

Chapter– IX Returns

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Statutory Provision

37. Furnishing details of outward supplies

- (1) *Every registered taxable person, other than an input service distributor, a non-resident taxable person and a person paying tax under the provisions of section 10, section 51 or section 52, shall furnish, electronically, in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected, during a tax period on or before the tenth day of the month succeeding the said tax period and such details shall be communicated to the recipient of the said supplies within the time and in the manner as may be prescribed:*

Provided that the registered person shall not be allowed to furnish the details of outward supplies during the period from the eleventh day to the fifteenth day of the month succeeding the tax period:

Provided further that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein:

Provided also that any extension of time limit notified by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be notified by the Commissioner

(2) Every registered person who has been communicated the details under sub-section (3) of section 38 or the details pertaining to inward supplies of Input Service Distributor under sub-section (4) of section 38, shall either accept or reject the details so communicated, on or before the seventeenth day, but not before the fifteenth day, of the month succeeding the tax period and the details furnished by him under sub-section (1) shall stand amended accordingly.

(3) Any registered person, who has furnished the details under sub-section (1) for any tax period and which have remained unmatched under section 42 or section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:

Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier

Explanation. —For the purposes of this Chapter, the expression “details of outward supplies” shall include details of invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period

FORM	PARTICULARS	DUE DATE	APPLICABLE FOR
GSTR1	Outward Supplies	10 th of the next month	Normal / Regular Taxpayer
GSTR2	Inward Supplies	15 th of the next month (Deferred till March, 2018)	Normal / Regular Taxpayer
GSTR3	Monthly return [periodic]	20 th of the next month (Deferred till March, 2018)	Normal / Regular Taxpayer
GSTR4	Return by compounding tax payers	18 th of the month next to the quarter	Compounding Taxpayer
GSTR5	Return by non-resident tax payers [foreigners]	20 th of the next month or within 7 days after expiry of registration, whichever is earlier	Foreign Non-Resident Taxpayer
GSTR6	Monthly Return by input service distributors	13 th of the next month	Input Service Distributor
GSTR7	Monthly Return for TDS	10 th of the next month	Tax Deductor
GSTR8	Monthly Return for TCS	10 th of the next month	E-Commerce
GSTR-9	Annual return	31 st December next FY	Normal tax payer (other than casual tax payer)

GSTR-9A	Annual return by Composition Supplier	31 st December next FY	Compounding Taxpayer
GSTR-9B	Annual Return by E-commerce operator	31 st December next FY	E-commerce Operator
GSTR-9C	Annual return along with the copy of audited annual accounts and a reconciliation statement	31 st December next FY	Normal tax payer having aggregate turnover of more than ₹ 2 crores
GSTR-10	Final Return	Within 3 months of the date of cancellation or date of order of cancellation whichever is later	Registered Person whose registration has been cancelled

Note: Above due dates have been extended from time to time. Please refer Annexure-‘A’ for the details.

37.1 Introduction

This provision relates to furnishing of details of outward supplies by the supplier.

37.2 Analysis

- (a) A return of Outward supplies under this section should be furnished by every registered taxable person except for the following persons namely,
- Input service distributor
 - A non-resident taxable person
 - A person paying tax under the provisions of section 10 (composition levy)
 - A person paying tax under the provisions of section 51 (TDS)
 - A person paying tax under the provisions of section 52 (TCS)
 - A person referred to in Section 14 of IGST Act – Person providing Online Information and Data Access & Retrieval Services to a non-taxable online recipient.
- (b) As per the provision of Rule 59 The “Details of outward supplies” shall include details of Invoices, debit notes, credit notes and revised invoices issued in relation to outward supplies made during any tax period. This e-return shall be filed within 10 days from the end of the tax period in **¹FORM GSTR-1.** (**¹ Refer Annexure ‘A’ for extension of due date for filing GSTR-1.**)
- (c) Such returns shall be for supply of goods or services or both as effected during a tax period and shall be filed electronically
- (d) The registered person shall not be allowed to furnish any details of outward supplies during the period from the **eleventh** day to the fifteenth day of the month succeeding the tax period. This implies that the filing portal may not be available for the person

filing the return of outward supplies during the above said dates. **(Refer Note no. 1 at the end of this chapter).**

- (e) In case of late filing of the above details, the person who defaults shall pay a sum of ₹ 100 for every day of continuing default subject to a maximum to ₹ 5,000 only. **(Refer Note no. 2 at the end of this chapter)**
- (f) The Commissioner is empowered to notify any extension of due date of filing, for any class of persons, beyond the tenth of the succeeding month, with reasons to be recorded in writing. Refer Annexure 'A' for extensions notified, from time to time, for various returns.
- (g) The present process of return filing envisages that the recipient of the supply shall be provided an opportunity to accept, reject, amend or delete the details in a two-way communication process. This opportunity is not available at present as notification for due dates of filing of GSTR-2 shall be issued subsequently. The details provided by the supplier shall be auto – populated and available electronically to the recipient, for matching purposes, in accordance with the provision of Rule 60 in a **FORM GSTR-2A**
- (h) In case any error or omission is discovered in the course of matching as specified in the Act and discussed under Section 42 and 43, rectifications of the same shall be effected and tax and interest, if any as applicable shall be paid on such corrections by the person responsible for filing the return of outward supplies. Section 42 and section 43 are not applicable till further notification as due dates for filing of details in GSTR-2 shall be notified subsequently.
- (i) Such rectification, however, is not permitted after filing of annual return or the return for the month of September of the following financial year to which the details pertain whichever is earlier.

For example, let us say an entity has furnished the annual returns for the year 2018-19 on August 15, 2019. An error is discovered in respect of a transaction pertaining to July 2018. The entity has filed the returns for the month of September 2019 on October 18, 2019. In this above case, the rectification of the error pertaining to a transaction in July 2018 cannot be rectified beyond August 15, 2019

Process and Formats for Filing of returns and the due date

Activity	Due Date
The return for outward supplies shall be filed in FORM GSTR-1	Before 10 th day of the month succeeding the tax period. Refer Annexure A for extension of due dates of GSTR-1.
The details of FORM GSTR-1 furnished by the supplier shall be made available to the recipients in PART-A of FORM GSTR-2A	11 th to the 15 th day of the month succeeding the tax period

Activity	Due Date
The FORM GSTR-2A shall be reviewed and modified by the recipient of the supply and based on the same a FORM GSTR-2 shall be filed by them. In case any outward supplies are not matched with the respective recipients' return of inward supplies (discussed under section 38), the return for outward supplies requires rectification. All such modifications made by the recipient and filed in FORM GSTR-2 , shall be made available to the outward supplier in FORM GSTR-1A .	Before end of 15 th day of the month succeeding the tax period. Due dates for filing of GSTR-2 shall be notified subsequently
Accept or reject the details communicated by GSTN	Before end of 17 th day of the month succeeding the tax period
Submission of FORM GSTR-2 will cause auto-population of FORM GSTR-1A which shall be reviewed by the supplier and relevant corrections shall be effected in FORM GSTR-1 which will be the final details as filed. The supplier may either accept or reject the modification, deletion or inclusion made by the recipients on or before 17 th day of the succeeding month. Such amendments shall be incorporated in the original details filed by the supplier. The revised details shall feature in the returns filed under Sec 39 in the FORM GSTR-3 (auto generated)	Before end of 20 th day of the month succeeding the tax period. 1Due dates for filing of GSTR-3 shall be notified subsequently.

Components of valid GST Return for Outward Supplies made by the Taxpayer (FORM GSTR-1)

This return form would capture the following information:

1. GSTIN
2. Name
3. Period to which the return pertains
4. Aggregate turnover of the taxpayer in the previous Financial Year. This information would be submitted by the taxpayers only in the first year and will be auto-populated in subsequent years.
5. The following particulars shall be furnished – at an invoice / consolidated level based on the table as below:

Type	Supplies made to	Invoice Value	Level of submission
Interstate	Registered Persons	Any	Invoice level
Intrastate	Registered Persons	Any	Invoice level

Type	Supplies made to	Invoice Value	Level of submission
Interstate	Unregistered Persons (stated as Consumer in the return)	> ₹ 250,000	Invoice level

Type	Supplies made to	Invoice Value	Level of submission
Intrastate	Registered Persons	Any	Consolidated
Interstate	Unregistered Persons (stated as Consumer in the return)	< ₹ 250,000	Consolidated

Note: For all B to C supplies (whether inter-State or intra-State) where invoice value is up to ₹ 2,50,000/- State-wise summary of supplies, rate-wise, should be uploaded in Table 7 of the Form GSTR-1.

Instructions –	
1.	Terms used: <ol style="list-style-type: none"> a. GSTIN: Goods and Services Tax Identification Number b. UIN: Unique Identity Number c. UQC: Unit Quantity Code d. HSN: Harmonized System of Nomenclature e. POS: Place of Supply (Respective State) f. B to B: From one registered person to another registered person g. B to C: From registered person to unregistered person
2.	The details in GSTR-1 should be furnished by 10 th of the month succeeding the relevant tax period. (Refer Annexure ‘A’ for due dates extended from time to time).
3.	Aggregate turnover of the taxpayer for the immediate preceding financial year and first quarter of the current financial year shall be reported in the preliminary information in Table 3. This information would be required to be submitted by the taxpayers only in the first year. Quarterly turnover information shall not be captured in subsequent returns. Aggregate turnover shall be auto-populated in subsequent years.
4.	Invoice-level information pertaining to the tax period should be reported for all supplies as under: <ol style="list-style-type: none"> (i) For all B to B supplies (whether inter-State or intra-State), invoice level details, rate-wise, should be uploaded in Table 4, including supplies attracting reverse charge and those effected through e-commerce operator. Outwards supply information in these categories are to be furnished separately in the Table.

- (ii) For all inter-State B to C supplies, where invoice value is more than ₹ 2,50,000/- (B to C Large) invoice level details, rate-wise, should be uploaded in Table 5; and
- (iii) For all B to C supplies (whether inter-State or intra-State) where invoice value is up to ₹ 2,50,000/- State-wise summary of supplies, rate-wise, should be uploaded in Table 7.
5. Table 4 capturing information relating to B to B supplies should:
- (i) be captured in:
- a. Table 4A for supplies relating to other than reverse charge/ made through e-commerce operator, rate-wise;
- b. Table 4B for supplies attracting reverse charge, rate-wise; and
- c. Table 4C relating to supplies effected through e-commerce operator attracting collection of tax at source under section 52 of the Act, operator wise and rate-wise.
- (ii) Capture Place of Supply (PoS) only if the same is different from the location of the recipient.
6. Table 5 to capture information of B to C Large invoices and other information shall be similar to Table 4. The Place of Supply (PoS) column is mandatory in this table.
7. Table 6 to capture information related to: 10
- (i) Exports out of India
- (ii) Supplies to SEZ unit/ and SEZ developer
- (iii) Deemed Exports
8. Table 6 needs to capture information about shipping bill and its date. However, if the shipping bill details are not available, Table 6 will still accept the information. The same can be updated through submission of information in relation to amendment Table 9 in the tax period in which the details are available but before claiming any refund / rebate related to the said invoice. The detail of Shipping Bill shall be furnished in 13 digits capturing port code (six digits) followed by number of shipping bill.
9. Any supply made by SEZ to DTA, without the cover of a bill of entry is required to be reported by SEZ unit in GSTR-1. The supplies made by SEZ on cover of a bill of entry shall be reported also by DTA unit in its GSTR-2 as imports in GSTR-2. The liability for payment of IGST in respect of supply of services would, be created from this Table.
10. In case of export transactions, GSTIN of recipient will not be there. Hence it will remain blank.
11. Export transactions effected without payment of IGST (under Bond/ Letter of Undertaking (LUT)) needs to be reported under "0" tax amount heading in Table 6A and 6B.
12. Table 7 to capture information in respect of taxable supply of:

