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I. Composition Scheme under GST

The **Composition Scheme under GST** is a simplified tax scheme designed to reduce the compliance burden for small taxpayers. It allows eligible small businesses to pay GST at a fixed, lower rate on their turnover instead of paying tax at normal rates on each outward supply.

The main objective of the scheme is to make compliance easier for small traders, manufacturers, and restaurants, who may find regular GST provisions burdensome due to complex record-keeping, monthly returns, and input tax credit calculations.

Under this scheme, a registered taxpayer whose aggregate turnover in the preceding financial year does not exceed ₹1.5 crore (or ₹75 lakh for certain special category states) can opt to pay tax at a concessional rate. Manufacturers and traders pay tax at 1% of turnover (0.5% CGST + 0.5% SGST), while restaurants not serving alcohol pay tax at 5% (2.5% CGST + 2.5% SGST). Later, a benefit was extended under Section 10(2A) to service providers having turnover up to ₹50 lakh, who can pay tax at 6% (3% CGST + 3% SGST).

However, not everyone can opt for the scheme. Businesses engaged in **inter-state outward supplies**, e-commerce supplies through operators liable to collect TCS, supply of non-taxable goods like alcohol or petrol, and businesses dealing in ice cream, pan masala, or tobacco are specifically barred from using this scheme.

Also, a composition dealer cannot supply services other than specified restaurant services, except for a very limited supply of services up to 10% of turnover or ₹5 lakh, whichever is higher.

A key feature is that composition dealers **cannot collect tax** from customers and **cannot claim input tax credit** on their purchases. They must issue a **bill of supply** instead of a tax invoice and pay tax out of pocket from their own margin. Further, every composition dealer must clearly display “Composition Taxable Person” at their place of business and on every bill of supply.

To opt for the scheme, an eligible taxpayer must file **Form CMP-02** on the GST portal before the beginning of the financial year and submit **Form ITC-03** to reverse any input tax credit held in stock. For compliance, instead of monthly returns like regular taxpayers,

composition dealers file a quarterly statement in **Form CMP-08** to pay tax and an annual return in **Form GSTR-4**, which is due by 30th April of the following financial year.

The scheme has clear advantages — lower tax rates, minimal record-keeping, and less paperwork. However, it also has certain drawbacks. Since the composition dealer cannot issue a tax invoice, B2B customers who want to claim input tax credit may avoid purchasing from them. Moreover, they cannot make inter-state sales, which restricts business expansion beyond the home state. If any conditions are violated, the dealer becomes liable to pay tax under the normal scheme along with penalties.

In summary, the **Composition Scheme under GST**, governed by **Section 10 of the CGST Act, 2017**, is an optional, simple tax solution for small businesses that operate mostly within the state and deal mainly with end customers. It balances ease of doing business with revenue collection and ensures that small traders can focus more on running their business than on cumbersome tax formalities.

II. CMP-08

1. What is Form GST CMP-08?

Form GST CMP-08 is a quarterly statement used by taxpayers who have opted for the **Composition Scheme** under GST to declare and pay their self-assessed tax liability. It came into effect from FY 2019-20 and replaced the older quarterly GSTR-4. Any taxpayer who has registered as a composition taxpayer through **Form GST REG-01** or has opted for the scheme through **Form GST CMP-02** is required to file this form every quarter, even if there is no tax liability for the period. The due date for filing Form GST CMP-08 is the **18th of the month** following the end of each quarter, unless extended by the government through a notification.

2. Pre-Conditions for Filing

To file Form GST CMP-08, certain pre-conditions must be met: the taxpayer must have an **active GSTIN**, must be registered under the Composition Scheme, should have valid login credentials for the GST portal, and must possess a valid and non-expired **Digital Signature Certificate (DSC)** if they choose to file using a DSC. Additionally, all previous CMP-08 forms must have been filed for earlier quarters; otherwise, the current filing cannot proceed.

3. How and Where to File

The form must be filed **online** via the GST portal, and there is **no offline tool** available for its preparation. The filing path is straightforward: after logging in, the taxpayer needs to navigate to **Services > Returns > Returns Dashboard**.

4. Payment of Tax Liability

One of the important aspects of CMP-08 is that the tax liability must be discharged **only through cash payment**; the use of **Input Tax Credit (ITC)** is not permitted for composition taxpayers, as they are not entitled to claim ITC. If the balance in the taxpayer's **Electronic Cash Ledger** is insufficient to cover the payable amount, the portal will show the additional cash required and allow the taxpayer to create a challan directly to make up the shortfall.

5. Filing Nil CMP-08 and Late Filing

Even if there is no tax liability for the quarter, a **Nil CMP-08** must still be filed within the due date. **While there is no late fee prescribed for delay in filing CMP-08**, taxpayers should be mindful that interest on late payment of tax may still apply. If there is any **negative liability**, such as excess tax paid in the previous period, it will be adjusted automatically in the next quarter's CMP-08 under the column for adjustment of negative liability.

6. Preview and Signing Options

Before submitting, taxpayers can preview or download a draft of the form to verify details. Filing and signing of Form GST CMP-08 can be done using three modes: **Digital Signature Certificate (DSC)**, **Electronic Verification Code (EVC)** (which authenticates identity through an OTP sent to the registered email and mobile number),

7. Common Filing Errors and Their Solutions

If a taxpayer encounters an error stating **“You have not filed last tax period’s return as a normal taxpayer”**, it means the last due GSTR-3B (from when they were a regular taxpayer) has not yet been filed. For example, if a taxpayer switched to the Composition Scheme from 1st April, the GSTR-3B for the period ending March must be filed first to proceed with CMP-08.

8. A after Filing Form GST CMP-08

Once Form GST CMP-08 is successfully filed, an **ARN (Application Reference Number)** is generated, its status changes from ‘Not Filed’ to ‘Filed’, and the taxpayer receives an SMS and email confirmation on their registered contact details. Relevant ledgers—like the **Electronic Cash Ledger** and **Electronic Liability Register Part-I**—are automatically updated, and the negative liability adjustment table is modified if needed.

It is important to note that once filed, Form GST CMP-08 **cannot be revised**, so taxpayers must ensure accuracy before submission. To view or download a filed CMP-08, one can log in to the GST portal, go to the **Returns Dashboard**, select the relevant financial year and return filing period, and click on the **Download** button.

