CHAPTER 13

RETURNS



The section numbers referred to in the Chapter pertain to CGST Act and rule numbers referred to in the Chapter pertain to CGST Rules, unless otherwise specified. Examples/Illustrations/Questions and Answers given in the Chapter are based on the position of GST law existing as on 30.04.2026.

LEARNING OUTCOMES

After studying this Chapter, you will be able to –

- comprehend and analyse provisions relating to statements furnishing details of outward supplies and inward supplies
- understand and analyse provisions relating to furnishing of returns under section 39
- understand and analyse provisions relating to furnishing of other returns/statements
- provide an overview of provisions relating to default/delay in furnishing return
- explain the provisions relating to GST practitioner

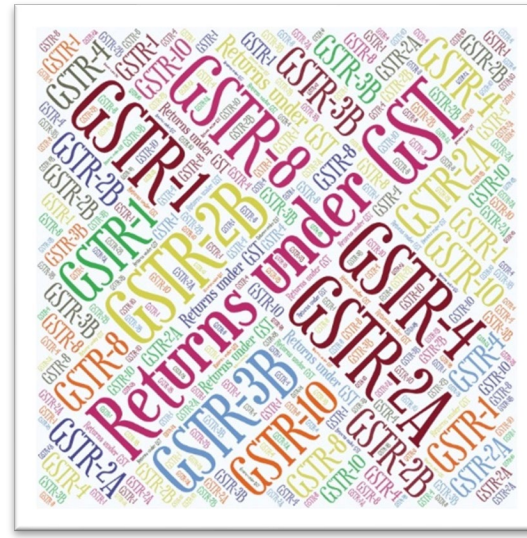
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1. INTRODUCTION

The term "return" ordinarily means statement of information (facts) furnished by the taxpayer, to tax administrators, at regular intervals. The information to be furnished in the return generally comprises of the details pertaining to the nature of activities/business operations forming the subject matter of taxation; the measure of taxation such as sale price, turnover, or value; deductions and exemptions; and determination and discharge of tax liability for a given period.



In any tax law, "filing of returns" constitutes the most important compliance procedure which enables the Government/ tax administrator to estimate the tax collection for a particular period and determine the correctness and completeness of the tax compliance of the taxpayers.



The returns serve the following purposes:

a) Mode for transfer of information to tax administration;

b) Compliance verification program of tax administration;

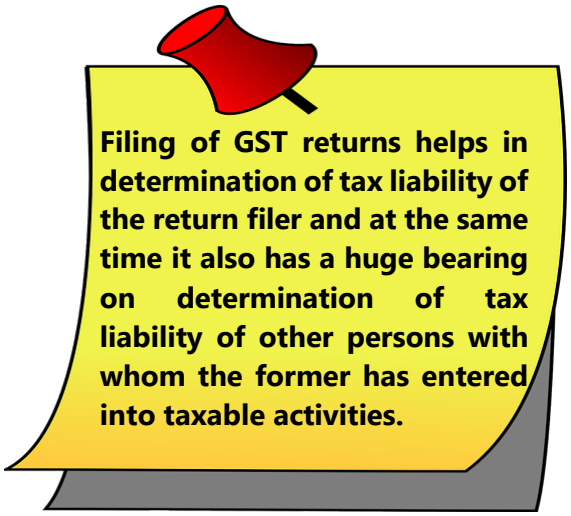
c) Finalization of the tax liabilities of the taxpayer within stipulated period of limitation;

d) Providing necessary inputs for taking policy decision;

e) Management of audit and anti-evasion programs of tax administration

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The taxpayer is generally required to furnish the return in a specific statutory format. These formats are, therefore, designed to take care of all the provisions of the law that have a bearing on computation of tax liability of a taxpayer. Hence, a study of various fields contained in the form of return *vis-à-vis* the relevant corresponding provisions of the tax law, can facilitate overall understanding of the tax law in a better manner.



Under the GST laws, the correct and timely filing of returns is of utmost importance because of two reasons. Firstly, under GST laws, a taxpayer is required to estimate his tax liability on "self-assessment" basis and deposit the tax amount along with the filing of such return. The return, therefore, constitutes a kind of working sheet/supporting document for the tax authorities that can be relied upon as the basis on which the tax has been computed by the taxpayer. Secondly, under the GST regime, filing of returns not only determines the tax liability of the person filing the same, but it also has a huge bearing on determination of tax liability of other persons with whom the former has entered into transactions in course or furtherance of business.

Chapter IX of the CGST Act [Sections 37 to 48[1]] and sections 150 & 123 prescribe the provisions relating to filing of returns as under:

Section 37	Furnishing details of outward supplies
Section 38	Furnishing details of inward supplies
Section 39	Furnishing of returns
Section 40	First return

[1] *Sections 42, 43 and 43A have been omitted.*

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Section 41	Availment of input tax credit**
Section 44	Annual Return
Section 45	Final Return
Section 46	Notice to return defaulters
Section 47	Levy of late fee
Section 48	Goods and services tax practitioners
Section 150	Obligation to furnish information return
Section 123	Penalty for failure to furnish information return

Apart from this, section 52, *inter alia,* prescribes a statement for tax collection at source to be furnished by Electronic Commerce Operator. *The same has already been discussed in Chapter 12 – Electronic Commerce Transactions in this Module of the Study Material.*

***Provisions of section 41 relating to availment of input tax credit have already been discussed in Chapter 7 – Input Tax Credit in this Module of the Study Material; thus, said provisions are not discussed here.* The provisions relating to forms and manner, in which information is to be furnished through returns, are given under Chapter VIII of the CGST Rules [Rules 59-84[2]]. State GST laws also prescribe identical provisions in relation to filing of returns.

Provisions of returns, other than late fee, under CGST Act have also been made applicable to IGST Act vide section 20 of the IGST Act.

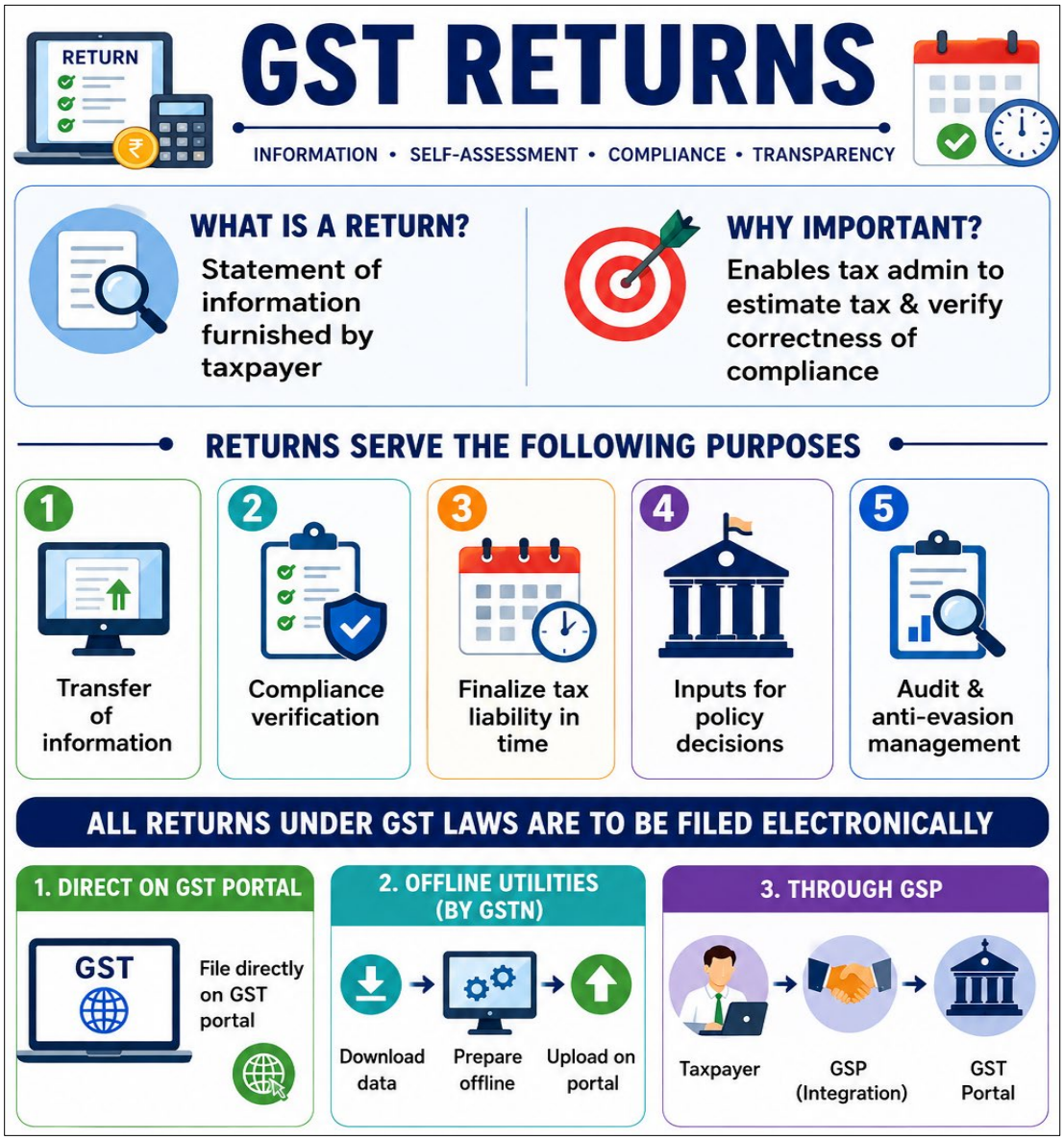
All the returns under GST laws are to be filed electronically. Taxpayers can file the statements and returns by various modes. Firstly, they can file their statement and returns directly on the GST common portal online. However, this may be tedious and time consuming for taxpayers with large number of invoices. For such taxpayers, offline utilities have been provided by GSTN that can be used for

[2] *Rules 69, 70, 71, 72, 73, 74, 75, 76, 77 and 79 have been omitted.*

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preparing the statements offline after downloading the auto populated details and uploading them on the common portal. GSTN has also developed an ecosystem of GST Suvidha Providers (GSP) that will integrate with the common portal.

The details furnished by the taxpayer in the form of returns shall be consolidated and stored at the common portal which will be common for both, i.e. Central Government and State Governments.



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2. RELEVANT DEFINITIONS

- **Common portal** means the common goods and services tax electronic portal referred to in section 146 [Section 2(26)].
- **Credit note** means a document issued by a registered person under sub-section (1) of section 34 [Section 2(37)].
- **Casual taxable person** means a person who occasionally undertakes transactions involving supply of goods or services or both in the course or furtherance of business whether as principal, agent or in any other capacity, in a State or a Union Territory where he has no fixed place of business [Section 2(20)].
- **Debit note** means a document issued by a registered person under sub-section (3) of section 34 [Section 2(38)].
- **Electronic cash ledger** means the electronic cash ledger referred to in sub-section (1) of section 49 [Section 2(43)].
- **Electronic credit ledger** means the electronic credit ledger referred to in sub-section (2) of section 49 [Section 2(46)].
- **Exempt supply** means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply [Section 2(47)].
- **Goods and services tax practitioner** means any person who has been approved under section 48 to act as such practitioner [Section 2(55)].
- **Invoice or tax invoice** means the tax invoice referred to in section 31 [Section 2(66)].
- **Inward supply** in relation to a person, shall mean receipt of goods or services or both whether by purchase, acquisition or any other means with or without consideration [Section 2(67)].
- **Input service distributor** means an office of the supplier of goods or services or both which receives tax invoices issued under section 31 towards the receipt of input services and issues a prescribed document for the purposes

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of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office [Section 2(61)].

- **Non-resident taxable person** means any person who occasionally undertakes transactions involving supply of goods or services or both, whether as principal or agent or in any other capacity, but who has no fixed place of business or residence in India [Section 2(77)].
- **Outward supply** in relation to a taxable person, means supply of goods or services or both, whether by sale, transfer, barter, exchange, licence, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business [Section 2(83)].
- **Prescribed** means prescribed by rules made under this Act on the recommendations of the Council [Section 2(87)].
- **Proper officer** in relation to any function to be performed under this Act, means the Commissioner or the officer of the central tax who is assigned that function by the Commissioner in the Board [Section 2(91)].
- **Quarter** shall mean a period comprising three consecutive calendar months, ending on the last day of March, June, September and December of a calendar year [Section 2(92)].
- **Recipient** of supply of goods or services or both, means—
  - where a consideration is payable for the supply of goods or services or both, the person who is liable to pay that consideration;
  - where no consideration is payable for the supply of goods, the person to whom the goods are delivered or made available, or to whom possession or use of the goods is given or made available; and
  - where no consideration is payable for the supply of a service, the person to whom the service is rendered,

  and any reference to a person to whom a supply is made shall be construed as a reference to the recipient of the supply and shall include an agent acting

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as such on behalf of the recipient in relation to the goods or services or both supplied [Section 2(93)].