- (i) B to C supplies (whether inter-State or intra-State) with invoice value upto ₹ 2,50,000;
 - (ii) Taxable value net of debit/ credit note raised in a particular tax period and information pertaining to previous tax periods which was not reported earlier, shall be reported in Table 10. Negative value can be mentioned in this table, if required;
 - (iii) Transactions effected through e-commerce operator attracting collection of tax at source under section 52 of the Act to be provided operator wise and rate wise;
 - (iv) Table 7A (1) to capture gross intra-State supplies, rate-wise, including supplies made through e-commerce operator attracting collection of tax at source and Table 7A (2) to capture supplies made through e-commerce operator attracting collection of tax at source out of gross supplies reported in Table 7A (1);
 - (v) Table 7B (1) to capture gross inter-State supplies including supplies made through e-commerce operator attracting collection of tax at source and Table 7B (2) to capture supplies made through e-commerce operator attracting collection of tax at source out of gross supplies reported in Table 7B (1); and
 - (vi) Table 7B to capture information State wise and rate wise.
13. Table 9 to capture information of:
- (i) Amendments of B to B supplies reported in Table 4, B to C Large supplies reported in Table 5 and Supplies involving exports/ SEZ unit or SEZ developer/ deemed exports reported in Table 6;
 - (ii) Information to be captured rate-wise;
 - (iii) It also captures original information of debit / credit note issued and amendment to it reported in earlier tax periods; While furnishing information the original debit note/credit note, the details of invoice shall be mentioned in the first three columns, While furnishing revision of a debit note/credit note, the details of original debit note/credit note shall be mentioned in the first three columns of this Table,
 - (iv) Place of Supply (PoS) only if the same is different from the location of the recipient;
 - (v) Any debit/ credit note pertaining to invoices issued before the appointed day under the existing law also to be reported in this table; and
 - (vi) Shipping bill to be provided only in case of exports transactions amendment.
14. Table 10 is similar to Table 9 but captures amendment information related to B to C supplies and reported in Table 7.
15. Table 11A captures information related to advances received, rate-wise, in the tax period and tax to be paid thereon along with the respective PoS. It also includes information in Table 11B for adjustment of tax paid on advance received and reported in earlier tax periods against invoices issued in the current tax period. The details of

information relating to advances would be submitted only if the invoice has not been issued in the same tax period in which the advance was received. As per notification no. 66/2017-CT dated 15.11.2017, tax is not to be paid on advances received against goods.

Instruction 13(iv) Place of Supply (PoS) only if the same is different from the location of the recipient;

Suppose a supplier registered in Delhi providing service in relation to immovable property located in Gujarat to a recipient registered in Mumbai. Therefore, place of supply of service as per section 12 of IGST ACT, 2017 is Gujarat, in such case while filing return by the person registered in Delhi he has to mention that the place of supply for such service is Gujarat in the return in table 9 of GSTR1 presented as below:

9. Amendments to taxable outward supply details furnished in returns for earlier tax periods in Table 4, 5 and 6 [including debit notes, credit notes, refund vouchers issued during current period and amendments thereof]

Details of original document			Revised details of document or details of original Debit/Credit Notes or refund vouchers						Rate	Taxable Value	Amount				Place of supply
GSTIN	Inv. No.	Inv. Date	GSTIN	Invoice		Shipping bill		Value			Integrated Tax	Central Tax	State / UT Tax	Cess	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
9A. If the invoice/Shipping bill details furnished earlier were incorrect															
9B. Debit Notes/Credit Notes/Refund voucher [original]															
9C. Debit Notes/Credit Notes/Refund voucher [amendments thereof]															

Indication of HSN details

It is proposed that in the return the description of goods and services may not be required to be submitted by the taxpayer as the same will be identified through the submission of HSN code for goods and Accounting Code for services.

HSN code as specified below shall be furnished in **FORM GSTR-1**. In order to differentiate between the HSN code and the Service Accounting Code (SAC), the latter will be prefixed with "S". The taxpayers who have turnover below the limit of ₹ 1.5 Crore will have to mention the description of goods/service, as the case may be, wherever applicable.

Category of taxable person and turnover in the preceding financial year	Any taxpayer, irrespective of his turnover, may use HSN code at 6- digit or 8-digit level if he so desires.
Aggregate Turnover is < ₹ 1.5 crores	HSN/SAC is not mandatory for taxable person whose aggregate turnover is less than 1.5 crores. (Hence, composition dealers may not be required to specify HSN at 2-digit level also.)

Category of taxable person and turnover in the preceding financial year	Any taxpayer, irrespective of his turnover, may use HSN code at 6- digit or 8-digit level if he so desires.
	For exports 8 digit HSN is mandatory
Aggregate Turnover is ₹ 1.5 to ₹ 5 crores	HSN codes may be specified only at 2-digit chapter level as an optional exercise to start with. This would be mandatory from the second year of GST implementation For exports 8 digit HSN is mandatory SAC code is mandatory
Aggregate Turnover is > ₹ 5 crores	HSN – minimum of 4 digits – mandatory For exports 8 digit HSN is mandatory SAC code is mandatory
All exports included above categories	HSN Codes at 8-digit level

Relaxation during Transition

As per Press Information Bureau Government of India Ministry of Finance circular dated 18-June-2017. For the smooth transition, for the first two months tax would be payable on a simple return (Form GSTR-3B) containing summary of outwards and inwards supplies which will be submitted before 20th of the succeeding month. However, the time line for filing of various returns have been extended from time to time. Please refer Annexure A for various due date extensions in this regard.

No late fees and penalty would be levied for the interim period. This is intended to provide a sense of comfort to the taxpayers and give them an elbow room to attune themselves with the requirements of the changed system. This not only underlines the government's commitment towards ensuring that all the stakeholders are on board but also provides an opportunity to the taxpayers to be ready for compliance.

Late fees for failure to file GSTR-3B has been waived for the months of July 2017, August 2017 and September 2017. From October 2017, the late fees has been reduced to ₹25 per day (both under CGST and SGST/UTGST) and where the central tax payable is nil, the late fees is restricted to ₹ 10 per day (both under CGST and SGST/UTGST).

Statutory Provision

38. Furnishing details of inward supplies

- (1) *Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10, section 51 or section 52, shall verify, validate, modify or delete, if required, the details relating to outward supplies and credit or debit notes communicated under sub-section (1) of section 37 to prepare the details of his inward supplies and credit or debit notes and may include therein, the details of inward supplies and credit or debit notes received by*

him in respect of such supplies that have not been declared by the supplier under sub-section (1) of section 37.

- (2) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52, shall furnish, electronically, the details of inward supplies of taxable goods or services or both, including inward supplies of goods or services or both on which the tax is payable on reverse charge basis under this Act and inward supplies of goods or services or both taxable under the Integrated Goods and Services Tax Act or on which integrated goods and services tax is payable under section 3 of the Customs Tariff Act, 1975, and credit or debit notes received in respect of such supplies during a tax period after the tenth day but on or before the fifteenth day of the month succeeding the tax period in such FORM and manner as may be prescribed:

Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein:

Provided further that any extension of time limit notified by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be notified by the Commissioner

- (3) The details of supplies modified, deleted or included by the recipient and furnished under sub-section (2) shall be communicated to the supplier concerned in such manner and within such time as may be prescribed
- (4) The details of supplies modified, deleted or included by the recipient in the return furnished under sub-section (2) or sub-section (4) of section 39 shall be communicated to the supplier concerned in such manner and within such time as may be prescribed.
- (5) Any registered person, who has furnished the details under sub-section (2) for any tax period and which have remained unmatched under section 42 or section 43, shall, upon discovery of any error or omission therein, rectify such error or omission in the tax period during which such error or omission is noticed in such manner as may be prescribed, and shall pay the tax and interest, if any, in case there is a short payment of tax on account of such error or omission, in the return to be furnished for such tax period:

Provided that no rectification of error or omission in respect of the details furnished under sub-section (2) shall be allowed after furnishing of the return under section 39 for the month of September following the end of the financial year to which such details pertain, or furnishing of the relevant annual return, whichever is earlier

38.1 Introduction

This provision relates to furnishing of details of inward supplies by the recipient

38.2 Analysis

- (a) In respect of the return for outward supplies filed by the supplier of goods / services (under section 37) the receiver is required to match his receipts with the details of supplies filed by the supplier.

- (b) The process flow as envisaged requires that the details of outward supplies as filed by the supplier, shall be made available to the recipient of such supply in **Part A of FORM GSTR-2A** after the 10th day of the subsequent month. The receiver is required to – verify, validate, modify or even delete, if necessary – the details furnished by the suppliers.

Part B and **Part C** of the above Form GSTR-2A shall contain respectively details relating to ISD and Tax Deductions at Source and Tax Collections at Source

- (c) **Part A of FORM GSTR 2A** shall contain the following details on an auto-populated basis

S No	Content of FORM GSTR 1
3	Inward supplies received from a registered person other than the supplies attracting reverse charge
4	Inward supplies on which tax is to be paid on reverse charge
5	Debit / Credit notes (including amendments thereof) received during current tax period

- (d) The above details will then be validated by the recipient with reference to their records. Now, these details as accepted by the recipient will be filed by them in the Format i.e. **FORM GSTR-2** for inward supplies of the recipient.
- (e) This detail viz GSTR 2, must be filed by the recipient of (goods/services) supplies within **15 days** from the end of the relevant tax period. The Commissioner is empowered to notify any extension, for any class of taxable persons, with reasons to be recorded in writing. ***The filing of GSTR-2 has been suspended for the time being and the due dates shall be notified later on.***
- (f) Any modification, deletion or inclusion of inward supplies by the receiver in his inward return i.e. **FORM GSTR-2** shall be communicated to the Outward supplier which will be visible to them as GSTR 1A. ***This provision is not applicable as GSTR-2 is not to be filed till further notification is issued in this regard.***
- (g) GSTR 1A shall contain the following particulars auto drafted based on GSTR 2 filed by the recipient

S No	Content of GSTR 1A
3	Taxable outward supplies made to registered persons including supplies attracting reverse charge other than the supplies covered in Table No. 4
4	Zero rated supplies made to SEZ and deemed exports
5	Debit notes, credit notes (including amendments thereof) issued during current period

- (h) In case any error or omission is discovered in the course of matching as specified in the Act and discussed under Section 42 and 43, rectifications of the same shall be effected

and tax and interest, if any as applicable shall be paid on such corrections by the person responsible for filing the return of inward supplies

- (i) Such rectification, however, is not permitted after filing of annual return or the return for the month of September of the following financial year to which the details pertain whichever is earlier.

Components of valid GST Return for Inward Supplies received by the Taxpayer (GSTR-2):

The information submitted in GSTR-1 by the Counterparty Supplier of the taxpayer will be auto-populated in the concerned tables of GSTR-2A. The same may be modified i.e. added or deleted by the Taxpayer. After modification in GSTR-2A, the **FORM GSTR-2** shall be prepared. The recipient would be permitted to add invoices (not uploaded by the counterparty supplier) if he is in possession of invoices and has received the goods or services.