III. GSTR- 4

1. What is Form GSTR-4 (Annual Return) and Who Should File It?

Form **GSTR-4 (Annual Return)** is a yearly GST return that must be filed by every taxpayer who has opted for the **Composition Scheme** for any part of a financial year starting from **1st April 2019** onwards. It captures a summary of outward supplies, inward supplies, import of services, and supplies liable to reverse charge. This filing obligation covers all who remained under the composition scheme for any duration during the year, whether they opted in at registration, joined before the start of the year, or opted in and later switched back to the regular scheme. However, certain persons like regular taxpayers who never opted for composition during the year, non-resident taxable persons, OIDAR service providers, input service distributors, casual taxable persons, tax deductors (u/s 51), tax collectors (u/s 52), and UIN holders are not required to file this annual return.

2. Due Date and Mandatory Filing Requirements

Filing **Form GSTR-4 (Annual Return)** is **mandatory** for all eligible composition taxpayers, even if they cancelled their registration mid-year or later opted out of the scheme. The due date to file is **30th April** of the year following the relevant financial year, unless the government announces an extension through notification. Failure to file by the due date attracts a statutory late fee, which must be paid before submission.

3. Pre-conditions and Restrictions for Filing

Before filing the annual return in **Form GSTR-4**, taxpayers must ensure that all **Form CMP-08** quarterly statements for that year have been filed, as the portal will not enable filing otherwise. Additionally, if all quarterly returns are filed as **Nil**, then only a Nil annual return can be filed, provided there were no supplies, no inward purchases, and no other liabilities for the entire year. Any pending quarterly filing blocks the annual filing completely.

4. Details to be Entered and Structure of Form GSTR-4

The **Form GSTR-4 (Annual Return)** includes several tables to capture different data. Taxpayers must enter the **aggregate turnover** of the previous year in Table 3(a) to

proceed. Tables 4A to 4D cover details of inward supplies from registered suppliers (both with and without reverse charge), unregistered suppliers, and import of services. Table 5 auto-populates summary details from the filed CMP-08 forms and cannot be edited. Table 6 requires the taxpayer to manually enter tax-rate-wise outward supply details net of amendments, debit/credit notes, and advances. TDS and TCS credits received are auto-populated in Table 7, while Table 8 helps compute total tax, interest, and late fee liabilities for final payment and offset.

5. Filing Nil Returns and Additional Liabilities

Taxpayers who had no outward or inward supplies, no tax liability, and filed all CMP-08 statements as Nil can file a Nil GSTR-4. However, even a Nil return attracts a late fee if filed after the due date. Any late fee or interest due must be paid using the **Electronic Cash Ledger**, and the “Additional Cash Required” column indicates any balance that must be paid through a challan. If the Electronic Cash Ledger balance is insufficient, the taxpayer must generate a challan for the difference. Only once all liabilities are cleared and the declaration is checked, does the ‘File’ button get enabled.

6. Modes of Filing, Previewing, and Post-Filing Actions

Form GSTR-4 (Annual Return) must be filed online through the **GST portal** under **Services > Returns > Annual Return**. Taxpayers can preview their return in PDF or Excel before filing and must sign using either a **Digital Signature Certificate (DSC)** or **Electronic Verification Code (EVC)**. Once filed, it cannot be revised. On successful filing, an **ARN** is generated, and a confirmation SMS and email are sent to the registered contact. The taxpayer’s **Electronic Cash Ledger** and **Liability Register** update automatically. The filed return can later be viewed or downloaded through the **View/Download Filed Returns** section.

IV. GSTR- 4A

What is Form GSTR-4A?

Form **GSTR-4A** is an **auto-generated and read-only statement** meant for taxpayers who have opted for the **Composition Scheme under GST**. This form automatically pulls information from returns filed by the taxpayer's registered suppliers through **Form GSTR-1, GSTR-5** (filed by non-resident taxpayers), and **GSTR-7** (filed by TDS detectors). The main purpose of GSTR-4A is to provide a **summary of all inward supplies** received by the composition taxpayer during a tax period. It is important to note that this form **cannot be edited, modified, or filed** by the taxpayer — it only serves as a **reference document** to help the taxpayer correctly prepare and file **Form GSTR-4**, which is the actual return they must submit.

Sections Covered in Form GSTR-4A

Form GSTR-4A is divided into various sections that display specific details. The sections **3A and 3B** show all **B2B invoices**, which include inward supplies received from registered suppliers. Section **4** displays **Credit/Debit Notes** issued by the suppliers. The same section also contains any **amendments** made by the supplier to previously issued B2B invoices and to Credit/Debit Notes. These sections collectively ensure that the composition taxpayer has a clear view of all purchases and any modifications or adjustments made by their suppliers.

No Filing or Editing Required

A composition taxpayer is **not required to file Form GSTR-4A**. Since it is a **system-generated and read-only form**, it does not require any action from the taxpayer's end. Its sole purpose is to provide visibility of invoices and notes uploaded by suppliers. Additionally, if the supplier makes any errors or omissions, the composition taxpayer **cannot make any corrections directly in GSTR-4A**. Instead, if there are missing or incorrect details, the taxpayer must directly add or correct those entries while filing **Form GSTR-4**, but these corrections will **not reflect back** in GSTR-4A.

Download Requirements for Large Data Sets

When the number of invoices auto-populated in GSTR-4A exceeds **500**, the taxpayer must **download the invoices** to view all the details. The GST Portal provides a simple process to do this. One can navigate to **Services > Returns > Returns Dashboard**, select the relevant financial year and period, and then click on **Generate Excel File to Download** to get the GSTR-4A details in an Excel sheet.

Impact of Delinking Debit/Credit Notes

There has been a change in how Debit and Credit Notes are handled. Earlier, Debit/Credit Notes were directly linked to the **original invoice**, so details like the original invoice number and date were auto-drafted, and the **Place of Supply (POS)** was not required separately as it was derived from the linked invoice. After **delinking**, the original invoice details are no longer auto-filled, and the **POS field has become mandatory** for every Debit/Credit Note entry to ensure accurate reporting.

V. GSTR- 5

What is GSTR-5?

GSTR-5 is a mandatory monthly return that must be filed by **Non-Resident Taxable Persons (NRTPs)** under India's GST regime. NRTPs are individuals or businesses that supply goods or services in India but do not have a permanent place of business within the country. This form serves as the **sole return** for such non-resident taxpayers during the period they operate in India. It captures details of all **outward and inward supplies**, tax liabilities, and input tax credits (ITC) availed or utilized, ensuring that short-term foreign businesses are taxed correctly under Indian GST law.

