

## Chapter VII

# Returns

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### FAQ'S

#### Returns (Section No. 37 To 48)

Q1. What are the various returns prescribed under the GST Act?

Ans. The various returns prescribed under GST Act read with GST Returns Rules are as follows:-

Return	Particulars	Due date
GSTR-1	Furnishing details outward supplies	10 <sup>th</sup> of succeeding tax period
GSTR-1A (auto-drafted)	Communication to supplier of goods and services for any addition/deletion/modification made by the recipient in GSTR-2	Accept or reject before 17 <sup>th</sup> of the succeeding tax period
GSTR-2	Furnishing details of inward supplies	Before 15 <sup>th</sup> of succeeding tax period
GSTR-2A (auto-drafted)	Part A: Communication to receiver of goods and services in respect of goods and services procured by it and uploaded by the supplier. Part B: Communication to the receiver of credit in case of distribution of credit by Input Service Distributor in Form GSTR-6 Part C: Communication of details of tax deducted at source from the payments to the receiver based on Form GSTR-7 of the deductor Part D: Communication of details of tax collected at source on payments received by the supplier from the e-commerce operator, based on Form GSTR-8	
GSTR-3	Monthly return after finalization of outward supplies and inward supplies	20 <sup>th</sup> of succeeding tax period

<b>Return</b>	<b>Particulars</b>	<b>Due date</b>
GSTR-3A	Notice sent to registered taxable persons who fails to furnish return under section 39 and section 45	
GSTR-3B	Return to be filed in lieu of Form GSTR-3 when the due date for filing Form GSTR-1 and Form GSTR-2 has been extended by the Commissioner	Due date shall be notified by the Commissioner
GSTR-4	Return to be furnished by a registered taxable person under composition scheme	18 <sup>th</sup> of the month succeeding the quarter
GSTR-4A	Communication to the person registered under composition scheme in respect of inward supplies procured by it and uploaded by the supplier	
GSTR-5	Return to be furnished by non-resident taxable person	20 <sup>th</sup> of succeeding tax period
GSTR-6	Return to be furnished by Input Service Distributor	13 <sup>th</sup> of succeeding tax period
GSTR-6A	Communication to Input Service Distributor in respect of inward supplies procured by it and uploaded by the supplier	
GSTR-7	Return to be furnished by persons liable to deduct tax at source under Section 51 of the GST Act	10 <sup>th</sup> of succeeding tax period
GSTR-7A	Certificate to be issued to the recipient by the person deducting tax at source	Within 5 days of remitting the amount deducted
GSTR-8	Return to be furnished by persons liable to collect tax at source under Section 52 of the GST Act	10 <sup>th</sup> of succeeding tax period
GSTR-9	Annual return	31 <sup>st</sup> December of subsequent year
GSTR-9A	Annual return for composition dealers	31 <sup>st</sup> December of subsequent year

Return	Particulars	Due date
GSTR-9B	Reconciliation statement to be submitted along with Annual Return	31 <sup>st</sup> December of subsequent year
GSTR-10	Final Return	3 months from the date of cancellation/order of cancellation, whichever later
GSTR-11	Return to be filed by persons having Unique Identity Number and claiming refund on inward supplies	To be submitted along with Refund Application

Q2. Who is required to furnish the details of outward taxable supply? In what format should such details be furnished? What is the due date for furnishing such details?

Ans. All registered taxable persons are required to furnish the details of outward supplies of goods and services effected during the tax period, except:

- (a) Input Service Distributors
- (b) Composition suppliers
- (c) Non-resident taxable persons
- (d) Persons liable to deduct tax at source as per Section 51
- (e) Persons liable to collect tax at source as per Section 52

The details should be furnished electronically in the format prescribed in Form GSTR-1. Such returns should be furnished on or before 10<sup>th</sup> of the succeeding tax period.

Q3. What are the details to be submitted while furnishing the details of outward supply in GSTR-1?

Ans. The supplier has to furnish the details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during the tax period. Key points to be disclosed are as follows:-

- supplies made to registered persons and unregistered persons including consumers.
- Inter-State supplies to a consumer (non-registered person) where invoice value is more than Rs. 2,50,000/ should be separately captured.
- Consolidated amount of Intra-State supplies to a consumer (non-registered person) for each rate of tax.
- Exempted supplies, Nil-rated supplies, Exports (including deemed exports) and non-GST supplies should each be captured, separately.
- Tax liability arising in the current tax period where invoice is not issued in the current tax period (i.e., yet to be raised).

- Invoices issued in the current tax period for which tax was already paid earlier (advances).
  - Supplies made through e-commerce portal of other companies to registered taxable persons and other consumers, separately.
  - The supplier has to mention the Harmonized System of Nomenclature for goods and Service Accounting Code.
- Q4. Whether the details uploaded by the supplier in GSTR-1 would be communicated to the receiver?
- Ans. The details uploaded by the supplier in GSTR-1 would be communicated to the recipient in Part A of Form GSTR-2A, which is an auto-drafted form
- Q5. What is the procedure to be followed if the recipient finds that the details disclosed in Form GSTR-2A are incorrect?
- Ans. The recipient can verify and validate/modify/delete such details and even add details, and thereafter submit the same in Form GSTR-2 on or before 15<sup>th</sup> of the succeeding tax period.
- Q6. What happens when the recipient modifies/deletes the details appearing in GSTR-2A?
- Ans. If the recipient modifies/deletes any details, such modification/deletion will be communicated to the supplier in Form GSTR-1A. The supplier can accept/reject such modification/deletion before 17<sup>th</sup> of the succeeding tax period. To the extent of such modifications/ deletions, Form GSTR-1 of the supplier would stand amended.
- Q7. On verification of GSTR-2A, if the recipient finds that certain inward supplies made by him are not reflected, can he add the details of such inward supplies manually?
- Ans. If the recipient finds that certain inward supplies made to him in the tax period are not reflected in the Form GSTR-2A, the recipient can manually add the details of such supplies in Form GSTR-2. Such additions will be communicated to the supplier in Form GSTR-1A. The supplier can accept/reject such modifications before 17<sup>th</sup> of the succeeding period, upon which, Form GSTR-1 filed by him would stand amended.
- Q8. After filing of Form GSTR-1, the recipient has modified/deleted/added the details. What is the procedure to be followed by the supplier?
- Ans. Where the recipient has modified/deleted/added any details in his Form GSTR-2, the supplier will receive a communication in Form GSTR-1A. The supplier can accept or reject such modifications/deletions/addition before 17<sup>th</sup> of the succeeding period. If the supplier accepts the modifications/deletions/addition, the details furnished by him in Form GSTR-1 will be amended automatically.
- Q9. Whether the details furnished under GSTR-1 and GSTR-2 can be rectified? Is there any time limit for revision / rectification of such details?

