



Returns

CHAPTER IX OF THE CGST ACT

- By Prakhar Jain



THE ONE GST PORTAL

GSTINATION

SIMPLIFYING GST FOR THE NATION

DETAILS OF OUTWARD & INWARD SUPPLIES & MATCHING

1. **Every Registered Supplier** (other than ISD, NRTP, Composition dealer, TDS deductor or TCS collector) shall furnish the details of outward supplies of goods/ services/ both effected during a tax period in **FORM GSTR-1** on or before the 10th day of the month succeeding the said tax period. (Commissioner may extend; extension under SGST/ UTGST deemed here)

(A) <u>Invoice wise</u> details of all -	(i) Inter-State/ intra-State supplies made to the RTPs.	(ii) Inter-State supplies with invoice value more than Rs. 2.5 lakhs made to the unregistered persons.
(B) <u>Consolidated</u> details of all -	(i) Rate-wise, Intra-State supplies made to unregistered persons.	(ii) State-wise, Rate-wise inter-State supplies with invoice value upto Rs. 2.5 lakhs made to unregistered persons.
(C) <u>Debit and credit notes</u> , if any, issued during the month for invoices issued previously.		

2. RTP not allowed to furnish the details of outward supplies from the 11th day to the 15th day of the month.
3. Such details shall be communicated to the recipient of the said supplies in Part A of FORM GSTR- 2A (Normal & NR)/ FORM GSTR-4A (Composition)/ FORM GSTR-6A (ISD) after the due date of filing of FORM GSTR-1. (After 10th)
 - o Details of supplies from ISD will be communicated in Part B of FORM GSTR- 2A.
 - o Details of TDS deducted & TCS collected will be communicated in Part C of FORM GSTR- 2A.

DETAILS OF OUTWARD & INWARD SUPPLIES & MATCHING

4. **Every Registered Recipient** (other than ISD, NRTP, Composition dealer, TDS deductor or TCS collector) shall verify, validate, modify, delete or add in on the details communicated, to prepare his details of inward supplies.
5. The recipient shall then **furnish** the details of Inward Supplies as is prepared above, include the RCM supplies, and other details as required in **Form GSTR-2**, after the 10th day but on or before the 15th day. (Commissioner may extend; extension under SGST/ UTGST deemed here)

(i) Invoice wise details of all Inter-State and intra-State supplies received from registered/ unregistered persons.

(ii) Import of goods and services made.

(iii) Debit and credit notes

- Specify Inward on which is ineligible ITC, where such eligibility can be determined at the invoice level.
 - Declare the quantum of ineligible ITC relatable to non-taxable/ non-business supplies (which cannot be determined at the invoice level)
6. The details of inward supplies added, corrected or deleted by the recipient in his FORM GSTR-2 (Normal)/ FORM GSTR-4 (Composition)/ FORM GSTR-6 (ISD), shall be **made available** to the supplier electronically in FORM GSTR-1A, such supplier may either accept or reject the modifications made by the recipient on or before the 17th day, but not before the 15th day and FORM GSTR-1 shall stand amended to the extent of modifications accepted by him.

RECTIFICATION

- ▶ If any details of supply/ receipt have remained unmatched, and the supplier/ recipient discovers any error or omission therein, then they shall rectify such error or omission in that month's GSTR-1 or GSTR-2 when it is so discovered, and shall pay the tax and interest as applicable.
- ▶ Last Date for rectification –
 - Date of furnishing of GSTR-3 for September of next FY, or
 - Date of furnishing of the relevant annual return,
whichever is earlier.



MONTHLY RETURN

1. **Every RTP** (other than ISD, NRTP, Composition dealer, TDS deductor or TCS collector) shall discharge the liability using cash/ ITC and furnish return in **Form GSTR-3** for every month, on/ before 20th day of next month, showing –

(i) Inward and outward supplies (Auto populated based on GSTR-1 & GSTR-2)	(ii) ITC availed (Auto populated based on GSTR-2)	(iii) Tax payable & Tax paid
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- ▶ Exporters claiming refund as per Sec 49(6) may indicate in the return and it shall be deemed to be a refund application.
2. **Composition Taxable person** shall on the basis of details contained in FORM GSTR-4A, and after adding, correcting or deleting the details, discharge the liability and furnish the quarterly return in **Form GSTR-4** for each quarter, on or before 18th day of the month succeeding the quarter, and give details of –

(i) Consolidated details of outward supplies made	(ii) Invoice wise inter-State and intra-State inward supplies received from registered and un-RTPs (Partly Auto populated)	(iii) Tax payable & Tax paid
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- ▶ If Composition scheme opted for a FY, then returns for previous period to be filed as per normal procedure by - due date of GSTR-3 for September of the next FY or furnishing of annual return of the preceding FY, whichever is earlier.
- ▶ If going out of Composition scheme, then returns for period under composition to be filed by - due date of GSTR-4 for quarter ending September of the next FY or furnishing of annual return of preceding FY, whichever is earlier.