Importance of GSTR-5

GSTR-5 plays a crucial role in **maintaining tax transparency** and **compliance enforcement** for entities that temporarily conduct business in India. Since non-resident suppliers do not maintain a fixed establishment in India, this return ensures that their taxable activities are effectively tracked and verified. Filing GSTR-5 on time enables GST authorities to monitor foreign trade operations and confirm that due taxes are paid. Failure to comply with this filing obligation may result in **penalties, late fees**, or even the **cancellation of the GST registration**, which could halt the foreign entity's business operations within India.

Who Needs to File GSTR-5?

The obligation to file GSTR-5 applies to **all non-resident individuals and entities** making taxable supplies in India on a short-term basis. This includes participants at **trade fairs, foreign exhibitors, overseas service providers**, or any foreign sellers temporarily conducting business on Indian soil. These businesses must register as non-resident taxable persons under GST and then file GSTR-5 **for every month** in which they conduct any taxable activity.

Information Required in GSTR-5

A GSTR-5 return must be **complete and accurate**, covering various data points. Taxpayers must report **invoice-wise details** of all outward supplies, disclose **imported goods and the IGST paid**, and include details of inward supplies that are subject to **reverse charge**. It must also contain any **credit or debit notes**, a **summary of available and utilized ITC**, total tax payable under CGST, SGST, IGST, and cess, and any **interest or late fees** due. Refund claims, if applicable, should also be reported. Accuracy in all fields is essential to avoid mismatches, notices, or penalties from the GST department.

Due Date and Penalty for Late Filing

The GSTR-5 return must be filed **by the 13th of the month** following the tax period. For example, the return for business conducted in April must be filed by **May 13**. Delayed filings attract a **late fee of ₹50 per day** (₹25 CGST + ₹25 SGST) for each day of delay, capped at **₹5,000**. Additionally, taxpayers must pay **interest at 18% per annum** on any unpaid taxes for the delayed period. Non-compliance can also impact the ability to claim refunds and may lead to stricter scrutiny or revocation of the GST registration.

How to File GSTR-5 Online

Filing GSTR-5 is done entirely online through the **GST Portal**. Non-resident taxpayers log in using their **temporary GSTIN**, select the relevant financial year and tax period from the Returns Dashboard, and use the **'Prepare Online'** option for GSTR-5. They must enter detailed data for outward and inward supplies, imports, and ITC, review the auto-populated sections, calculate tax dues, and make payments as needed. Finally, the return is submitted using a **Digital Signature Certificate (DSC)** or **Electronic Verification Code (EVC)**. It is vital to reconcile all invoices and import documents before submission.

Difference between GSTR-5 and GSTR-5A

GSTR-5 and GSTR-5A are distinct forms under GST. **GSTR-5** applies to **non-resident taxable persons** supplying physical goods or services with a temporary presence in India. In contrast, **GSTR-5A** is meant for **OIDAR (Online Information and Database Access or Retrieval) service providers**, such as streaming platforms, who deliver digital services from abroad to unregistered Indian customers. Unlike GSTR-5, GSTR-5A does not require physical presence or full GST registration and focuses only on services provided. For example, a foreign exhibitor selling goods at an Indian expo files GSTR-5, while an overseas streaming service like Netflix files GSTR-5A.

Common Filing Errors to Avoid

Non-resident taxpayers must be cautious while preparing GSTR-5. **Common mistakes** include entering an incorrect GSTIN, mismatches between invoice details and tax amounts, failing to report import transactions, or claiming **ineligible ITC**. Filing late, even for nil transactions, incurs costs and can hinder refund processing or registration extensions. To avoid such pitfalls, NRTPs are advised to use **reliable GST accounting software** to automate validation, reduce manual errors, and meet deadlines consistently.

Conclusion

GSTR-5 ensures that foreign businesses operating temporarily in India stay **GST-compliant**, maintain transparency, and fulfill all tax liabilities promptly. Timely and precise filing prevents penalties, protects eligibility for refunds, and strengthens trust with Indian tax authorities and business partners. For smooth operations, NRTPs should stay informed about GST rules, maintain proper records, and use robust solutions to manage compliance effectively.

VI. GSTR- 5A

1. Introduction to Form GSTR-5A

Form GSTR-5A is a special GST return that must be filed by **Online Information and Database Access or Retrieval (OIDAR)** service providers who are located outside India but supply such services to non-taxable persons in India. Essentially, it is used to declare the details of OIDAR services provided to Indian consumers who are not registered under GST, such as individual users. Filing of Form GSTR-5A is mandatory under GST law, and even if there is no business activity during a particular tax period, a Nil return must still be filed. The due date to file this return is the **20th day of the month succeeding the tax period** to which the return relates, unless an extension is provided by the Commissioner.

2. How and Where to File Form GSTR-5A

The return must be filed online through the GST Portal. To do this, the taxpayer must log in and navigate to **Services > Returns > Returns Dashboard** to access Form GSTR-5A. The return can be prepared either by entering data directly on the GST Portal or by using a third-party application provided by an Application Software Provider (ASP) through a GST Suvidha Provider (GSP). However, before filing, the OIDAR provider must be a registered taxpayer with a valid GSTIN and must have a valid User ID and password. It is important to remember that the return for a current period cannot be filed unless the return for the previous period has been filed.

3. Details to be reported in Form GSTR-5A

In Form GSTR-5A, the taxpayer must furnish detailed information about the supplies of OIDAR services made to non-taxable online recipients and registered persons in India. The form contains several tables for this purpose. **Table 5** requires the details of taxable outward supplies made to non-taxable online recipients in India. **Table 5A** is used to report any amendments to such supplies declared in earlier periods. **Table 5B** is for taxable outward supplies made to registered persons in India, on which the tax is to be paid by those registered persons under the reverse charge mechanism. Any amendments to these supplies are declared in **Table 5C**. Further, **Table 5D** covers details of supplies of online money gaming services made to persons in India, while **Table 5E** is used for amendments to such supplies.

4. Payment of Tax and Other Liabilities

Any interest or other liabilities such as penalties must be declared in **Table 6** and can only be paid through the Electronic Cash Ledger. **Table 7** of the form auto-populates the summary of tax liability based on the details provided in the other tables. This table cannot be edited manually and gets enabled only after the taxpayer clicks the “**Proceed to File**” button. It is critical to ensure that there is sufficient balance in the Electronic Cash Ledger to pay the entire liability, as partial payment is not allowed — the return can only be filed after paying the full amount. If the available balance is insufficient, a challan for additional payment can be generated through **Services > Payments > Create Challan** on the GST portal.

