

## CHAPTER-IX

# RETURNS

SECTION 37-48



# OUTWARD SUPPLIES-37

- Every RTP other than:-
  - ISD
  - Non- Resident Taxable Person
  - Composition Dealer (Section-10)
  - Person Required to deduct TDS u/s 51
  - Person Required to Collect TCS u/s 52
- Shall furnish details of outward supplies of goods/ services affected during a tax period on or before **10<sup>th</sup> of succeeding** month and such details shall be communicated to the recipient in manner prescribed.
- Not Allowed from the **eleventh day to the fifteenth day** of the month succeeding the tax period:
- Provided Commissioner may for reasonable reasons and for class of taxable persons extend the date.



# Outward Supplies-Contd..

- Extension of date under one GST act shall be deemed to be extension of date under the sister GST Act.
- Detail of Outward Supply shall include details of:-
  - Invoices
  - Debit Notes
  - Credit Notes, and
  - Revised Invoices
- Details of Outward Supplies shall be communicated in form GSTR-1
- Details of mis-match reported in GSTR-1A and inward supplies of ISD to be accepted or rejected between 15<sup>th</sup> to 17<sup>th</sup> day of the succeeding month of the tax period.



# DETAILS REQUIRED IN GSTR-1

- Invoice wise details of all:-
  - Inter/intra state supplies to registered persons
  - Inter-state supplies with invoice value exceeding 2.5 Lakhs made to unregistered persons
- Consolidated Details of all:-
  - Intra-State supplies made to unregistered person for each rate of tax, and
  - State wise Inter-State supplies with value less than 2.5 Lakhs made to unregistered persons for each rate of tax.
- Debit / Credit Notes, if any issued during the month for the invoices issued previously.



# Outward Supplies- Other Provisions

- The RTP on detection of any error or omission during matching of returns, shall on detection rectify the error in the tax period when it is detected and in case of short payment, pay tax & interest.
- Provided no rectification is allowed after the Terminal Period.
- **Terminal Period:-** Filing of return for the month of September of the year succeeding the financial year or filing of the relevant annual return whichever is earlier.



# INWARD SUPPLIES-38

- Every RTP other than:-
  - ISD
  - Non- Resident Taxable Person
  - Composition Dealer (Section-10)
  - Person Required to deduct TDS u/s 51
  - Person Required to Collect TCS u/s 52
- Shall verify, validate, modify or if required, delete the details of outward supplies/Credit/ Debit Notes communicated to him by his supplier to prepare his details of inward supplies/Credit/ Debit Notes and may include the inward supplies received but not declared by the suppliers u/s 37(1).



## INWARD SUPPLIES-38(2)

- RTP other than those excluded in 37(1), shall furnish details of inward supplies including received under reverse charge and credit or debit notes relating tax period received after 10<sup>th</sup> but before 15<sup>th</sup> of the succeeding month in GSTR-2
- Provided the commissioner may extend the date and date extended under one act shall be treated as extended under sister act.
- The details of supplies modified, deleted or included in the furnished statement by recipient under normal scheme, or by composition dealer or by ISD shall be communicated to the supplier concerned in prescribed manner.



## INWARD SUPPLIES- Contd..

- The RTP on detection of any error or omission during matching of returns, shall on detection rectify the error in the tax period when it is detected and in case of short payment, pay tax & interest.
- Provided no rectification is allowed after the Terminal Period.
- Supplies on which ITC not admissible Fully or partially to be specified



# RETURNS-39

- Every RTP other than excluded, for every calendar month or part thereof, furnish an electronic return of:-
  - inward and outward supplies of goods and/or services
  - input tax credit availed
  - tax payable
  - tax paid, and
  - other particulars as may be prescribed
- On or before the 20<sup>th</sup> day of the succeeding month or part thereof in form GSTR-3
- Refund of electronic cash ledger allowed through part B only and treated as application of refund.
- In case of time extension of GSTR-1 & 2, file GSTR-3B in lieu of GSTR-3



## RETURN FOR COMPOSITION DEALER-39(2)

- A RTP, paying tax u/s 9, for each quarter or part thereof, shall furnish a return in prescribed electronic form of:-
  - Inward supplies of goods or services,
  - Tax payable and paid
- Within **18 days of the end after the end of such quarter.**
- Return to be filed in form GSTR-4
- After Corrections to be updated through GSTR-4A
- Annual Return of the Composition Dealer shall be submitted in GSTR-9A
- GSTR-4 will contain invoice wise details of inward supplies and consolidated outward supplies.