- **Registered person** means a person who is registered under section 25 but does not include a person having a Unique Identity Number [Section 2(94)].
- **Return** means any return prescribed or otherwise required to be furnished by or under this Act or the rules made thereunder [Section 2(97)].
- **Reverse charge** means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under sub-section (3) or sub-section (4) of section 9, or under sub-section (3) or sub- section (4) of section 5 of the Integrated Goods and Services Tax Act [Section 2(98)].
- **Tax period** means the period for which the return is required to be furnished [Section 2(106)].
- **Taxable person** means a person who is registered or liable to be registered under section 22 or section 24 [Section 2(107)].
- **Taxable supply** means a supply of goods or services or both which is leviable to tax under this Act [Section 2(108)].
- **Valid return** means a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full [Section 2(117)].
- **Zero rated supply** means any of the following supplies of goods or services or both, namely:—

  (a) export of goods or services or both; or

  (b) supply of goods or services or both for authorised operations to a Special Economic Zone developer or a Special Economic Zone unit [Section 16 of the IGST Act].

- **Online information and database access or retrieval services** means services whose delivery is mediated by information technology over the internet or an electronic network and the nature of which renders their supply impossible to ensure in the absence of information technology and includes electronic services such as,—

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(i) advertising on the internet;

(ii) providing cloud services;

(iii) provision of e-books, movie, music, software and other intangibles through telecommunication networks or internet;



(iv) providing data or information, retrievable or otherwise, to any person in electronic form through a computer network;

(v) online supplies of digital content (movies, television shows, music and the like);

(vi) digital data storage; and

(vii) online gaming [Section 2(17) of the IGST Act]

❖ **Supplier** in relation to any goods or services or both, shall mean the person supplying the said goods or services or both and shall include an agent acting as such on behalf of such supplier in relation to the goods or services or both supplied.

However, a person who organises or arranges, directly or indirectly, supply of specified actionable claims, including a person who owns, operates or manages digital or electronic platform for such supply, shall be deemed to be a supplier of such actionable claims, whether such actionable claims are supplied by him or through him and whether consideration in money or money's worth, including virtual digital assets, for supply of such actionable claims is paid or conveyed to him or through him or placed at his disposal in any manner, and all the provisions of this Act shall apply to such supplier of specified actionable claims, as if he is the supplier liable to pay the tax in relation to the supply of such actionable claims [Section 2(105)].

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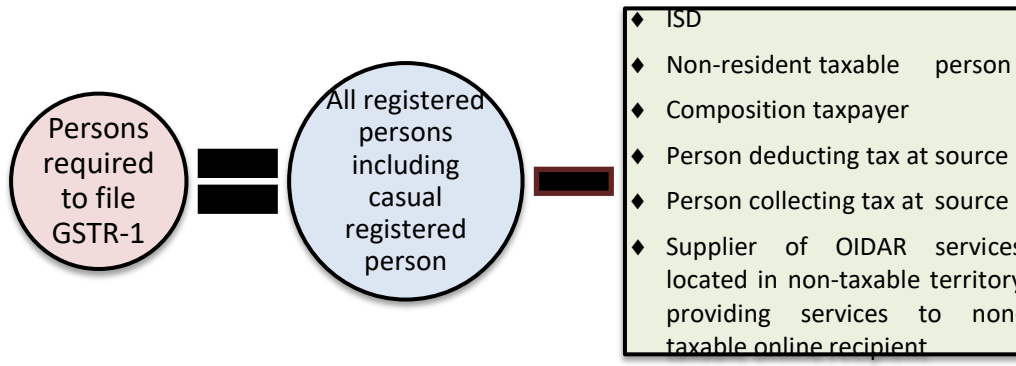
3. FURNISHING DETAILS OF OUTWARD SUPPLIES [SECTION 37 READ WITH RULE 59]

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

The details of outward supplies *(see definition under Relevant Definitions)* of both goods and services are required to be furnished by every registered person including casual registered person except the following:



- input service distributor (ISD)
- non-resident taxable person (NRTP)
- person paying tax under composition scheme
- person deducting tax at source
- person collecting tax at source i.e., e-commerce operator (ECO), not being an agent
- supplier of online information and database access or retrieval services (OIDAR) located in non-taxable territory and providing such services to a non-taxable online recipient *[Provisions relating to OIDAR services and non-taxable online recipient have been discussed in detail in Chapter 14: Import and Export under GST in Module 3 of this Study Material.]*



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(1) Kavya Enterprises is a registered dealer in furniture and also occasionally acts as an e-commerce operator collecting TCS for third-party suppliers on its own platform. Kavya Enterprises must furnish GSTR-1 for its own outward supplies of furniture. However, in respect of the TCS-collected, Kavya Enterprises is not required to furnish GSTR-1.

(ii) What is the form for submission of details of outward supplies? [Section 37(1) read with rule 59(1)]

The details of outward supplies are required to be furnished, electronically, in **Form GSTR-1 for the month or quarter.** Such details can be furnished through the common portal, either directly or from a Facilitation Centre notified by the Commissioner.

Further, a Nil GSTR-1 can be filed through an SMS using the registered mobile number of the taxpayer.

(2) Nirmal Traders, a small trader registered under GST, had zero outward supplies in the month of June. Since GSTR-1 must still technically be furnished, Nirmal Traders files a Nil GSTR-1 for June directly via SMS from its registered mobile number, verified by OTP, without logging into the common portal at all.

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



GSTR-1 for a particular tax period is filed on or before the 10th day of the immediately succeeding tax period. In other words, GSTR-1 of a month/quarter can be filed any time between 1st and 10th day of the succeeding month/quarter. The due date of filing GSTR-1 may be extended by the Commissioner/ Commissioner of State GST/ Commissioner of UTGST for a class of taxable persons by way of a notification.

The time limit for furnishing the details of outward supplies in Form GSTR-1 is extended[3] as follows:

[3] *vide Notification No. 83/2020 CT dated 10.11.2020*

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Class of registered person	Time limit for furnishing the details of outward supplies in Form GSTR-1 for each quarter/month
Registered persons opting for QRMP scheme[4]	**13th day** of the month succeeding such quarter
Others	**11th day** of the month succeeding such month



(3) Meridian Apparels is registered under the QRMP scheme, filing GSTR-1 quarterly for the April–June quarter. Its Form GSTR-1 for this quarter is due on or before 13th July.

(4) Solace Electronics (not under QRMP) files monthly return. It must furnish its GSTR-1 for the month of June on or before 11th July.

(iv) Invoice Furnishing Facility [IFF] for taxpayers opting for QRMP Scheme [Sub-rules (2) and (3) of rule 59]

Invoice Furnishing Facility (IFF) is a facility provided to quarterly taxpayers who are in QRMP scheme, to file their details of outward supplies in first two months of the quarter, to pass on the credit to their recipients.

Invoice furnishing facility (IFF) is not mandatory, but an optional facility made available to the registered persons under the QRMP scheme. At his option, a registered person may choose to furnish the details of outward supplies made during a quarter in Form GSTR-1 only, without using the IFF.

The facility of furnishing details of invoices in IFF has been provided so as to allow details of such supplies to be duly reflected in the Form GSTR-2A and Form GSTR-2B of the concerned recipient. Otherwise, in case where a buyer has made purchases from a person opting for QRMP scheme, he could not have claimed full ITC but due to introduction of IFF, such delay will not occur

[4] *QRMP scheme - a Quarterly Return scheme where payment has to be made on monthly basis - has been discussed in detail subsequently in this chapter.*

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as the details submitted using IFF will be reflected in the GSTR-2A, GSTR-2B, GSTR-4A[5] or GSTR-6A[6] of the recipients, as the case may be.

Taxpayers opting for QRMP Scheme may furnish the details of such outward supplies to a registered person, as he may consider necessary, for the 1st and 2nd months of a quarter, upto a cumulative value of ₹ 50 lakh in each of the first 2 months of the quarter using IFF electronically on the common portal. However, invoices pertaining to last month of a quarter are to be uploaded in GSTR-1 only.

The invoices are to be furnished in IFF till the 13th day of the succeeding month. After 13th of the month, this facility for furnishing IFF for previous month would not be available.



(5) The facility to opt QRMP would however be available, say for the month of July, from 1st August till 13th August. Similarly, for the month of August, the said facility will be available from 1st September till 13th September[7].

As a facilitation measure, continuous upload of invoices would also be provided for the registered persons wherein they can save the invoices in IFF from the 1st day of the month till 13th day of the succeeding month.

The details of invoices furnished using IFF in the first 2 months of the quarter are not required to be furnished again in GSTR-1 for the said quarter.

However, if a registered person does not opt to upload invoices using IFF, then he has to upload invoice details for all the 3 months of the quarter in Form GSTR-1.



(6) A registered person who has availed the QRMP scheme wants to declare 2 invoices out of the total 10 invoices issued in the 1st month of quarter since the recipient of supplies covered by those 2 invoices desires to avail ITC in that month itself. Details of these 2 invoices

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[5] *Form GSTR-4A is the system generated statement of inward supplies of a composition supplier. It has been discussed subsequently in this chapter.*

[6] *Form GSTR-6A is the system generated statement of inward supplies of an ISD. It has been discussed subsequently in this chapter.*

[7] *Circular No. 143/13/2020 GST dated 10.11.2020*

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may be furnished using IFF.

The details of the remaining 8 invoices shall be furnished in Form GSTR-1 of the said quarter. The two invoices furnished in IFF shall be reflected in Form GSTR-2B of the concerned recipient of the 1st month of the quarter and remaining 8 invoices furnished in Form GSTR-1 shall be reflected in Form GSTR-2B of the concerned recipient of the last month of the quarter.

(7) Ashoka Fabricators, under QRMP for the July–September quarter, issues B2B invoices worth ₹ 42 lakh in July and wants its recipients to claim ITC without waiting for the quarterly GSTR-1. It uploads these invoice-wise details in IFF between 1st and 13th August. In August (second month of the quarter), it issues another ₹ 15 lakh of B2B invoices and again uploads them via IFF between 1st and 13th September.

For September (last month of the quarter), it cannot use IFF at all; September invoices must go directly into the quarterly GSTR-1 filed by 13th October.

(8) In above example, if Ashoka Fabricators' cumulative B2B invoice value for July had been ₹ 55 lakh, it could still upload only up to ₹ 50 lakh through IFF for that month and remaining ₹ 5 lakh can be added in IFF of August provided cumulative B2B invoice value for August is upto ₹ 50 lakh after adding this.

There will be no late fee applicable on late filing of IFF, as IFF is neither mandatory nor allowed to be filed after the due date. However, if a registered person does not opt to upload invoices using IFF, then he has to upload invoice details for all the 3 months of the quarter in Form GSTR-1.

(v) What are the cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF? [Section 37(4) read with rule 59(6)]

A registered person shall not be allowed to furnish the details of outward supplies for a tax period, if the details of outward supplies for any of the previous tax periods has not been furnished by him. However, the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the details of

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outward supplies, even if he has not furnished the details of outward supplies for one or more previous tax periods [Section 37(4)].

Further, rule 59(6) stipulates that:

(i) a registered person shall not be allowed to furnish the details of outward supplies in Form GSTR-1, if he has **not furnished** the return in **Form GSTR-3B for the preceding month**.

(ii) a registered person, opting for QRMP scheme shall not be allowed to furnish the details of outward supplies in Form GSTR-1 or using IFF, if he has **not furnished the return in Form GSTR-3B for preceding tax period**.

(iii) a registered person, to whom an intimation has been issued on the common portal under the provisions of rule 88C(1) in respect of a tax period, shall not be allowed to furnish the details of outward supplies Form GSTR-1 or using IFF for a subsequent tax period, unless he has either deposited the amount specified in the said intimation or has furnished a reply explaining the reasons for any **amount remaining unpaid, as required under the provisions of rule 88C(2).** Rule 88C has been discussed subsequently in this chapter.

(iv) a registered person, to whom an intimation has been issued on the common portal under the provisions of rule 88D(1) in respect of a tax period/periods, shall not be allowed to furnish GSTR-1/IFF for a subsequent tax period, unless he has either paid the amount equal to the excess ITC as specified in the said intimation or has furnished a reply explaining the reasons in respect of the **amount of excess ITC that still remains to be paid, as required under the provisions of rule 88D(2).** Rule 88D has been discussed subsequently in this chapter.

(v) a registered person shall not be allowed to furnish GSTR-1/IFF, if he has **not furnished the details of the bank account** as per the provisions of rule 10A[8].

[8] *Provisions of rule 10A have been discussed in Chapter 8 – Registration in this Module of the Study Material.*

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(9) Devendra Plastics is required to file GSTR-3B on monthly basis. It failed to file GSTR-3B for May. Consequently, it cannot furnish GSTR-1 for June until the pending GSTR-3B for May is filed.

(10) Rudra Enterprises, which has opted for the QRMP Scheme, failed to furnish GSTR-3B for the quarter April–June. Consequently, it will not be permitted to furnish GSTR-1/IFF for the quarter July–September.