5. Restrictions on Input Tax Credit

It is important to note that an OIDAR service provider **cannot claim Input Tax Credit (ITC)** in Form GSTR-5A, and no Electronic Credit Ledger is maintained for such taxpayers.

6. Previewing and Filing Form GSTR-5A

Before filing, the taxpayer can preview the return by clicking the **Download GSTR-5A (PDF)** button to ensure that all details are correct. Any discrepancies can be corrected before final submission. The **FILE GSTR-5A** button is enabled only when there is sufficient balance in the cash ledger, the taxpayer has accepted the declaration, and the authorized signatory is selected. Once filed, the details cannot be reset, though they can be edited or deleted up to the point of filing.

7. Late Fees and Acknowledgement

Currently, there is no prescribed late fee for delayed filing of Form GSTR-5A, but interest may be applicable on unpaid tax. After successful filing, an **Acknowledgement Reference Number (ARN)** is generated, and a confirmation email and SMS are sent to the taxpayer’s registered email address and mobile number in India.

VII. GSTR-6

Introduction: Purpose and Scope

Form GSTR-6 serves as a monthly return that Input Service Distributors (ISDs) must file to allocate Input Tax Credit (ITC) among their multiple units. Only entities registered specifically as ISDs are mandated to submit this return, regardless of whether they have any ITC to distribute during the period. Even in months with zero credit or distribution activity, a Nil return is compulsory, ensuring that the tax authorities maintain a continuous record of each ISD's status. The form thereby upholds transparency and compliance in the distribution of service-related tax credits.

Input Service Distributor (ISD)

ISD or an Input Service Distributor is a type of taxpayer under GST who needs to distribute the GST input tax credits that pertain to its GSTIN to its units or branches having different GSTIN but registered under the same PAN. **From 1st April, 2025**, it is mandatory to get register under GST as ISD and start complying with ITC distribution and GSTR-6 filing if your entity receives common input service invoices for multiple GSTINs.

An Input Service Distributor (ISD) is a taxpayer that receives invoices for services used by its branches. It distributes the tax paid known as the Input Tax Credit (ITC), to such branches on a proportional basis by issuing ISD invoices. The branches can have different GSTINs but must have the same PAN as that of ISD

Eligibility Criteria for ISD Registration under GST

An entity must register as an input service distributor (ISD) only if it is applicable. ISD registration under GST would be applicable to an entity if the below are satisfied-

- Must be an office supplying goods or services or both.
- Receiving tax invoices towards input services bought for or on behalf of its units/branches having different GSTINs but falling under the same PAN.
- Must be located at the place where the common input services are received.
- Can distribute ITC on input services as an ISD, including those on which GST is paid under reverse charge mechanism.
- Can apply for multiple ISD registrations if common services are received at different offices located in different states or districts.

- Must begin issuing a prescribed ISD invoice document for distributing the input tax credit of CGST (or SGST in State Acts) and/or IGST paid on the said services to its unit/branch under same PAN but with a different GSTIN.

Situations where ISD is not applicable

ISD cannot distribute the input tax credit in the following cases:

- Where ITC is paid on inputs and capital goods. For instance, raw materials and machinery purchased.
- ITC cannot be distributed to outsourced manufacturers or service providers.

GSTR- 6 , Filing Timeline and Due Dates

The due date for filing Form GSTR-6 is the 13th day of the month following the relevant tax period, unless extended by a government notification. This strict timeline helps synchronize credit distribution with the broader GST return cycle and ensures that all ISD transactions are recorded promptly. Should the government announce an extension, taxpayers must adhere to the revised deadline to avoid penalties. Regular monitoring of official notifications is crucial to remain compliant.

Accessing GSTR-6 and Preparation Tools

Taxpayers can access Form GSTR-6 through the GST Portal by navigating to Services > Returns > Returns Dashboard. In addition to the online interface, an offline utility is available for preparing the JSON file, which can then be uploaded to the portal. This dual-mode access allows ISDs to work offline, validate data, and minimize errors before submission. Leveraging the offline tool can streamline data entry for organizations managing extensive credit distributions.

Structure of Form GSTR-6

Form GSTR-6 is organized into two core sections: inward supplies and credit distribution. The inward supplies tables (Tables 3, 6A, 6B, 6C) capture details of ITC received, debit/credit notes, and their amendments. The distribution section (Tables 4, 5, 8, 9, 10) records the available credit, distinguishes eligible and ineligible credits, documents distribution via ISD invoices and credit notes, and calculates any late fee liability. This structured approach ensures that every stage of credit flow—from receipt to allocation—is transparently recorded.

Monthly Filing Process Without Supplier Returns

An ISD can file Form GSTR-6 even if its suppliers have not yet filed their Form GSTR-1 or GSTR-5. The system-generated draft of inward supplies (Form GSTR-6A) reflects all uploaded invoices from suppliers, whether their returns are saved, submitted, or still pending. This feature allows ISDs to proceed with distribution without being held up by supplier delays. Consequently, ISDs maintain business continuity while waiting for their suppliers' final filings.

Distributing Input Tax Credit

In Tables 5 and 8, ISDs allocate both eligible and ineligible ITC to their constituent units. The total credit available for distribution equals the cumulative IGST, CGST, and SGST balances adjusted for any reversals or debit/credit notes. If credit notes exceed available balances, the resulting negative credit under CGST or SGST is added to the taxpayer's liability, ensuring accurate liability calculation. For cross-border services, the place of supply is marked '96-Foreign Country,' treated as an inter-State supply, and the recipient remains entitled to claim ITC.

Amendments to Previously Distributed Credit

ISDs can correct or amend credit distributed in earlier tax periods by issuing new ISD invoices and updating the relevant entries in Tables 5 and 8. Amendments allow for the reallocation of credit when earlier distributions prove inaccurate or require adjustments due to supplier corrections. The system also supports amendment of debit and credit notes via Table 6C, ensuring that all retrospective changes are captured. This flexibility is essential for maintaining precise credit ledgers over multiple filing cycles.

Delinking Credit/Debit Notes: Changes and Impact

Following the delinking of credit/debit notes from original invoices, Form GSTR-6 no longer requires original invoice numbers or dates. Instead, the Point of Supply (POS) must be specified manually, and a single credit/debit note can cover multiple invoices. Saved notes predating the delinking retain the old format, but any edits enforce the new structure. Old JSON files generated with the pre-delinked offline utility cannot be uploaded; taxpayers must regenerate and upload using the updated tool.

