

CHAPTER 11

RETURNS UNDER GST

1. ICAI STUDY MATERIAL QUESTIONS

Concept Problem 1

Ms. Pragya, a taxpayer registered under regular scheme (Section 9), files GSTR-3B for the month of October on 20th November. After filing the return, she discovers that the value of a taxable supply has been under-reported therein.

Ms. Pragya now wants to file a revised GSTR-3B. Examine the scenario and give your comments.

Solution

Under GST law, a return once filed cannot be revised. However, the details of those transactions that are required to be amended can be changed in any of the future GSTR-1s. For this purpose, specific tables are provided in GSTR-1 to amend previously declared details.

Thus, Ms. Pragya cannot revise GSTR-3B filed by her for the month of October. However, she can amend the details of the taxable supply, which was under-reported, in GSTR-1 for the month of November. The tax payable on account of such error will be paid along with interest in GSTR-3B for the month of November.

Concept Problem 2

Mr. X, a registered taxpayer under regular scheme, did not make any taxable supply during the month of July. Is he required to file a GSTR-3B?

Solution

A registered taxpayer is required to furnish a return u/s 39 for every month even if no supplies have been effected during such period. In other words, filing of Nil GSTR-3B is also mandatory. Therefore, Mr. X is required to file GSTR-3B even if he did not make any taxable supply during the month of July.

Concept Problem 3

Assuming in (2) above, Mr. X does not have internet facility in his mobile and there is no facilitation center notified by the commissioner, whether no return is required to be filed in the absence of means to file return? Explain.

Solution

GSTR-3B can be submitted electronically on the common portal, either directly or through a Facilitation Center notified by the Commissioner. Further, a Nil GSTR-3B can be filed through an SMS using the registered mobile number of the taxpayer.

Thus, Mr. X is required to file Nil GSTR-3B for the month of August through an SMS using his registered mobile number even though there is no internet facility in her mobile and no facilitation Center notified by the Commissioner.

Concept Problem 4

If a return has been filed, how can it be revised if some changes are required to be made?

Solution

In GST since the returns are built from details of individual transactions, there is no requirement for having a revised return. Any need to revise a return may arise due to the need to change a set of invoices or debit/ credit notes. Instead of revising the return already submitted, the system allows amendment in the details of those individual details of those transactions (invoices or debit/credit notes) that are required to be amended. They can be

This Question Bank is meant for Nov 2022 exams and must be read with our Lectures (Regular or Fast Track) as many additional concepts are covered in class. We do lots of written practice in class & Kishan Sir personally evaluates grand Mock Test. Must cover GST Chalisa Handwritten Notes as well.

amended in any of the future GSTR- 1 in the tables specifically provided for the purposes of amending previously declared details.

As per section 39(9), omission or incorrect particulars discovered in the returns filed u/s 39 can be rectified in the return to be filed for the month during which such omission or incorrect particulars are noticed. Any tax payable as a result of such error or omission will be required to be paid along with interest.

The rectification of errors/omissions is carried out by entering appropriate particulars in “Amendment Tables” contained in GSTR-1. However, no such rectification of any omission or incorrect particulars is allowed after the due date for furnishing of return for the month of September or second quarter (in case of quarterly filers) following the end of the financial year to which such details pertain, or the actual date of furnishing of relevant annual return, whichever is earlier.

Concept Problem 5

M/s Cavenon Enterprises, a registered supplier of designer wedding dresses under regular scheme, has aggregate annual turnover of INR 30 lakh in the preceding financial year. It is of the view that in the current financial year, it is permitted to file its statement of outward supplies (GSTR-1) on a quarterly basis while its accountant advises it to file the same on a monthly basis.

You are required to advise M/s Cavenon Enterprises on the same.

Solution

Section 37 stipulates that GSTR-1 for a particular month is required to be filed on or before the 10th day of the immediately succeeding month, i.e. on a monthly basis.