1. Basic details of the Taxpayer i.e. Name along with GSTIN
2. Period to which the Return pertains
3. Final invoice-level inward supply information pertaining to the tax period for goods and services separately

Instructions

1. Terms used:
 - a. GSTIN: Goods and Services Tax Identification Number
 - b. UIN: Unique Identity Number
 - c. UQC: Unit Quantity Code
 - d. HSN: Harmonized System of Nomenclature
 - e. POS: Place of Supply (Respective State)
 - f. B to B: From one registered person to another registered person
 - g. B to C: From registered person to unregistered person
2. Table 3 & 4 to capture information of:
 - (i) Invoice-level inward supply information, rate-wise, pertaining to the tax period reported by supplier in GSTR-1 to be made available in GSTR-2 based on auto-populated details received in GSTR-2A;
 - (ii) Table 3 to capture inward supplies other than those attracting reverse charge and Table 4 to capture inward supplies attracting reverse charge;
 - (iii) The recipient taxpayer has the following option to act on the auto populated information:
 - a. Accept,
 - b. Reject,

- c. Modify (if information provided by supplier is incorrect), or
 - d. Keep the transaction pending for action (if goods or services have not been received)
- (iv) After taking the action, recipient taxpayer will have to mention whether he is eligible to avail credit or not and if he is eligible to avail credit, then the amount of eligible credit against the tax mentioned in the invoice needs to be filed;
 - (v) The recipient taxpayer can also add invoices (not uploaded by the counterparty supplier) if he is in possession of invoices and have received the goods or services;
 - (vi) Table 4A to be auto populated;
 - (vii) In case of invoices added by recipient tax payer, Place of Supply (PoS) to be captured always except in case of supplies received from registered person, where it is required only if the same is different from the location of the recipient;
 - (viii) Recipient will have the option to accept invoices auto populated as well as add invoices, pertaining to reverse charge only when the time of supply arises in terms of section 12 or 13 of the Act; and
 - (ix) Recipient tax payer is required to declare in Column No. 12 whether the inward supplies are inputs or input services or capital goods (including plant and machinery).
3. Details relating to import of Goods/Capital Goods from outside India as well as supplied by an SEZ Unit to be reported rate-wise by recipient tax payer in Table 5.
 4. Recipient to provide for Bill of Entry information including six digits port code and seven digits bill of entry number.
 5. Taxable Value in Table 5 means assessable value for customs purposes on which IGST is computed (IGST is levied on value plus specified customs duties). In case of imports, the GSTIN would be of recipient tax payer.
 6. Table 6 to capture amendment of information, rate-wise, provided in earlier tax periods in Table 3, 4 and 5 as well as original/ amended information of debit or credit note. GSTIN not to be provided in case of export transactions.
 7. Table 7 captures information on a gross value level.
 8. An option similar to Table 3 is not available in case of Table 8 and the credit as distributed by ISD (whether eligible or ineligible) will be made available to the recipient unit and it will be required to re-determine the eligibility as well as the amount eligible as ITC.
 9. TDS and TCS credit would be auto-populated in Table 9. Sales return and Net value columns are not applicable in case of tax deducted at source in Table 9.
 10. The eligible credit from Table 3, Table 4 & Table 8 relating to inward supplies to be populated in the Electronic Credit Ledger on submission of its return in Form GSTR-3.

11. Recipient can claim less ITC on an invoice depending on its use i.e. whether for business purpose or non-business purpose.
12. Information of advance paid pertaining to reverse charge supplies and the tax paid on it including adjustments against invoices issued should be reported in Table 10.
13. Table 12 to capture additional liability due to mismatch as well as reduction in output liability due to rectification of mismatch on account of filing of GSTR-3 of the immediately preceding tax period.
14. Reporting criteria of HSN will be same as reported in GSTR-1.

Auto-Population in this return from GSTR-1 will be done on or after 11th of the succeeding month in GSTR-2A. Verification, modification or Deletion of the invoice or Credit Note/Debit Note in GSTR-2A by the taxpayer will be permitted upto 15th of the succeeding month. Addition of Inward supplies would also be permitted upto 15th of the succeeding month. Due date for filing of GSTR-2 shall be notified subsequently.

Rule 60 – Form and Manner of Furnishing details of inward supplies

(1) Every registered person required to furnish the details of inward supplies of goods or services or both received during a tax period under sub-section (2) of section 38 shall, on the basis of details contained in **Part A, Part B and Part C** of **FORM GSTR-2A**, prepare such details as specified in sub-section (1) of the said section and furnish the same in **FORM GSTR-2** electronically through the Common Portal, either directly or from a Facilitation Centre notified by the Commissioner, after including therein details of such other inward supplies, if any, required to be furnished under sub-section (2) of section 38.

(2) Every registered person shall furnish the details, if any, required under sub-section (5) of section 38 electronically in **FORM GSTR-2**.

(3) The registered person shall specify the inward supplies in respect of which he is not eligible, either fully or partially, for input tax credit in **FORM GSTR-2** where such eligibility can be determined at the invoice level.

(4) The registered person shall declare the quantum of ineligible input tax credit on inward supplies which is relatable to non-taxable supplies or for purposes other than business and cannot be determined at the invoice level in **FORM GSTR-2**.

(4A) The details of invoices furnished by a non-resident taxable person in his return in FORM GSTR-5 under rule 63 shall be made available to the recipient of credit in Part A of FORM GSTR 2A electronically through the common portal and the said recipient may include the same in FORM GSTR-2.

(5) The details of invoices furnished by an Input Service Distributor in his return in **FORM GSTR-6** under Rule 65 shall be made available to the recipient of credit in **Part B** of **FORM GSTR-2A** electronically through the Common Portal and the said recipient may include the same in **FORM GSTR-2**.

(6) The details of tax deducted at source furnished by the deductor under sub-section (3) of section 39 in **FORM GSTR-7** shall be made available to the deductee in **Part C** of **FORM GSTR-2A** electronically through the Common Portal and the said deductee may include the same in **FORM GSTR-2**. Provisions relating to tax deduction at source have been postponed till 31st March, 2018.

(7) The details of tax collected at source furnished by an e-commerce operator under section 52 in **FORM GSTR-8** shall be made available to the concerned person in **Part C** of **FORM GSTR-2A** electronically through the Common Portal and such taxable person may include the same in **FORM GSTR-2**. (Provisions relating to tax deduction at source have been postponed till 31st March, 2018.)

(8) The details of inward supplies of goods or services or both furnished in **FORM GSTR-2** shall include, inter-alia:

- (a) invoice wise details of all inter-State and intra-State supplies received from registered persons or unregistered persons;
- (b) import of goods and services made; and
- (c) debit and credit notes, if any, received from supplier.

(A) In case of Intra State Supply:

Mr. A carried out following transactions during tax period-

SI No	Buyer	Registered or not	Invoice value	Rate of tax
1	B	YES	1000	5%
2	C	NO	25000	5%
3	D	NO	5000	5%
4	E	NO	15000	12%
5	F	NO	300000	12%

Seller	Registration Status	Value of invoice		Invoice no	Value	Tax
B	Registered	1000	Then invoice wise details of each invoice irrespective of invoice amount	yes	yes	yes

C	Unregistered	25000	Consolidated details of Each rate of tax-5%		₹30000	
D	Unregistered	5000				
E	Unregistered	15000	Consolidate details of rate of tax of 12%		₹315000	
F	Unregistered	300000				

(B) In case of Inter State Supply-

Mr. A carried out following transactions during tax period

Sl. No.	Buyer	Registered or not	State	Invoice value	Rate of tax
1	Raj	YES	Maharashtra	1000	5%
2	Kamal	NO	Gujarat	150000	12%
3	Hirabai	NO	Gujarat	50000	5%
4	Modi	NO	Gujarat	150000	5%
5	Josef	NO	Goa	350000	5%

Seller	Registration Status	Value of invoice		Invoice no	Value	Tax
Raj	Registered	1,000	Then invoice wise details of each invoice irrespective of invoice amount	Yes	Yes	Yes
Kamal	Unregistered	1,50,000	Consolidated details of Each rate of tax-12% for each state		₹ 1,50,000	
Hirabai	Unregistered	50,000	Consolidate details of rate of tax of 5% for each state i.e Gujarat			
Modi	Unregistered	1,50,000			2,00,000	
Josef	Unregistered	3,50,000	As value is more than 2.5 lacs, individual details of invoice	Yes	3,50,000	yes

Rule 82. Details of inward supplies of persons having Unique Identity Number

(1) Every person, who has been issued a Unique Identity Number and claims refund of the taxes paid on his inward supplies, shall furnish the details of such supplies of taxable goods or services or both in **FORM GSTR-11** along with application for such refund claim either directly or through a Facilitation Centre, notified by the Commissioner.

(2) Every person, who has been issued a Unique Identity Number for purposes other than refund of the taxes paid, shall furnish the details of inward supplies of taxable goods or services or both as may be required by the proper officer in **FORM GSTR-11**.

Statutory Provision**39. Returns**

- (1) *Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10, section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such FORM and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed, on or before the twentieth day of the month succeeding such calendar month or part thereof.*
- (2) *A registered taxable person paying tax under the provisions of section 10 shall, for each quarter or part thereof, furnish, in such FORM and manner as may be prescribed, a return, electronically, of turnover in the state or union territory, inward supplies of goods or services or both, tax payable and tax paid within eighteen days after the end of such quarter.*
- (3) *Every registered person required to deduct tax at source under the provisions of section 51 shall furnish, in such form and manner as may be prescribed, a return, electronically, for the month in which such deductions have been made within ten days after the end of such month.*
- (4) *Every taxable person registered as an Input Service Distributor shall, for every calendar month or part thereof, furnish, in such form and in such manner as may be prescribed, a return, electronically, within thirteen days after the end of such month.*
- (5) *Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, within twenty days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier.*
- (6) *The Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of registered persons as may be specified therein*

Provided that any extension of time limit notified by the Commissioner of State tax or Union territory tax shall be deemed to be notified by the Commissioner.

- (7) Every registered person, who is required to furnish a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (5), shall pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return.
- (8) Every registered person who is required to furnish a return under sub-section (1) or sub-section (2) shall furnish a return for every tax period whether or not any supplies of goods or services or both have been made during such tax period.
- (9) Subject to the provisions of sections 37 and 38, if any registered person after furnishing a return under sub-section (1) or sub-section (2) or sub-section (3) or sub-section (4) or sub-section (5) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the return to be furnished for the month or quarter during which such omission or incorrect particulars are noticed, subject to payment of interest under this Act:
- Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of return for the month of September or second quarter following the end of the financial year, or the actual date of furnishing of relevant annual return, whichever is earlier.*
10. A registered person shall not be allowed to furnish a return for a tax period if the return for any of the previous tax periods has not been furnished by him.

39.1 Analysis

This section deals with filing of GST Return under various class of registered persons

A. Return and due dates for payment of tax and filing of return for the registered person

Section Ref – (A)	Person Liable – (B)	FORM – (C)	CGST Rule – (D)	Due date for payment of tax – (E)	Due Date for filing of return - (F)	Periodicity – (G)
39(1)	Regular Taxpayers (other than registered person covered under subsection 2, 3,4 & 5 of Section 39)	GSTR-3	Rule – 61	On or before the due date of filing of return – Ref column (F)	On or before 20 th of the month succeeding such calendar month	Monthly
39(2)	Composite Taxable persons	GSTR-4	Rule – 62	On or before the due date	Within 18 th days after end of	Quarterly

				of filing of return – Ref column (F)	such quarter	
39(3)	Any Registered person who is liable to deduct tax under section 51	GSTR-7	Rule – 66	On or before the due date of filing of return – Ref column (F)	On or before 10 th of the month succeeding such calendar month	Monthly
39(4)	Input Service Distributor	GSTR-6	Rule – 65		On or before 13 th of the month succeeding such calendar month	Monthly
39(5)	Non-Resident Taxable person	GSTR-5	Rule – 63	On or before the due date of filing of return – Ref column (F)	Within 20 days end of the calendar month or within 7 days after the last day of the period of registration specified in Section 27(1) whichever is earlier	

B. The extension of time limit for furnishing the returns

The Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns for any class of registered persons.