Ans. It may also be noted that there is no concept of revision of a filed return under the GST regime. However, the details furnished in Forms GSTR-1 and GSTR-2 which have remained unmatched as per Section 42 or 43 can be rectified as and when the error or omission is discovered. However, no rectification is permissible after filing the annual return or the return for the month of September of the following year (whichever is earlier).

Q10. Who is required to furnish the details of inward taxable supply? In what format should such details be furnished? What is the due date for furnishing such details?

Ans. All registered taxable persons are required to furnish the details of inward supplies of goods and services effected during the tax period, except:

- (a) Input Service Distributors
- (b) Composition suppliers
- (c) Non-resident taxable persons
- (d) Persons liable to deduct tax at source as per Section 51
- (e) Persons liable to collect tax at source as per Section 52

The details should be furnished electronically in the format prescribed in Form GSTR-2. Such returns should be furnished after 10<sup>th</sup> but before 15<sup>th</sup> of the succeeding tax period.

Q11. What are the details to be submitted while furnishing the details of inward supply in Form GSTR-2?

Ans. The details regarding inward supplies will be auto-populated from GSTR-2A. However, the recipient can modify/delete/add the details of inward supply. Key points to be disclosed are as follows :-

- Details of inward supplies from registered persons and unregistered persons
- Details of debit notes/ credit notes issued by the suppliers to the person.
- Details of inward supplies attracting reverse charge.
- Details of goods, capital goods and services procured from outside India. Further, the details of total eligible input tax credit and input tax credit available in the current tax period shall also be disclosed.
- Specify the inward supplies on which he is not eligible, either fully or partially, for input tax credit for each invoice.
- Specify the quantum of ineligible input tax credit on inward supplies, which are relatable to non-taxable supplies or for purpose other than business, which cannot be determined invoice level.
- Supplies received from composition taxable person, unregistered persons and other exempt/nil/non-GST supplies shall be reported separately.

- Input tax credit received from ISD, TDS credit and TCS credit.
- Input tax credit received on an invoice on which partial credit was claimed earlier.
- Where there is liability to pay tax under reverse charge mechanism even though the invoice has not been received.
- Where tax has already been paid under reverse charge mechanism in the earlier period but invoice has been received in the current tax period.
- Input tax credit reversed along with the reason for such reversal.

Q12. What is Form GSTR-2A?

Ans. Form GSTR-2A is an auto-drafted form and contains the details of inward supplies made by the assessee, the details of which have been uploaded by the supplier. It also contains the input tax credit distributed by the Input Service Distributor, tax deducted at source under Section 51 and tax collected at source under Section 52.

Q13. Supplier raises an invoice on 30.08.2017 and discloses the same in GSTR-1 for August 2017. Recipient receives the goods and records the inward supply in his books of account on 01.09.2017. How will the inward supply of the recipient and outward supply of the supplier match?

Ans. As per Section 37, details of inward supply of the recipient should match with the outward supply declared by the supplier for the current tax period or for the earlier tax period. In this case, the inward supply of the recipient is filed for the period September 2017 and will match with the outward supply of the supplier filed for the period August 2017.

Q14. How should the assessee disclose the details of inward supplies on which he wishes to avail input tax credit?

Ans. In Form GSTR-2, against each inward supply at invoice level, the assessee has to state whether he is fully eligible, partially eligible or not eligible for availing credit on such inward supply. Further, in case invoice level details cannot be mentioned, the assessee can specify the quantum of ineligible input tax credit on inward supplies, which are relatable to non-taxable supplies or for purpose other than business.

Q15. After finalization of outward supplies and inward supplies, what is the next procedure?

Ans. After finalizing the statements for outward and inward supplies, a registered taxable person has to file the monthly return in Form GSTR-3. However, the following persons are not required to file the GSTR-3 return:-

- (a) Registered taxable person paying taxes under Composition scheme (Form GSTR-4 to be furnished instead)
- (b) Input service distributor (Form GSTR-6 to be furnished instead)
- (c) Non-resident taxable person (Form GSTR-5 to be furnished instead)

- (d) Person liable to deduct tax at source as per Section 51 (Form GSTR-7 to be furnished instead)
- (e) Person liable to deduct tax at source as per Section 52 (Form GSTR-8 shall be furnished instead)

The return in GSTR-3 will be auto populated from Forms GSTR-1 and GSTR-2. Further, the details of tax, interest and penalty paid have to be reported in Part B of Form GSTR-3. The return has to be filed by 20<sup>th</sup> of the succeeding tax period.

Q16. Whether an assessee under composition scheme is required to furnish details of inward supply and outward supply?

Ans. No. An assessee under the composition scheme is not required to furnish details of inward and outward supplies. Such assesses are required to file quarterly returns in Form GSTR-4 within 18 days from the end of quarter.

Q17. What is GSTR-4A?