Reverse Charge, Special Supplies, and Place of Supply

Input Service Distributors are exempt from reverse charge provisions, simplifying their compliance obligations. For services related to transporting goods outside India, the place of supply is the foreign destination, necessitating the selection of state code '96-Foreign Country' in Tables 3 and 6A. Such supplies are always classified as inter-State, reinforcing the need to accurately reflect cross-border service transactions. Proper designation of these supplies ensures that ITC eligibility remains unaffected by geographic boundaries.

Pre-conditions for Filing and Registration Validity

Before filing Form GSTR-6, an ISD must possess an active GSTIN registration as an ISD, valid portal credentials, and either a Digital Signature Certificate (for companies, LLPs, FLLPs) or Electronic Verification Code (for other taxpayers). A registered mobile number is required to receive OTPs for EVC authentication. Even if the GSTIN is later cancelled, returns for the periods during which it was active remain filable. Additionally, no invoices or amendments can be reported for dates beyond the cancellation date of either the supplier's or the ISD's registration.

Post-Filing Procedures and Confirmations

Upon successful submission of Form GSTR-6, the portal generates an ARN (Acknowledgement Reference Number) and dispatches SMS and email confirmations to the registered contact details. Taxpayers can preview their return prior to filing to catch any discrepancies, reducing the risk of filing errors. Once filed, the return is frozen and cannot be modified, and any late fees assessed for that period are confined to that month alone. If available credit is insufficient to cover liabilities, taxpayers must generate a challan and make the required payment before finalizing the return.

Penalties and Late Fee Considerations

Failure to file Form GSTR-6 by the due date invites late fee penalties prescribed under CGST and SGST statutes. The late fee is calculated only for the specific tax period in which the return is delayed and does not carry forward once the return is filed. Taxpayers should therefore vigilantly adhere to the filing deadlines and monitor any government notifications regarding extensions. Proactive reconciliation of inward supplies can help avoid unforeseen delays and associated fees.

VIII. GSTR- 6A

Form GSTR-6A is a system-generated draft Statement of Inward Supplies for an Input Service Distributor (ISD). It is a read-only form, meaning the ISD cannot make any changes in Form GSTR-6A. The form dynamically reflects the invoice details uploaded by counter-party suppliers in their Form GSTR-1 for that tax period.

When can I view Form GSTR-6A of a tax period?

You can view Form GSTR-6A for a given tax period when:

- The counter-party supplier has saved, submitted, or filed their Form GSTR-1.
- The counter-party supplier has only uploaded invoice details in Form GSTR-1 without filing it.

In both cases, the invoices become visible in Form GSTR-6A of the ISD.

Filing Requirements

You do not have to file Form GSTR-6A. It serves solely as a read-only record of all inward supply invoices received by the ISD during a tax period.

Editing or Adding Invoices

Since Form GSTR-6A is read-only, you cannot edit or add invoices directly in it.

All corrections or additions must be made in Form GSTR-6 by the receiver ISD; once Form GSTR-6 is updated, the changes automatically reflect in subsequent views of Form GSTR-6A.

Details Available in Form GSTR-6A

Form GSTR-6A provides:

- Input tax credit received for distribution To view inward supply invoices from counter-party suppliers for distribution of ITC to GSTINs (with same PAN) mapped to the ISD.
- Debit / Credit notes received during current tax period To view debit or credit notes (including amendments) from counter-party suppliers received within the tax period.
- Amendments to Input tax credit received for distribution To view amendments in inward supply invoices received by the ISD.
- Amendments to Debit/Credit notes received during current tax period To view amendments in debit or credit notes from counter-party suppliers during the period.

Scenarios for Form GSTR-6A Updates

Form GSTR-6A updates automatically based on the filing statuses of the supplier's Form GSTR-1/5 and the receiver's Form GSTR-6:

S.No.	Scenario	Return Period	Supplier Status of Form GSTR-1/5	Receiver Status of Form GSTR-6	Details Auto-populated in Form GSTR-6A
1	Receiver has not submitted Form GSTR-6 for June 2020, but supplier has filed GSTR-1/5 for June 2020	June 2020	10-July-2020	Not submitted	B2B details auto-populate in June 2020 of the ISD (current period)
2	Supplier submits GSTR-1/5 before Receiver submits GSTR-6 for June 2020	June 2020	10-July-2020	12-July-2020	B2B details auto-populate in June 2020 of the ISD (current period)
3	Supplier submits GSTR-1/5 after Receiver submits GSTR-6 for June 2020	June 2020	10-July-2020	06-July-2020	B2B details auto-populate in July 2020 of the ISD (next tax period)

Downloading Form GSTR-6A

After logging into the GST Portal, you can view Form GSTR-6A and download it in Excel format for your records.

Impact of Debit/Credit Note on Form GSTR-6A

Below is how debit/credit notes affect Form GSTR-6A before and after delinking with invoices:

S.No.	Before Delinking of Debit/Credit Note with Invoices	After Delinking of Debit/Credit Note with Invoices
1	Original invoice number and date were auto-drafted	Original invoice number and date fields are not visible for entry

S.No.	Before Delinking of Debit/Credit Note with Invoices	After Delinking of Debit/Credit Note with Invoices
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2	POS field was derived from the original invoice and hence not required	POS field is mandatory and visible for entry
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IX. GSTR- 7

GSTR-7 is a monthly return filed by individuals who deduct tax at source or TDS under the Goods and Services Tax (GST). Every GST registered individual who deducts TDS under GST must file in Form GSTR-7 by the 10th of next month. The form contains details of TDS deducted, TDS payable, TDS refund, etc.

As per the GST law, the following individuals/entities can deduct TDS :

- A department or establishment of the Central or state government
- A local authority
- Governmental agencies
- Persons or categories of persons as may be notified by the Central or a state government on the Council's recommendations

As per the Notification No. 33/2017 – Central Tax, 15th September 2017, the following entities can also deduct TDS:

- An authority, a board, or any other body set up by the Parliament, a State Legislature, or by a government with 51% equity (control) owned by the government
- A society established by the Central or any state government or a local authority and the society registered under the Societies Registration Act, 1860
- Public sector undertakings

The above deductors must deduct TDS where the total value of supply under the contract exceeds Rs.2.5 lakh. The rate for TDS is 2% (CGST 1% + SGST 1%) in case of intrastate supply and 2% (IGST) in case of interstate supplies.

What are the details required in GSTR-7?

GSTR-7 has a total of eight sections, which are explained below.

