

## **RETURNS under GST - Types, Applicability, Annual returns, Matching, Final returns with Rules**

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### **A. Section 32: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 9 (Composition Levy), 46 (Tax Deduction at Source), 56 (Tax Collection at Source for Ecommerce operators) shall furnish details, (electronically, in such form and prescribed manner), outward supplies of goods and services during a period on or before 10<sup>th</sup> day of the succeeding month
  - a) This period may be extended for a valid and sufficient reasons, for a class of taxable persons as may be specified by the Commissioner
  - b) Any approval for extension of time limit under CGST shall be deemed to be the approval under SGST & Vice versa
  - c) Details of outward supplies shall include details of invoices, Debit Notes, Credit Notes and revised invoices issued in relevant to outward supplies during the period.
2. Every registered taxable person who has been communicated details u/s 33(3) or 33(4) shall either accept or reject the details so communicated on or before 17<sup>th</sup> of the following month and the Return under (a) of the above, shall stand modified accordingly.
3. Any registered person whose supply details u/s 32(1) are unmatched u/s 37 or 38 can rectify his original outward supply return and pay the differential tax along with interest
  - No revision is permissible after the issue date of furnishing the relevant annual return or return u/s 34 for the month of September following the end of the financial year, whichever is earlier.

### **B. Section 33:FURNISHING DETAILS OF INWARD SUPPLIES**

1. Every registered taxable person, other than
  - a) Input service distributor or
  - b) Non-resident taxable person
  - c) Person paying tax u/s 9/46/56shall verify, validate, modify or delete the details relating to outward supplies and Credit or Debit Notes communicated u/s 32(1) to prepare details of not paid supplies and Credit Notes & Debit Notes. This may include details of inward supplies and Credit Notes & Debit Notes received by him in respect of supplies that have not been declared by the supplier u/s 32(1).
2. Each of the above taxable person shall furnish electronically details of inward supplies of taxable goods and or services including inward supplies of goods or services on which tax is payable on reverse charge basis and inward supplies of goods and or services taxable under the IGST Act and the Credit Note/Debit Notes pertaining to such supply during the period after 10<sup>th</sup> but on or before 15<sup>th</sup> of the succeeding month, in such form and prescribed manner.
  - a) This period may be extended for a valid and sufficient reasons, for a class of taxable persons as may be specified by the Commissioner
  - b) Any approval for extension of time limit under CGST shall be deemed to be the approval under SGST & Vice versa
3. The details of supply modified, deleted or included by the recipient and furnished u/s 32(2) shall be communicated to the supplier concerned in a prescribed manner.

4. The details of supplies modified, deleted or included by the recipient in the return furnished u/s 34(2) or 34(4) shall be communicated to the supplier concerned in the prescribed manner.
5. Any registered tax payer who has furnished details u/s 33(2) which have remained unmatched u/s 37, 38 shall, upon discovery of any error or omission rectify such error or omission and shall pay differential tax along with interest.
  - No revision is permissible after the issue date of furnishing the relevant annual return or return u/s 34 for the month of September following the end of the financial year, whichever is earlier.

**C. Section 34: RETURNS**

1. Every registered taxable person, other than
  - a) Input service distributor or
  - b) Non-resident taxable person
  - c) Person paying tax u/s 9/46/56shall file an electronic return of inward and outward supplies of goods and/or services, input tax credit availed, tax payable, tax paid and other particulars as may be prescribed on or before 10<sup>th</sup> day of the succeeding month.
2. A registered taxable person paying tax u/s 9 shall electronically furnish in the prescribed form and manner return of inward supplies of goods or services, tax payable and tax paid on or before 18<sup>th</sup> day of the succeeding quarter
3. Every registered taxable person required to deduct tax at source u/s 46 shall on or before 10<sup>th</sup> day of the succeeding month electronically furnish in prescribed manner a return in which such deductions have been made along with the payment of tax so deducted.
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 maybe prescribed, a return, electronically, within thirteen days after the end of such month.
5. Every registered non-resident taxable person shall file an electronic return in such form and in such manner within twenty days after the end of a calendar month or within seven days after the last day of the validity period of registration, whichever is earlier.
6. This period may be extended for a valid and sufficient reasons, for a class of taxable persons as may be specified by the Commissioner
  - a) Any approval for extension of time limit under CGST shall be deemed to be the approval under SGST & Vice versa
  - b) Details of outward supplies shall include details of invoices, Debit Notes, Credit Notes and revised invoices issued in relevant to outward supplies during the period.
7. Every registered taxable person, who is required to furnish a return (other than an input service distributor) shall pay to the account of the appropriate 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 taxable person who is required to furnish a return u/s 34(1) and 34(2) shall furnish a return for every tax, irrespective of whether or not any supplies of goods or services have been effected during such tax period.
9. Any taxable person, after furnishing a return u/s 34(1) or 34(2) or 34(4) rectify his original outward supply return and shall pay the differential tax along with interest. This cannot be done where the short payment is as a result scrutiny, audit, inspection or enforcement activity by the tax authorities.