Ans. Form GSTR-4A contains the details of inward supplies received by composition suppliers from registered taxable persons, debit/credit notes received and tax deducted at source. This statement is auto populated from Forms GSTR-1, GSTR-5 and GSTR-7 filed by other assesses.

Q18. What are the details that are required to be submitted in Form GSTR-4?

Ans. While furnishing the return in GSTR-4, the assessee has to furnish the following details:-

- (a) Invoice wise details of inter-State and intra-State inward supplies received from registered and unregistered persons
- (b) Import of goods and services
- (c) Consolidated details of outward supplies
- (d) Debit and credit notes issued and received, if any

Q19. I am a non-resident taxable assessee. What are the returns to be furnished by me?

Ans. A non-resident taxable assessee is liable to file Form GSTR-5 for furnishing the monthly details of inward and outward supplies, debit/credit notes, tax paid details, details of closing stock and refund claimed, if any. The return should be furnished by 20<sup>th</sup> of the month succeeding the tax period, or within 7 days from the last day of the validity of registration.

Q20. Whether Input Service Distributor is liable to furnish details of inward and outward supplies?

Ans. Input Service Distributor is not liable to furnish the details of inward and outward supplies. Input Service Distributor is liable to file return in GSTR-6 on or before 13<sup>th</sup> of the month succeeding the tax period. The details relating to input tax credit distributed is communicated to the recipient in Part B of GSTR-2A.

Q21. What is GSTR-6A?

Ans. Form GSTR-6A contains the details of inward supplies received by Input Service Distributors from registered taxable persons and debit/credit notes received. This statement is auto populated from GSTR-1 and GSTR-5 filed by other assesses bearing the same PAN as the Input Service Distributor.

Q22. I am notified under Section 51 of the GST Act to deduct tax at source. What are the returns to be furnished by me?

Ans. Any person liable to deduct tax at source under Section 51 of the GST Act is specifically liable to furnish returns in Form GSTR-7. The details in respect of tax deducted at source, as well as the details relating to tax payable and tax paid shall be disclosed. Further, the person shall be required to furnish other returns in Forms GSTR-1, GSTR-2 and GSTR-3, to the extent not covered in Form GSTR-7.

Q23. I am notified under section 52 of the GST Act to collect tax at source. What are the returns to be furnished by me?

Ans. Any person liable to collect tax at source under section 52 of the GST Act is specifically liable to furnish returns in Form GSTR-8. The details in respect of tax collected at source, as well as the details relating to tax collected and tax paid shall be disclosed. Further, the person shall be required to furnish other returns in Forms GSTR-1, GSTR-2 and GSTR-3, to the extent not covered in Form GSTR-8 above.

Q24. Whether returns have to be filed if the assessee has not effected any inward or outward supply during a tax period?

Ans. Section 39(8) of the CGST Act specifies that the periodical return in Form GSTR-3 or GSTR-4 (as the case may be) shall be furnished whether or not any supplies have been effected during the tax period. Here, it is relevant to note that the term "supplies" includes both inward and outward supplies.

However, a non-resident taxable person, an input service distributor, a person liable to deduct tax at source and person liable to collect tax at source would not be liable to furnish returns (in Forms GSTR-5, GSTR-6, GSTR-7 and GSTR-8, respectively) if they have not effected any supplies requiring them to furnish the respective forms (as mentioned above).

Q25. During the course of inspection/audit/scrutiny/enforcement activity, the department has pointed out certain omissions or incorrect particulars in the returns. Whether the assessee can rectify the returns to correct the omissions or incorrect particulars in its returns?

Ans. As per Section 39(9), where the omission / incorrect particulars are pointed out by the department during audit/inspection/scrutiny/enforcement, the assessee cannot rectify such omissions/incorrect particulars in the returns. However, due tax and interest shall be payable thereon.



Q26. Whether the tax payable under GST Act has to be paid to the Central Government or the State Government?

Ans. As per section 39(7), the tax payable as per return has to be paid to the 'Government' on or before the due date for filing the return. Section 2(53) of the CGST Act defined 'Government' to mean the Central Government. Further, as per Section 2(9) of the IGST Act, the term 'Government' has been defined to mean the Central Government. Therefore, in respect of CGST and IGST taxes, the tax has to be paid to the credit of the Central Government. In respect of SGST, the tax has to be paid to the credit of the State Government.

Q27. I was liable to get registered from July 12, 2017. I got my registration only on August 16, 2017. How should I disclose the details of supplies effected during the period July 12, 2017 to August 16, 2017?

Ans. As per Section 40, a registered taxable person is required to file First Return to disclose the details of supplies effected during the period between the date on which he became liable to registration till the date on which registration is granted. Therefore, the assessee has to file First Return to disclose the supplies effected during the period July 12, 2017 to August 16, 2017.

Q28. What is meant by provisional input tax credit?

Ans. The input tax credit availed by the recipient in its return is allowed to the recipient on a provisional basis. Once the input tax credit availed by the recipient is matched with the corresponding details of outward supply furnished by the supplier or with the additional duty of customs paid by the recipient in respect of imported goods, the input tax credit will become final.

Q29. What is meant by self-assessment?

Ans. Under the GST regime, the responsibility to compute the correct output tax liability, eligible input tax credit and net tax liability lies with the assessee. The assessee must determine the rate of tax, value of supply and the output tax payable. The assessee must also decide the eligibility of input tax credit in respect of the various inward supplies. The determination of turnover, rate of tax, value of supply, eligibility to input tax credit, reversal of input tax credit, etc. done by the assessee himself is called as self-assessment.

Q30. What is meant by matching of input tax credit?

Ans. As per Section 42(1), the details of inward supplies and input tax credit availed by the recipient and disclosed in Form GSTR-2 have to be matched with the following: -

- (a) Corresponding details of outward supply furnished by the supplier in his valid return for the same tax period or earlier tax period,
- (b) Additional duty of customs paid under section 3 of the Customs Act in respect of imported goods, and

Further, duplication of claims of input tax credit would also be noted.