However, presently, as a measure of easing the compliance requirement for small taxpayers, the details of outward supplies of goods or services or both to a registered person can be furnished, for the first and second months of a quarter, up to a cumulative value of fifty lakh rupees in each of the months, using invoice furnishing facility (IFF) electronically on the common portal, from the 1st day of the month succeeding such month till the 13th day of the said month. The taxpayers opting for furnishing details of outward supply on quarterly basis can file GSTR 1 on quarterly basis. The option to file return on quarterly basis is available for taxpayers having aggregate turnover up to INR 5 crores in preceding financial year.

In view of the same, M/s Cavenon Enterprises can file its GSTR-1 on quarterly basis if it has opted to furnish the outward supply related details on quarterly basis and filing IFF on monthly basis as its aggregate turnover does not exceed INR 5 crore in the preceding financial year.

Concept Problem 6

Mr. Kohli is a registered supplier in the State of Gujarat. He is filing GSTR-1 every month. During the month of February, he went out of India and thus, could not do any business transaction during that month. He believes that as there is no transaction, there is no need to file GSTR-1 for the month of February. Is he correct? Explain.

Solution

No, Mr. Kohli is not correct. GSTR-1 needs to be filed even if there is no business activity in the tax period. Therefore, in the given case, even though Mr. Kohli was out of India and thus, could not do any business transaction during the month of February, he is still required to file GSTR-1 for that month.

Concept Problem 7

Mr. Kalpesh is a registered dealer in Kerala paying tax under composition levy from 1st April. However, he opts to pay tax under regular scheme from 1st December. Is he liable to file GSTR-4 for the month of November? Discuss.

Solution

Where a taxpayer opts to withdraw from the composition scheme, he has to file GSTR-4 for the period prior to his opting for payment of tax under regular scheme. Therefore, in the given case, Mr. Kalpesh is liable to file GSTR-4 for the month of November since he was paying tax under composition scheme during the month of November.

Concept Problem 8

Mrs. Zarina, a registered dealer in Rajasthan, did not file GSTR-3B for the month of June but she wants to file GSTR-3B for the month of July. Is it possible? Solution with reference to section 39 of the CGST Act.

Solution

As per section 39(10), a registered person is not 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

Therefore, in the given case, Mrs. Zarina cannot file GSTR-3B for July if she has not filed GSTR-3B for the preceding month, i.e., June.

Concept Problem 9

X has not made any outward supply during the month of September. However, X has procured certain input services during the month. X is of the opinion that he can file Nil GSTR-3B for the month of September through SMS.

Whether the understanding of X is correct? Explain.

Solution

Nil GSTR-3B means that the return has nil or no entry in all its Tables. Since in the present case X has received certain input services, he cannot file Nil GSTR-3B through SMS as the said input services will need to be disclosed in the Table for Eligible ITC in GSTR-3B.

Concept Problem 10

A is a chartered accountant in practice and is registered under GST. On a query regarding return filing process by a potential client, A has represented him as a GST practitioner. A is of the view that since he is a qualified chartered accountant with a GST registration in the name of his proprietorship firm, he also qualifies as GST practitioner.

Is the understanding of A correct? Discuss.

Solution

The understanding of A is not correct.

A chartered accountant can become a GST practitioner (GSTP). However, holding a certificate of practice as a chartered accountant and having GST registration does not imply that such chartered accountant is a GST practitioner as well.

For becoming a GSTP, even a chartered accountant in practice has to follow the enrolment process of GSTP as provided under the GST law and only upon approval of such enrolment can a chartered accountant represent himself as a GSTP.

Concept Problem 11

Quicktax, a GST return filing service provider, has asked its clients to provide the scanned copies of the tax invoices issued to B2B customers for uploading on the GST portal and filing the return.

Whether the process followed by Quicktax is correct?

Solution

No, the process followed by Quick tax is not correct.

The registered persons supplying goods or services to B2B customers are required to upload the invoice wise details of supplies made during the tax period. However, there is no requirement to upload the scanned copies of the invoices issued to the customers on the GST portal at the time of filing returns. Only information required as per GST returns is to be captured in the return filing utility and the same is to be uploaded on the GST portal and not the scanned copies of the actual invoices.

Concept Problem 12

X Ltd. is winding up its business in Rajasthan. The Tax Consultant of X Ltd. has suggested that X Ltd. will have to file either the annual return or the final return at the time of voluntary cancellation of registration in the state of Rajasthan. Do you agree with the stand taken by Tax Consultant of X Ltd.? Offer your comments.