# PERSON DEDUCTING TDS u/s 51

- A RTP, required to deduct tax u/s 51, shall furnish a return in prescribed electronic form
- for the month in which such deductions have been made along with the payment of tax so deducted
- within **ten days** after the end of such month.
- Return to be filed in **GSTR-7**
- Certificate of TDS shall be made available to the deductee electronically in form **GSTR-7A**



# OTHER RETURNS

- Every taxable person registered as an Input Service Distributor shall, for every calendar month or part thereof, furnish, in **GSTR-6** after correcting details in **GSTR-6A** electronically, **within thirteen days** after the end of such month.
- (5) Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in **GSTR-5** , a return, electronically, within **twenty days** after the end of a calendar **month** or within seven days after the last day of the validity period of registration, whichever is earlier.



# SUMMARY OF RETURNS

Sub Clause	Return By	Periodicity	Last Date
1	Normal RTP	MONTHLY	20 <sup>th</sup>
2	Composition Dealer	Quarterly	18th
3	TDS u/s 51	Monthly	10th
4	ISD	Monthly	13th
5	NR- RTP	Monthly	20 <sup>th*</sup>



# OTHER PROVISIONS RELATING TO RETURNS

Provided the commissioner may extend the date and date extended under one act shall be treated as extended under sister act.

All RTP except ISD, shall pay the amount of tax due along with the return as per its due date.

Normal RTP and Composition Dealer will have to file return whether or not there is any supply during such tax period.

The Normal RTP, Composition or ISD on detection of any error or omission during matching of returns, shall on detection rectify the error in the tax period when it is detected and in case of short payment, pay tax & interest. Except as a result of scrutiny, audit, inspection or enforcement activity of department.

Provided no rectification is allowed after the Terminal Period.

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.



# FIRST RETURN-40

Every registered taxable 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 filed by him after grant of registration



# PROVISIONAL CREDIT-41

- (1) Every registered taxable person shall, subject to such conditions and restrictions as may be prescribed in this behalf, be entitled to take credit of input tax, as self assessed in his return and such amount shall be credited, **on a provisional basis**, to his electronic credit ledger to be maintained in the manner as may be prescribed.
- (2) The credit referred to in sub-section (1) shall be utilised only for payment of self assessed output tax liability as per the return referred to in sub-section (1).



# MATCHING, REVERSAL AND RECLAIM OF ITC

(1) The details of every inward supply furnished by recipient for a tax period shall, in the manner and within the time prescribed, be matched:-

(a) with the corresponding details of outward supply furnished by the corresponding supplier in his valid return for the same tax period or any preceding tax period.

(b) with the IGST paid in respect of goods imported by him, and

(c) for duplication of claims of input tax credit.



# MATCHING etc. Contd..

(2) Matched entries will be finally accepted and shall be communicated to the recipient in GST MIS-1.

(3) Where ITC claimed is higher or not declared by supplier, discrepancy shall be communicated to both.

(4) Duplicate ITC Claims shall be communicated to the recipient and shall be added to the output liability of recipient in the month of communication. (6)

(5) Where discrepancy as (3) is not rectified in the month of notifying, the difference shall be added in the output liability of recipient in the succeeding month. Supplier be notified in GSTR MIS-2



# MATCHING etc. Contd..

(7) If the supplier subsequently rectifies, the recipient is allowed to reduce from his output liability the addition under (5) before the Terminal Period. MIS-3

(8) In case of additions under (5) or (6), interest payable from the date of availment of credit till addition.

(9) In case of reduction as (7), interest charged earlier shall also be credited back to Electronic Cash Ledger.

In case of reduction in output liability in contravention of (7), it will be added in the month of contravention and higher interest payable on such addition u/s 50(3).



# MATCHING, REVERSAL AND RECLAIM OF OUTPUT LIABILITY-43

(1) The details of every credit note relating to outward supply furnished by a supplier for a tax period shall be matched-

- (a) with the corresponding reduction in the claim for input tax credit by recipient in his valid return for the same tax period or any subsequent tax period, and
- (b) for duplication of claims for reduction in output tax liability.

(2) The claim that matches shall be accepted finally and communicated.



## MATCHING etc. OF OUTPUT LIABILITY-43 Contd..

(3) Where the reduction of output tax liability in respect of outward supplies exceeds the corresponding reduction in the claim for input tax credit or the corresponding credit note is not declared by the recipient in his valid returns, the discrepancy shall be communicated to both such persons.

(4) The duplication of claims for reduction in output tax liability shall be communicated to the supplier

(5) The amount in respect of which any discrepancy is communicated under subsection (3) and which is not rectified by the recipient in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the supplier, in the manner as may be prescribed, in his return for the month **succeeding** the month in which the discrepancy is communicated.



## MATCHING etc. OF OUTPUT LIABILITY-43 Contd..

(6) Reduction in output liability due to duplicate claims shall be added in the month of communication.