Extension of time limit notified by the State/UT Commissioner shall be deemed to be notified by CGST Commissioner. Refer Annexure 'A' for extension of due dates of various returns under this section.

C. Mandatory to file returns

Every Registered person covered under section 39(1) & 39(2) shall furnish a return for every tax period whether or not any supplies of goods and/or services have been effected during such tax period.

In other words, the registered person covered under Section 39(1) and 39(2) are obliged to file "NIL RETURN" even when there is no transaction effected by them in any tax period.

D. Omission and Rectification

- (i) All registered person who are required to file a return under Section 39(1), 39(2), 39(3), 39(4) & 39 (5) are allowed to rectify any omission or incorrect filed in the return.
- (ii) Any omission or incorrect particulars therein, can be rectified in the return to be filed for the month or quarter, during which such omission or incorrect particulars are noticed, subject to payment of specified interest as applicable.
- (iii) Such rectification cannot be done when omission or incorrect particulars are discovered as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities,
- (iv) No such rectification of any omission or incorrect particulars shall be allowed after the due date for filing of return for the month of September or second quarter following the end of the financial year, or the actual date of filing of relevant annual return, whichever is earlier.

E. Non-submission of previous tax period returns

The registered person shall not be allowed to furnish a return for a tax period if the returns for any pervious tax periods has not been furnished him.

F. Monthly return on the basis of finalization of details of outward supplies (FORM GSTR-1) and inward supplies (FORM GSTR-2)**Return of regular taxpayer**

- (i) Every registered taxable person shall file his return in **FORM GSTR-3** other than a taxable person registered under section 10 i.e. composition dealer, or under section 51 i.e. deductor of tax at source or section 52 i.e. a person liable to collect tax at source or an Input Service Distributor or a non-resident taxable person.
- (ii) For every calendar month the registered person shall furnish return in **FORM GSTR-3** electronically in the common portal: and it shall contain
 - (a) inward and outward supplies of goods and/or services,
 - (b) input tax credit availed,
 - (c) tax payable,
 - (d) tax paid and
 - (e) other as may be prescribed

This return should be filed on or before 20th of the month succeeding such calendar month or part thereof. Notification shall be issued later on for filing of GSTR-3.

Contents of FORM GSTR-3:

FORM GSTR-3 return shall capture the following information:

1. Basic details of the Taxpayer i.e. Name and Address along with GSTIN
2. Period to which the Return pertains

3. Turnover Details including Gross Turnover, Export Turnover, Exempted Domestic Turnover, Nil Rated Domestic Turnover, Non GST Turnover and Net Taxable Turnover
4. Final aggregate level outward and inward supply information. These details will be auto-populated from **FORM GSTR-1** and **FORM GSTR-2**.
5. There will be separate tables for calculating tax amounts on outward and inward supplies based on the information contained in various tables in the **FORM GSTR-3** return.
6. There will be a separate table for capturing the TDS credit received and which has been credited to his cash ledger (the deductee).
7. Tax liability under CGST, SGST, IGST and cess if any
8. Details regarding revision of invoices relating to outward and inward supplies
9. Details of other liabilities (i.e. Interest, Penalty, Fee, others etc.).
10. Information about ITC ledger, Cash ledger and Liability ledger (these are running electronic ledgers maintained on the dashboard of taxpayer by GSTN). These would be updated in real time on an activity in connection with these ledgers by the taxpayer. Both the ITC ledger and the cash ledger will be utilized by the taxpayer for discharging the tax liabilities of the returns and others. Details in these ledgers will get auto-populated from previous tax period return (irrespective of mode of filing return i.e. online/ offline utility)
11. Details of ITC utilized against tax liability of CGST, SGST and IGST on supplies of goods and services.
12. Net tax payable under CGST, SGST, IGST and cess if any.
13. Details of the payment of tax under various tax heads of CGST, SGST, IGST and cess if any, separately would be populated from the debit entry in Credit/Cash ledger. GST Law may have provision for maintaining four heads of account for CGST, SGST, IGST and cess if any and at associated minor heads for interest, penalty, fee and others. Excess payment, if any, will be carried forward to the next return period. The taxpayer will have the option of claiming refund of excess payment through the return for which appropriate field will be Provided in the return FORM. The return FORM would display all bank account numbers mentioned in the registration, out of which one will be selected by the taxpayer to which the refund will be credited.
14. Details of other payments - Interest/Penalties/Fee/Others, etc. This will be auto-populated from the Debit entry in Cash ledger irrespective of mode of filing i.e. online / offline utility.
15. Details of ITC balance (CGST, SGST and IGST) at the end of the tax period will be auto-populated in the ITC ledger irrespective of mode of filing return. In case of net exporter or taxpayers dealing with inverted duty structure or similar other cases, where input tax credit is greater than output tax due on supply, the taxpayer would be eligible

for refund. The return would have a field to enable the tax payer to claim the refund or to carry forward the ITC balance (CGST, SGST and IGST). The return form should display all bank account numbers mentioned in the registration, out of which one will be selected by the taxpayer to which the refund will be credited. To begin with GST law may provide that the refund will be processed quarterly.

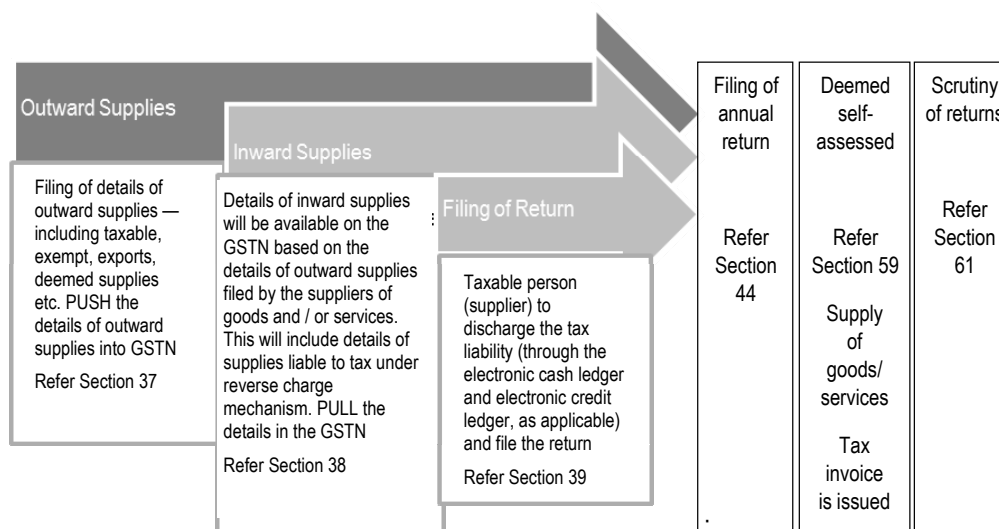
16. Details of cash balance (CGST, SGST, IGST and cess) in personal ledger at the end of the tax period (this will be auto-populated irrespective of mode of filing return).
17. Information regarding quantity of goods (as per Unique Quantity Code) supplied will not be contained in the monthly return. However, the same would be submitted by the taxpayer in the annual return.

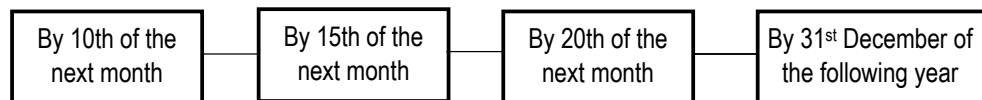
The return (**FORM GSTR-3**) would be entirely auto-populated through **FORM GSTR-1** (of counterparty suppliers), own **FORM GSTR-2**, ISD return (**FORM GSTR-6**) (of Input Service Distributor), TDS return (**FORM GSTR-7**) (of counterparty deductor), own ITC Ledger, own cash ledger, own Tax Liability ledger. However, the taxpayer may be allowed to fill the missing details to begin with.

The return would be filed by 20th of the succeeding month. However, filing of GSTR-3 has been deferred for the time being till a future date to be notified by the Commissioner. Late filing would be permitted on payment of late fees only.

1. Valid Return

Three returns are involved with respect to inward / outward supplies for each tax period. The following chart may be referred to in this regard





Note: Refer Annexure A for due dates for filing GSTR-1 as extended by the Commissioner. Due dates for furnishing of GSTR-2 and GSTR-3 shall be notified later on.

Rule 61. Form and manner of submission of monthly return

1. Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under section 10 or section 51 or, as the case may be, under section 52 shall furnish a return specified under sub-section (1) of section 39 in **FORM GSTR-3** electronically through the Common Portal either directly or through a Facilitation Centre notified by the Commissioner.
2. Part A of the return under sub-rule (1) shall be electronically generated on the basis of information furnished through returns in **FORM GSTR-1**, **FORM GSTR-2** and based on other liabilities of preceding tax periods.
3. Every registered person furnishing the return under sub-rule (1) shall, subject to the provisions of section 49, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules by debiting the electronic cash ledger or electronic credit ledger and include the details in **Part B** of the return in **FORM GSTR-3**.
4. A registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of sub-section (6) of section 49, may claim such refund in **Part B** of the return in **FORM GSTR-3** and such return shall be deemed to be an application filed under section 54.
5. Where the time limit for furnishing of details in **FORM GSTR-1** under section 37 and in **FORM GSTR-2** under section 38 has been extended, return in **FORM GSTR-3B**, in lieu of **FORM GSTR-3**, may be furnished in such manner as may be notified by the Commissioner.
6. Where a return in FORM GSTR-3B has been furnished, after the due date for furnishing of details in FORM GSTR-2—
 - (a) Part A of the return in FORM GSTR-3 shall be electronically generated on the basis of information furnished through FORM GSTR-1, FORM GSTR-2 and based on other liabilities of preceding tax periods and PART B of the said return shall be electronically generated on the basis of the return in FORM GSTR-3B furnished in respect of the tax period;
 - (b) the registered person shall modify Part B of the return in FORM GSTR-3 based on the discrepancies, if any, between the return in FORM GSTR-3B and the return in FORM GSTR-3 and discharge his tax and other liabilities, if any; (c) where the amount of input tax credit in FORM GSTR-3 exceeds the amount of input tax credit in terms of

FORM GSTR-3B, the additional amount shall be credited to the electronic credit ledger of the registered person.

G. Quarterly return by the composition supplier

(i) Registered persons paying tax under composition scheme shall furnish a return in **FORM GSTR-4** for each quarter, electronically, within 18 days after the end of such quarter: The **FORM GSTR-4** shall be prepared on the basis of the **FORM GSTR-4A** made available to him through the common portal. Refer Annexure A for due dates of filing return in GSTR-4 as extended from time to time.

(ii) **Rule 62 - Form and manner of submission of quarterly return by the composition supplier**

(1) Every registered person paying tax under section 10 shall, after adding, correcting or deleting the details in **FORM GSTR-4A**, furnish a quarterly return in **FORM GSTR-4** electronically through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner.