Solution

No, the stand taken by Tax Consultant of X Ltd. is not correct.

Annual return is required to be filed by every registered person paying tax as a normal taxpayer. Final return is filed by the registered persons who have applied for cancellation of registration within three months of the date of cancellation or the date of cancellation order.

In the given case, X Ltd., a registered person, is winding up its business and has thus, applied for cancellation of registration. Therefore, it is required to file both annual return and final return.

2. RTPS, MTPS, PAST YEAR QUESTIONS**Concept Problem 13 [RTP May 2020]**

Mr. Gauri Shiva, a registered person in Punjab, supplies goods taxable @ 12% [CGST @ 6%, SGST @ 6% & IGST @ 12%] in the States of Punjab and Haryana. He has furnished the following details in relation to independent supplies made by him in the quarter ending June, 20XX:

Supply	Recipient	Nature of supply	Value
1	Mr. A, a registered person	Inter-State	2,20,000
2	Mr. B, a registered person	Inter-State	2,55,000
3	Mr. C, an unregistered person	Intra -State	1,80,000
4	Mr. D, an unregistered person	Intra-State	2,60,000
5	Mr. M, an unregistered person	Inter-State	3,00,000
6	Mr. N, an unregistered person	Inter-State	50,000
7	Mr. O, an unregistered person	Inter-State	2,50,000
8	Mr. P, an unregistered person	Inter-State	2,80,000
9	Mr. Q, a registered person	Intra-State	1,50,000
10	Mr. R, a registered person	Intra-State	4,10,000

The aggregate annual turnover of Mr. Gauri Shiva in the preceding financial year was INR 1.20 crore. With reference to rule 59 of the CGST Rules, 2017, discuss the manner in which the details of above supplies are required to be furnished in GSTR-1.

Solution

Rule 59 of the CGST Rules, 2017, inter alia, stipulates that the details of outward supplies of goods and/or services furnished in form GSTR-1 shall include the–

- a) invoice wise details of all –
 - i) inter-State and intra-State supplies made to the registered persons; and
 - ii) inter-State supplies with invoice value more than INR 2,50,000 made to the unregistered persons;
- b) consolidated details of all –
 - i) intra-State supplies made to unregistered persons for each rate of tax; and
 - ii) State wise inter-State supplies with invoice value upto two and a half lakh rupees made to unregistered

persons for each rate of tax;

Thus, in view of the above-mentioned provisions, Mr. Gauri Shiva should furnish the details of outward supplies of goods made by him during the quarter ending June 20XX in the following manner:

Supply	Recipient	Nature of supply	Value	Manner of furnishing details
1	Mr. A, a registered person	Inter-State	2,20,000	Invoice-wise details
2	Mr. B, a registered person	Inter-State	2,55,000	Invoice-wise details
3	Mr. C, an unregistered person	Intra-State	1,80,000	Consolidated details of supplies 3 and 4
4	Mr. D, an unregistered person	Intra-State	2,60,000	
5	Mr. M, an unregistered person	Inter-State	3,00,000	Invoice-wise details
6	Mr. N, an unregistered person	Inter-State	50,000	Consolidated details of supplies 6 and 7
7	Mr. O, an unregistered person	Inter-State	2,50,000	
8	Mr. P, an unregistered person	Inter-State	2,80,000	Invoice-wise details
9	Mr. Q, a registered person	Intra-State	1,50,000	Invoice-wise details
10	Mr. R, a registered person	Intra-State	4,10,000	Invoice-wise details

Concept Problem 14

Discuss the provisions of Section 39(9) of the CGST Act, 2017, relating to rectification of errors/omissions in GST returns already filed and also state its exceptions. State the time limit for making such rectification.

Solution

Omission or incorrect particulars discovered in the returns filed under section 39 can be rectified in the return to be filed for the month/quarter during which such omission or incorrect particulars are noticed.

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

Exception

Section 39(9) of the CGST Act does not permit rectification of error/omission discovered on account of scrutiny, audit, inspection or enforcement activities by tax authorities.