(11) Om Textiles received an intimation under rule 88C(1) in July, pointing out that the tax liability declared in its GSTR-1 for quarter ending June exceeded the liability paid through GSTR-3B for that quarter. Om Textiles neither deposited the differential amount nor furnished a reply explaining the discrepancy, within a period of 7 days. As a result, it will not be allowed to furnish GSTR-1/IFF for quarter ending September (the subsequent tax period), until it either pays the amount or responds under rule 88C(2).

(12) Saraswati Industries is intimated under rule 88D(1) that it has availed excess ITC in GSTR-3B compared to what is reflected in GSTR-2B for the quarter ending June. It neither pays the excess ITC amount nor explains the discrepancy. It will consequently be barred from filing GSTR-1/IFF for the next tax period until this is resolved.

(13) Kalinga Enterprises obtained fresh GST registration but has not yet furnished its bank account details as required under rule 10A. It will not be permitted to file GSTR-1/IFF for its first tax period until the bank account details are furnished.

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.

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(vi) What are the contents of GSTR-1?

CONTENTS OF GSTR- 1

Basic & Other Details	Details of Outward Supplies
• GSTIN • Legal name • Trade name, if any • Aggregate turnover in previous year • Year and Month • HSN-wise summary of outward supplies • Details of documents issued during the tax period	• B2B including UIN holders • B2C inter-State supplies where invoice value > ₹ 1 lakh • Consolidated details of other B2C supplies • Zero rated and Deemed exports • Debit/ Credit notes issued • Nil rated/ Exempted/ Non-GST • Amendments for prior period • Advances received/advances adjusted



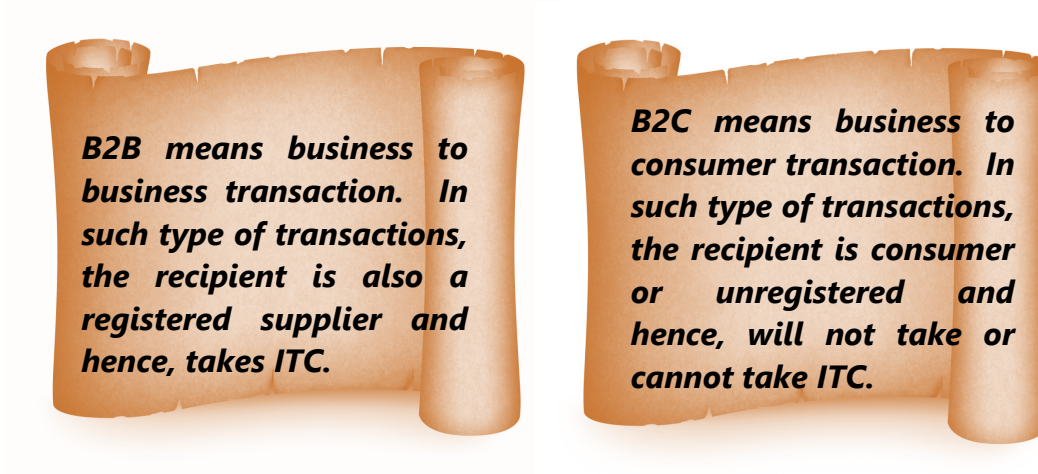
GST is a destination-based consumption tax. Hence, the tax revenue is transferred to the State which is the place of supply[9] of the particular transaction. Since, the place of supply is crucial for determining the share of every State in the tax revenue, GSTR-1 also captures information relating to place of supply.

[9] *Principles determining the place of supply have been discussed in detail in Chapter 3 – Place of Supply in Module 1 of this Study Material.*

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(vii) What kind of details of outward supplies are required to be furnished in GSTR-1 and IFF? [Explanation to section 37 read with sub-rules (4) and (5) of rule 59]

Uploading of invoices in IFF and GSTR-1 depends on whether the supply is B2B or B2C. Further, uploading of invoice in GSTR-1 also depends on whether the supply is intra-State or inter-State. Let us first understand what is B2B supply and what is B2C supply?



(A) Details of outward supplies required to be furnished in IFF

In the IFF, the registered person has to submit the B2B (business to business) invoice details of both inter-State and intra-State supply transactions along with debit and credit notes of the B2B invoices issued during the month.

The details of outward supplies furnished using 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.

From the above discussion, it can be inferred that IFF shall include **invoices pertaining to B2B supplies** irrespective of whether they are

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intra-State or inter- State supplies. This is so because the recipients will take ITC basis such invoices.

(B) Details of outward supplies required to be furnished in GSTR-1/GSTR-1A

The registered person is required to furnish:-

(i) details of invoices and revised invoices issued in relation to supplies made by him **to registered and unregistered persons** (i.e. B2B as well as B2C supplies) and debit notes and credit notes in GSTR-1 and

(ii) additional details or the amendments of the details of outward supplies of goods or services or both furnished in Form GSTR-1A, as per the requirement of the registered person in the following manner:

Sl. No.	Invoice-wise details of ALL	Consolidated details of ALL	Debit and credit notes
(i)	Inter-State and Intra-State supplies made to registered persons, i.e. B2B supplies.	Intra-State supplies made to unregistered persons for each rate of tax	Issued during the month for invoices issued previously
(ii)	Inter-State supplies made to unregistered persons with invoice value exceeding ₹ **1,00,000**, i.e. B2C supplies	Inter-State supplies made to unregistered persons with invoice value upto ₹ **1,00,000** for each rate of tax separately for each State	

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SL. NO.	INVOICE-WISE DETAILS OF ALL	CONSOLIDATED DETAILS OF ALL	DEBIT & CREDIT NOTES
(i)	INTER-STATE & INTRA-STATE SUPPLIES TO REGISTERED PERSONS (B2B)	INTRA-STATE SUPPLIES TO UNREGISTERED PERSONS (FOR EACH RATE OF TAX)	ISSUED DURING THE MONTH FOR INVOICES ISSUED PREVIOUSLY
(ii)	INTER-STATE SUPPLIES TO UNREGISTERED PERSONS WITH INVOICE VALUE EXCEEDING ₹ 1,00,000 (B2C)	INTER-STATE SUPPLIES TO UNREGISTERED PERSONS WITH INVOICE VALUE UPTO ₹ 1,00,000 (FOR EACH RATE OF TAX SEPARATELY FOR EACH STATE)	

From the above discussion, it can be inferred that for B2B supplies, details of all invoices need to be uploaded in GSTR-1/ Form GSTR-1A irrespective of whether they are intra-State or inter- State supplies. This is so because the recipient will take ITC basis such invoices.

For B2C supplies, uploading in general is not required as the buyer will not be taking ITC. However, still in order to implement the destination-based principle, invoices of value more than **₹ 1 lakh** in inter-State B2C supplies need to be uploaded. For inter-State B2C invoices upto **₹ 1 lakh**, State wise summary is sufficient and for all intra-State B2C invoices, only consolidated details need to be given.

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(14) Mr. XY makes intra-State taxable supplies for ₹ 10,000 and ₹ 50,000 to Mr. AB, a registered person and ₹ 2,60,000 to Mr. DE, an unregistered person. He also makes inter-State taxable supplies for ₹ 1,00,000 and ₹ 45,000 to Mr. RS, a registered person and ₹ 90,000 to Mr. OP, an unregistered person.

Mr. XY will report invoice-wise details of, intra-State supplies made to Mr. AB and inter-State supplies made to Mr. RS, in GSTR-1 to be filed by him.

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

Details related to invoices can be modified/deleted any number of times till the submission of IFF/ GSTR-1 of a tax period. The uploaded invoice details are in a draft version till the time IFF/GSTR-1 is submitted and can be changed irrespective of due date.

Scanned copies of invoices are not required to be uploaded. Only certain prescribed fields of information from invoices need to be furnished e.g., invoice no., date, value, taxable value, rate of tax, amount of tax etc. In case there is no consideration, but the activity is a supply by virtue of Schedule I of CGST Act, the taxable value will have to be worked out as prescribed and furnished.

Description of each item in the invoice need not be furnished. Only HSN (Harmonized System of Nomenclature) code in respect of supply of goods and accounting code in respect of supply of services need to be fed.

Indication of HSN details

The minimum number of digits of HSN code that a filer has to upload depend on his turnover in the last year.

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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.

The tax payer will be required to report HSN in GSTR-1 as under[10]:

Aggregate Annual turnover in the preceding financial year	Number of Digits of HSN Code
Upto ₹ 5 crore	For B2B supply - 4 For B2C supply – 4 (optional)
More than ₹ 5 crore	6

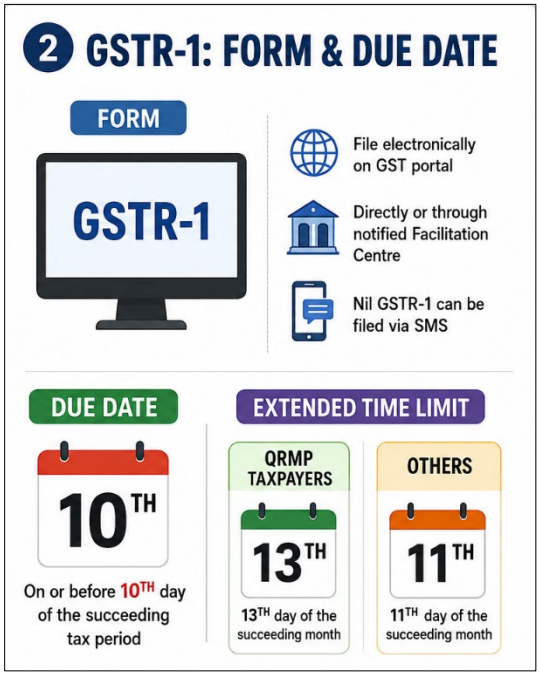


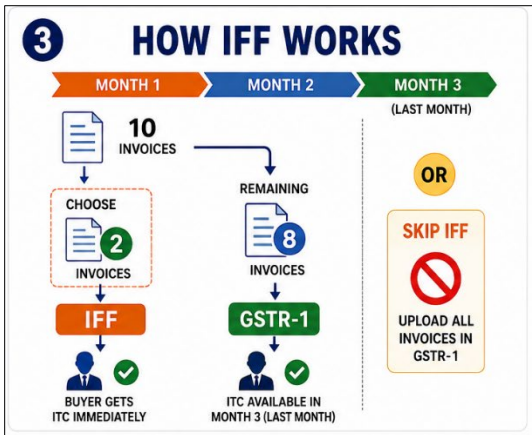
(15) The aggregate turnover of Yellow Lemon Pvt. Ltd., Red Pepper Pvt. Ltd. and Blue Berry Pvt. Ltd. in the previous financial year are ₹ 1.5 crore, ₹ 4.8 crore and ₹ 6 crore respectively. While Yellow Lemon Pvt. Ltd. and Red Pepper Pvt. Ltd. will be required to upload 4 digits of HSN code of the goods 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.

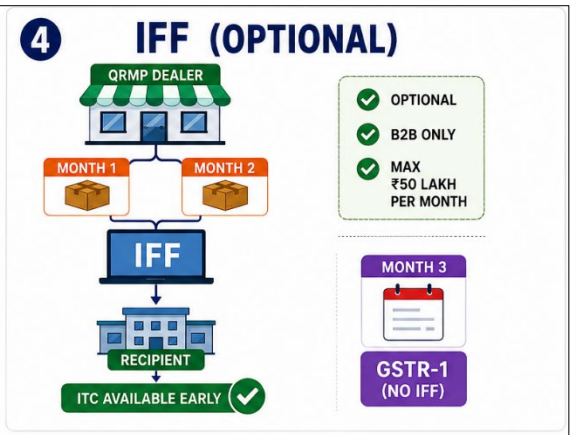
[10] *Notification No. 78/2020 CT dated 15.10.2020*

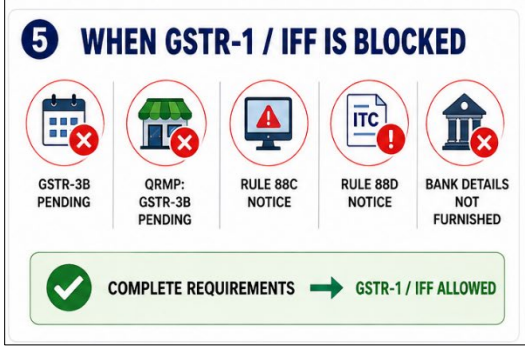
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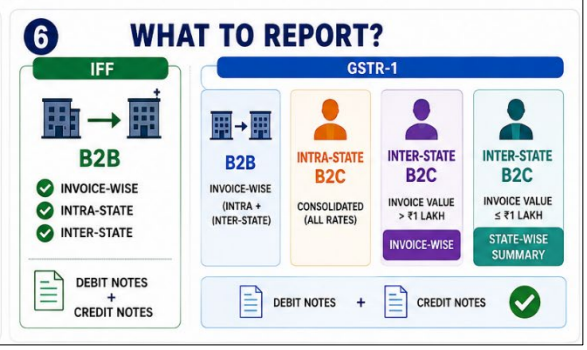












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(viii) How are the details of outward supply furnished in the current period amended? [Proviso to rule 59(1)]

In cases where a taxpayer, after having filed Form GSTR-1, realizes that some amendment (downward or upward) is required to be made in his tax liability in Form GSTR-1, an optional Form GSTR-1A is provided to him.



