSTR-3B for the persons who are required to file the return on monthly basis?**

- (a) on or before 10th day of the immediately succeeding month
- (b) on or before 15th day of the immediately succeeding month
- (c) on or before 17th day of the immediately succeeding month
- (d) on or before 20th day of the immediately succeeding month

**9. What is the due date for submission of Quarterly CMP-08?**

- (a) on or before 10th day of the immediately succeeding quarter
- (b) on or before 15th day of the immediately succeeding quarter
- (c) on or before 18th day of the immediately succeeding quarter
- (d) on or before 20th day of the immediately succeeding quarter

**10. Which of the following person are not required to file the GSTR-1?**

- (a) Input Service Distributor
- (b) Person paying tax under composition scheme
- (c) Non-resident Taxpayer

(d) All of the above

**11. Contents of GSTR-1 are**

(a) GSTIN

(b) Legal Name and Trade Name

(c) Aggregate turnover in previous year

(d) All of the above

(e) None of the above

**12. If turnover of person in preceding year is upto ₹5 crore then GSTR-1 shall be filed**

(a) Monthly

(b) Quarterly

(c) Half-yearly

(d) Yearly

**13. If turnover of person in preceding year is more than ₹5 crore then GSTR-1 shall be filed**

(a) Monthly

(b) Quarterly

(c) Half-yearly

(d) Yearly

**14. Annual return is required to file in Form no. \_\_\_\_\_.**

(a) GSTR-4

(b) GSTR-1

(c) GSTR-6

(d) GSTR-9

**Answer:**

1. (d); 2. (c); 3. (a); 4.(c); 5. (d); 6. (b); 7. (c); 8. (d); 9. (c); 10. (d ); 11. (d); 12. (b); 13. (a); 14. (d)