- No revision is permissible after the issue date of furnishing the relevant annual return or return u/s 34 for the month /quarter of September following the end of the financial year, whichever is earlier.

**D. Section 35:FIRST RETURN**

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

**E. Section 36:CLAIM OF INPUT TAX CREDIT AND PROVISIONAL ACCEPTANCE THEREOF**

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

**F. Section 37: MATCHING, REVERSAL AND RECLAIM OF INPUT TAX CREDIT**

1. The details of every inward supply furnished by a registered taxable person( 'recipient') for a tax period shall, in the manner and within the time prescribed, be matched-
  - a. with the corresponding details of outward supply furnished by the corresponding taxable person ( 'supplier') in his valid return for the same tax period or any preceding tax period,
  - b. with the additional duty of customs paid under section 3 of the Customs Tariff Act, 1975 (51 of 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 (ITC) in respect of invoices and/or debit notes relating to inward supply that match with the details of corresponding outward supply or with the additional duty of customs paid shall, subject to the provisions of section 16 or 17, as the case may be, be finally accepted and such acceptance shall be communicated, in the manner as may be prescribed, to the recipient.
3. Where ITC 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.
4. The duplication of claims of ITC shall be communicated to the recipient.
5. The amount in respect of which any discrepancy is communicated 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 his return for the month succeeding the month in which the discrepancy is communicated.
6. The amount claimed as ITC that is found to be in excess on account of duplication of claims shall be added to the output tax liability of the recipient in his return for the month in which the duplication is communicated.
7. The recipient shall be eligible to reduce, from his output tax liability, the amount added u/s 37 (5) above, if the supplier declares the details of the invoice and/or debit note in his valid return within the time specified u/s 34 (9).
8. A recipient in whose output tax liability any amount has been added u/s 37 (5) or 37(6) shall be liable to pay interest at the rate specified u/s 45(1) on the amount so added from the date of availing of credit till the corresponding additions are made.

9. Where any reduction in output tax liability is accepted u/s 37(7), the interest paid u/s 37(8) shall be refunded to the recipient by crediting the amount in the corresponding head of his electronic cash ledger.
  - a. Amount of interest to be credited 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 section 37(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 section 45(3).

**G. Section 38: 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 taxable person ( 'supplier') for a tax period shall, in the manner and within the time prescribed, be matched-
  - a. with the corresponding reduction in the claim for ITC by the corresponding taxable person ('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 ITC by the recipient shall be finally accepted and communicated to the supplier.
3. Where the reduction of output tax liability in respect of outward supplies exceeds the corresponding reduction in the claim for ITC or the corresponding credit note is not declared by the recipient in his valid returns, the discrepancy shall be communicated to both such persons.
4. The duplication of claims for reduction in output tax liability shall be communicated to the supplier.
5. The amount in respect of which any discrepancy is communicated u/s 38(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 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 u/s 38(5) if the recipient declares the details of the credit note in his valid return within the time specified in section 34(9).
8. A supplier in whose output tax liability any amount has been added U/S 38 (5) or 38(6) shall be liable to pay interest at the rate specified in section 45(1) 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.
9. Where any reduction in output tax liability is accepted u/s 38 (7), the interest paid u/s 38 (8) shall be refunded to the supplier by crediting the amount in the corresponding head of his electronic cash ledger.
  - a. 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 section 38 (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 section 45(3).

**H. Section 39:ANNUAL RETURN**

1. Every registered taxable person, other than
  - a) Input service distributor or
  - b) Non resident taxable person
  - c) Person paying tax u/s 46/56
  - d) Casual taxable person

shall furnish an annual return for every financial year electronically on or before the thirty first day of December following the end of such financial year.

2. Every registered taxable person who is required to get his accounts audited u/s 53 (4) shall furnish, electronically, the annual return along with the audited copy of the annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the year with the audited annual financial statement, and such other particulars as may be prescribed.

**I. Section 40:FINALRETURN**

Every registered taxable person who applies for cancellation of registration shall furnish a final return within three months of the date of cancellation or date of cancellation order, whichever is later, in such form and in such manner as may be prescribed.

**J. Section 41:NOTICE TO RETURN DEFAULTERS**

Where a registered taxable person fails to furnish a return u/s 34, 39 or 40, a notice shall be issued requiring him to furnish such return within fifteen days.

**K. Section 42:LEVY OF LATE FEE**

1. Any registered taxable person who fails to furnish the details of outward or inward supplies required under section 32 or section 33, as the case may be, or returns required under section 34 or section 40 by the due date shall be liable to pay late fee of one hundred rupees for every day during which such failure continues subject to a maximum of five thousand rupees.
2. Any registered taxable person who fails to furnish the return required u/s 39 by the due date shall be liable to 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 percent of his turnover in the State.