(7) The supplier shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5) if the recipient declares the details of the credit note in his valid return within Terminal Period.

(8) In case of addition out of (5) or (6) interest also payable from reduction till date of addition.

(9) In case of reduction as per (7) accepted, interest as per (8) will be credited back thru GST PMT-3

(10) In case of reduction in contravention of (7), addition in the month of contravention and higher interest u/s 50(3) payable.



# ANNUAL RETURN-44

- (1) Every registered taxable 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 **GSTR-9** on or before the thirty first day of December following the end of such financial year.
- (2) Every registered taxable person who is required to get his **accounts audited** under sub-section (5) of section 35 shall furnish, electronically, the annual return under sub-section (1) in Form **GSTR-9B** along with
  - the copy of the audited annual accounts and
  - A reconciliation statement, reconciling the value of supplies declared in the return furnished for the year with the audited annual financial statement, and
  - such other particulars as may be prescribed.



# FINAL RETURN-45

Every registered taxable person who was required to furnish monthly return and his registration has been cancelled, shall furnish a final return **within three months** of the date of cancellation or date of cancellation order, whichever is later, in GSTR-10 and in such manner as may be prescribed.

## Notice to Return Defaulters-46

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



## Levy of Late Fees-47

If RTP fails to file statements/ returns u/s 37,38, 39 or 45 by due date, late fees of Rs.100/- per day upto Rs.5000/-

If RTP fails to file Annual return u/s 44 by due date, late fees of Rs.100/- per day upto 0.25% of the turnover in the state or UT.

## Other Important Points

(4) A registered taxable person, claiming refund of any balance in the electronic cash ledger as per sub-section (6) of section 49, may claim such refund in **Part B of the return in FORM GSTR-3 and such return shall be deemed to be an application** filed under section 54

Normal RTP shall file Annual Return in GSTR-9 and a Composition RTP shall file Annual Return in GSTR-9A



# GST PRACTITIONERS-48

Apply in GST PCT-1, Certificate in GST PCT-2, Conditions:- Indian Citizen, Sound Mind, Solvent, not convicted more than 2 years. Enrolment valid unless Cancelled

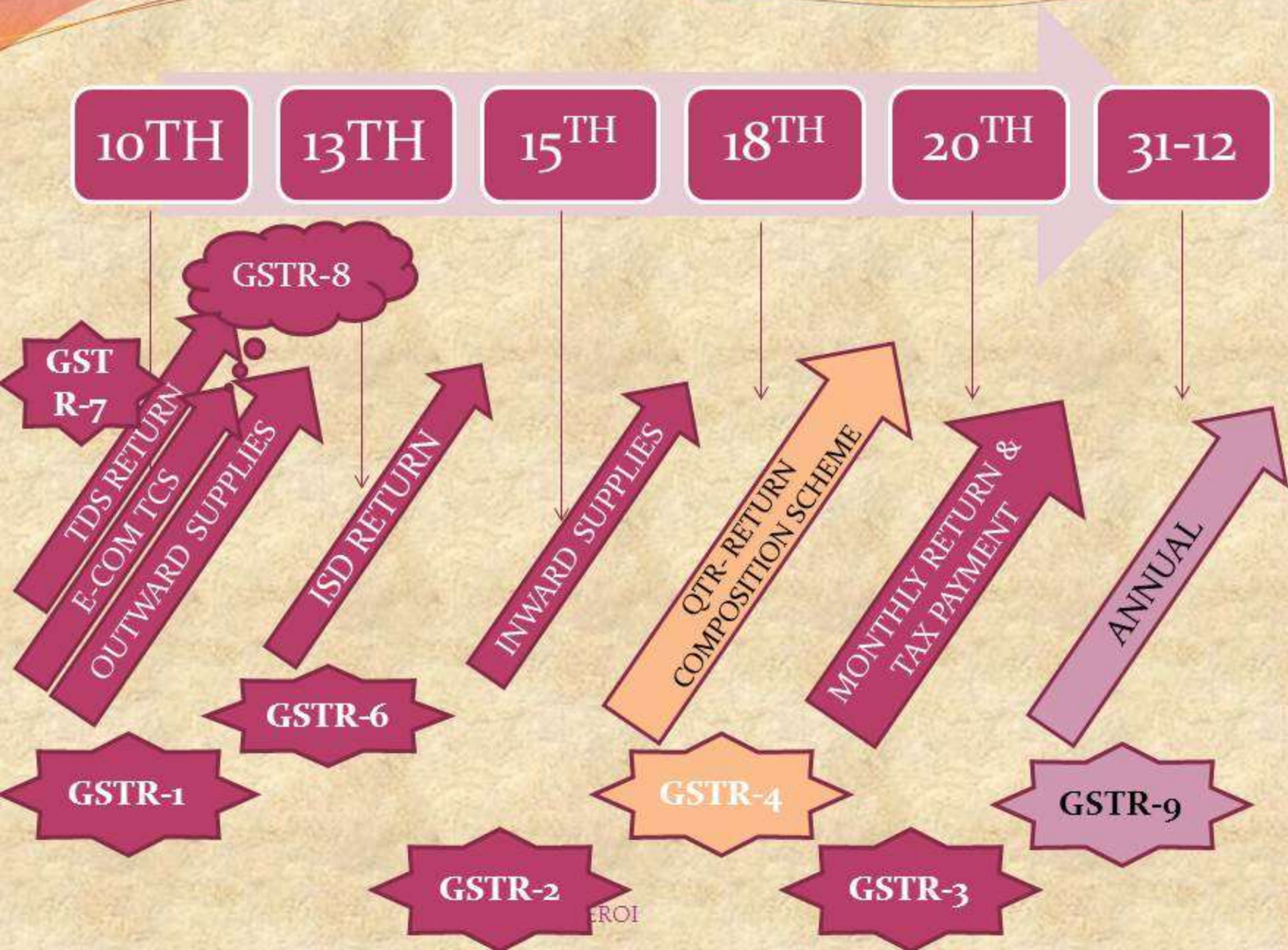
RTP can authorise a TRP to file details/ returns u/s 37, 38, 39, 44, 45 and other prescribed tasks in GST PCT-6 but responsibility shall rest upon the RTP only. Withdrawal of Authorisation in PCT-7