1. Provide GSTIN: Each taxpayer will be allotted a state-wise PAN-based 15-digit Goods and Services Taxpayer Identification Number (GSTIN). GSTIN of the taxpayer will be auto-populated at the time of return filing.

2. Legal name of the deductor: The taxpayer's name will be auto-populated when logging into the common [GST portal](#). Also, if there is any registered person's trade name, it will get auto-populated.

3. Details of the tax deducted at source: Here, you need to mention the details of the TDS deducted such as GSTIN of the deductee, total amount and TDS amount (central/state/integrated) invoice-wise from April 2025 return onwards.

4. Changes to details of TDS for any earlier tax period: Any correction to the data submitted in the return of previous months can be done here by filling the original and revised details, provided invoice-wise from April 2025 return period onwards. Based on this amendment, the TDS certificate (GSTR-7A) will be revised.

5. Tax deduction at source and paid: Here, you need to mention the tax (integrated/central/state) amount deducted from the deductee and the tax (integrated/central/state) amount paid to the government.

6. Interest, late fee payable, and paid: If there is any interest or late fees applicable on the TDS amount, you must mention the details of such interest and late fees payable along with the amount paid to date.

7. Refund claimed from electronic cash ledger: If you want to claim the refund of TDS from your electronic cash ledger, you must mention such details in this section. You should also provide your bank details where the refund for TDS should be credited.

8. Debit entries in electronic cash ledger for TDS/interest payment [to be populated after payment of tax and submissions of return]: The entries in the section are auto-populated once you finish filling the return and the payment of TDS along with interest if any.

Once all the particulars are furnished correctly, the taxpayer must sign a declaration regarding the correctness of the information. The deductor can authenticate the return either through a Digital Signature Certificate (DSC) or Electronic Verification Code (EVC).

How to revise GSTR-7?

GSTR-7, once filed, cannot be revised. The deductor can amend any mistake in the next month's GSTR-7. It means that if a mistake is made in October GSTR-7, rectification for the same can be made in November GSTR-7 or later months when the error or omission is identified.

X. GSTR - 7A

Introduction to GSTR-7A

Under India's Goods and Services Tax (GST) framework, certain persons or entities are mandated to deduct Tax Deducted at Source (TDS) when making specified payments to suppliers. To formalize this, the law has provided for **GSTR-7A**, which is an auto-generated TDS certificate. This certificate acts as evidence for the supplier (the deductee) that TDS has been correctly deducted and deposited by the deductor. Unlike other GST returns, GSTR-7A is not something the taxpayer files; instead, it is automatically created by the GST portal based on details submitted in the deductor's monthly TDS return, **GSTR-7**.

The Purpose and Background of GSTR-7A

The concept of GSTR-7A arises from Section 51 of the CGST Act, which mandates that certain specified categories of persons — such as government departments, local authorities, and notified agencies — must deduct tax at source at the rate of **2% (1% CGST and 1% SGST or 2% IGST)** when paying a supplier under a contract that exceeds ₹2.5 lakh in value. The deductor is responsible for filing GSTR-7 by the 10th day of the succeeding month, declaring the amount of tax deducted and other relevant details. Once GSTR-7 is filed, the GST system automatically generates **GSTR-7A**, which serves as an official certificate for the deductee. This ensures transparency and allows the deductee to claim the deducted amount as credit in their electronic cash ledger.

Contents and Details in GSTR-7A

The GSTR-7A certificate contains crucial details that prove the TDS transaction. It typically includes the GSTIN and name of both the deductor and deductee, the amount paid to the supplier, the amount of tax deducted, the date of deduction, and the details of the contract under which the payment was made. This certificate acts as solid documentary proof for the deductee that the tax has actually been deducted and paid to the government. The amount shown in GSTR-7A is credited to the deductee's electronic cash ledger, which can then be utilized to pay future GST liabilities.

Due Dates and Compliance Timelines

The compliance timeline surrounding GSTR-7A is closely linked to GSTR-7. The deductor must file GSTR-7 by the 10th of the following month for every month in which TDS has been deducted. After this filing, the GST portal immediately generates GSTR-7A for the

relevant deductee. The deductee can then log into the GST portal, access the TDS/TCS credit received section under the 'Returns' tab, and download the certificate for their records. This timely generation ensures that the deductee's cash ledger is updated promptly, allowing them to adjust the TDS amount against their tax payable.

✓ Importance and Benefits of GSTR-7A for Deductees

For the deductee, GSTR-7A is extremely important as it acts as undeniable proof that TDS has been deducted and deposited. Without this certificate, the supplier would have no official record that the tax has been deducted at source and paid to the government. The TDS amount reflected in GSTR-7A is credited directly to the deductee's electronic cash ledger, which can then be used to discharge GST output tax liabilities or other dues. This reduces the burden of cash outflows and ensures proper credit utilization under GST.

📁 Accessing and Downloading GSTR-7A

Accessing GSTR-7A is straightforward. Once the deductor has filed GSTR-7, the deductee can log into the GST portal, navigate to the 'Returns Dashboard', and select the 'TDS and TCS Credit Received' option. By choosing the relevant financial year and tax period, the deductee can view and download the GSTR-7A certificate. It is advisable for the deductee to regularly check for this certificate to ensure that the TDS amount has been accurately reported and credited.

🛡️ Resolving Mismatches and Errors

In case there is any discrepancy between what was actually deducted and what appears in the GSTR-7A, it is essential for the deductee to coordinate with the deductor immediately. The deductor may need to file an amendment to GSTR-7 to correct any errors. Ensuring that the correct amount is credited is crucial because any mismatch could affect the deductee's cash ledger balance and lead to payment complications.

📖 Legal Provisions and Rules Governing GSTR-7A

The statutory provisions for TDS under GST are laid down in **Section 51 of the CGST Act, 2017**, while **Rule 66 of the CGST Rules, 2017** specifically deals with the process of filing GSTR-7 and the generation of GSTR-7A. These provisions ensure that the process is seamless and that both deductors and deductees have clear responsibilities to comply with.

Practical Example

To illustrate, suppose **ABC Pvt. Ltd.** supplies taxable services worth ₹6 lakh to **XYZ State Department**, a notified TDS deductor. XYZ Department deducts TDS at 2%, amounting to ₹12,000, at the time of making the payment. The department files its monthly TDS return in GSTR-7 by the 10th of the following month. Upon successful filing, the GST portal automatically generates a GSTR-7A for ABC Pvt. Ltd., which confirms the TDS amount. ABC Pvt. Ltd. can then download this certificate and claim the ₹12,000 as credit in its electronic cash ledger, using it to pay its GST dues.