Also, the details of the GSTIN of the supplier, GSTIN of the recipient, invoice/debit note number, taxable value and the tax amount shall also be matched.

Q31. When will the input tax credit be finally accepted?

Ans. Once the details of inward supply and input tax credit are matched with the corresponding details of outward supply furnished by the supplier in his valid return for the same tax period (or earlier tax periods), or with the additional duty of customs paid by the person himself, the input tax credit shall be finally accepted. Once the input tax credit is finally accepted, the details of such acceptance will be communicated to the assessee in Form GST MIS-1.

Q32. The recipient has inadvertently claimed input tax credit twice on the same invoice. What are the consequences of such duplicate claims?

Ans. Section 42(4) of the GST Act provides that duplicate claims of input tax credit will be communicated to the recipient in GST MIS-1. Such duplicate claim of input tax credit will be added to the output tax payable for the month in which such GST MIS-1 is communicated to the recipient, and interest shall be payable thereon.

Q33. If the input tax credit availed in respect of certain supplies does not match with the details uploaded by the supplier, what is the procedure to be followed?

Ans. If the input tax credit claimed by the recipient is in excess of the output tax declared by the supplier for the same supply or where the supplier does not declare such outward supply in the returns, the discrepancy will be communicated to the supplier in Form GST MIS-1 and to the recipient in Form GST MIS-2 on or before the last day of the month in which such matching is carried out. On receipt of such communication, either the supplier or the recipient can rectify the details so as to match the claim of input tax credit. Where the supplier rectifies the mistake, the amount claimed as credit shall be allowed, and the supplier shall be liable to pay due tax and interest thereon. However, where the supplier does not accept the excess input tax credit claimed by the recipient, such excess shall be added to the output tax liability of the recipient in the following month, and interest shall be payable on such amount by the recipient.

Q34. The mismatch in input tax credit is due to the incorrect details entered by the recipient of the supplies. What is the procedure to be followed by the recipient?

Ans. If there is a mismatch in the claim of input tax credit, a communication in Form GST MIS-1 will be sent to the supplier and communication in Form GST MIS-2 will be sent to the recipient of such supply. If the discrepancy is due to the incorrect particulars entered by the recipient, then the recipient can rectify such discrepancy in its return for the month in which GST MIS-2 is communicated to him. Once the discrepancy is rectified and the input tax credit is matched, a communication in GST MIS-1 will be sent to the recipient and the claim of input tax credit will be finally accepted. However, if the

recipient does not rectify the discrepancy in the month in which such discrepancy is communicated, the amount of tax payable on account of such discrepancy will be added to the output tax liability of the recipient for the month succeeding the month in which GST MIS-2 is communicated to the recipient.

Q35. The mismatch in input tax credit is due to the incorrect details entered by the supplier. What is the procedure to be followed by the recipient?

Ans. If the supplier declares incorrect details in its GSTR-1 or does not declare a particular supply in GSTR-1, the recipient has an option of modifying/deleting/adding such details in GSTR-2. Once the recipient modifies/deletes/adds such details in its GSTR-2, the supplier will be intimated of such modification/deletion/addition in GSTR-1A. The supplier has the option to accept or reject such modification/deletion/addition. If the supplier accepts such modification/deletion/addition, his GSTR-1 is also amended accordingly and the issue of mismatch of credit does not arise. However, if the supplier rejects such modification/deletion/addition, then there will be a mismatch in the claim of input tax credit availed by the recipient. Such mismatch in input tax credit will be communicated to the supplier in Form GST MIS-1 and in to the recipient in Form GST MIS-2 on or before the last day of the month in which such matching is carried out. On receipt of such communication, either the supplier or the recipient can rectify the details so as to match the claim of input tax credit. If the supplier/recipient does not correct the discrepancy, the tax payable on account of such mismatch will be added to the output tax liability of the recipient in the month succeeding the month in which GST MIS-2 is communicated to the recipient.

Q36. Whether the recipient is liable to pay interest on the differential tax liability arising due to the mismatch of input tax credit or due to duplicate claim of input tax credit?

Ans. As per section 42(8) of the GST Act, the recipient is liable to pay interest on the differential tax liability arising on account of mismatch of input tax credit or due to duplicate claim of input tax credit at the rate specified in section 50(1). The interest is liable to be paid from the date on which credit is availed till the date on which such differential tax liability is added to the output tax liability of the recipient.

Q37. On a perusal of the provisions relating to mismatch of input tax credit, it is noticed that the tax payable on account of mismatch of input tax credit is added to the output tax liability of the recipient. Why is the recipient penalised for such mismatch?

Ans. As per section 155 of the GST Act, if any person claims input tax credit, then the burden of proving such claim lies on him. Therefore, if the supplier does not declare the supplies or declares output tax lower than the amount claimed as credit, the recipient is burdened with the differential tax liability.

Q38. The discrepancy communicated in GST MIS-1 to the supplier has been rectified in subsequent return filed by the supplier. Should the recipient avail the credit once the supplier rectifies the return?

Ans. The input tax credit which remains unmatched is added to the output tax liability of the recipient in the month succeeding the month in which GST MIS-2 is communicated to the recipient. However, if the supplier rectifies the discrepancy within the date for filing the return for the period of September of the succeeding financial year or before the annual return is submitted by him, then the recipient is eligible to reduce the output tax liability to the extent of differential tax liability paid on account of such input tax mismatch.