This allows him to add any particulars of the current tax period missed out in reporting in Form GSTR-1 of current tax period or amend any particulars already declared in Form GSTR-1 of current tax period (including those declared in IFF, for the first and second months of a quarter, if any, for quarterly taxpayers).

A registered person may, after furnishing the details of outward supplies of goods or service or both in Form GSTR-1 for a tax period but before filing of return in Form GSTR-3B for the said tax period, at his own option, amend or furnish additional details of outward supplies of goods or services or both in Form GSTR-1A for the said tax period [Proviso to rule 59(1)].



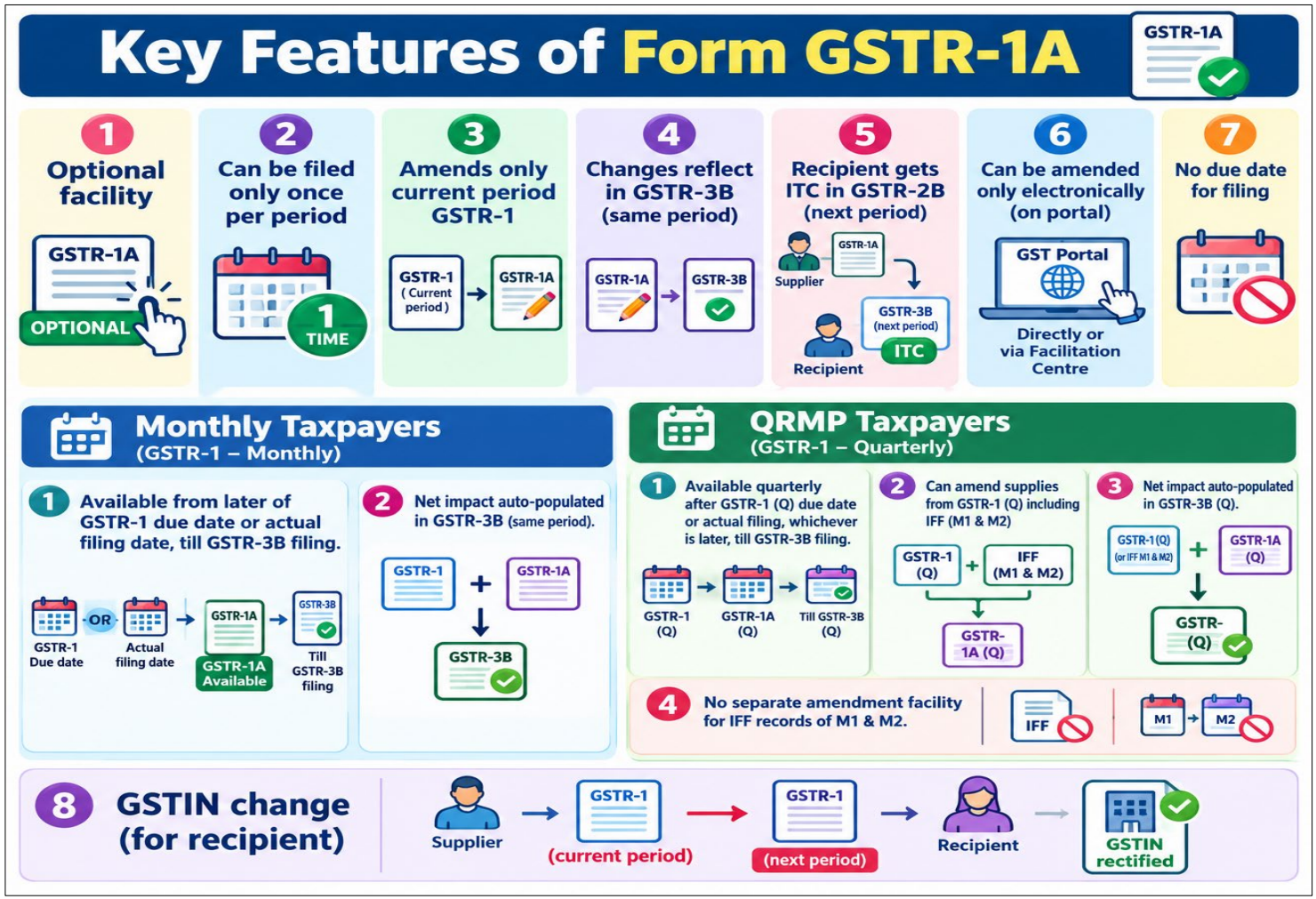
(16) A supplier issued two invoices INV1 and INV2 in the month of January. Then, he furnished the details of the invoice INV1 on 8th Feb in Form GSTR-1. However, he misses one invoice INV2 and furnishes the details of the same in Form GSTR-1A on 15th Feb.

In this case, INV1 will go to Form GSTR-2B of the recipient for the month of January made available on 14th Feb. Further, INV2 will be made available in Form GSTR-2B of the recipient for the month of February made available on 14th March.

(17) A supplier issued two invoices INV 3 and INV 4 in the month of January. Then, he furnished the details of the invoice INV 3 on 15th Feb in Form GSTR-1.

However, he declared INV 4 in Form GSTR-1A on 16th Feb. In this case, both INV3 and INV4 will be made available in Form GSTR-2B of the recipient for the month of February made available on 14th March.

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Key features of Form GSTR-1A are as follows:

- Form GSTR-1A is an optional facility.
- It can be filed only once for a return period.
- It allows to amend the records filed in the Form GSTR-1 of current tax period only.
- The corresponding effect of the changes made through Form GSTR-1A on the liability of the taxpayer shall be reflected in Form GSTR-3B for the same tax period.
- At the recipient's end, the ITC for the supplies declared or amended by the suppliers through Form GSTR-1A will be available to the recipient in Form GSTR-2B generated for the next tax period.
- It can be amended only electronically through the common portal, either directly or through a Facilitation Centre as may be notified by the Commissioner.
- **There is no due date for filing of GSTR-1A.**

  For the taxpayers filing Form GSTR-1 on monthly basis:

  - Form GSTR-1A will be available on the portal every month from the due date of filing of Form GSTR-1 or the actual date of filing of Form GSTR-1, whichever is later, and will be available till the actual filing of corresponding Form GSTR-3B of the same tax period.
  - From the liability perspective, the net impact of particulars declared or amended through Form GSTR-1A, along with the particulars declared in Form GSTR-1, shall be auto-populated in Form GSTR-3B for the same tax period as that of Form GSTR-1.

  For the QRMP taxpayers, who files Form GSTR-1 on Quarterly basis:

  - Form GSTR-1A shall be available quarterly after actual filing of Form GSTR-1 (Quarterly) or the due date of filing of Form GSTR - 1 (Quarterly), whichever is later, and will be available till the actual filing of Form GSTR-3B of the same tax period.

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- ❖ The supplies reported in Form GSTR-1 of the current tax period (including those declared in IFF, for the first month, M1 and second month, M2 of a quarter, if any) can be amended through corresponding quarterly GSTR-1A.
- ❖ From the liability perspective, the net impact of the particulars declared in GSTR 1A (Quarterly), along with particulars furnished in Form GSTR-1 (Quarterly) (or through IFF of Month M1 and M2, if filed), shall be auto-populated in Form GSTR-3B (Quarterly) of the same tax period.
- ❖ There will be no separate amendment facility available for records furnished through IFF for the months M1 and M2, during the months M1 and M2.

❑ In case where change is required to be made in GSTIN of a recipient for a supply reported in Form GSTR-1 of a tax period, the same can be rectified through Form GSTR-1 for the subsequent tax period only.

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

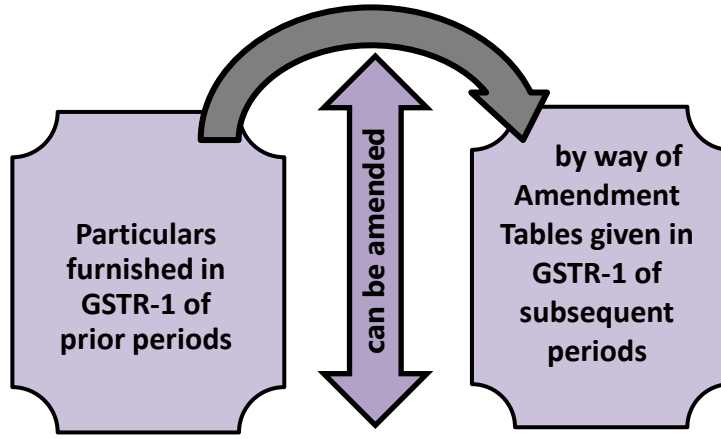
(a) Scope of amendment/ correction entries

Tables 9, 10 and 11(II) of GSTR-1 provide for amendments in details of taxable outward supplies furnished in earlier periods (hereinafter referred to as "Amendment Table").

The details of original debit notes/ credit notes / refund vouchers issued by the tax-payer in the current tax period as also the revision in the debit notes/ credit notes / refund vouchers issued in the earlier tax periods are required to be shown in Table 9 of the GSTR-1.

Ordinarily, in Amendment Table, the supplier is required to give details of original invoice (No and Date), the particulars of which have been wrongly entered in GSTR-1 of the earlier months and are now sought to be amended.

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(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.

(c) Time limit for rectification

Suppose for some reason, supplier could not make correction at the time of filing of GSTR-1 for the month in which error was omitted 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:

- **30th day of November** following the end of the financial year to which such details pertain or
- Date of filing of the **relevant annual return**



(18) In the month of December, Trisha Exports Pvt. Ltd. discovers an invoice from October that was wrongly entered in October's GSTR-1. Since this error pertains to a prior tax period (October) and was discovered in December, the rectification must be made in the GSTR-1 filed for December, the tax period in which the error was noticed. It is important that interest is

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also required to be paid in GSTR-3B of December if there has been a short payment of tax.

(19) An entity has furnished the annual return for the previous financial year on 15th August in the current financial year. An error is discovered in respect of a transaction pertaining to the month of November of the previous financial year. In this case, any error pertaining to the transaction in the month of November of the previous financial year cannot be rectified beyond 15th August in the current financial year.

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



Form GSTR-1A is like a "same-month correction window", if a supplier missed an invoice or entered something wrong in this month's GSTR-1, he can fix it in GSTR-1A before he files this month's GSTR-3B and it gets reflected into that same month's liability.

The Amendment/Rectification Tables, on the other hand, are for fixing mistakes from a past, already-closed period. For instance, if a supplier finds an error for the period of October while filing December's GSTR-1, he can't go back and revise October's GSTR-1; instead he can correct the error in the current GSTR-1 he is filing now.

(x) Nil GSTR-1 [Rule 67A]

Filing of GSTR-1 is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GSTR-1 is required to be filed as prescribed under rule 67A.

A Nil GSTR-1 does not have any entry. For example, a Nil GSTR-1 for a tax period cannot be filed, if the taxpayer has made any outward supply

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(including exempt, nil rated or non-GST supplies), or it has received supplies on which tax is payable under reverse charge or an amendment needs to be made to any of the supplies declared in an earlier return or any credit or debit notes is to be declared / amended etc.

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 day of the month subsequent of the tax period. 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 at the beginning of any financial year, GSTR-1 will be available for filing only for the period during which the taxpayer was registered as normal taxpayer. The GSTR-1 for the said period, even if filed with delay would accept invoices for the period prior to conversion.***

What are the precautions that a taxpayer is required to take for a hassle-free compliance under GST?

One of the most important things under GST is the timely uploading of the details of outward supplies in GSTR-1. How best this can be ensured will depend on the number of B2B invoices that the taxpayer issues.

If the number is small, the taxpayer can upload all the information in one go. However, if the number of invoices is large, the invoices (or debit/ credit notes) should be uploaded on a regular basis.



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GST common portal allows regular uploading of details of invoices. Till the return is actually submitted, the system also allows the taxpayer to modify the uploaded invoices' details. Therefore, it would always be beneficial for the taxpayers to regularly upload the invoices.

Last minute rush makes uploading difficult and comes with higher risk of possible failure and default. For bulk uploading of invoices, offline utilities or ERP software can be used.

The second thing would be to ensure that taxpayers follow up on uploading the invoices of their inward supplies by their suppliers. This would be helpful in ensuring that the ITC is available without any hassle and delay.



Recipients can also encourage their suppliers to upload their invoices on a regular basis instead of doing it on or close to the due date. The system would allow recipients to see if their suppliers have uploaded invoices pertaining to them.

(xi) Maximum time-limit for furnishing Form GSTR-1 [Section 37(5)]

Maximum time-limit upto which a registered person can furnish the details of outward supplies in Form GSTR-1 for a tax period is **3 years** from the due date of furnishing such details. This time limit can be extended by the Government for a registered person or a class of registered persons subject to such conditions and restrictions as may be specified therein.

4. COMMUNICATION OF DETAILS OF INWARD SUPPLIES AND INPUT TAX CREDIT [SECTION 38 READ WITH RULE 60]

The details of outward supplies furnished by the registered persons under section 37(1) and of such other supplies as may be prescribed, and a statement containing the details of ITC shall be made available electronically to the recipients of such

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supplies in such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.