MONTHLY RETURN

3. **TDS deductor** shall furnish return showing details of deductions in FORM GSTR-7, within 10 days after the end of the month in which deductions have been made. On the basis of these details, TDS deduction certificate will be made available to the deductees.
4. **TCS collector** (E-commerce operator) shall furnish return showing details of supplies effected through it and the amount of tax collected, for every month in **FORM GSTR-8**.
5. **ISD** shall on the basis of details contained in FORM GSTR-6A, and after adding, correcting or deleting the details, furnish return containing details of tax invoices on which credit has been received and ISD invoices issued u/s 20, in **FORM GSTR-6** within 13th of the next month.
6. **NR Taxable person** shall furnish for every month, return in **Form GSTR-5**, showing the details of outward supplies and inward supplies and shall pay the tax, interest, penalty, fees or any other amount payable, within 20 days after the end of a calendar month or within 7 days after the last day of the period of registration, whichever is earlier.
7. Every person providing **OIDAR services** from a place outside India to an unregistered recipient in India, shall file return for every month in **FORM GSTR-5A** on or before the 20th day of the next month.
 - ▶ Commissioner may extend the time limit for furnishing the above returns. Extension under SGST/ UTGST deemed here.
 - ▶ GSTR-3 & GSTR-4 must be filed, even if nil return.
 - ▶ RTP shall not be allowed to furnish return of current period unless previous returns furnished.

RECTIFICATION

- ▶ If RTP discovers any omission or incorrect particulars after furnishing a return as above (other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities), he shall rectify it in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed, subject to payment of interest.
- ▶ Last Date for rectification –
 - Due date for furnishing of GSTR-3 for the month of September or second quarter following the end of the FY, or
 - The actual date of furnishing of relevant annual return, whichever is earlier.



PROVISIONAL ITC

- ▶ Every RTP shall be entitled to take the ITC of eligible input tax as self-assessed in his return and such amount shall be credited on a provisional basis to his electronic credit ledger. It shall be utilised only for payment of self-assessed output tax as per the return.



As per GSTR-2
and GSTR-3

Imagine....



MATCHING OF ITC



1. WHAT & HOW

The details of every inward supply - GSTIN of supplier & recipient, Invoice or debit note number & date and tax amount - furnished by a Recipient shall be matched after the due date for furnishing the return in FORM GSTR-3 (20th) –

1. With the corresponding details of outward supply furnished by the corresponding Supplier in his valid return for the same/ preceding tax period.
2. With the IGST paid u/s 3 of the Customs Tariff Act, 1975 in respect of goods imported by him; and
3. For duplication of claims of ITC.

(Commissioner may extend of matching; if Time limit for GSTR-1 & 2 extended, then date of matching shall be extended accordingly)

2. Deemed Match

The claim of ITC shall be treated as already matched if-

- o If they are in respect of Invoices/ debit notes in FORM GSTR- 2 that were accepted by the recipient on the basis of FORM GSTR- 2A without amendment, and supplier had furnished valid return for the same.
- o Amount of ITC claimed is equal to/ less than the output tax paid on such tax invoice/ debit note by the supplier.

3. Matched

The claim of ITC in respect of invoices/ debit notes relating to inward supply - that match with the details of corresponding outward supply/ with the IGST paid u/s 3 of the Customs Tariff Act, 1975 in respect of goods imported by him - shall be finally accepted and such acceptance shall be communicated in **FORM GST MIS-1** to the recipient.

(Basically for invoices which were not accepted by recipient as such, were modified, and modification was accepted by supplier!)



4. Mismatch

Where-

- ITC claimed by recipient in respect of an inward supply is in excess of tax declared by the supplier for the same supply, or
- The outward supply is not declared by the supplier in his valid returns,

Then such discrepancy and corresponding ITC that is liable to be reversed shall be made available to recipient in FORM GST MIS-1 and to supplier in **FORM GST MIS-2** on or before the last date of month in which matching has been carried out.

5. Corrections

Supplier/ Recipient may make corrections in Form GSTR-1/ GSTR-2 respectively of month when discrepancy communicated.

(Supplier may add or correct the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient; Recipient may delete or correct the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier)

6. Now Match

The claim of ITC in respect of any tax period which had been communicated as mismatched, but is found to be matched after rectification by the supplier/ recipient shall be finally accepted and made available electronically in FORM GST MIS-1.