Q39. Illustration for ITC mismatch -

- Goods supplied by A to B in the month of August 2017
- Value of goods = Rs. 1,000/-
- GST = Rs. 200/-
- A does not declare the details of such supplies in GSTR-1.
- B claims input tax deduction of Rs. 200 by adding the details of such supply in GSTR-2.
- A rejects the communication in GSTR-1A.
- The department issues Form GST MIS-1 to the supplier and Form GST MIS-2 to the recipient in the month of September 2017.
- The supplier does not rectify the discrepancy by September 2017
- The department adds Rs.200 to the output tax liability of B for the month of October 2017.
- B is liable to pay Rs. 200 along with interest for the period August 2017 to October 2017.
- A rectifies the discrepancy in the month of December 2017.
- B can reduce output tax liability for January 2017 by Rs.200. B will also be eligible for refund of interest paid earlier.

Q40. Whether the credit note issued by the supplier has to be matched with the corresponding reduction of input tax by recipient ?

Ans. As per Section 43, the details of credit notes issued by the supplier in respect of outward supply and claimed as reduction in output tax liability has to be matched with a corresponding reduction of input tax by the recipient of the supply. Further, the credit note issued shall also be matched for duplication of reduction of output tax liability.

Q41. The assessee has inadvertently reduced its output tax liability twice on the same credit note. What are the consequences of such duplicate claims?

Ans. As per Section 43(1) of the CGST Act, all claims of reduction in output tax liability on account of credit notes will be matched so as to ensure that the supplier does not claim

such deduction more than once for a particular credit note. Where the supplier claims such deduction more than once, such discrepancy will be communicated to the supplier in GST MIS-3. Such duplicate claim of reduction of output tax liability will be added to the output tax payable of the supplier for the month in which such GST MIS-3 is communicated to the supplier.

Q42. Deduction of output tax liability claimed on account of credit notes issued does not match with the corresponding reduction of input tax by the recipient? What is the procedure to be followed?

Ans. If the reduction in output tax liability claimed by the supplier does not match with the corresponding reduction of input tax by the recipient, then such discrepancy will be communicated to the supplier in Form GST MIS-3 and to the recipient in Form GST MIS-4 on or before the last day of the month in which such matching is carried out. On receipt of such communication, either the supplier or the recipient can rectify the details so as to match the claim of reduction in output tax liability and corresponding reduction of input tax credit.

Q43. The mismatch in reduction in output tax liability is due to the incorrect details entered by the recipient of the supply. What is the procedure to followed by the supplier?

Ans. If there is a mismatch in the claim of reduction of output tax liability, a communication in Form GST MIS-3 will be sent to the supplier and a communication in Form GST MIS-4 will be sent to the recipient of such supply. If the discrepancy is due to the incorrect particulars entered by the recipient, then the recipient can rectify such discrepancy in its return for the month in which GST MIS-4 is communicated to him. Once the discrepancy is rectified and the reduction in output liability is matched, a communication in Form GST MIS-3 will be sent to the supplier and the claim of reduction in output tax liability will be finally accepted. However, if the recipient does not rectify the discrepancy in the month in which such discrepancy is communicated, the amount of tax payable on account of such discrepancy will be added to the output tax liability of the supplier for the month succeeding the month in which Form GST MIS-4 is communicated to the recipient.

Q44. Whether the supplier is liable to pay interest on the differential tax liability arising due to the mismatch of reduction in output tax liability or due to duplicate claim of reduction of output tax liability?

Ans. As per Section 43(8) of the GST Act, the supplier is liable to pay interest on the differential tax liability arising on account of mismatch of reduction in output tax liability or due to duplicate claim of reduction in output tax liability at the rate specified in Section 50(1) of the GST Act. The interest is liable to be paid from the date on which reduction in output tax liability is claimed till the date on which such differential tax liability is added to the output tax liability of the supplier.

Q45. The discrepancy communicated in GST MIS-3 to the supplier has been rectified in subsequent return filed by the recipient. Can the supplier avail the reduction in output tax liability after the recipient rectifies the return?

Ans. The reduction in output tax liability which remains unmatched is added to the output tax liability of the supplier in the month succeeding the month in which GST MIS-3 is communicated. However, if the discrepancy is rectified within the date for filing the return for the period of September of the succeeding financial year or before the annual return is submitted by him, then the supplier is eligible to reduce the output tax liability to the extent of differential tax liability paid on account of such mismatch.

Q46. Once the reduction in output tax liability mismatch has been rectified, whether the supplier is eligible for refund of the interest paid on the differential tax paid due to such mismatch?

Ans. As per Section 43(9), once the discrepancy in the reduction of output tax liability is rectified and such rectification is accepted, then the supplier is eligible to refund of interest paid earlier. The maximum interest refundable is equivalent to the interest paid by the recipient. The supplier has to make a claim for such refund in GSTR-3. The interest to be refundable will be credited to the electronic cash ledger in Form GST PMT-3 and will be available for any future payment of interest. Alternatively, the supplier can claim the refund of such amount by following the procedure set out in Section 54 of the GST Act.

Q47. Whether the details furnished by E-commerce operator relating to tax collected at source has to be matched with supplies disclosed by the E-commerce supplier in Form GSTR-1?

Ans. The supplies made through E-commerce operator as declared by the E-commerce operator in Form GSTR-8 has to be matched with the corresponding details disclosed by the supplier in Form GSTR-1. Where the supplier is liable to disclose invoice wise details in Form GSTR-1, the matching with Forms GSTR-8 shall be done at invoice level. Where the supplier is not liable to disclose invoice wise details in Form GSTR-2, the matching will be done on the basis of total taxable value of supplies made in the State through E-commerce operator.

Q48. Details disclosed by the E-commerce operator in Form GSTR-8 does not match with the corresponding details disclosed by the supplier in Form GSTR-1? What is the procedure to be followed?