The statement referred above shall consist of--

(a) details of inward supplies in respect of which credit of input tax may be available to the recipient;

(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, including on account of the details of the said supplies being furnished under sub-section (1) of section 37,--

(i) by any registered person within such period of taking registration as may be prescribed; or

(ii) by any registered person, who has defaulted in payment of tax and where such default has continued for such period as may be prescribed; or

(iii) by any registered person, the output tax payable by whom in accordance with the statement of outward supplies furnished by him under the said sub-section during such period, as may be prescribed, exceeds the output tax paid by him during the said period by such limit as may be prescribed; or

(iv) by any registered person who, during such period as may be prescribed, has availed credit of input tax of an amount that exceeds the credit that can be availed by him in accordance with clause (a), by such limit as may be prescribed; or

(v) by any registered person, who has defaulted in discharging his tax liability in accordance with the provisions of sub-section (12) of section 49 subject to such conditions and restrictions as may be prescribed; or

(vi) by such other class of persons as may be prescribed.

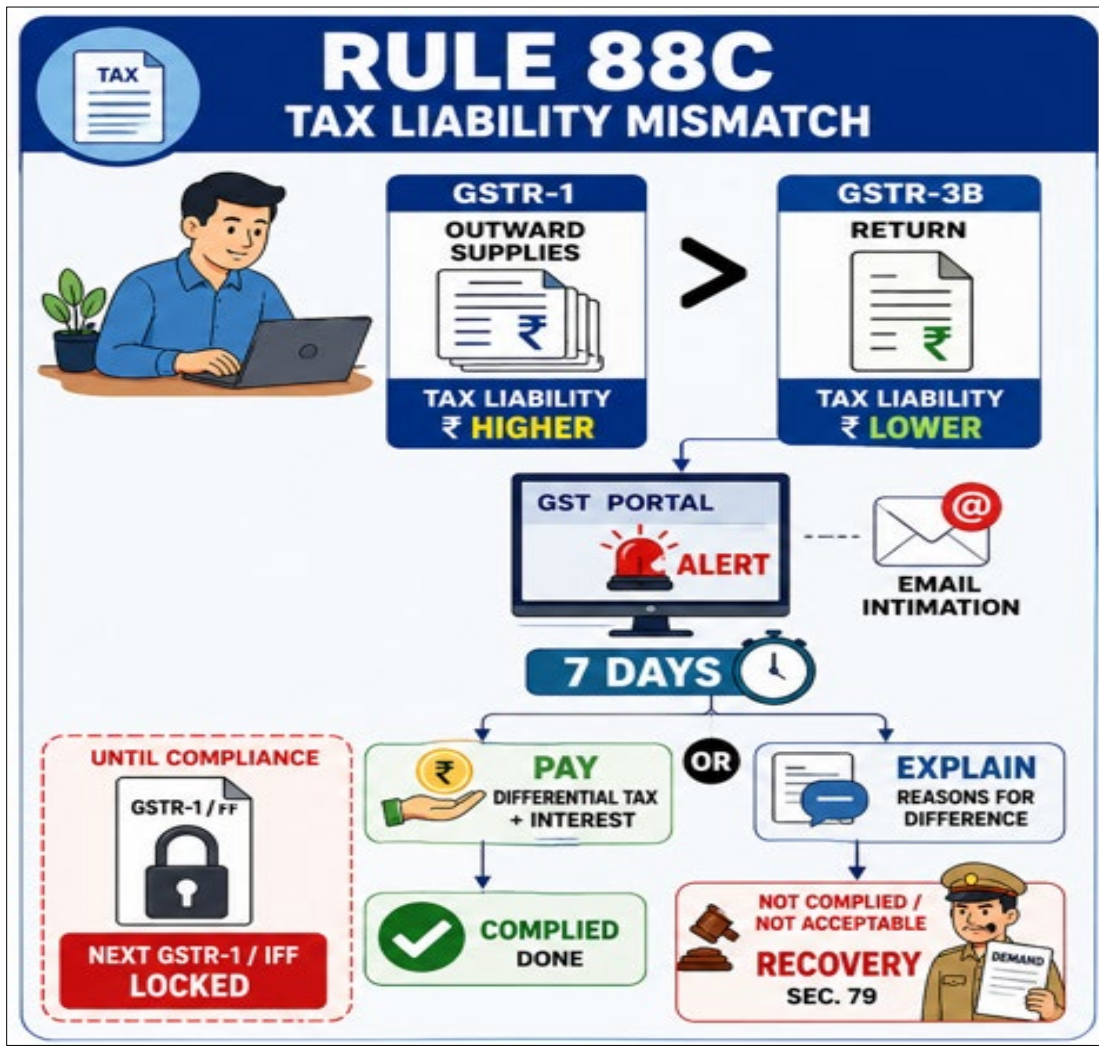
(c) such other details as may be prescribed.

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****Manner of dealing with difference in liability reported in statement of outward supplies and that reported in return [Rule 88C]**

Rule 88C provides the mechanism for dealing with difference in liability reported in statement of outward supplies between Form GSTR-1 and Form GSTR-3B. Accordingly, where the tax liability as per Form GSTR-1 for a tax period exceeds the tax liability as per Form GSTR-3B for that period by more than a specified extent, the registered person would be intimated on the portal of such difference and be directed to either (i) pay the differential tax liability along with interest, or (ii) explain the difference, within 7 days' period.



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Unless the taxpayer either deposits the amount specified in the said intimation or furnishes a reply explaining the reasons for any amount remaining unpaid, such a person should not be allowed to file Form GSTR-1/ IFF for the subsequent tax period.

Rule 88C reads as follows:

Where the tax payable by a registered person, in accordance with the statement of outward supplies furnished by him in Form GSTR-1 or using the IFF in respect of a tax period, exceeds the amount of tax payable by such person in accordance with the return for that period furnished by him in Form GSTR-3B, by such amount and such percentage, as may be recommended by the Council, the said registered person shall be intimated of such difference. GST Council, at its 48th meeting, recommended that an intimation under the rule 88C(1) may be issued where the difference between the liability declared in Form GSTR-1 and that declared in Form GSTR-3B exceeds 20% as well as ₹ 25 lakh.

Such registered person shall be intimated in prescribed form, electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address*.

In said intimation, the said difference between GSTR-1 and GSTR-3B will be highlighted and he will be directed to:

(a) **pay the differential tax liability, along with interest** under section 50, through prescribed form; or

(b) **explain the aforesaid difference** in tax payable on the common portal,

within a period of 7 days.

**email address which registered person has provided at the time of registration or as amended from time to time*

Such registered person shall, upon receipt of the aforesaid intimation, either:

(a) pay the amount of the differential tax liability, as specified in intimation, fully or partially, along with interest under section 50, and furnish the details thereof electronically on the common portal; or

(b) furnish a reply electronically on the common portal, incorporating reasons in

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respect of that part of the differential tax liability that has remained unpaid, if any,

within the period of 7 days.

Where any amount specified in the said intimation remains unpaid within 7 days' period and where no explanation or reason is furnished by the registered person in default or where the explanation or reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be recoverable in accordance with the provisions of section 79[11].

Manner of dealing with difference in ITC available in Form GSTR-2B and Form GSTR-3B [Rule 88D]

Rule 88D provides the mechanism which allows system-based intimation to the taxpayer about the excess availment of ITC in Form GSTR-3B vis-a-vis that reported in Form GSTR-2B, above a particular threshold and with provision for self-compliance on the portal by the said taxpayer. A system-based intimation is sent to the registered person in those cases where difference between the ITC availed as per GSTR-3B and that available as per GSTR-2B exceeds such amount and such percentage as may be recommended by the Council. In such cases, the registered person shall be directed to pay an amount equal to the said excess amount of ITC availed along with interest or to give a reasonable explanation and if neither of these is done, then the amount can be demanded under section 73 or section 74 or section 74A[12].

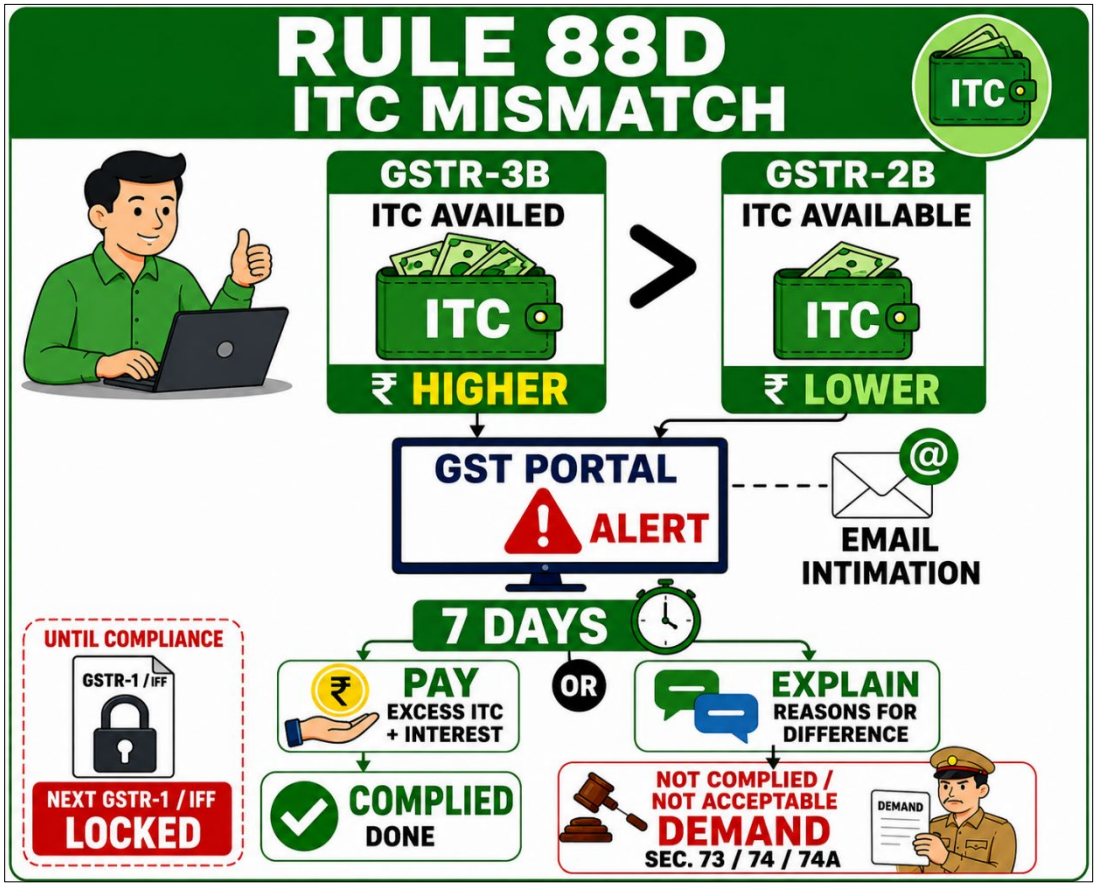
This provision would help in safeguarding the revenue by controlling the difference in ITC availed in Form GSTR-3B and that available as per Form GSTR-2B of the taxpayers and will reduce the ITC mismatches.

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[11] Section 79 provides the provisions relating to recovery of tax. Same has been discussed in detail in Chapter 19 – Demands and Recovery in Module 3 of this Study Material.

[12] Section 74A contains the provisions relating to determination of tax not paid/short paid or erroneously refunded or ITC wrongly availed/utilized for any reason pertaining to Financial Year 2024-25 onwards. Further, the provisions of sections 73 and 74 are applicable for tax determination relating to the past period up to the Financial Year 2023–24. Section 74A has been discussed in detail in Chapter 19 – Demands and Recovery in Module 3 of this Study Material.

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New rule 88D provides as follows:

Where the amount of ITC availed by a registered person in the return for a tax period(s) furnished by him in Form GSTR-3B exceeds the ITC available to such person in accordance with the auto-generated statement containing the details of ITC in Form GSTR-2B in respect of the said tax period(s), by specified amount and percentage, the said registered person shall be given an intimation in prescribed form electronically on the common portal, and a copy of such intimation shall also be sent to his e-mail address provided at the time of registration or as amended from time to time. GST Council, at its 50th meeting, recommended that an intimation under rule 88D may be issued to the concerned registered person in cases where the difference between ITC availed in Form GSTR-3B and ITC available as per Form GSTR-2B exceeds 20% as well as ₹ 25 lakh.

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Said intimation shall highlight the said difference and will direct him to —

(a) pay an amount equal to the excess ITC availed in the said Form GSTR-3B, along with interest payable under section 50, through prescribed form, or

(b) explain the reasons for the aforesaid difference in ITC on the common portal,

within a period of 7 days.

Such registered person shall, upon receipt of said intimation, either,

(a) pay an amount equal to the excess ITC, as specified in intimation, fully or partially, along with interest payable, through prescribed form and furnish the details thereof, electronically on the common portal, or

(b) furnish a reply, electronically on the common portal, incorporating reasons in respect of the amount of excess ITC that has still remained to be paid,

within 7 days' period.