7. Unmatched

The amount in respect of which any discrepancy is communicated which is not rectified by the supplier in his valid return for the month in which discrepancy is communicated - shall be added to the output tax liability of the recipient in his return in Form GSTR-3 for the month succeeding the month in which the discrepancy is communicated. Also shall be liable to pay interest u/s 50(1) on the amount so added from the date of availing of credit till the corresponding additions are made.

MATCHING OF ITC

MATCHING OF ITC

8. Future Correction

If Supplier declares the details of the invoice or debit note in his valid return in future, within the time specified in Sec 39(9), then the recipient shall be eligible to reduce, from his output tax liability, the amount earlier added due to mismatch. Also, the interest that would have been earlier paid during mismatch shall be refunded, recipient shall claim it in Form GSTR-3.

9. Contravention

The amount reduced from the output tax liability in contravention of the above method shall be added to the output tax liability of the recipient in his return for the month in which such contravention takes place and such recipient shall be liable to pay interest on the amount so added at the rate specified in Sec 50(3).

10. Duplicate claim

The duplication of claims of ITC shall be communicated to the recipient in FORM GST MIS-1.

11. Reversal

The amount claimed as ITC that is found to be in excess on account of duplication of claims shall be added to the output tax liability of the recipient in his return for the month in which the duplication is communicated. Also liable to pay interest u/s 50(1) from the date of availing of credit till the corresponding additions are made.

MATCHING OF REDUCTION

1. WHAT & HOW

The details of every credit note relating to outward supply – GSTIN of supplier & recipient, credit note number & date, and tax amount – furnished by supplier for a tax period shall, after the due date for furnishing FORM GSTR-3, be matched—

- a) With the corresponding reduction in the claim for ITC by the corresponding 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.

(Commissioner may extend of matching; if Time limit for GSTR-1 & 2 extended, then date of matching shall be extended accordingly)

2. Deemed Match

The claim of Reduction shall be treated as already matched if-

- a) If they are in respect of Credit notes in FORM GSTR- 1 that were accepted by the recipient in FORM GSTR-2 without amendment, and recipient had furnished valid return for the same.
- b) The amount of output tax liability after taking into account the reduction claimed is equal to or more than the claim of ITC (after taking into account the reduction admitted & discharged on such credit note by the recipient in his valid return).

3. Matched

The claim for reduction in output tax liability by the supplier that matches with the corresponding reduction in the claim for ITC by the recipient shall be finally accepted and communicated in FORM GST MIS-1 to the supplier.

(Basically for credit noted which were not accepted by recipient as such, were modified, and modification was accepted by supplier!)

4. Mismatch

Where-

- The reduction of output tax liability in respect of outward supplies exceeds the reduction in the claim for ITC or
- The corresponding credit note is not declared by the recipient in his valid returns,

Then such discrepancy, and the details of output tax liability liable to be added, shall be communicated to supplier in FORM GST MIS-1 and to recipient in FORM GST MIS-2, on or before last date of the month in which matching has been carried out.

5. Corrections

Supplier/ Recipient may make suitable rectifications (supplier may delete or correct the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient, or the recipient may add or correct the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier) in Form GSTR-1/ GSTR-2 respectively of month when discrepancy communicated

6. Now Match

The claim of reduction in output tax liability in respect of any tax period which had been earlier mismatched but is found to be matched after rectification by the supplier/ recipient shall be finally accepted and made available electronically to the person making such claim in FORM GST MIS-1.

7. Unmatched

The amount in respect of which any discrepancy is communicated 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, and shown in his return in FORM GSTR-3 for the month succeeding the month in which the discrepancy is communicated. Also shall be liable to pay interest u/s 50(1) on the amount so added from the date of claiming reduction till the corresponding additions are made.

MATCHING OF REDUCTION

MATCHING OF REDUCTION

8. Future Correction

If the recipient declares the details of the credit note in future in his valid return within the time specified in Sec 39(9), then supplier shall be eligible to reduce, from his output tax liability, the amount earlier added due to mismatch. Also, the interest that would have been earlier paid during mismatch shall be refunded, supplier shall claim it in Form GSTR-3.

9. Contravention

The amount reduced from output tax liability in contravention of the above method, shall be added to the output tax liability of the supplier in his return for the month in which such contravention takes place and such supplier shall be liable to pay interest on the amount so added at the rate specified in Sec 50(3).

10. Duplicate claim

The duplication of claims for reduction in output tax liability shall be communicated to the supplier in in FORM GST MIS-1.