(2) Every registered person furnishing the return under sub-rule (1) shall discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act or these rules by debiting the electronic cash ledger.

(3) The return furnished under sub-rule (1) shall include, inter-alia:

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

(b) import of goods and services made;

(c) consolidated details of outward supplies made; and

(d) debit and credit notes issued and received, if any;

(4) A registered person who has opted to pay tax under section 10 from the beginning of a financial year, shall furnish the details of outward and inward supplies and return under rule 59, rule 60 and rule 61 relating to the period during which the person was liable to furnish such details and returns till the due date of furnishing the return for the month of September of the succeeding financial year or furnishing of annual return of the preceding financial year, whichever is earlier.

H. Furnishing Return by any registered person who is liable to deduct tax at source

I. (Provisions relating to deduction of tax at source have been postponed till 1st of April 2018. As such, all the provisions relating to deduction of tax at source are not applicable till the 31st day of March 2018)

(i) Registered person required to deduct tax at source shall furnish a return in **FORM GSTR-7** electronically, for the month in which such deductions have been made along with the payment of tax so deducted, within 10 days after the end of such month. The details furnished by the taxable person required to deduct tax at source in **FORM GSTR-7** shall be made available to each of the supplier in Part-C of his **FORM GSTR-2A**.

(ii) **Contents of FORM GSTR – 7 (TDS Return)**

Refer discussion under section 51 with regard to deduction of tax at source.

The return shall capture the following information:

1. Basic details of the Taxpayer i.e. Name along with GSTIN
2. Period to which the Return pertains
3. Details of GSTIN of the Supplier along with the invoices against which the Tax has been deducted. This will also contain the details of tax deducted against each major head i.e. CGST, SGST and IGST.
4. Details of other payments - Interest/Penalties/Fee/Others, etc. (This will be auto populated from the Debit entry in Cash ledger)

This return should be filed by 10th of the succeeding month.

(iii) **Rule 66 Form and manner of submission of return by a person required to deduct tax at source**

- (1) Every registered person required to deduct tax at source under section 51 shall furnish a return in **FORM GSTR-7** electronically through the Common Portal either directly or from a Facilitation Centre notified by the Commissioner.
- (2) The details furnished by the deductor under sub-rule (1) shall be made available electronically to each of the suppliers in Part C of **FORM GSTR-2A** on the Common Portal after the due date of filing of **FORM GSTR-7**.
- (3) The certificate referred to in sub-section (3) of section 51 shall be made available electronically to the deductee on the Common Portal in **FORM GSTR-7A** on the basis of the return furnished under sub-rule (1).

J. Furnishing of return by Input Service Distributor(ISD)

- (i) Every Input Service Distributor(ISD) shall, for every calendar month or part thereof, furnish a return in **FORM GSTR-6** electronically within 13 days after the end of such month. Refer Annexure A for extension of due dates. The **FORM GSTR-6** shall be prepared on the basis of the **FORM GSTR-6A** made available to him through the common portal. The details of **FORM GSTR-6A** shall be verified, added, corrected or deleted for the purpose of preparing **FORM GSTR-6**.

(ii) **Content of GSTR – 6 (Return for ISD)**

Refer discussion under section 20 with regard to distribution of credit by Input Service Distributor.

The return shall capture the following information:

1. Basic details of the Taxpayer i.e. Name along with GSTIN
2. Period to which the Return pertains

3. Final invoice-level inward supply information pertaining to the tax period separately for goods and services on which the ITC is being claimed. This will be auto populated on the basis of **FORM GSTR-1** filed by the Counterparty Supplier of the taxpayer. The same may be modified i.e. added or deleted by the Taxpayer while filing the ISD return. The recipient would be permitted to add invoices (not uploaded by the counterparty supplier) if he is in possession of invoices and has received the services.
4. Details of the Invoices along with the GSTIN of the receiver of the credit i.e. to whom the ISD is distributing credit.
5. There will be separate ISD Ledger in the return that will detail the Opening Balance of ITC (to be auto- populated on the basis of previous return), credit for ITC services received, debit for ITC reversal and ITC distributed and Closing Balance.

This return should be filed by 13th day of the succeeding month. **(Refer Annexure A for extension of due dates.)**

(iii) **Rule 65. Form and manner of submission of return by an Input Service Distributor**

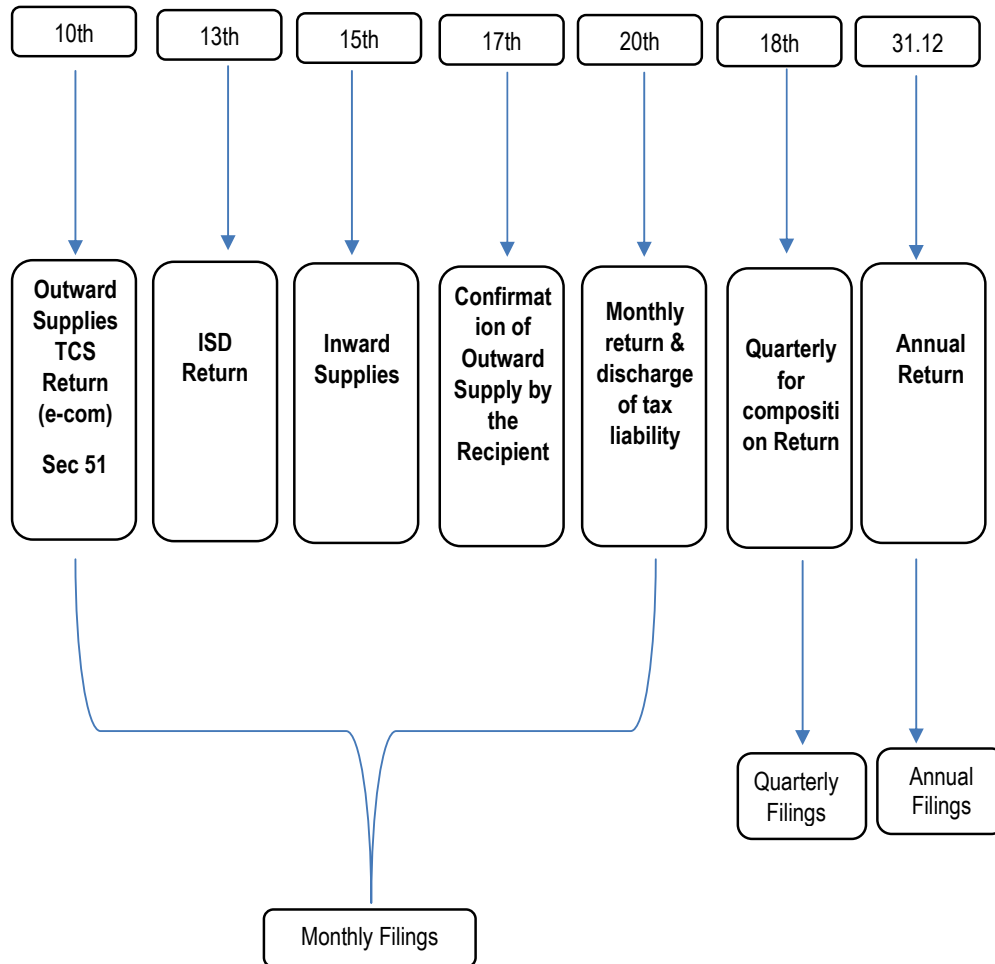
Every Input Service Distributor shall, after adding, correcting or deleting the details contained in **FORM GSTR-6A**, furnish electronically a return in **FORM GSTR-6**, containing the details of tax invoices on which credit has been received and those issued under section 20, through the Common Portal either directly or from a Facilitation Centre notified by the Commissioner.

K. Furnishing of return by Non-Resident Taxable Person

- (i) Every registered non-resident taxable person shall, for every calendar month or part thereof, furnish **FORM GSTR-5** electronically, within twenty days after the end of a calendar month or within seven days after the last day of the period of registration specified under sub-section (1) of section 27, whichever is earlier. Refer Annexure A for extension of due dates.

(ii) **Rule 63 Form and manner of submission of return by non-resident taxable person**

Every registered non-resident taxable person shall furnish a return in **FORM GSTR-5** electronically through the Common Portal, either directly or through a Facilitation Centre notified by the Commissioner, including therein the details of outward supplies and inward supplies and shall pay the tax, interest, penalty, fees or any other amount payable under the Act or these rules within twenty days after the end of a tax period or within seven days after the last day of the validity period of registration, whichever is earlier. **(Refer Annexure A for extension of due dates.)**

Summary of due of Filing of various returns

If the Process “Return Filing” must be understood with due focus on practical aspects, the following Transaction Flow will help.

Steps for Return Filing

Step 1: The taxpayer will upload the final **FORM GSTR-1** return in the Common Portal or by uploading the file containing the said **FORM GSTR-1** return FORM through Apps by 10th day of month succeeding the month during which supplies has been made. Refer Annexure ‘A’ for extension of due dates of filing various returns. The increase / decrease (in supply invoices) would be allowed, only on the basis of the details uploaded by the counter-party purchaser in **FORM GSTR-2**, upto 17th day of the month. (i.e. within a period of 7 days). (**Refer Note No. 1**

given at the end of this chapter and the information given in steps 2 to 8 in consonance with Note No. 1).

In other words, the supplier would not be allowed to include any missing invoices on his own after 10th day of the month.

GSTN will facilitate periodic (may be daily, weekly etc.) upload of such information to minimize last minute load on the system. GSTN will facilitate offline preparation of **FORM GSTR-1**.

Step 2: GST Common Portal (GSTN) will auto-populate **FORM GSTR-2A** of the registered person based on the supply invoice details reported by the counter-party registered person (supplier) on a near real-time basis.

Step 3: Recipient will accept / reject/ modify such auto-populated **FORM GSTR-2A**. (A registered person will have the option to download his provisional purchase statement from the Portal or through Apps using Application Programming Interface (APIs) and update / modify it off-line).

Step 4: Recipient will also be able to add additional purchase invoice details in his **FORM GSTR-2** which have not been uploaded by counter-party registered person (supplier) as described in Step 1 and 2 above, provided he is in possession of valid invoice issued by counter-party registered person and he has received such supplies.

Step 5: Recipient will have the option to do reconciliation of inward supplies with counter-party registered person (suppliers) during the next 7 days by following up with their counter-party registered person for any missing supply invoices in the **FORM GSTR-1** of the counter-party registered person, and prompt them to accept the same as uploaded by the Recipient. All the invoices would be auto-populated in the ITC ledger of Recipient. The Recipient would, however, indicate the eligibility / partial eligibility for ITC in those cases where either he is not entitled or he is entitled for partial ITC.

Step 6: The registered person will finalize their **FORM GSTR-1** and **FORM GSTR-2** by using online facility at Common Portal or using GSTN compliant off-line facility in their accounting applications, determine the liability on their supplies, determine the amount of eligible ITC on their purchases and then generate the net tax liability from the system for each type of tax. Cash details as per personal ledger/ carried forward from previous tax period, ITC carried forward from previous tax period, ITC reversal and associated Interest/Penalty, taxes paid during the current tax period etc. would get auto-populated in the **FORM GSTR-3**.

Step 7: Taxpayers will pay the amount as shown in the **FORM GSTR-3** return generated automatically at the Portal post finalization of activities mentioned in Step 6 above.