On furnishing of statement by GST Practitioner on behalf of Registered Person, and SMS will be sent to RP seeking confirmation and such statement available to RP on Portal. Confirmation assumed if not given till last day of Statement.

(a) furnish details of outward and inward supplies; (b) furnish monthly, quarterly, annual or final return; (c) make deposit for credit into the electronic cash ledger; (d) file a claim for refund; and (e) file an application for amendment or cancellation of registration.



# SUMMARY TILL NOW





# FAQS

- **What type of outward supply details are to be filed in the return GSTR-1 by A normal registered taxpayer?**
  1. Outward supplies to registered persons,
  2. Outward supplies to unregistered persons (consumers),
  3. Details of Credit/Debit Notes, zero rated, exempted and non-GST supplies, exports, and
  4. Advances received in relation to future supply.
- **Is the scanned copy of invoices to be uploaded along with GSTR-1?**
- No, only certain prescribed fields of information from invoices need to be uploaded.



# FAQS

- **Whether description of each item in the invoice will have to be uploaded?**
- No, Only **HSN code** in respect of supply of goods and **Accounting code** in respect of supply of services will have to be fed.
- **Whether value for each transaction will have to be fed? What if no consideration?**
- Yes. Not only value but taxable value. In some cases, both may be different.
- **No consideration**, but it is supply by virtue of schedule 1, the **taxable value** will have to be worked out as prescribed and uploaded



# FAQS

- **Can a recipient feed information in his GSTR-2 which has been missed by the supplier?**
- Yes, The credit on such invoices will also be given **provisionally** but will be subject to matching.
- **Mismatch Rectified**, provisional credit will be confirmed.
- **Mismatch continues**, the amount will be added to the output tax liability of the recipient in the returns for the subsequent month.



# FAQS

- **Does the taxable person have to feed anything in the GSTR-2 or everything is auto-populated from GSTR-1?**
- Large part of GSTR-2 will be auto-populated,
- However, some details only recipient can fill like:
  1. Details of imports,
  2. Details of purchases from non-registered or composition suppliers and
  3. Exempt/non-GST/nil GST supplies etc



# FAQS

- **Do tax payers under the composition scheme also need to file GSTR-1 and GSTR-2?**
- No. only quarterly return in Form GSTR-4 by the 18th of the month after the end of the quarter.
- **Which type of taxpayers need to file Annual Return?**
- All taxpayers filing return in GSTR-1 to GSTR-3, except following:
  1. *ISD's,*
  2. *casual/non-resident taxpayers,*
  3. *TDS/TCS deductors.*



# FAQS

- **Is an Annual Return and a Final Return one and the same?**
- No.
- **Annual Return** has to be filed by *every registered person* paying tax as a normal taxpayer.
- **Final Return** has to be filed only by those registered persons who have *applied for cancellation of registration* within three months of cancellation.



# FAQS

- **Is it compulsory for a taxpayer to file return by himself?**
- **No.** A registered taxpayer can also get his return filed through a **GST PRACTITIONER**, duly approved by the Central or the State tax administration.
- **Whether the amount of credit detected by the system on account of mis-match between GSTR-1 and GSTR-2 and recovered as output tax can be reclaimed?**
- **Yes.**





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