✓ Conclusion

In summary, **GSTR-7A** plays an important role in the GST TDS mechanism. It ensures that the TDS deducted by the deductor is transparently communicated to the deductee and credited to their cash ledger. Since it is auto-generated, it reduces paperwork and promotes trust between the deductor and deductee. For suppliers dealing with government departments or notified agencies, tracking GSTR-7A is essential to make sure they receive their due TDS credit and maintain smooth GST compliance.

XI. GSTR - 8

✦ Introduction to GSTR-8

In India's GST system, **GSTR-8** is a **monthly statement** that must be filed by **e-commerce operators** who are required to collect tax at source (TCS). This form ensures that tax collected by online marketplaces such as Amazon, Flipkart, or any other e-commerce platform is properly accounted for and passed on to the government. GSTR-8 helps maintain transparency in the supply chain and ensures that the government receives its due share of indirect taxes on e-commerce transactions.

⚙ Who Should File GSTR-8

GSTR-8 is mandatory for all **registered e-commerce operators** under GST who are required to collect TCS under **Section 52 of the CGST Act, 2017**. An e-commerce operator is any person or company who owns, operates, or manages a digital or electronic platform that facilitates the supply of goods or services to customers. Examples include online marketplaces like Amazon, Flipkart, Snapdeal, Zomato, Swiggy, and similar platforms where multiple sellers supply goods or services through a common digital marketplace.

👛 What is TCS under GST?

Tax Collected at Source (TCS) under GST requires an e-commerce operator to collect tax at a notified percentage (currently 1% — split as 0.5% CGST and 0.5% SGST for intra-state supplies, or 1% IGST for inter-state supplies) on the **net value of taxable supplies** made through the e-commerce platform. This tax is collected from the sellers who supply goods or services through the platform. The collected TCS is then paid to the government, and the seller can claim credit for it.

📄 Contents of GSTR-8

GSTR-8 contains detailed information about the **supplies made through the e-commerce platform**, the **tax collected at source (TCS)**, and the amount deposited with the government. Specifically, it includes details like:

- The details of all outward supplies made by registered sellers through the platform.
- Net amount liable for TCS after adjusting returns and cancellations.

- TCS amount collected on such supplies.
- Details of any amendments or corrections in previous returns.
- Tax payable and tax paid under different tax heads (CGST, SGST, IGST, and Cess).

This statement also generates an auto-populated TCS credit for the sellers whose supplies are reported in GSTR-8. The sellers (suppliers) can view this credit in their electronic cash ledger and adjust it against their tax liability.

Due Date for Filing GSTR-8

GSTR-8 must be filed by the **10th of the month following the month in which the tax was collected**. For example, if an e-commerce operator collected TCS during the month of August, then GSTR-8 must be filed by the 10th of September. Timely filing is essential because any delay attracts late fees and interest.

Importance of GSTR-8 for Sellers

For suppliers or sellers on e-commerce platforms, GSTR-8 plays a vital role. It acts as proof that the e-commerce operator has collected and deposited TCS on their behalf. The details filed in GSTR-8 automatically generate a TCS statement for each seller in **Form GSTR-2A** and a **TCS certificate**. The sellers can claim this TCS as credit in their electronic cash ledger, which can be used to pay GST liabilities. If the seller finds any discrepancy, they should immediately reconcile it with the operator to ensure correct credit.

Legal Provisions Governing GSTR-8

Section 52 of the CGST Act, 2017 lays down the requirement for e-commerce operators to collect TCS. **Rule 67 of the CGST Rules, 2017** provides the procedure for filing GSTR-8 and issuing TCS statements. These provisions ensure that tax collection through online marketplaces is streamlined and traceable.

Rectification of Errors

If any errors or omissions are discovered after filing GSTR-8, the e-commerce operator can rectify them in the return for the month in which the error is noticed. However, no rectification is allowed after the **30th of November following the end of the financial year**, or the actual date of filing the annual return, whichever is earlier.

📁 Penalty for Non-Compliance

Failure to file GSTR-8 attracts penalties. A late fee of ₹100 per day per Act (₹100 CGST + ₹100 SGST) is applicable, subject to a maximum of ₹5,000. Interest may also be charged for delayed payment of TCS.

📌 Practical Example

Suppose **ABC Marketplace Pvt. Ltd.** operates an e-commerce platform where multiple sellers sell goods worth ₹50 lakh in August. ABC collects 1% TCS (₹50,000) from these transactions. By 10th September, ABC must file GSTR-8, disclosing details of all sellers, supplies made, and TCS collected. This TCS of ₹50,000 is deposited with the government, and the sellers receive this amount as credit in their cash ledger, which they can adjust against their GST liabilities.

📌 How to File GSTR-8

The e-commerce operator must:

1. Log in to the **GST portal**.
2. Navigate to **Services → Returns → Returns Dashboard**.
3. Select the financial year and return filing period.
4. Fill in the details of outward supplies, net taxable value, and TCS collected.
5. Pay the tax collected to the government.
6. Submit and file the return using a valid **DSC or EVC**.

✓ Conclusion

In summary, **GSTR-8** is a crucial monthly compliance requirement for e-commerce operators under GST. It ensures that the tax collected at source from online sellers is properly accounted for and credited to the suppliers. For sellers, the TCS reflected in GSTR-8 is an important input that supports their cash flow by allowing them to claim credit and adjust it against their tax dues. Timely and accurate filing of GSTR-8 fosters trust between the operator, the sellers, and the government, ensuring smooth functioning of the GST ecosystem for the growing digital economy.

XII. GSTR - 10

✦ Introduction to GSTR-10

In India's Goods and Services Tax (GST) regime, **GSTR-10** is known as the **Final Return**. Unlike regular monthly or quarterly GST returns, this is a **one-time return** that must be filed by any registered taxpayer whose GST registration has been **surrendered or cancelled**. The primary objective of GSTR-10 is to ensure that there are no pending tax liabilities, input tax credits, or inventories on which tax must be paid at the time of closure of business or cancellation of GST registration.

⚙ Who Should File GSTR-10

Every person whose GST registration has been **cancelled or surrendered** is required to file GSTR-10. This includes taxpayers who have voluntarily closed their business, merged with another business, or whose registration has been cancelled by the proper officer due to non-compliance or other reasons. However, there are two exceptions — **Input Service Distributors (ISDs)** and **non-resident taxable persons** are **not required** to file GSTR-10.