Step 8: Taxpayer will debit the ITC ledger and cash ledger and mention the debit entry No. in the **FORM GSTR-3** return and would submit the same.

Statutory provision**40. First Return**

Every registered person who has made outward supplies in the period between the date on which he became liable to registration till the date on which registration has been granted shall declare the same in the first return furnished by him after grant of registration.

40.1 Analysis

First Return - After obtaining registration, the taxable person is required to file his very first return. This section provides for the aspects that need to be considered while filing this first return, namely:

Transaction to be reported	Consideration involved
Outward supplies	From date on which he becomes liable to get registered till the date on which registration is granted

40.2 FAQs

Q1. From when do the first returns needs to be filed by taxable person in respect of outwards supplies?

Ans. First returns of outwards supplies needs to be filed from the date on which he became liable to registration till the end of the month in which the registration has been granted.

Q2. From when do the first returns needs to be filed by taxable person in respect of inward supplies?

Ans. First return of inward supplies needs to be filed from the effective date of registration till the end of the month in which the registration has been granted

Statutory provision**41. Claim of input tax credit and provisional acceptance thereof**

1. *Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take the credit of eligible input tax, as self-assessed, in his return and such amount shall be credited on a provisional basis to his electronic credit ledger.*

2. *The credit referred to in sub section (1) shall be utilised only for payment of self-assessed output tax liability as per the return referred to in the said sub-section.*

41.1 Introduction

This Section relates to claim of input tax credit and its provisional acceptance.

41.2 Analysis

All registered person shall be eligible to avail eligible input tax credit on self-assessment basis.

Such amount shall be credited to his electronic credit ledger

This self-assessed input tax credit shall be utilised only for payment of self-assessed output tax.

Statutory provision

42. Matching, reversal and reclaim of input tax credit

- (1) *The details of every inward supply furnished by a registered person (hereafter in this section referred to as the “recipient”) for a tax period shall, in such manner and within such time as may be prescribed, be matched-*
 - (a) *with the corresponding details of outward supply furnished by the corresponding registered person (hereafter in this section referred to as the “supplier”) in his valid return for the same tax period or any preceding tax period,*
 - (b) *with the integrated goods and services tax paid under section 3 of the Customs Tariff Act, 1975 in respect of goods imported by him, and*
 - (c) *for duplication of claims of input tax credit.*
- (2) *The claim of input tax credit in respect of invoices or debit notes relating to inward supply that match with the details of corresponding outward supply or with the integrated goods and services tax paid under section 3 of the Customs Tariff Act, 1975 in respect of goods imported by him shall be finally accepted and such acceptance shall be communicated, in such manner as may be prescribed, to the recipient.*
- (3) *Where the input tax credit claimed by a recipient in respect of an inward supply is in excess of the tax declared by the supplier for the same supply or the outward supply is not declared by the supplier in his valid returns, the discrepancy shall be communicated to both such persons in such manner as may be prescribed.*
- (4) *The duplication of claims of input tax credit shall be communicated to the recipient in such manner as may be prescribed.*
- (5) *The amount in respect of which any discrepancy is communicated under subsection (3) and which is not rectified by the supplier in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the recipient, in such manner as may be prescribed, in his return for the month succeeding the month in which the discrepancy is communicated.*
- (6) *The amount claimed as input tax credit that is found to be in excess on account of duplication of claims shall be added to the output tax liability of the recipient in his return for the month in which the duplication is communicated.*
- (7) *The recipient shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5), if the supplier declares the details of the invoice or debit note in his valid return within the time specified in sub-section (9) of section 39.*
- (8) *A recipient in whose output tax liability any amount has been added under subsection*

(5) or sub-section (6), shall be liable to pay interest at the rate specified under subsection (1) of section 50 on the amount so added from the date of availing of credit till the corresponding additions are made under the said sub-sections.

- (9) Where any reduction in output tax liability is accepted under sub-section (7), the interest paid under sub-section (8) shall be refunded to the recipient by crediting the amount in the corresponding head of his electronic cash ledger in such manner as may be prescribed

Provided that the amount of interest to be credited in any case shall not exceed the amount of interest paid by the supplier.

- (10) The amount reduced from the output tax liability in contravention of the provisions of sub-section (7) shall be added to the output tax liability of the recipient in his return for the month in which such contravention takes place and such recipient shall be liable to pay interest on the amount so added at the rate specified in sub-section (3) of section 50.

42.1 Introduction

This provision relates to matching, reversal and reclaim of input tax credit. However, the provisions of section 42 shall not be applicable for the financial year 2017-18 due to deferment of filing of Form No. GSTR-2 and GSTR-3.

42.2 Analysis

A. Matching, reversal and reclaim envisages the following circumstances

Situation	Remarks
All Transactions where Input credit details of recipient are matched for output tax as stated by supplier and recipient	The transaction is treated as matched (see Para B below – Matched transactions)
Transactions where input credit as claimed by the recipient is less than the output tax as declared by the supplier in their return	The transaction is treated as matched (see Para B below – Matched transactions)
Transactions where the input tax credit is duplicated by the recipient	Shall be communicated to the registered person in FORM GST MIS 1 (see Para C below – Duplicated transactions of recipient)
Transactions where the claim for input tax credit is higher than the output tax as declared by the supplier	Shall be added to the output tax liability of the recipient (See Para D below)
Transactions where the claim for input tax credit is higher than the output tax as declared by the supplier because the supplier has not furnished a particular transaction	Shall be added to the output tax liability of the recipient (See Para D below)
Interest on such mismatched transactions	See Para E below

B. Matched Transactions

- (i) The details in a return of inward supplies of a recipient should be matched in prescribed time and manner
- With Outward supplies furnished by corresponding taxable person in his return (supplier)
 - With IGST paid on goods imported under Section 3 of the Customs Tariff Act 1975 which represents the Additional Duty of Customs (for which Credit was available under the erstwhile Central Excise Act)
 - To identify any duplicate claims of input tax credit

- (ii) When the claim for input tax credit in respect of inward supplies matches with the corresponding outward supply or IGST in respect of goods imported, the same shall be finally accepted and communicated to the recipient in the prescribed manner.

(iii) **Rule 69 of CGST Rules - Matching of claim of input tax credit**

The following details relating to the claim of input tax credit on inward supplies including IGST claimed on imports shall be matched after the due date for furnishing the return in **FORM GSTR-3** (Final return with payment of tax to be filed on or before 20th of the following month). Notification shall be issued later on for due date of filing GSTR-3. The matching is done for the following parameters based on the GSTIN of the Supplier and the recipient

- (a) GSTIN of the supplier;
- (b) GSTIN of the recipient;
- (c) Invoice/ or debit note number;
- (d) Invoice/ or debit note date;
- (e) taxable value; and
- (f) tax amount:

It may be noted that if the supplier has not paid the tax and / or not filed the return on or before the due date (or extended due date, if any), the return filed by him shall not be treated as a valid return for the purposes of the above matching exercise. The transactions between the parties interest, will be treated as unmatched

The rule provides for two specific circumstances, where the claims for input tax credit are treated as Matched

- (a) Where the claim of input tax credit in respect of invoices and debit notes in **FORM GSTR-2** that were accepted by the recipient on the basis of **FORM GSTR-2A** without amendment, if the corresponding supplier has furnished a valid return.
- (b) Where the amount of input tax credit claimed is equal to or less than the output tax paid on such tax invoice or debit note by the corresponding supplier.

Note :

However, where the time limit for furnishing **FORM GSTR-1** specified under section 37 and **FORM GSTR-2** specified under section 38 has been extended, the date of matching relating to claim of input tax credit shall also be extended accordingly.

(iv) Rule 70. Final acceptance of input tax credit and communication thereof

The final acceptance of claim of input tax credit in respect of any tax period, shall be made available electronically in **FORM GST MIS -1** through the Common Portal.

The claim of input tax credit in respect of any tax period which had been communicated as mismatched but is found to be matched after rectification by the supplier or recipient shall be finally accepted and made available electronically to the person making such claim in **FORM GST MIS - 1** through the Common Portal.

C. Duplicate Transactions

The duplication of claims of input tax credit shall be communicated to the recipient in such manner as stated below. Further, the amount claimed as input tax credit that is found to be in excess on account of such duplication of claims shall be added to the output tax liability of the recipient in his return for the month in which the duplication is communicated.

Rule 72. Claim of input tax credit on the same invoice more than once

Duplication of claims of input tax credit in the details of inward supplies shall be communicated to the registered person in **FORM GST MIS - 1** electronically through the Common Portal

D. Input tax claim is higher than output tax for a tax period as declared

Where the credit claimed in respect of inward supplies is in excess when compared to the tax declared by the supplier or where the supplier has not at all declared the outward supply in his return, the discrepancies will be communicated to both parties

When discrepancies communicated to the outward supplier are not rectified by supplier in a valid return for the month (not by revision of return for the month in which the discrepancy occurred within 17th), the tax amount involved will be added to the output liability of the recipient for the month succeeding the month in which the discrepancy is communicated

The recipient shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5), if the supplier declares the details of the invoice or debit note in his valid return furnished for the month during which such omission or incorrect particulars are noticed and interest is paid as required under this Act

Rule 71. Communication and rectification of discrepancy in claim of input tax credit and reversal of claim of input tax credit

Any discrepancy in the claim of input tax credit in respect of any tax period, specified in (iii) above and the details of output tax liable to be added by the recipient of supply as per (v) above on account of continuation of such discrepancy shall be made available to the registered person making such claim electronically in **FORM GST MIS -1** and to the supplier electronically in **FORM GST MIS-2** through the Common Portal on or before the last date of the month in which the matching has been carried out.

The supplier to whom discrepancy is made available as above may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

Similarly, a recipient to whom any discrepancy is made available as above may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available within the time permitted.

Where the discrepancy is not rectified by neither the supplier nor the recipient of supply, an amount to the extent of discrepancy shall be added to the output tax liability of the recipient in his return to be furnished in **FORM GSTR-3** for the month succeeding the month in which the discrepancy is made available.

Explanation 1. - Rectification by a supplier means adding or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient.

Explanation 2. - Rectification by the recipient means deleting or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

E. Interest on mismatched transactions

Recipient will be liable to payment of interest in every case when discrepancy is added for the period starting from the date of availing the credit till the corresponding additions are made.

If the supplier declares the details of invoice or debit note in his valid return filed within the time specified u/s 39(9) i.e. before the due date of filing of the return for the month of September of the subsequent financial year or filing of annual return whichever is earlier the recipient is eligible to reduce from his output tax liability the amount so added earlier.

In case of such reduction in output tax liability, he is entitled for refund of interest paid as per (vi) above. However, this interest shall not exceed the amount of interest paid by the supplier.

A Comprehensive Illustration

The recipient of supply has filed his return for the month of July, 2017 on 20th of August, 2017. The mismatch, not rectified either by recipient of supply or by the supplier shall be communicated to both on 31/08/2017.

The supplier ideally should make rectification in his statement of outwards supply for the month of August 2017. Similarly, the recipient may make rectification in the statement of inward supplies for the month of August, 2017. If neither of them rectify or only partially rectify the tax relating to unrectified value shall be added to the output tax liability of the recipient of supply in his return in **FORM GSTR-3** for the month of September 2017. Interest is to be paid on such addition.

However, if the supplier declares the invoice or debit note in any subsequent month but before the time limit prescribed, say in the month Jan 2018, the recipient of supply can reduce the relevant tax amount from the output tax liability for the month of January 2018. He is also eligible for the refund of interest paid earlier.