Where any amount specified in the intimation remains to be paid within 7 days' period and where no explanation/reason is furnished by the registered person in default or where the explanation/reason furnished by such person is not found to be acceptable by the proper officer, the said amount shall be liable to be demanded in accordance with the provisions of section 73/ section 74 or section 74A.

Form and manner of ascertaining details of inward supplies – GSTR-2A and GSTR-2B [Rule 60]

Form GSTR-2A

Form GSTR-2A - is a system generated read only statement of inward supplies for a recipient. This statement is **updated on a real time basis**.



Details of outward supplies furnished by the supplier in Form GSTR-1 or using the IFF is made available electronically to the concerned registered persons (recipients) in Form GSTR-2A. Further, Form GSTR-4A is the system generated statement of inward supplies for composition taxpayer. System generated statement of inward supplies for an ISD is GSTR-6A.

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Details of invoices furnished by a non-resident taxable person (NRTP) in Form GSTR-5, details of invoices furnished by an ISD in Form GSTR-6, details of TDS by deductor furnished in Form GSTR-7 and details of TCS by an e-commerce operator furnished in Form GSTR-8[13], are made available to the recipient, deductee or concerned person, in Form GSTR-2A.

Further, details of the IGST paid on the import of goods or goods brought in DTA from SEZ unit/developer on a bill of entry are also made available in Form GSTR-2A.

The details become available to the recipient for view/download and are updated incrementally as and when supplier(s) upload or change details in their respective form of return/statement, for the given tax period.



(20) Mohan Enterprises (recipient) checks its GSTR-2A on 8th August and finds ITC of ₹1,20,000 reflected from various suppliers. One of its suppliers, Radhika Fabrics, uploads an additional invoice on 10th August (before filing its GSTR-1), reporting a further ₹15,000 of ITC-eligible supply to Mohan Enterprises. When Mohan Enterprises checks GSTR-2A again on 11th August, it now shows ₹1,35,000, reflecting the newly uploaded invoice immediately, even before Radhika Fabrics has actually filed its GSTR-1. This illustrates that GSTR-2A is updated on a real-time basis as and when suppliers upload or change details, it is not a static, once-a-month statement.

Form GSTR-2B

Form GSTR-2B – an **auto-generated statement** containing the details of eligible ITC - is made available to the registered person (recipient) for every month. Form GSTR-2B is available only for Normal taxpayers, SEZ taxpayers and Casual taxable persons.

GSTR-2B

It is a **static statement** and is available only once a month.

[13] *Form GSTR-8 has been discussed in detail in Chapter 12 – E-Commerce Transactions in this Module of the Study Material.*

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It consists of –

(i) the details of outward supplies furnished by the suppliers in Form GSTR-1, other than a supplier who has opted for QRMP scheme, 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 GSTR-5, details of invoices furnished by an ISD in his return in GSTR-6 and the details of outward supplies furnished by his supplier who has opted for QRMP scheme, in Form GSTR-1 or using the IFF, as the case may be,-

(a) for the 1st 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 1st month of the quarter;

(b) for the 2nd month of the quarter, between the day immediately after the due date of furnishing details using the IFF for the 1st month of the quarter to the due date of furnishing details using the IFF for the 2nd month of the quarter;

(c) for the 3rd month of the quarter, between the day immediately after the due date of furnishing of details using the IFF for the 2nd month of the quarter to the due date of furnishing of Form GSTR-1 for the quarter.

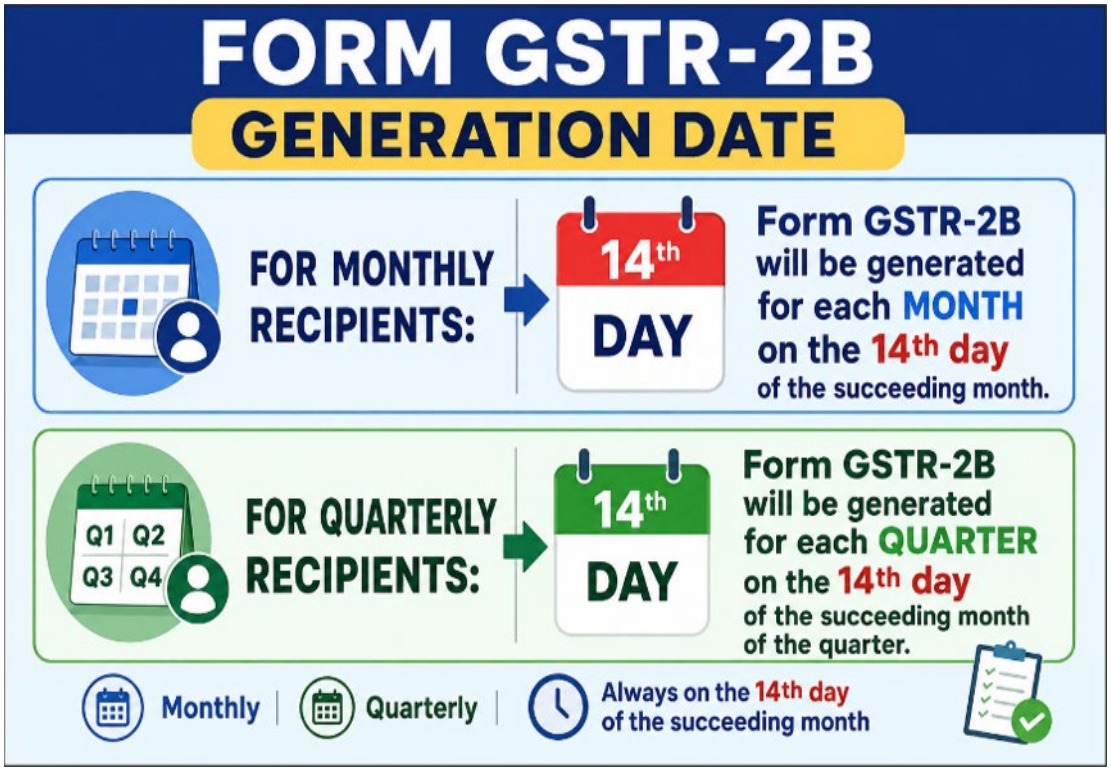
(iii) additional details or amendments in details of outward supplies furnished by his supplier in Form GSTR-1A filed between the day immediately after the due date of furnishing of Form GSTR-1 for the previous tax period to the due date of furnishing of Form GSTR-1 for the current tax period

(iv) the details of IGST paid on the import of goods or goods brought in the DTA from SEZ unit/developer on a bill of entry in the month.

Form GSTR-2B consists of all documents filed by suppliers/ISD in their Form GSTR-1, 5 & 6, between the cut-off dates. It also consists of import data for the period which are received within 13th of the succeeding month.

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In case of monthly Form GSTR-1, the cut-off date is 00:00 hours on 12th of the relevant month to 23:59 hours, on 11th of the succeeding month. Whereas for quarterly Form GSTR-1/IFF, Form GSTR-5 and Form GSTR-6, the cut-off date is 00:00 hours on 14th day of relevant month to 23:59 hours, on 13th day of succeeding month.



The details filed in Form GSTR-1 & 5 (by supplier) & Form GSTR-6 (by ISD) would reflect in the next open Form GSTR-2B of the recipient irrespective of supplier's/ISD's date of filing.

(21) If a supplier opting for QRMP files an invoice dated 15th July on 13th August, it will get reflected in GSTR-2B of July (generated on 14th August).

The statement in Form GSTR-2B for every month shall be made available to the registered person,-

(a) for the 1st and 2nd month of a quarter, a day after the due date of furnishing of details of outward supplies for the said month,

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- in the IFF by a registered person opting for QRMP, or
- in Form GSTR-1 by a registered person other than opting for QRMP,

whichever is later.

(b) in the 3rd 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 opting for QRMP.



(22) For the quarter July-September, Form GSTR-2B for a registered person (recipient) who has received supplies from QRMP suppliers as well as from other suppliers will be generated as follows:

Month	Date of generation of GSTR 2B
July	14th August
August	14th September
September	14th October



(23) Ganga Steels (a monthly GSTR-1 filer) supplies goods to Suresh Traders (a monthly GSTR-1 filer). Ganga Steels' GSTR-1 for July is due on 11th August. Any invoices Ganga Steels reports in its GSTR-1 for July which is furnished till 11th August, will be captured in Suresh Traders' GSTR-2B for July, which gets generated and made available to Suresh Traders on 14th August.

(24) Om Textiles, a supplier who has opted for the QRMP scheme, raises an invoice dated 15th July to a customer, Radhika Garments. Om Textiles files this invoice through the IFF on 13th August. Since the invoice is reported in IFF within the relevant cut-off window (14th of the relevant month to 13th of the succeeding month, for quarterly filers), it gets reflected in Radhika Garments' GSTR-2B for July, which is generated on 14th August.

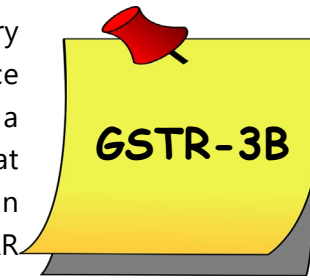
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5. FURNISHING OF RETURNS UNDER SECTION 39

1. GSTR-3B [Section 39(1) read with rule 61 & 61A]

(a) Person eligible to file return [Section 39(1)]



Section 39(1) prescribes a monthly return for every registered person, other than an input service distributor or a non-resident taxable person or a composition taxpayer, a person deducting tax at source, a person collecting tax at source, i.e. an electronic commerce operator and supplier of OIDAR services located in non-taxable territory providing such services to non-taxable online recipient in such form and manner, and within such time, as may be prescribed.

However, the Government may, on the recommendations of the Council, notify certain class of registered persons who shall furnish a return for every quarter or part thereof, subject to the specified conditions and restrictions. Under this proviso, QRMP scheme has been notified which has been discussed in subsequent paras.

(b) Return to be filed in Form GSTR-3B



GSTR-3B is the form prescribed for filing return under section 39. It contains summary of outward supplies, inward supplies liable to reverse charge, eligible ITC, payment of tax etc. Thus, GSTR-3B does not require invoice-wise data of outward supplies.

GSTR-3B can be submitted electronically through the common portal, either directly or through a Facilitation Centre notified by the Commissioner. Further, a Nil

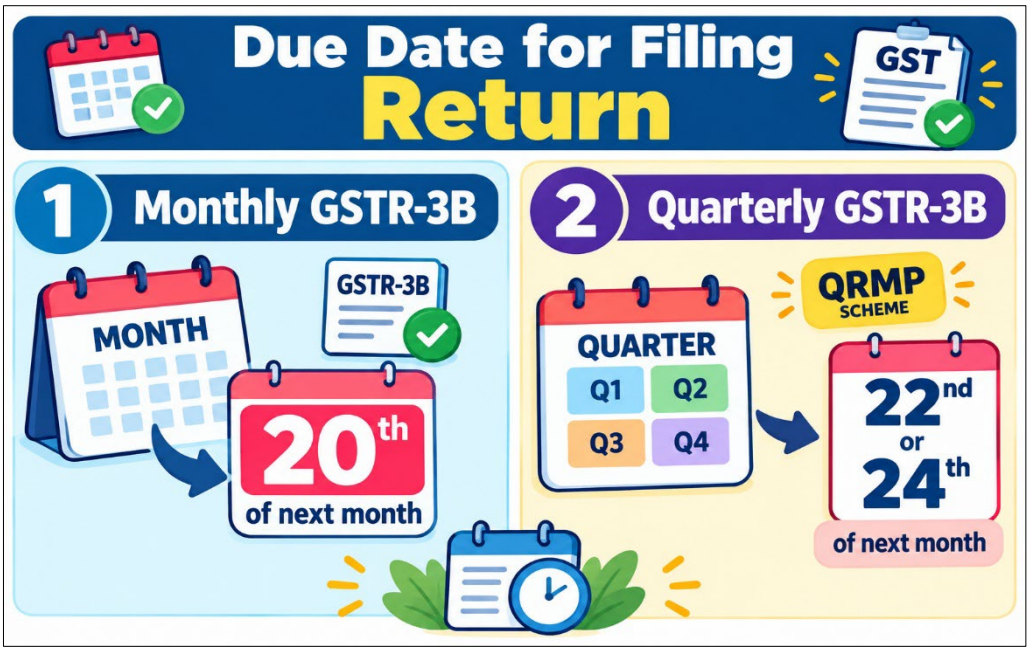
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GSTR-3B can be filed through an SMS using the registered mobile number of the taxpayer. GSTR-3B can be filed monthly or quarterly.

(c) Due date for filing return

(1) Monthly GSTR-3B -on or before **20th of the month** succeeding the month for which return is furnished.

(2) Quarterly GSTR-3B- on or before **22nd or 24th of the month** succeeding the quarter for which return is furnished in case of a taxpayer opting for QRMP scheme - *(discussed below)*.



example

(25) Ronit Enterprises, a regular registered taxpayer (not under QRMP), is filing its GSTR-3B for the month of August. As per section 39(1), the due date for filing this return is on or before 20th September (20th of the month succeeding the month for which the return is filed).