Ans. Where the details disclosed by the E-commerce operator in Form GSTR-8 does not match with the corresponding details disclosed by the supplier in Form GSTR-1, then such discrepancy will be communicated to the supplier in Form GST MIS-5 and to the E-commerce operator in Form GST MIS-6 on or before the last day of the month in which such matching is carried out. On receipt of such communication, either the supplier can make suitable rectification in the statement of outward supplies to be

furnished for the month in which the discrepancy is communicated or the E-commerce operator can make rectification in the statement to be furnished for the month in which such discrepancy is communicated.

Q49. What happens when the discrepancy is not rectified either by the supplier or by the E-commerce operator?

Ans. Where the discrepancy is not rectified by the E-commerce operator, an amount to the extent of the discrepancy will 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 is communicated.

Q50. Who is required to file an Annual Return? In what format such return should be furnished? What is the due date for furnishing such return?

Ans. All registered taxable persons are required to furnish an Annual Return for every financial year, electronically, in Form GSTR-9. A registered taxable person paying opting to pay tax under the composition scheme is required to file the annual return in Form GSTR-9A. However, the below mentioned registered taxable persons are not required to file an Annual Return :-

- (a) Input Service Distributor
- (b) Person liable to deduct tax at source as per Section 51 (for the purpose of TDS)
- (c) Person liable to collect tax at source as per Section 52 (for the purpose of TCS)
- (d) Casual taxable person
- (e) Non-resident taxable person

Such returns should be furnished on or before 31<sup>st</sup> December of the following the end of financial year.

Q51. Whether the Annual Return is required to be audited by Chartered Accountant / Cost Accountant?

Ans. If the turnover of the registered taxable person exceeds Rs. one crore, then the Annual Return is required to be audited by a Chartered Accountant or Cost Accountant. Further, they also have to submit reconciliation statement in Form GSTR-9B. If the turnover does not exceed Rs. one crore, the registered taxable person can himself compile the details in Form GSTR-9 and submit the return.

Q52. Who is required to furnish Final Return?

Ans. Any registered taxable person whose registration has been cancelled is required to file Final return in Form GSTR-10. The return has to be filed within three months from the date of cancellation or date of order of cancellation, whichever is earlier.

Q53. What are the consequences of not filing any particular return?

Ans. If the registered taxable person fails to furnish the return in Form GSTR-3 or GSTR-4 or

GSTR-5 or GSTR-6 or GSTR-7 or or Final return in Form GSTR-10, the department will issue a notice in Form GSTR-3A asking the registered taxable person to furnish the particular return within 15 days.

Q54. What are the consequences if the return is filed belatedly?

Ans. Where any return except Annual return, is filed belatedly, the registered taxable person shall be liable to pay a late fee of one hundred rupees for each day of delay subject to a maximum of five thousand rupees.

Q55. Who is a goods and service tax practitioner? Whether the goods and service tax practitioner can file returns of behalf of the registered taxable persons?

Ans. Goods and service tax practitioner is a person who has been approved to act as a goods and service tax practitioner as per Section 48 of the GST Act. He has to satisfy the conditions and eligibility as prescribed under the Rules to act as a goods and service tax practitioner.

A registered taxable person can authorise an approved goods and service tax practitioner to file the returns in Form GSTR-1, GSTR-2, GSTR-3, GSTR-4, GSTR-5, GSTR-6, GSTR-7, Annual return in GSTR-9 and Final return in GSTR-10, and also to perform other tasks as may be prescribed. In respect of returns filed by the goods and service tax practitioner, the registered taxable person will be responsible for the correctness of the details furnished in the returns.

## MCQ'S

### Returns (Section No. 37 To 48)

Q1. The details of outward supplies of goods or services shall be submitted by

- (a) 10<sup>th</sup> of the succeeding month
- (b) 18<sup>th</sup> of the succeeding month
- (c) 15<sup>th</sup> of the succeeding month
- (d) 20<sup>th</sup> of the succeeding month

Ans. (a) 10<sup>th</sup> of the succeeding month

Q2. Details of Outward supplies shall include

- (a) Invoice
- (b) Credit and Debit notes
- (c) Revised invoice issued in relation to outward supplies
- (d) All the above

Ans. (d) All the above



Q3. The details submitted by the outward supplier in Form GSTR 1 shall be furnished to the recipient regular dealer in form

- (a) GSTR 4A
- (b) GSTR 5A
- (c) GSTR 2A
- (d) GSTR 6A

Ans. (c) GSTR 2A

Q4. The details submitted by the outward supplier in Form GSTR 1 shall be furnished to the recipient compounding dealer in form

- (a) GSTR 4A
- (b) GSTR 5A
- (c) GSTR 2A
- (d) GSTR 6A

Ans. (a) GSTR 4A

Q5. The details submitted by the outward supplier in Form GSTR 1 shall be furnished to the input service distributor in form

- (a) GSTR 4A
- (b) GSTR 5A
- (c) GSTR 2A
- (d) GSTR 6A

Ans. (d) GSTR 6A

Q6. Which of the following is true?

- (a) The Commissioner may extend the time limit for furnishing the details of outward supplies by notification for valid reasons
- (b) The details of outward supplies shall include details of debit notes, credit notes and revised invoices issued in relation to outward supplies
- (c) The details of outward supplies shall be submitted in Form GSTR-1 by all the registered taxable person other than ISD, non-resident tax payer and a person paying tax under section 10, section 51 and section 52
- (d) All the above

Ans. (d) All the above

Q7. The details submitted by the supplier in Form GSTR 1 are communicated to the registered taxable person in

- (a) Form GSTR 1A on 17<sup>th</sup> of the succeeding month
- (b) Form GSTR 2A on 15<sup>th</sup> of the succeeding month
- (c) Form GSTR 2A after the due date of filing Form GSTR 1
- (d) Form GSTR 1A on 15<sup>th</sup> of the succeeding month

Ans. (c) Form GSTR 2A after the due date of filing Form GSTR 1

Q8. Which of the following is a correct statement?