Example - 1

A Ltd supplies manufactured goods to B Ltd for ₹ 1000 in May 2017; CGST thereon is, say, ₹ 120. Unfortunately, A Ltd did not furnish these details in its outward supply to B Ltd.

While matching the credit, B Ltd failed to set this right and went ahead with credit claim and utilized the credit against CGST liability. Later, GST officer intimates this mismatch, say by August 2017. In the absence of A Ltd's due response, B Ltd may pay back the credit with interest (for wrong credit).

A Ltd rectifies the outward return with details omitted earlier, in October 2017. Accordingly, B Ltd can certainly take back the credit earlier reversed.

Example – 2

A Ltd, the supplier failed to furnish right details in time. B Ltd the recipient of supply had to pay back the credit utilised for mismatching credit figures, with interest.

Of late, A Ltd has corrected its returns reflecting B Ltd's name and interest for the same paid by A Ltd. B Ltd is entitled for the credit now; it is eligible to claim back the interest paid. This interest cannot exceed the interest paid by A Ltd.

Statutory Provision**43. Matching, reversal and reclaim of reduction in output tax liability**

- (1) *The details of every credit note relating to outward supply furnished by a registered person (hereinafter referred to in this section as the 'supplier') for a tax period shall, in such manner and within such time as may be prescribed, be matched -*
 - (a) *with the corresponding reduction in the claim for input tax credit by the corresponding registered person (hereinafter referred to in this section as the 'recipient') in his valid return for the same tax period or any subsequent tax period, and*
 - (b) *for duplication of claims for reduction in output tax liability.*
- (2) *The claim for reduction in output tax liability by the supplier that matches with the corresponding reduction in the claim for input tax credit by the recipient shall be finally accepted and communicated, in the manner as may be prescribed, to the supplier.*
- (3) *Where the reduction of output tax liability in respect of outward supplies exceeds the corresponding reduction in the claim for input tax credit or the corresponding credit note is not declared by the recipient in his valid returns, the discrepancy shall be communicated to both such persons in the manner as may be prescribed.*
- (4) *The duplication of claims for reduction in output tax liability shall be communicated to the supplier in such manner as may be prescribed.*
- (5) *The amount in respect of which any discrepancy is communicated under sub-section (3) and which is not rectified by the recipient in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the supplier, in*

such manner as may be prescribed, in his return for the month succeeding the month in which the discrepancy is communicated.

- (6) *The amount in respect of any reduction in output tax liability that is found to be on account of duplication of claims shall be added to the output tax liability of the supplier in his return for the month in which such duplication is communicated.*
- (7) *The supplier shall be eligible to reduce, from his output tax liability, the amount added under sub-section (5) if the recipient declares the details of the credit note in his valid return within the time specified in sub-section (9) of section 39.*
- (8) *A supplier in whose output tax liability any amount has been added under subsection (5) or sub-section (6), shall be liable to pay interest at the rate specified under subsection (1) of section 50 in respect of the amount so added from the date of such claim for reduction in the output tax liability till the corresponding additions are made under the said sub-sections..*
- (9) *Where any reduction in output tax liability is accepted under sub-section (7), the interest paid under sub-section (8) shall be refunded to the supplier by crediting the amount in the corresponding head of his electronic cash ledger in such manner as may be prescribed*
Provided that the amount of interest to be credited in any case shall not exceed the amount of interest paid by the recipient.
- (10) *The amount reduced from output tax liability in contravention of the provisions of sub-section (7) shall be added to the output tax liability of the supplier in his return for the month in which such contravention takes place and such supplier shall be liable to pay interest on the amount so added at the rate specified in sub-section (3) of section 50.*

43.1 Introduction

This provision relates to matching, reversal and reclaim of output tax liability caused by the issuance of a credit note. However, the provisions of section 43 shall not be applicable for the financial year 2017-18 due to deferment of filing of Form No. GSTR-2 and GSTR-3.

43.2 Analysis

- A. Issuance of Credit note for reduction in output tax liability
- (a) Where the output tax is reduced by outward supplier by issuing a credit note, details of every such credit note issued should be matched with the corresponding reduction in the credit by the recipient of the amount involved in the credit note in his valid return filed for the current or subsequent tax period. For example, a sale invoice at ₹ 150,000 was overstated by ₹ 50,000 for which a credit note was issued. This credit note should be accounted by the recipient in a valid return filed for the current or subsequent tax period
- (b) Similarly where the supplier has raised say, two invoices and has paid out put tax twice, where a credit note has been raised, the same shall also be accounted by the recipient. However if the recipient has accounted for the invoice only once, he need not account for the credit note

B. Communication of corrections and impact of corrections

Particulars	Communication
<p>When credit note and claim for reduction of output tax liability by the supplier matches with the corresponding reduction in input tax credit claim by the recipient or is lower than the ITC claim by the recipient for the said credit note</p> <p>Example A – both parties account for a credit note raised by the supplier, that results in lower of output tax liability and input tax credit by ₹ 10000</p> <p>Example B - A issues a credit note for ₹ 10000 reduction in output tax liability as compared to an reduction in input tax credit for ₹ 11000 by the recipient will also be treated as a matched transaction</p>	<p>The same will be accepted and communicated to the supplier in FORM GST MIS -3</p>
<p>When credit note and claim for reduction of output tax liability by the supplier exceeds, partly with the corresponding reduction in input tax credit by the recipient as declared in his returns</p> <p>Example where a credit note that results in the reduction of output tax liability for ₹ 10000 has been accounted for ₹ 4000 and stated as such in their return at ₹ 4000</p>	<p>The discrepancy will be communicated to both parties and shall be added to the output tax liability of the supplier for ₹ 6000, in the month in which the discrepancy is communicated in FORM GST MIS- 3 and FORM GST MIS- 4</p>
<p>When credit note and claim for reduction of output tax liability by the supplier exceeds, wholly with the corresponding reduction in input tax credit by the recipient as declared in his returns</p> <p>Example where a credit note that results in the reduction of output tax liability for ₹ 10000 has not been accounted at all or considered in his returns</p>	<p>The discrepancy will be communicated to both parties and shall be added to the output tax liability of the supplier for ₹ 10,000 in the month in which the discrepancy is communicated in FORM GST MIS- 3 and FORM GST MIS- 4</p>

C. Consequence of acceptance of correction by recipient

If the recipient accepts the discrepancy and rectifies the same by filing a valid return subsequently, then the tax amount involved will be excluded from the output liability of the supplier for the month in which the discrepancy is communicated.

In other words, as soon as discrepancy is communicated, the tax involved will be recovered from the supplier which will be readily reversed when the recipient admits and rectifies the discrepancy.

Discrepancies relating to duplicate claims for reduction of output tax liability will be added to the output liability of the supplier for the month in which the discrepancy is communicated.

D. Charge of interest

Supplier will be liable to payment of interest in every case when discrepancy by way of amount of output tax liability is added and interest will be paid on reversal of the liability added earlier after due rectification by the recipient.

Supplier shall be eligible to reduce, from his output tax liability, the amount of discrepancy added, when the recipient declares the details of the credit note in his valid return within the time specified.

Refund provisions under section 54 shall not be applicable and this refund will be credited into the electronic cash ledger. Interest paid that is reversed to the supplier will not exceed interest recovered from the recipient. **Reference may be had to the discussion under section 42 which discusses this aspect of payment of interest by the recipient.**

Any reduction of amount from output tax liability by the supplier in contravention of the provisions will be added to the output liability of the supplier in his return for the month in which such contravention takes place and recovered along with applicable interest.

Rule 73. Matching of claim of reduction in the output tax liability

The following details relating to the claim of reduction in output tax liability shall be matched under section 43 after the due date for furnishing the return in **FORM GSTR-3** –

- (a) GSTIN of the supplier;
- (b) GSTIN of the recipient;
- (c) credit note number;
- (d) credit note date;
- (e) tax amount:

Provided that where the time limit for furnishing **FORM GSTR-1** under section 37 and **FORM GSTR-2** under section 38 has been extended, the date of matching of claim of reduction in the output tax liability shall be extended accordingly.

Provided further that the Commissioner may, on the recommendations of the Council, by order, extend the date of matching relating to claim of reduction in output tax liability to such date as may be specified therein.

Explanation 1.- The claim of reduction in output tax liability due to issuance of credit notes in **FORM GSTR-1** that were accepted by the recipient in **FORM GSTR-2** without amendment shall be treated as matched if the corresponding recipient has furnished a valid return.

Explanation 2.- The claim of reduction in the output tax liability shall be considered as matched, where the amount of reduction claimed is equal to or less than the claim of reduction in input tax credit admitted and discharged on such credit note by the corresponding recipient in his valid return.

Rule 74. Final acceptance of reduction in output tax liability and communication thereof

(1) The final acceptance of claim of reduction in output tax liability in respect of any tax period, specified in sub-section (2) of section 43, shall be made available electronically to the person making such claim in **FORM GST MIS-3** through the Common Portal.

(2) The claim of reduction in output tax liability in respect of any tax period which had been communicated as mis-matched but is found to be matched after rectification by the supplier or recipient shall be finally accepted and made available electronically to the person making such claim in **FORM GST MIS-3** through the Common Portal.

Rule 75. Communication and rectification of discrepancy in reduction in output tax liability and reversal of claim of reduction

(1) Any discrepancy in claim of reduction in output tax liability, specified in sub-section (3) of section 43, and the details of output tax liability to be added under sub-section (5) of the said section on account of continuation of such discrepancy shall be made available to the registered person making such claim electronically in **FORM GST MIS-3** and the recipient electronically in **FORM GST MIS-4** through the Common Portal on or before the last date of the month in which the matching has been carried out.

(2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.

(3) A recipient to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of inward supplies to be furnished for the month in which the discrepancy is made available.

(4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the output tax liability of the supplier and debited to tax liability register and also shown in his return in **FORM GSTR-3** for the month succeeding the month in which the discrepancy is made available.

Explanation 1.- Rectification by a supplier means deleting or correcting the details of an outward supply in his valid return so as to match the details of corresponding inward supply declared by the recipient.

Explanation 2.- Rectification by the recipient means adding or correcting the details of an inward supply so as to match the details of corresponding outward supply declared by the supplier.

Rule 76. Claim of reduction in output tax liability more than once

Duplication of claims for reduction in output tax liability in the details of outward supplies shall be communicated to the registered person in **FORM GST MIS - 3** electronically through the Common Portal.

Rule 77. Refund of interest paid on reclaim of reversals

The interest to be refunded under sub-section (9) of section 42 or sub-section (9) of section 43

shall be claimed by the registered person in his return in **FORM GSTR-3** and shall be credited to his electronic cash ledger in **FORM GST PMT-3** and the amount credited shall be available for payment of any future liability towards interest or the taxable person may claim refund of the amount under section 54.

F. Transactions through E-commerce Operators

Rule 78 deals with the matching of details furnished by the e-Commerce operator with the details furnished by the supplier

The following details relating to the supplies made through an e-Commerce operator, as declared in **FORM GSTR-8**, shall be matched with the corresponding details declared by the supplier in **FORM GSTR-1**-

- (c) State of place of supply; and
- (d) net taxable value;

Provided that where the time limit for furnishing FORM GSTR-1 under section 37 has been extended, the date of matching of the above mentioned details shall be extended accordingly.

Provided further that the Commissioner may, on the recommendations of the Council, by order, extend the date of matching to such date as may be specified therein.