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(d) Quarterly Return Monthly Payment (QRMP) Scheme

Quarterly Return Monthly Payment (QRMP) Scheme is a trade facilitation measure which further eases the process of doing business.





QRMP Scheme is an **optional return filing scheme**, introduced for small taxpayers having aggregate annual turnover (PAN based) of upto ₹ 5 crore in the preceding financial year to **furnish their Form GSTR-1 and Form GSTR-3B on a quarterly basis while paying their tax on a monthly basis** through a simple challan.

This will significantly reduce the compliance burden on such taxpayers as now the taxpayers need to file only 4 GSTR-3B returns instead of 12 GSTR-3B returns in a year. Similarly, they would be required to file only 4 GSTR-1 returns since Invoice Filing Facility (IFF) is provided under this scheme.

Opting of QRMP scheme is GSTIN wise. Distinct persons can avail QRMP scheme option for one or more GSTINs. It implies that some GSTINs for a PAN can opt for the QRMP scheme and remaining GSTINs may not opt for the said scheme.



(A) Eligibility for QRMP scheme

Registered persons[14], having **an aggregate turnover up to ₹ 5 crore** in the preceding financial year, and who have opted to furnish quarterly return under QRMP scheme[15] as the class of persons who shall **furnish a return for every quarter and pay the tax due every month[16].**

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[14] *other than supplier of online information and database access or retrieval services (OIDAR) located in non-taxable territory and providing such services to a non-taxable online recipient*

[15] *opted under rule 61A of the CGST Rules, 2017*

[16] *in accordance with the first proviso to section 39(7)*

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Thus, the taxpayers whose aggregate turnover is up to ₹ 5 crore in the preceding financial year are eligible for QRMP scheme. For computing aggregate turnover, details furnished in returns for tax periods in the preceding financial year shall be taken into account.



(26) Falak Textiles had an aggregate turnover of ₹4.2 crore in FY 2025-26. Since this is within the ₹5 crore threshold, Falak Textiles is eligible to opt for the QRMP scheme for FY 2026-27 and can choose to file GSTR-1 and GSTR-3B quarterly while paying tax monthly.

(27) If instead Falak Textiles had a turnover of ₹5.8 crore in FY 2025-26, it would not be eligible for QRMP and would have to continue filing monthly returns.

Condition to be fulfilled for becoming eligible to opt for QRMP scheme

Registered persons under QRMP scheme must have furnished the return for the preceding month, as due on the date of exercising such option. A registered person shall not be eligible to opt for QRMP scheme if he has not **furnished the last return due on the date of exercising such option**.



(28) If a registered person intending to avail of QRMP scheme for the quarter 'July to September' is exercising his option on 27th July for the said quarter, he must have furnished the return for the month of June which was due on 20th July.

(B) Manner of exercising option of QRMP scheme

A registered person intending to opt for QRMP scheme for any quarter shall indicate his preference for furnishing of return on a quarterly basis from 1st day of the 2nd month of the preceding quarter till the last day of the 1st month of the quarter for which the option is being exercised.



(29) A registered person intending to avail of QRMP scheme for the quarter 'July to September' can exercise his option from 1st May to 31st July.

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No need to exercise option every quarter

Registered persons under QRMP scheme are not required to exercise the option every quarter. Where such option has been exercised once, they shall continue to furnish the return as per the selected option for future tax periods, unless they revise the said option.

Further, 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 he–

(a) becomes ineligible for this scheme as per the conditions and restrictions notified in this regard; or

(b) opts for furnishing of return on a monthly basis, electronically, on the common portal.



(30) Kavya Industries opted for the QRMP scheme in the quarter April–June. Kavya Industries will automatically continue to file quarterly returns for July–September, October–December and all future quarters, unless it either (a) becomes ineligible due to turnover crossing ₹5 crore, or (b) actively opts out and switches back to monthly filing.

(C) Option of QRMP scheme to lapse

In case where a registered person's aggregate turnover crosses ₹ 5 crore during a quarter in a financial year, he shall not be eligible for furnishing of return on quarterly basis from the first month of the succeeding quarter. He 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.

The facility for opting out of the scheme for a quarter will be available from 1st day of 2nd month of preceding quarter to the last day of the 1st month of the quarter.

(D) Form and manner of filing return – GSTR-3B under QRMP scheme

Due date for filing return in case of a taxpayer opting for QRMP scheme - Quarterly GSTR-3B **on or before 22nd or 24th of the month**

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succeeding the quarter for which return is furnished (Refer the Table given below for details**).

****Due dates for taxpayers opting for QRMP scheme**

Class of registered persons	Due date
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, Union territories of Daman & Diu & Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands or Lakshadweep.	**22nd day** of the month succeeding such quarter.
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.	**24th day** of the month succeeding such quarter.

(e) Nil GSTR-3B

Filing of GSTR-3B is mandatory for all normal and casual taxpayers, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GSTR-3B is required to be filed.

A Nil GSTR-3B does not have any entry in any of its tables. For example, a Nil GSTR-3B for a tax period cannot be filed, if the taxpayer has made any outward supply (including nil-rated, exempt or non-GST supplies) or has received any supplies which are taxable under reverse charge or it intends to take ITC etc.

A Nil GSTR-3B can be filed through an SMS using the registered mobile number of the taxpayer. GSTR-3B submitted through SMS is verified by registered mobile number-based OTP facility.

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A taxpayer may file Nil GSTR-3B, anytime on or after the 1st day of the subsequent month/quarter for which the return is being filed for.

(f) Maximum time-limit for furnishing Form GSTR-3B [Section 39(11)]

Maximum time-limit upto which a registered person can furnish the return in Form GSTR-3B for a tax period is **3 years** from the due date of furnishing such return. This time limit can be extended by the Government for a registered person or a class of registered persons subject to such conditions and restrictions as may be specified therein.



(g) Broad contents of GSTR-3B

The broad contents of GSTR-3B are given below

CONTENTS OF GSTR- 3B

Basic Details	Other details relating to supplies
• GSTIN • Legal name of the registered person • Year and Month/ Quarter	• Summarised details of outward supplies and inward supplies liable to reverse charge • Summarised details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders • Eligible and ineligible ITC • Values of exempt, nil-rated and non-GST inward supplies • Interest and late fee payable, if any. Payment of tax • TDS/TCS credit

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QRMP SCHEME

QUARTERLY RETURN MONTHLY PAYMENT



TURNOVER UP TO ₹5 CRORE | GSTR-1 QUARTERLY (IFF) | GSTR-3B QUARTERLY | TAX PAYMENT MONTHLY

A ELIGIBILITY

AGGREGATE TURNOVER UP TO ₹5 CRORE (PRECEDING FY)

LAST RETURN MUST BE FILED

EXAMPLE

IF OPTING FOR JULY–SEPTEMBER QUARTER → JUNE RETURN DUE 20TH JULY MUST BE FILED

B MANNER OF OPTING

OPTION WINDOW 1ST DAY OF 2ND MONTH OF PRECEDING QUARTER → LAST DAY OF 1ST MONTH OF QUARTER

EXAMPLE

FOR QUARTER JULY–SEPTEMBER → 1 MAY TO 31 JULY

NO NEED TO OPT EVERY QUARTER

CONTINUES TILL – INELIGIBLE OR OPT OUT

C OPTION TO LAPSE

TURNOVER CROSSES ₹5 CRORE → FROM 1ST MONTH OF SUCCEEDING QUARTER → MONTHLY RETURN MANDATORY

OPT OUT WINDOW

1ST DAY OF 2ND MONTH OF PRECEDING QUARTER TO LAST DAY OF 1ST MONTH OF QUARTER

D FILING GSTR-3B (UNDER QRMP)

GSTR-3B QUARTERLY DUE DATE → 22nd / 24th OF THE MONTH SUCCEEDING THE QUARTER

DUE DATES (QRMP SCHEME)

CLASS OF REGISTERED PERSONS	DUE DATE
Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, Daman & Diu, Dadra & Nagar Haveli, Puducherry, Andaman & Nicobar Islands, Lakshadweep	22nd DAY OF THE MONTH SUCCEEDING THE QUARTER
Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu & Kashmir, Ladakh, Chandigarh, Delhi	24th DAY OF THE MONTH SUCCEEDING THE QUARTER

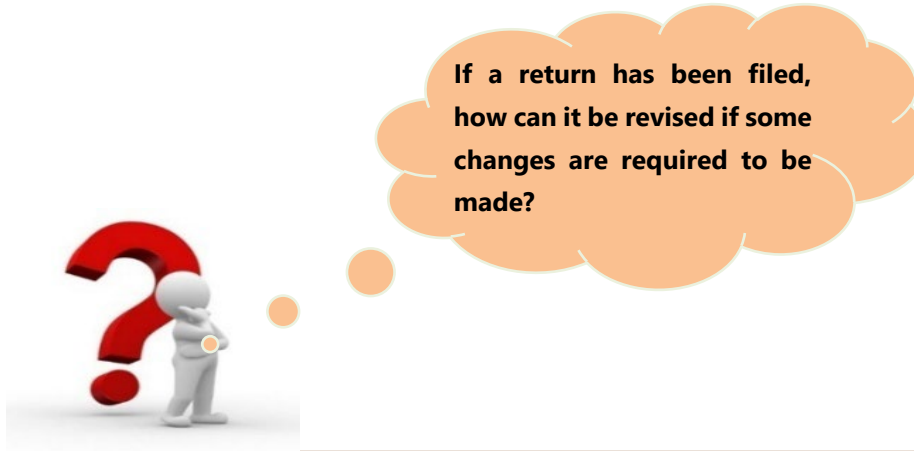
HOW QRMP WORKS

OPT FOR QRMP → PAY TAX MONTHLY → FILE GSTR-1 QUARTERLY (IFF) → FILE GSTR-3B QUARTERLY → LESS COMPLIANCE MORE TIME TO GROW



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(h) Rectification of errors/omissions [Section 39(9)]



In GST since the returns are built from details of individual transactions, there is no requirement for having a revised return. Any need to revise a return may arise due to the need to change a set of invoices or debit/ credit notes.

Instead of revising the return already submitted, the system allows changing the details of those transactions (invoices or debit/credit notes) that are required to be amended. They can be amended in any of the future GSTR- 3B in the tables specifically provided therein for the purposes of amending previously declared details.

Omission or incorrect particulars discovered in the returns filed u/s 39 (including return filed by a composition supplier, return for TDS, ISD return and return by NRTP) can be rectified in the return to be filed for the tax period during which such omission or incorrect particulars are noticed.

Any tax payable as a result of such error or omission will be required to be paid along with interest.

Exception

It is important to note that section 39(9) does not permit rectification of error or omission discovered on account of scrutiny, audit, inspection or enforcement activities by tax authorities.

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Hence, taxpayer may not be able to pass on the ITC to the receiver in respect of tax payments made by him in pursuance of any of the aforementioned situations.

Time limit for making rectification

The maximum time limit within which the rectification of errors/omissions is permissible is earlier of the following dates:

- **30th day of November** following the end of the financial year to which such details pertain 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 a financial year is filed before 30th November (of next financial year), then no rectification of errors/omissions in returns pertaining to the said financial year would be permitted thereafter.



✪ A return furnished under section 39(1) on which self-assessed tax has been paid in full is considered as a valid return.