- (a) Every registered taxable person other than ISD, non-resident tax payer & a person paying tax under section 10, 51 or 52 shall verify, validate, modify or delete the details communicated in Form GSTR 2A
- (b) The details of outward supplies communicated in Form GSTR 2A cannot be modified or altered
- (c) The registered taxable person should accept the details communicated in Form GSTR 2A by 12<sup>th</sup> of the succeeding month
- (d) The registered taxable person other than ISD, non-resident tax payer & a person paying tax under section 10, 51 or 52 shall furnish the details of inward supplies of goods or services excluding tax payable on reverse charge basis.

Ans. (a) Every registered taxable person other than ISD, non-resident tax payer & a person paying tax under section 10, 51 or 52 shall verify, validate, modify or delete the details communicated in Form GSTR 2A.

Q9. The details of inward supplies of goods or services in Form GSTR 2 shall be submitted by

- (a) 10<sup>th</sup> of the succeeding month
- (b) 18<sup>th</sup> of the succeeding month
- (c) 15<sup>th</sup> of the succeeding month
- (d) 20<sup>th</sup> of the succeeding month

Ans. (c) 15<sup>th</sup> of the succeeding month

Q10. Details of Inward supplies shall include

- (a) Inward supplies of goods and services communicated in Form GSTR 2A
- (b) Inward supplies in respect of which tax is payable under reverse charge mechanism
- (c) Inward supplies of goods and services not declared by suppliers
- (d) All the above

Ans. (d) All the above

Q11. Any modification / deletion done by the recipient to the details contained in Form GSTR 2 shall be communicated to the supplier in

- (a) Form GSTR 1A
- (b) Form GSTR 3A
- (c) Form GSTR 6A
- (d) Form GSTR 2A

Ans. (a) Form GSTR 1A

Q12. The supplier on receiving the communication in Form GSTR 1A shall accept, reject or modify the details by

- (a) 18<sup>th</sup> of the succeeding month
- (b) 20<sup>th</sup> of the month succeeding the quarter
- (c) 17<sup>th</sup> of the succeeding month
- (d) 10<sup>th</sup> of the succeeding month

Ans. (c) 17<sup>th</sup> of the succeeding month

Q13. A registered taxable person other than ISD, non-resident tax payer & a person paying tax under section 10, 51 or 52, shall file its periodical in

- (a) Form GSTR 3 by 18<sup>th</sup> of the month succeeding the quarter
- (b) Form GSTR 4 by 18<sup>th</sup> of the month succeeding the quarter
- (c) Form GSTR 4 by 18<sup>th</sup> of the succeeding month
- (d) Form GSTR 3 by 20<sup>th</sup> of the succeeding month

Ans. (d) Form GSTR 3 by 20<sup>th</sup> of the succeeding month

Q14. Every tax payer paying tax under section 10 (Composition levy) shall file the return in

- (a) Form GSTR 3 by 18<sup>th</sup> of the month succeeding the quarter
- (b) Form GSTR 4 by 18<sup>th</sup> of the month succeeding the quarter
- (c) Form GSTR 4 by 18<sup>th</sup> of the succeeding month
- (d) Form GSTR 4 by 20<sup>th</sup> of the month succeeding the quarter

Ans. (b) Form GSTR 4 by 18<sup>th</sup> of the month succeeding the quarter

Q15. Which of the following is correct?

- (a) Non-Resident taxable person shall file the return by 20<sup>th</sup> of succeeding month in Form GSTR 5
- (b) Input Service Distributor shall furnish the return by 13<sup>th</sup> of the succeeding month in Form GSTR 6

- (c) The person deducting tax at source shall furnish the return by 10<sup>th</sup> of the succeeding month in Form GSTR 7
- (d) All the above

Ans. (d) All the above

Q16. The certificate of details of tax deducted by the deductor shall be furnished to the deductee in Form

- (a) GSTR 7
- (b) GSTR 7A
- (c) GSTR 2A
- (d) GSTR 1A

Ans. (b) GSTR 7A

Q17. The e-commerce operator collecting tax under section 52 shall file its monthly return in

- (a) Form GSTR 8 by 18<sup>th</sup> of the succeeding month
- (b) Form GSTR 7 20<sup>th</sup> of the month succeeding the quarter
- (c) Form GSTR 8 17<sup>th</sup> of the succeeding month
- (d) Form GSTR 8 10<sup>th</sup> of the succeeding month

Ans. (d) Form GSTR 8 10<sup>th</sup> of the succeeding month

Q18. State which is a true statement

- (a) The last date for payment of taxes to the appropriate government is the last date on which the registered taxable person is required to furnish the return
- (b) Every person who is required to furnish return under 39(1) and 39(2) shall furnish return for every tax period whether or not supplies have been effected during such period.
- (c) Both (a) and (b)
- (d) None of the above

Ans. (d) Both (a) and (b)

Q19. GSTR 3, GSTR 4 and GSTR 6 filed can be rectified on the grounds of

- (a) Any omission or incorrect particulars
- (b) Omission or incorrect particulars found during Audit
- (c) Omission or incorrect particulars found during Scrutiny
- (d) Omission or incorrect particulars found during Inspection