The time limit for making such rectification is earlier of the following dates:

- i) Due date for filing return for September month of next financial year or
- ii) Actual date of filing annual return

Concept Problem 15

Mr. KK is registered person under GST. State whether he can furnish GSTR-1, GSTR- 3B and FORM GST CMP-08 in following case through SMS.

Case	Taxpayer	Tax Outward supply	ITC	Tax Payable
1.	Registered u/s 9	80 lakhs	70 lakhs	10 lakhs
2.	Registered u/s 9	80 lakhs	80 lakhs	Nil
3.	Registered u/s 9	Nil	40 lakhs	Nil
4.	Registered u/s 9	Nil	Nil	Nil
5.	Registered u/s 10	Nil	NA	Nil

Solution

- 1) Mr. X is required to pay tax of 20 lakhs; therefore, he needs to furnish GSTR-1 and GSTR 3B electronically over GST common portal.
- 2) Tax payable by Mr. X Nil, however there is outward supply of 90 lakhs and also ITC of 90 lakhs, therefore he should furnish GSTR-1 and GSTR 3B electronically over GST common portal.
- 3) Tax payable by Mr. X Nil, however, there is ITC of 90 lakhs, therefore he can furnish GSTR-1 over portal or through SMS facility and he should furnish GSTR 3B electronically over GST common portal.
- 4) Tax payable by Mr. X is Nil. Also, the outward supply and ITC both are NIL, therefore he can furnish GSTR-1 and GSTR 3B over portal or through SMS facility.
- 5) Since there is no transaction during the tax period, therefore, a Nil statement in FORM GST CMP -08, can be furnished over portal or through SMS facility.

Concept Problem 16 [ICAI May 2021]

Who can be registered as Goods and Service Tax Practitioners under Section 48 of the CGST Act?

Solution

Following persons can be registered as Goods and Service Tax Practitioners.

Any person who, (i) is a citizen of India; (ii) is a person of sound mind; (iii) is not adjudicated as insolvent; (iv) has not been convicted by a competent court;

And satisfies any of the following conditions, namely that he:

1. Is a retired officer of Commercial Tax Department of any State Government who, during service under Government has worked in a post not lower than rank of a Group B gazetted officer for a period > 2 years, or
2. Is enrolled as a Sales Tax Practitioner or Tax Return Preparer under the erstwhile indirect taxes laws for a period of not less than 5 years; or
3. Acquired any of the prescribed qualifications
4. Has passed Graduate/ postgraduate degree or its equivalent examination having a degree in specified disciplines, from any Indian University or a degree examination of any Foreign University recognized by any Indian University as equivalent to degree examination.
5. Has passed any other notified examination
6. Has passed final examination of ICAI/ ICSI/ Institute of Cost Accountants of India

Concept Problem 17 [ICAI MTP Nov 2021]

What are cases where a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF?

Solution

In following cases, a registered person is debarred from furnishing details of outward supplies in GSTR-1/IFF:

- a) A registered person shall not be allowed to furnish the details of outward supplies in Form GSTR-1, if he has not furnished the return in Form GSTR-3B for preceding two months.
- b) A registered person, opting for QRMP scheme shall not be allowed to furnish the details of outward supplies in Form GSTR-1 or using IFF, if he has not furnished the return in Form GSTR-3B for preceding tax period.
- c) A registered person, who is restricted from using the amount available in electronic credit ledger to discharge his liability towards tax in excess of 99% of such tax liability under rule 86B of the CGST Rules, shall not be allowed to furnish the details of outward supplies in Form GSTR-1 or using IFF, if he has not furnished the return in Form GSTR-3B for preceding tax period

Concept Problem 18 [ICAI MTP Nov 2021]

Discuss the eligibility for QRMP scheme under GST?

Solution

Registered persons (other than supplier of online information and database access or retrieval services (OIDAR) located in non-taxable territory and providing such services to a non-taxable online recipient), having an aggregate turnover up to 5 crore in the preceding financial year, and who have opted to furnish quarterly return under QRMP scheme are eligible for QRMP scheme as the class of persons who shall furnish a return for every quarter from January, 2021 onwards, and pay the tax due every month.

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