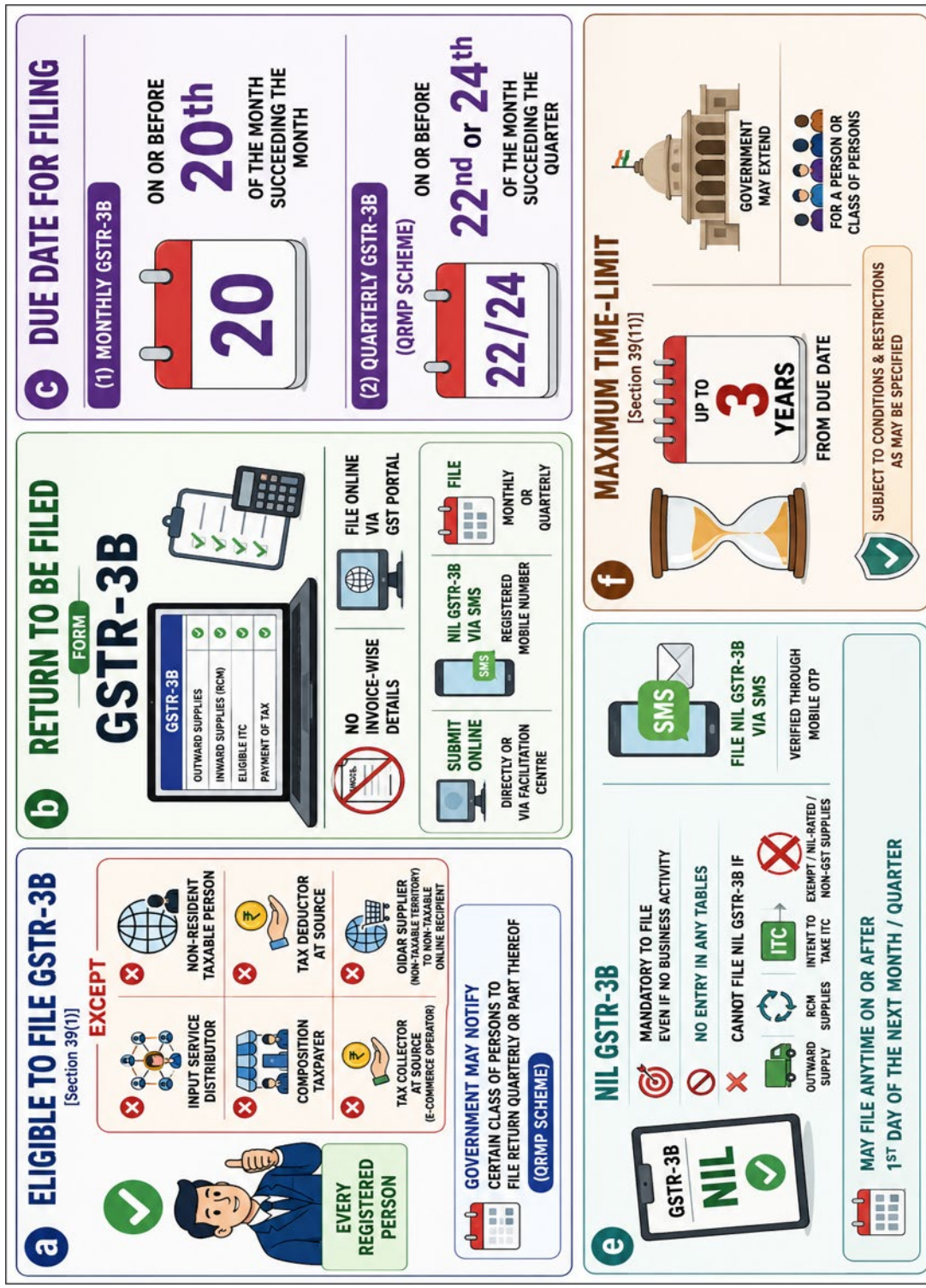
✪ Filing of returns for current month is possible only when returns for any of the previous tax periods and GSTR-1 for the said tax period has been furnished by him[17].

✪ A taxpayer needs to electronically sign the submitted returns otherwise it will be considered not-filed.

✪ Taxpayers can electronically sign their returns using a DSC (mandatory for all types of companies and LLPs), E-sign (Aadhaar-based OTP verification), or EVC (Electronic Verification Code sent to the registered mobile number of the authorized signatory).

[17] *The Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow a registered person or a class of registered persons to furnish the return, even if he has not furnished the returns for one or more previous tax periods or has not furnished the details of outward supplies under sub-section (1) of section 37 for the said tax period [Proviso to section 39(10)].*

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2. GSTR-4 – Return for composition supplier [Section 39(2) and second proviso to section 39(7) read with rule 62]

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

A registered person paying tax under composition levy (provisions of section 10), shall, for each financial year or part thereof, furnish a return, electronically, of turnover in the State or Union territory, inward supplies of goods and/or services, tax payable, tax paid and such other particulars in such form and manner, and within such time, as may be prescribed.

A composition supplier is required to file a return on an yearly basis in **Form GSTR-4.**



GSTR-4 for a financial year or part of a financial year should be filed electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.

Quarterly statement for payment of self-assessed tax

Every composition supplier shall pay to the Government, the tax due taking into account turnover in the State or Union territory, inward supplies of goods or services or both, tax payable, and such other particulars during a quarter, in such form and manner, and within such time, as may be prescribed.



The composition supplier are required to furnish a statement in the **Form GST CMP-08** containing details of payment of **self-assessed tax**,

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for every quarter (or part of the quarter), by 18th day of the month succeeding such quarter.



While a composition supplier is required to file the return GSTR-4 yearly, he is required to pay the tax quarterly.

(b) Due date for filing Form GSTR-4 and Form GST CMP-08

GSTR-4 for a financial year[18] should be furnished by **30th June** of the succeeding financial year.

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

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

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

(c) What kind of details of outward supplies are required to be furnished in GSTR-4?

GSTR-4 shall include the—

(a) invoice-wise inter-State and intra-State inward supplies received from registered and unregistered persons; and

(b) consolidated details of outward supplies made.

[18] *from FY 2024-25 onwards*

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(d) Auto-population of inward supplies

The inward supplies of a composition supplier received from registered persons filing GSTR-1 will be auto populated in **Form GSTR-4A** for viewing. The broad contents of GSTR-4 are given below.

☑ Consolidated details of outward supplies

Composition taxpayers are neither entitled for any ITC nor entitled to pass on any ITC to its customers. Therefore, composition taxpayers are required to provide consolidated details of outward supplies in GSTR-4 (Table 6) and not invoice-wise details. However, details of inter-State and intra-State inward supplies received from registered and un-registered persons are to be provided invoice-wise (Table 4).

☑ Discharge of Tax liability

Since composition suppliers are not eligible to take ITC, they discharge their tax liability only by debiting electronic cash ledger.

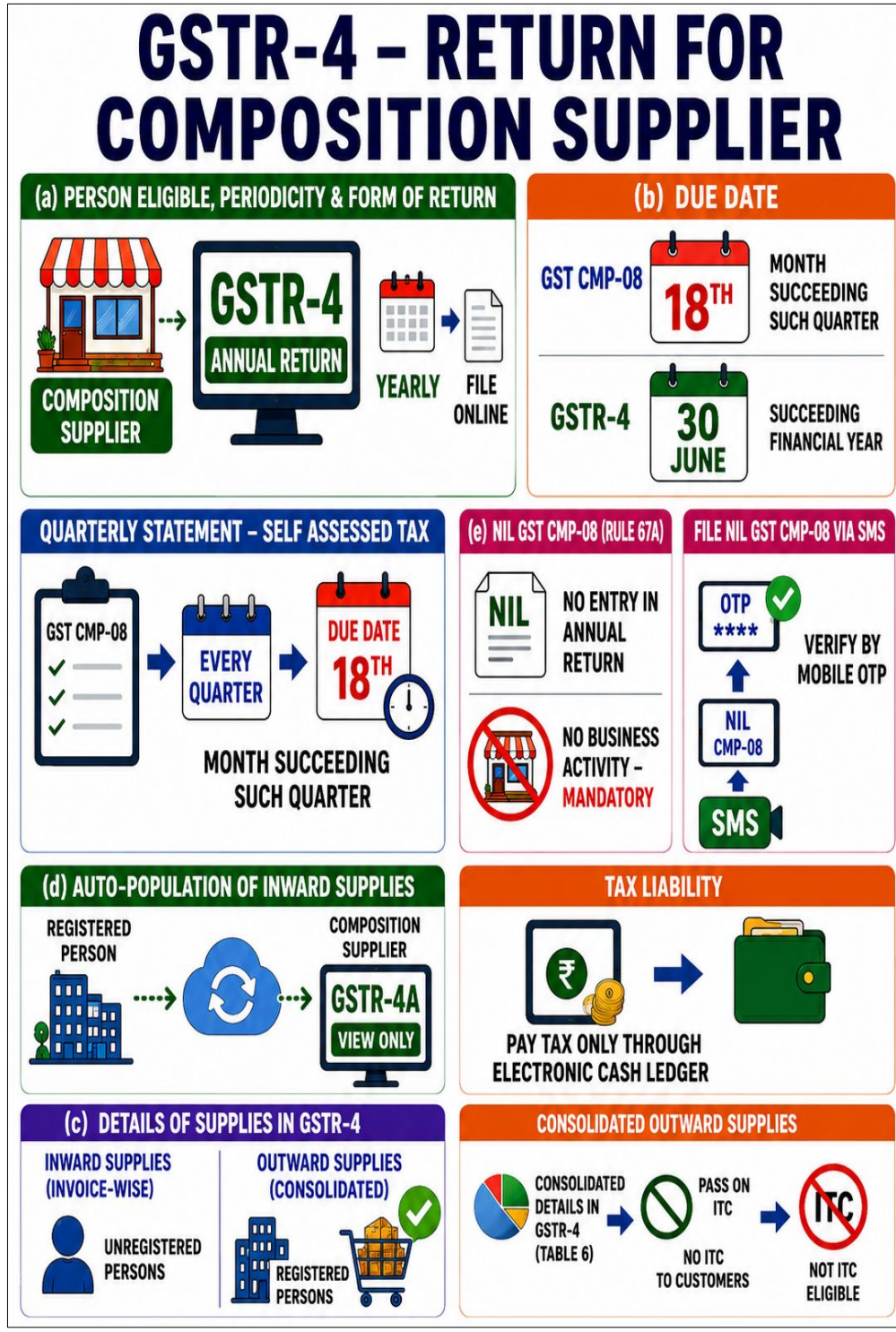
(e) Nil GST CMP-08 [Rule 67A]

Filing of GST CMP-08 is mandatory for all taxpayers who have opted to pay tax under composition scheme, even if there is no business activity in any particular tax period. For such tax period(s), a Nil GST CMP-08 is required to be filed.

A Nil GST CMP-08 does not have any entry in any of its tables**.** For example, a Nil GST CMP-08 for a tax period cannot be filed, if the taxpayer has made any outward supplies or has received any supplies which are taxable under reverse charge.

A Nil GST CMP-08 can be filed through an SMS using the registered mobile number of the taxpayer. A Nil GST CMP-08 submitted through SMS is verified by registered mobile number-based OTP facility.

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(f) Broad contents of GSTR-4

CONTENTS OF GSTR- 4

Basic & Other Details	Details regarding Inward and Outward Supplies
• GSTIN • Legal name and Trade name • TDS/TCS credit received [Table 7] • Tax, interest, late fee payable and paid [Table 8] • Refund claimed from Electronic cash ledger [Table 9]	• Invoice-wise details of all inward supplies (i.e., intra and inter-State supplies and from registered and unregistered persons) including reverse charge supplies and import of services [Table 4] • Summary of self-assessed liability as per GST CMP-08 (Net of advances, credit & debit notes and any other adjustments due to amendments etc.) [Table 5] • Tax rate wise details of outward supplies/inward supplies attracting reverse charge (Net of advances, credit & debit notes and any other adjustments due to amendments etc.) - Consolidated details of outward supplies [Table 6]

(g) Statements/ return for the period prior to opting for composition scheme

If a registered person opts to pay tax under composition scheme from the beginning of a financial year, he will, where required, furnish statements/return relating to the period prior to paying tax under composition scheme 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,

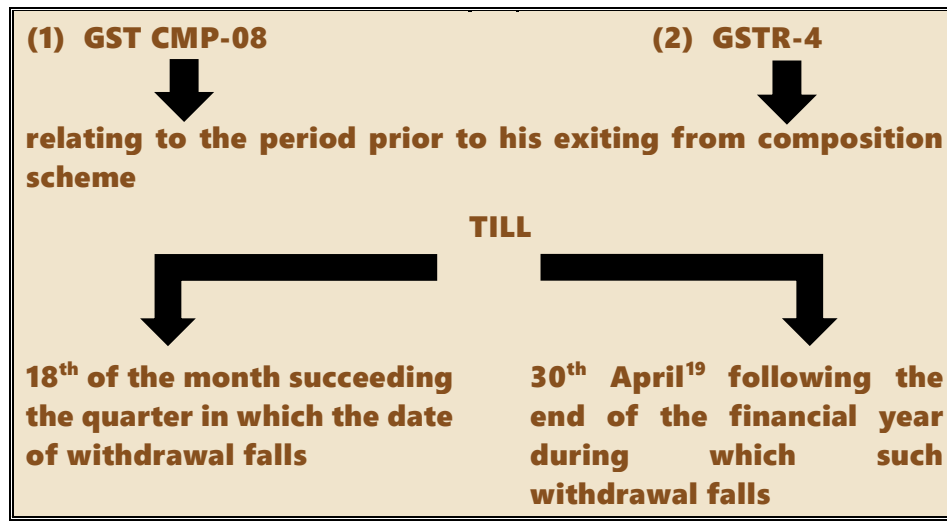
whichever is earlier.

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The composition supplier will not be eligible to avail ITC on receipt of invoices or debit notes from the supplier for the period prior to their opting to pay tax under composition scheme.

(h) GSTR-4 for the period prior to exiting from composition scheme

A registered person opting to withdraw from the composition scheme at his own motion or where option is withdrawn at the instance of the proper officer will, where required, furnish-



As per section 29(2), a proper officer is empowered to cancel the registration of a taxable person if, *inter alia*,:

(a) a person paying tax under composition scheme has not furnished his GSTR-4 for a financial year beyond 3 months from the due date of furnishing the said return

(b) any other taxable person has not furnished returns for such continuous tax period as may be prescribed.

[19] *As stated earlier, due date for filing Form GSTR-4 shall be 30th June following the end of such financial year, from FY 2024-25 onwards.*

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