11. Reversal

The amount in respect of any reduction in output tax liability that is found to be on account of duplication of claims shall be added to the output tax liability of the supplier in his return for the month in which such duplication is communicated. Also liable to pay interest u/s 50(1) from the date of claiming such reduction till the corresponding additions are made.

SPECIAL RETURN GSTR-3B

- ▶ Where the time limit for furnishing of details in FORM GSTR-1 u/s 37 and in FORM GSTR-2 u/s 38 has been extended and the circumstances so warrant, the Commissioner may, by notification, specify the manner and conditions subject to which the return shall be furnished in **FORM GSTR-3B**.
- ▶ Part A of the return in FORM GSTR-3 shall be electronically generated on the basis of information furnished through FORM GSTR-1, FORM GSTR-2 and based on other liabilities of preceding tax periods and PART B of the said return shall be electronically generated on the basis of the return in FORM GSTR-3B furnished in respect of the tax period.
- ▶ RTP shall modify Part B of the return in FORM GSTR-3 based on the differences, if any, as compared to FORM GSTR-3B, and discharge any additional tax and other liabilities, if any, or where the amount of ITC in FORM GSTR-3 exceeds the amount of ITC as per FORM GSTR-3B, the additional amount shall be credited to the electronic credit ledger of the RTP.



E-COMMERCE OPERATOR



The details of –

- State of place of supply and
- the net taxable value

relating to the supplies made through an e-Commerce operator, as declared in FORM GSTR-8, shall be matched with the corresponding details declared by the supplier in FORM GSTR-1. (Where the time limit for furnishing FORM GSTR-1 u/s 37 has been extended, the date of matching shall be extended accordingly)

- ▶ Any discrepancy in the details furnished by the operator and those declared by the supplier shall be made available to the supplier electronically in **FORM GST MIS-3** and to the e-commerce operator electronically in **FORM GST MIS-4** on or before the last date of the month in which the matching has been carried out.
- ▶ The supplier or the operator may make suitable rectifications in the statement to be furnished for the month in which the discrepancy is made available.
- ▶ Where the discrepancy is not rectified, an amount to the extent of discrepancy shall be added to the output tax liability of the supplier in his return in FORM GSTR-3 for the month succeeding the month in which the details of discrepancy are made available, and such addition to the output tax liability and interest payable thereon shall be made available to the supplier electronically on the common portal in FORM GST MIS-3.

ANNUAL RETURN

- ▶ Every RTP (other than ISD, TDS deductor, TCS collector, a casual taxable person and a NR taxable person), shall furnish an annual return for every FY in **FORM GSTR-9** on or before the 31st day of December following the end of such FY.
- ▶ Composition taxable person shall furnish in **FORM GSTR-9A**.
- ▶ TCS collector shall furnish in **FORM GSTR-9B**.
- ▶ Every RTP whose aggregate turnover during a FY exceeds Rs. 2 crore, is required to get his accounts audited in accordance with Sec 35(5), and shall furnish the annual return along with a copy of the audited annual accounts and a reconciliation statement in **FORM GSTR-9C**, reconciling the value of supplies declared in return furnished with the audited annual financial statement.

FIRST & FINAL RETURN

FIRST RETURN

- ▶ Every RTP 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 them in the first return furnished by him after grant of registration.

FINAL RETURN

- ▶ Every RTP who is required to furnish a return under Sec 39(1) and whose registration has been cancelled shall furnish a final return in **FORM GSTR-10** within 3 months of date of cancellation or date of order of cancellation, whichever is later.

Notice & Late Fees

NOTICE

- ▶ Where RTP who fails to furnish a return u/s 39 or section 44 or section 45, a notice shall be issued in FORM GSTR-3A requiring him to furnish such return within 15 days.

LATE FEES

- ▶ Any RTP who fails to furnish the details of outward or inward supplies required u/s 37 or section 38 or returns required u/s 39 or section 45 by the due date, shall pay a late fee of Rs. 100 for every day subject to a maximum amount of Rs. 5000.
- ▶ Any RTP who fails to furnish the return required u/s 44 (Annual return) by the due date shall be liable to pay a late fee of Rs. 100 for every day subject to a maximum of an amount = 0.25% of turnover in the State/ UT.

UIN HOLDERS

(REFER REGISTRATION CHAPTER TO KNOW WHO ARE UIN HOLDERS)

- ▶ Every person who has been issued a Unique Identity Number (UIN) and claims refund of the taxes paid on his inward supplies, shall furnish the details of such supplies in **FORM GSTR-11**, along with application for such refund claim. If purpose is other than refund, furnish the details of inward supplies as may be required by the proper officer in FORM GSTR-11.