Rule 79 deals with Communication and rectification of discrepancy in details furnished by the e-commerce operator and the supplier

- (1) Any discrepancy in the details furnished by the operator and those declared by the supplier shall be made available to the supplier electronically in **FORM GST MIS-5** and to the e-commerce portal electronically in **FORM GST MIS-6** through the Common Portal on or before the last date of the month in which the matching has been carried out.
- (2) A supplier to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement of outward supplies to be furnished for the month in which the discrepancy is made available.
- (3) An operator to whom any discrepancy is made available under sub-rule (1) may make suitable rectifications in the statement to be furnished for the month in which the discrepancy is made available.
- (4) Where the discrepancy is not rectified under sub-rule (2) or sub-rule (3), an amount to the extent of discrepancy shall be added to the **output tax liability of the supplier** in his return in **FORM GSTR-3** for the month succeeding the month in which the details of discrepancy are made available and such addition to the output tax liability and interest payable thereon shall be made available to the supplier electronically on the Common Portal in **FORM GST MIS-3**.

Statutory Provision**44. Annual return**

- (1) Every registered person, other than an Input Service Distributor, a person paying tax under section 51 or section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty-first day of December following the end of such financial year.
- (2) Every registered person who is required to get his accounts audited in accordance with the provisions of sub-section (5) of section 35 shall furnish, electronically, the annual return under sub-section (1) along with a copy of the audited annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement, and such other particulars as may be prescribed.

44.1 Introduction

This section applies to all registered taxable person other than,

- Input Service Distributor
- A person paying tax under Section 51 (TDS)
- A person paying tax under Section 52 (TCS)
- A casual tax Taxable person
- Non-resident taxable person

Due date for filing Annual Return is on or before 31st December following the end of the financial year for which Annual return to be submitted.

44.2 Analysis

Every taxable person shall file annual return in **FORM GSTR-9 (FORM GSTR-9A** in case of person opted to pay tax under composition scheme under section 10) for every financial year electronically on or before 31st December following the end of such financial year

However, this provision shall not apply to,

- Input Service Distributor
- A person paying tax under Section 51 (TDS)
- A person paying tax under Section 52 (TCS)
- A casual tax Taxable person
- Non-resident taxable person

In case the registered person is required to get his accounts audited in accordance with the provisions of Section 35 (5) (whose aggregate turnover during the financial year exceeds ₹ Two crores) shall file annual return **FORM GSTR-9C** electronically along with,

- A copy of audited annual accounts
- Reconciliation statement reconciling the value of supplies as per annual return and as per audited financial statement

Every registered person whose aggregate turnover during a financial year exceeds two crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C, electronically.

Statutory Provision

45. Final return

Every registered person who is required to furnish a return under sub-section (1) of section 39 and whose registration has been cancelled shall furnish a final return within three months of the date of cancellation or date of order of cancellation, whichever is later, in such form and manner as may be prescribed.

45.1 Introduction

This section applies to all registered taxable person other than,

- Input Service Distributor
- A person paying tax under Section 51 (TDS)
- A person paying tax under Section 52 (TCS)
- Non-resident taxable person
- A person paying tax under Section (10) composition levy

45.2 Analysis

Every registered person whose registration is cancelled shall file final return in **FORM GSTR-10** through common portal within 3 months from the date of cancellation (voluntary cancellation) or date of order of cancellation (forceful cancellation by authority), whichever is later.

However, this provision shall not apply to a register person who is,

- Input Service Distributor
- A person paying tax under Section 51 (TDS)
- A person paying tax under Section 52 (TCS)
- Non-resident taxable person

A person paying tax under Section (10) composition levy

Statutory Provision**46. Notice to return defaulters**

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

46.1 Introduction

This section applies to all registered person who fail to furnish return under section 39 or section 44.

46.2 Analysis**Notice to defaulter**

Notice in **FORM GSTR-3A** shall be issued electronically to a registered person who have failed to file return under 39 (monthly return) and under section 44 (annual return) requiring him to file a return within 15 days.

Statutory Provision**47. Levy of late fee**

- (1) *Any registered person who fails to furnish the details of outward or inward supplies required under section 37 or section 38 or returns required under section 39 or section 45 by the due date shall pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum amount of five thousand rupees.*
- (2) *Any registered person who fails to furnish the return required under section 44 by the due date shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter per cent. of his turnover in the State or Union territory.*

47.1 Introduction

This provision relates to levy of late fees on filing belated return.

47.2 Analysis

For late filing of return, the following late fee shall be levied:

Defaulted Return	Late fee
Details of Outward Supplies (Ref: Sec 37)	₹ 100 per day of delay Maximum ₹ 5,000
Details of Inward Supplies (Ref: Sec 39)	same as above
Monthly Return (Ref: Sec 39)	same as above
Details of Supplies made by Composition dealers (Ref Sec 37)	₹ 25 per day of delay Maximum ₹ 5,000

Final Return in case of cancellation of registration (Sec 45)	same as above
Annual Return (Sec 44)	₹ 100 per day of delay Maximum = 0.25% on Turnover in the state/UT*

(Refer Note No. 2 for levy of late fees for failure to furnish details under section 37 or under section 38)

* “turnover in State” or “turnover in Union territory” means the aggregate value of all taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis) and exempt supplies made within a State or Union territory by a taxable person, exports of goods or services or both and inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person but excludes central tax, State tax, Union territory tax, integrated tax and cess

Explanation. - Aggregate turnover does not include the value of inward supplies on which tax is payable by a person on reverse charge basis under sub-section 3 of Section 9 and the value of inward supplies

Aggregate turnover = Total turnover – (input supplies for which tax paid under reverse charge + Central Tax + State Tax + UT Tax + Integrated Tax and Cess)

Statutory Provision

48. Goods and Service tax practitioners

- (1) *The manner of approval of goods and services tax practitioners, their eligibility conditions, duties and obligations, manner of removal and other conditions relevant for their functioning shall be such as may be prescribed*
- (2) *A registered person may authorise an approved goods and services tax practitioner to furnish the details of outward supplies under section 37, the details of inward supplies under section 38 and the return under section 39 or section 44 or section 45 in such manner as may be prescribed.*
- (3) *Notwithstanding anything contained in sub-section (2), the responsibility for correctness of any furnished in the return or other details filed by the goods and services tax practitioners shall continue to rest with the registered person on whose behalf such return and details are furnished.*

48.1 Introduction

This provision relates to:

- Procedure followed in appointment/termination of Goods and Service Tax practitioners
- How to engage/disengage GST practitioner by the registered person
- What are all the activities can be performed by GST practitioner on behalf of registered person

48.2 Analysis

Following Procedure must be followed:

- (1) An application in **FORM GST PCT-1** may be made to the officer authorised in this behalf for enrolment as Goods and Services Tax Practitioner by any person who satisfies any of the conditions specified below, namely:
 - (a)
 - (i) he is a citizen of India;
 - (ii) he is a person of sound mind;
 - (iii) he is not adjudicated as insolvent;
 - (iv) he has not been convicted by a competent court for an offence with imprisonment not less than two years; and
 - (b) that he is a retired officer of the Commercial Tax Department of any State Government or of the Central Board of Excise and Customs, Department of Revenue, Government of India, who, during his service under the Government, had worked in a post not lower in rank than that of a Group-B gazetted officer for a period of not less than two years; or
 - (c) he has passed:
 - (i) a graduate or postgraduate degree or its equivalent examination having a degree in Commerce, Law, Banking including Higher Auditing, or Business Administration or Business Management from any Indian University established by any law for the time being in force; or
 - (ii) a degree examination of any Foreign University recognized by any Indian University as equivalent to the degree examination mentioned in clause (i); or
 - (iii) any other examination notified by the Government for this purpose; or
 - (iv) any degree examination of an Indian University or of any Foreign University recognized by any Indian University as equivalent of the degree examination and has also passed any of the following examinations, namely. -
 - (a) final examination of the Institute of Chartered Accountants of India; or
 - (b) final examination of the Institute of Cost Accountants of India; or
 - (c) final examination of the Institute of Company Secretaries of India; or
- (2) On receipt of the application referred to in sub-rule (1), the authorised officer shall, after making such enquiry as he considers necessary, either enrol the applicant as a Tax Return Preparer and issue a certificate to that effect in **FORM GST PCT-2** or reject his application where it is found that the applicant is not qualified to be enrolled as a Goods and Services Tax Practitioner.
- (3) The certificate given to GST practitioner is valid until it is cancelled.

- (4) If any Goods and Services Tax Practitioner is found guilty of misconduct in connection with any proceeding under the Act, the authorised officer may, by order, in **FORM GST PCT-4** direct that he shall henceforth be disqualified under section 48. However, before cancellation show cause notice in **FORM GST PCT-3** to be served and give him a reasonable opportunity of being heard.
- (5) Any person against whom an order of disqualification under sub-rule (4) is made may, within thirty days from the date of the order under sub-rule (4), appeal to the Commissioner against such order.
- (6) A list of Goods and Services Tax Practitioner enrolled under sub-rule (1) shall be maintained on the Common Portal in **FORM GST PCT-5** and the authorised officer may make such amendments to the list as may be necessary from time to time, by reason of any change of address or death or disqualification of any goods and service tax practitioner.
- (7) Any registered person who wants to avail the services of goods and service tax practitioner may, at his option, authorise GST practitioner on the Common Portal in **FORM GST PCT-6** to carry out certain activities on his behalf. Similarly, registered person at any time, can disengage the GST practitioner through common portal by withdrawing such authorisation in **FORM GST PCT-7**.
- (8) Based on the authorisation given to the GST practitioner by the registered person, the statement to be furnished by registered person shall be furnished by GST practitioner. The registered person can sought the confirmation for the completion of the work by GST practitioner either through email or SMS. The statement furnished by GST practitioner shall be available in the common portal for review and confirmation of the registered person.

If the taxable person fails to confirm the statements furnished by GST practitioner on or before the last date of furnishing of such statement, it shall be deemed that such statement has been confirmed by registered person.
- (9) A GST practitioner can undertake any or all of the following activities on behalf of a registered person, if so authorised by the registered person to:
 - (a) furnish details of outward and inward supplies;
 - (b) furnish monthly, quarterly, annual or final return;
 - (c) make deposit for credit into the electronic cash ledger;
 - (d) file a claim for refund; and
 - (e) file an application for amendment or cancellation of registration.
- (10) Any registered person opting to furnish his return through a GST practitioner shall-
 - (a) give his consent in **FORM GST PCT-6** to any GST practitioner to prepare and furnish his return; and
 - (b) before confirming submission of any statement prepared by the GST practitioner, ensure that the facts mentioned in the return are true and correct before signature.

- (11) The GST practitioner shall-
- (a) prepare the statements with due diligence; and
 - (b) affix his digital signature on the statements prepared by him or electronically verify using his credentials.

In all cases Registered person shall remain to be liable for the correctness of the return filed through GST practitioner.

Notes:

Note 1. Filing of GSTR-2 and GSTR-3 have been suspended till further notification. As such, all provisions relating to filing of details of inward supply in GSTR-2, monthly return in GSTR-3, matching provisions specified in section 42 and section 43 shall not be applicable till further notification is issued by the Commissioner in this regard.

Note 2. Late fees for failure to file GSTR-3B has been waived for the months of July 2017, August 2017 and September 2017. From October 2017, the late fees has been reduced to twenty five rupees per day (both under CGST and SGST/UTGST) and where the central tax payable is nil, the late fees is restricted to ten rupees per day (both under CGST and SGST/UTGST).