Ans. (a) Any omission or incorrect particulars

- Q20. What is the time limit for rectification of GSTR 1, GSTR 4 and GSTR 6?
- (a) Return can be rectified within 6 months from the date of filing the return
  - (b) Return can be rectified within 90 days from the date of filing the return
  - (c) Return have to be rectified before the due date for filling the subsequent periods return
  - (d) Return can be rectified before the due date for filing the returns for month of September or second quarter, as the case may be, following the end of the financial year.
- Ans. (d) Return can be rectified before the due date for filing the returns for month of September or second quarter, as the case may be, following the end of the financial year
- Q21. The First return shall be filed by every registered taxable person for the period from
- (a) The date on which he became liable for registration till the date of grant of registration
  - (b) The date of registration to the last day of that month
  - (c) The date on which he became liable for registration till the last day of that month
  - (d) All of the above
- Ans. (a) The date on which he became liable for registration till the date of grant of registration
- Q22. The details of inward supply furnished by the registered taxable person shall be matched with the
- (a) Corresponding details of outward supply furnished by the corresponding taxable person
  - (b) Additional duty of customs paid under section 3(5) of the Customs Tariff Act, 1975
  - (c) For duplication of claims of input tax credit
  - (d) All of the above
- Ans. (d) All of the above
- Q23. If Input credit claimed by recipient is more than the output tax declared by the supplier or if the supplier has not declared the outward supply, then
- (a) The excess amount claimed as input is added to the output tax liability of the recipient
  - (b) The discrepancy is communicated to both the supplier and receiver

- (c) The excess amount claimed as input is added to the output tax liability of the supplier
- (d) The supplier is given an opportunity of being heard

Ans. (b) The discrepancy is communicated to both the supplier and receiver

Q24. The discrepancy pointed out in GST MIS 1 and GST MIS 2 with regard to excess input tax credit claimed has not been rectified by the supplier as well as the recipient. The excess input tax credit is

- (a) Added to the output tax liability of the recipient
- (b) Added to the output tax liability of the supplier

Ans. (a) Added to the output tax liability of the recipient

Q25. Every registered taxable person shall be entitled to take credit of input tax in his return and such input tax credit shall be credited to

- (a) Personal Ledger Account
- (b) Refund account
- (c) Electronic Cash Ledger
- (d) Electronic Credit Ledger

Ans. (d) Electronic Credit Ledger

Q26. The details of every credit note relating to outward supplies furnished by the registered taxable person shall be matched

- (a) With corresponding reduction in claim for input tax credit by the corresponding taxable person in his valid return for the same tax period or any subsequent tax period.
- (b) For duplication of claims for reduction in the output tax liability
- (c) All of the above
- (d) None of the above

Ans. (c) All of the above

Q27. If the reduction in output tax liability claimed by the supplier is more than the corresponding reduction in input tax credit declared by the recipient or if the recipient has not reduced the input tax liability, then

- (a) The excess reduction claimed is added to the output tax liability of the recipient
- (b) The discrepancy is communicated to both the supplier and receiver
- (c) The excess reduction claimed is added to the output tax liability of the supplier
- (d) The supplier is given an opportunity of being heard

Ans. (b) The discrepancy is communicated to both the supplier and receiver

Q28. The discrepancy pointed out in GST MIS 3 and GST MIS 4 with regard to excess reduction of output tax has not been rectified the by the supplier as well as the recipient. The excess reduction of output tax is

- (a) Added to the output tax liability of the recipient
- (b) Added to the output tax liability of the supplier

Ans. (b) Added to the output tax liability of the supplier

Q29. The due date for furnishing the annual return for every financial year by every registered taxable person other than ISD, non-resident tax payer, a person paying tax under section 10, 51 or 52 and a casual taxable person is

- (a) 30<sup>th</sup> of September following the end of the financial year
- (b) 20<sup>th</sup> of October following the end of the financial year
- (c) 31<sup>st</sup> of December following the end of the financial year
- (d) 31<sup>st</sup> of May following the end of the financial year

Ans. (c) 31<sup>st</sup> of December following the end of the financial year

Q30. Every registered taxable person who is required to get his accounts audited under section 35(5) shall furnish electronically

- (a) Annual return
- (b) Audited copy of annual accounts
- (c) Reconciliation statement reconciling the value of supplies declared in the return and the financial statement
- (d) All of the above

Ans. (d) All of the above

Q31. The annual return shall be filed by the registered taxable person (other than dealers paying tax under section 10) in form

- (a) GSTR 7
- (b) GSTR 9
- (c) GSTR 9A
- (d) GSTR 10

Ans. (b) GSRT 9

Q32. Find the correct match of annual returns to be filed

- (a) Registered taxable person – Form GSTR 8

- (b) Input service distributor – Form GSTR 9
- (c) Non Resident taxable person – Form GSTR 9B
- (d) Compounding taxable person – Form GSTR 9A

Ans. (d) Compounding taxable person – Form GSTR 9A

Q33. Notice to non-filers of return shall be sent in Form

- (a) GSTR 5
- (b) GSTR 3
- (c) GSTR 3A
- (d) GSTR 10

Ans. (c) GSRT 3A

Q34. The final return shall be filed by the registered taxable person within

- (a) 3 months of the date of cancellation
- (b) Date of order of cancellation
- (c) Later of the (a) or (b)

Ans. (d) Later of (a) or (b)

Q35. Any registered taxable person who fails to furnish the details and file the return within the due date prescribed shall be liable to

- (a) Interest at the rate of 1% per month
- (b) Late fee of Rs. 100 for every day up to Rs. 5000
- (c) Both (a) and (b)
- (d) None of the above

Ans. (b) Late fee of Rs. 100 for every day up to Rs. 5000

Q36. Which of the following is correct?

- (a) Failure to file annual return within due date attracts a late fee of Rs. 100 per day up to 0.25% of his turnover
- (b) Failure to file annual return within due date attracts late fee of 1% of his turnover till the failure continues
- (c) Failure to file annual returns within due date attracts a late fee of Rs. 100 per day up to 1% of his turnover.
- (d) On failure to file annual return within due date the proper officer shall issue a notice of non-filing on such person



Ans. (a) Failure to file annual return before due date attracts a late fee of Rs. 100 per day up to 0.25% of his turnover

Q37. A goods and service tax practitioner can undertake the following activities if authorized by the taxable person

- (a) Furnish details inward and outward supplies
- (b) Furnish monthly / quarterly return
- (c) Furnish Annual and Final return
- (d) All of the above

Ans. (d) All of the above