GSTP (GOODS AND SERVICES TAX PRACTITIONER)

Who can become?

- ▶ Satisfies any of the following conditions, namely:-
 - ▶ He is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Excise and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower than the rank of a Group-B gazetted officer for a period of not less than two years; or
 - ▶ That he has enrolled as a sales tax practitioner or tax return preparer under the existing law for a period of not less than 5 years;
 - ▶ Has passed -
 - ▶ A graduate/ postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force; or
 - ▶ A degree examination of any Foreign University recognised by any Indian University as equivalent to the degree examination mentioned in sub-clause (i); or
 - ▶ Any other examination notified by the Government, on the recommendation of the Council, for this purpose; or
 - ▶ Has passed the Final examination of the Institute of Chartered Accountants of India; or the Institute of Cost Accountants of India; or the Institute of Company Secretaries of India.
- ▶ Is a citizen of India;
- ▶ Is a person of sound mind;
- ▶ Is not adjudicated as insolvent;
- ▶ Has not been convicted by a competent court;

GSTP Application Procedure

1.

- An application in **FORM GST PCT-01** may be made for enrolment as GSTP by any person

2.

- On receipt of the above application, the officer authorised in this behalf shall either enrol the applicant as a GSTP and issue a certificate to that effect in **FORM GST PCT-02**.
- May reject his application where it is found that the applicant is not qualified to be enrolled as a GSTP.
- The enrolment made shall be valid until it is cancelled.
- No person enrolled as a GSTP shall be eligible to remain enrolled unless he passes such examination conducted at such periods and by such authority as may be notified by the Commissioner on the recommendations of the Council.

OTHER POINTS

1.

- RTP may authorise an approved GSTP to-
 - Furnish details of outward supplies u/s 37, details of inward supplies u/s 38 and return u/s 39 or section 44 or section 45.
 - Make deposit for credit into the electronic cash ledger.
 - File refund claim.
 - File an application for amendment or cancellation of registration.

2.

- The responsibility for correctness of any particulars furnished in the return or other details filed by the GSTPs shall continue to rest with the RTP on whose behalf such return and details are furnished.

3.

- The GSTP shall prepare the statements with due diligence and affix his digital signature on the statements prepared by him or electronically verify using his credentials.

4.

- If any GSTP is found guilty of misconduct in connection with any proceedings, the authorised officer may, after giving him a notice to show cause in FORM GST PCT-03 for such misconduct and after giving him a reasonable opportunity of being heard, by order in FORM GST PCT -04 direct that he shall henceforth be disqualified u/s 48 to function as a GSTP. The person may within 30 days from the date of issue of such order, appeal to the Commissioner against such order, if he so wishes.

OTHER POINTS

5.

- Where a statement required to be furnished by a RTP has been furnished by the GSTP authorised by him, the statement furnished shall be made available to the RTP on the common portal and a confirmation shall be sought from the RTP over email or SMS. RTP shall before confirming submission, ensure that the facts mentioned in the return are true and correct. Where RTP fails to respond to confirmation request till last date of furnishing of such statement, deemed that he has confirmed. But where it is application for refund/ amendment or cancellation of registration, then such application shall not be proceeded with further until the RTP gives his consent to the same.

6.

- RTP may, at his option, authorise a GSTP or withdraw such authorisation in **FORM GST PCT-05**, and the GSTP so authorised shall be allowed to undertake such tasks as indicated in the said authorisation during the period of authorisation.

7.

- GSTP enrolled in any State/ UT shall be treated as enrolled in every State/ UT for the purposes of undertaking activities as above.

CONDITIONS FOR PURPOSES OF APPEARANCE

- ▶ Only persons enrolled as GSTP shall be eligible to attend before any authority in connection with any proceedings under the Act on behalf of any registered or unregistered person.
- ▶ GSTP attending on behalf of a RTP or an unregistered person in any proceedings under the Act before any authority shall produce before such authority, if required, a copy of the authorisation given by such person in FORM GST PCT-05.

End of Presentation!

WHAT WE LEARNED -

- ▶ Details of Outward & Inward Supplies & Matching
- ▶ Rectification
- ▶ Monthly Return
- ▶ Rectification
- ▶ Provisional ITC
- ▶ Matching of ITC
- ▶ Matching of reduction
- ▶ Special Return GSTR-3B
- ▶ First Return
- ▶ E-Commerce Operator
- ▶ Annual Return
- ▶ Final Return
- ▶ Notice
- ▶ Late Fees
- ▶ UIN HOLDERS
- ▶ GSTP (goods and services tax practitioner)
- ▶ Conditions for purposes of appearance

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