**L. Section 43:TAX RETURN PREPARERS**

1. The appropriate Government may, by rules, prescribe the manner of approval of Tax Return Preparers, their eligibility conditions, duties and obligations, manner of removal and such other conditions as may be relevant for their functioning as a Tax Return Preparer.
2. A registered taxable person may, in the manner prescribed, authorise an approved Tax Return Preparer to furnish the details of outward supplies u/s 32, the details of inward supplies u/s 33, 34, 39 or 40 and such other tasks as may be prescribed.
3. Notwithstanding anything contained in sub-section (2), the responsibility for correctness of any particulars furnished in the return and/or other details filed by the Tax Return Preparer shall continue to rest with the registered taxable person on whose behalf such return and details are filed
4. List of GST Returns/Statements to be furnished by Registered Persons
5. (as per draft GST Rules Return Format)

Illustrations Table of Returns in GST (Source – IDTC of ICAI)

<b>RETURN FORM</b>	<b>PARTICULARS</b>	<b>DUE DATE</b>	<b>APPLICABLE FOR</b>
GSTR1	Outward Supplies	10 <sup>th</sup> of the next month	Normal/ Regular Taxpayer
GSTR2	Inward Supplies	15 <sup>th</sup> of the next month	Normal/ Regular Taxpayer
GSTR3	Monthly return [periodic]	20 <sup>th</sup> of the next month	Normal/ Regular Taxpayer
GSTR4	Return by compounding tax payers	18 <sup>th</sup> of the month next to the quarter	Compounding Taxpayer
GSTR5	Return by non resident tax payers [foreigners]	Within 7 days of the last day of registration	Foreign Non-Resident Taxpayer
GSTR6	Return by input service distributors	13 <sup>th</sup> of the next month	Input Service Distributor
GSTR7	TDS return	10 <sup>th</sup> of the next month	Tax Deductor
GSTR8	Annual return	31 <sup>st</sup> December next FY	Normal/ Regular Taxpayer, Compounding Taxpayer
Ledgers	ITC ledger, cash ledger, tax ledger	On a continuous basis	

Illustration Chart of Returns Process (Source – IDTC of ICAI)

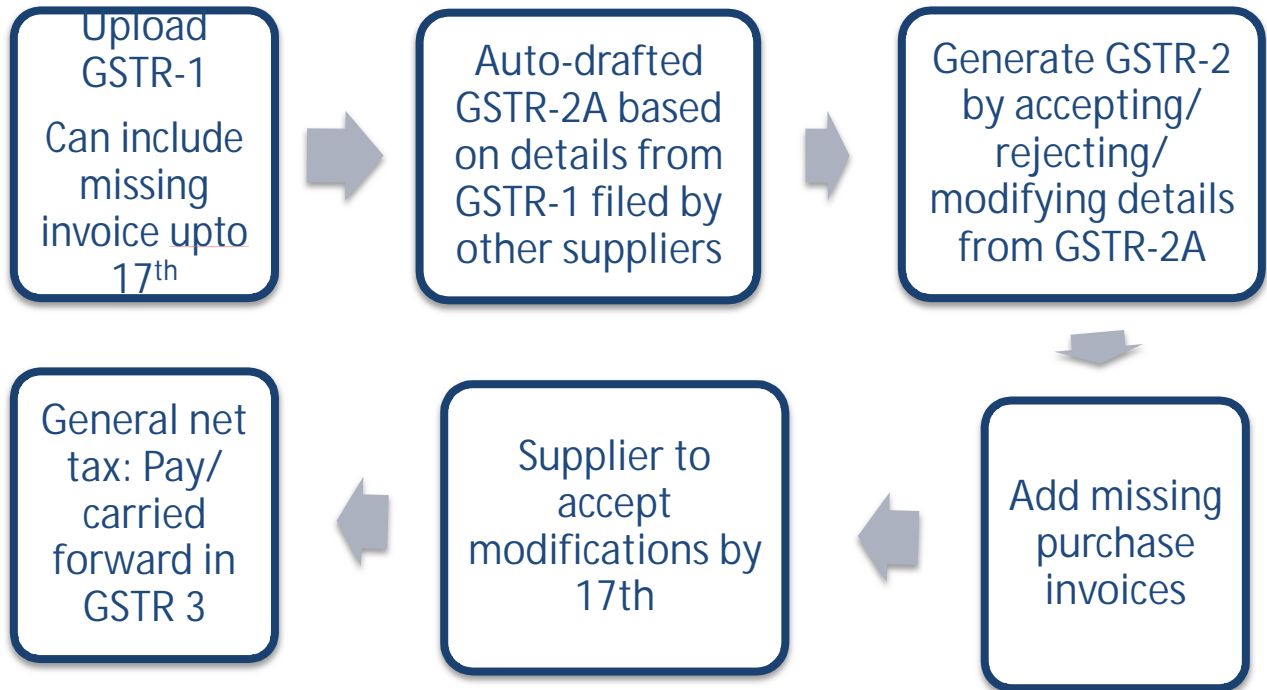


Illustration Table of Matching, Reversal & Re-credit (Source – IDTC of ICAI)