📄 Purpose and Importance of GSTR-10

The Final Return acts as a settlement statement between the taxpayer and the government. Its purpose is to ensure that any **stock of inputs, semi-finished goods, finished goods, or capital goods held on the date of cancellation** is accounted for properly and any pending tax liability is discharged. It prevents the misuse of input tax credit (ITC) on stock that remains unsold or unadjusted at the time of closing the business. Filing GSTR-10 is mandatory because only after its filing can the cancellation of registration be considered complete.

📖 Contents of GSTR-10

GSTR-10 captures the final details of the taxpayer's liabilities. It generally requires:

- Basic details such as GSTIN, legal name, and trade name.
- Application Reference Number (ARN) and date of cancellation order.
- Date from which the cancellation is effective.
- Details of stock of inputs, semi-finished goods, finished goods, and capital goods held on the date of cancellation.

- The amount of input tax credit involved in these stocks, which must be reversed and paid if not already done.
- Details of tax paid at the time of filing this return.

Effectively, the taxpayer must pay back any ITC previously availed on the closing stock and capital goods if the same will not be used for making further taxable supplies.

Due Date for Filing GSTR-10

The due date for filing GSTR-10 is **within three months** from the date of **cancellation or date of order of cancellation**, whichever is later. For example, if a taxpayer's registration is cancelled on March 1st, the final return must be filed by May 31st. Timely filing is crucial because failure to do so will attract penalties and delay the process of final deregistration.

Difference between GSTR-9 and GSTR-10

Many taxpayers confuse **GSTR-9** (Annual Return) and **GSTR-10** (Final Return). GSTR-9 is an annual compliance return that every registered taxpayer must file for each financial year, providing a summary of outward and inward supplies made during the year. In contrast, GSTR-10 is filed **only once** when the taxpayer exits the GST system, with the specific focus on settling any remaining stock and liabilities.

Late Fee and Penalty for Non-Compliance

Non-filing or late filing of GSTR-10 attracts a **late fee of ₹100 per day per Act** (₹100 CGST + ₹100 SGST = ₹200 per day) subject to a maximum of ₹5,000 under each head. Additionally, the officer may not consider the registration cancellation as final until the pending return is filed, which can lead to further complications including notices and recovery proceedings.

How to File GSTR-10

Filing GSTR-10 is done through the GST portal. The steps generally are:

1. Log in to **www.gst.gov.in** with your credentials.
2. Navigate to **Services → Returns → Final Return**.
3. Select **GSTR-10**, enter the required details like ARN, date of cancellation, and details of stock.

4. Compute the payable tax, if any, and make the payment using electronic cash ledger or net banking.
5. Submit the return and file it using **DSC or EVC**.
6. Download the acknowledgement for your records.

Practical Example

For instance, suppose **XYZ Traders**, a registered GST dealer, decides to close its business on August 31st and applies for cancellation of registration, which is approved with effect from September 15th. XYZ Traders must file GSTR-10 by **December 15th**. If XYZ holds unsold stock worth ₹5 lakh with ITC of ₹90,000 on inputs, they must reverse this credit and pay ₹90,000 while filing GSTR-10 to settle their liability with the government.

✓ Conclusion

In essence, **GSTR-10** is a crucial compliance requirement for any taxpayer exiting the GST system. It acts as the final settlement between the taxpayer and the government, ensuring that no tax dues remain unpaid and no input tax credits remain unaccounted for. Filing this return correctly and on time protects the taxpayer from penalties, notices, and compliance issues while allowing the smooth closure of business operations under GST.

XIII. GSTR - 11

✦ Introduction to GSTR-11

In the Indian GST system, **GSTR-11** is a **statement of inward supplies** that must be filed by persons who have been issued a **Unique Identity Number (UIN)** instead of a regular GSTIN. This return is unique because it's not for regular taxpayers — it specifically applies to certain special categories like foreign diplomatic missions, embassies, UN bodies, or other notified international organizations entitled to claim a refund of GST paid on inward supplies of goods or services in India.

⚙ Who Should File GSTR-11

GSTR-11 must be filed by every person or entity that holds a **Unique Identity Number (UIN)** issued under Section 25(9) of the CGST Act, 2017. UINs are granted to **diplomatic missions, consulates, UN bodies, specialized agencies of the UN, and notified multilateral financial institutions and organizations**. These entities are **not liable to pay GST** but are entitled to claim a refund of the taxes paid on their purchases in India as they enjoy immunity or tax privileges under international agreements.

📄 Purpose of GSTR-11

The main purpose of GSTR-11 is to **claim a refund** of the GST paid on inward supplies. Since UIN holders are not regular taxpayers, they do not collect GST on outward supplies (they usually do not make any taxable outward supply in India). Instead, they file GSTR-11 to report the details of purchases on which GST was paid so that they can claim a refund of the same from the Indian government. This process ensures that India's indirect tax system complies with international diplomatic norms.

📋 Details Provided in GSTR-11

GSTR-11 is a relatively simple form. It contains:

- Basic details like UIN, name, and address of the entity.
- Period for which the statement is being filed.
- Details of inward supplies — invoice number, date, GSTIN of the supplier, taxable value, tax amount, and tax paid under IGST, CGST, SGST, or UTGST.
- The eligible refund amount that the entity is claiming.

All these inward supply details must match the invoices uploaded by the suppliers in their outward supply return (**GSTR-1**) so that the refund can be processed smoothly.

Due Date for Filing GSTR-11

The GSTR-11 must be filed for every month in which the UIN holder has made inward supplies on which GST has been paid. There is **no prescribed due date** like other returns — but the refund claim should ideally be filed **within six months** from the last day of the quarter in which the supply was received. The statement must be submitted before filing the refund application in **Form RFD-10**, which is the formal refund application under GST.

Legal Provisions Governing GSTR-11

The requirement for filing GSTR-11 is laid down under **Section 25(9)** read with **Section 54(2)** of the CGST Act, 2017. The procedural aspects are covered under **Rule 82 of the CGST Rules, 2017**. These provisions ensure that India upholds its international obligations towards diplomatic missions and other entitled bodies.

Difference Between GSTR-11 and Other Returns

Unlike GSTR-1 (for outward supplies) or GSTR-3B (summary return for payment of tax), **GSTR-11 is not a tax payment return**. It is purely a **statement to support a refund claim**. UIN holders do not have a regular GSTIN because they do not make taxable outward supplies in India — hence they do not file other GST returns like regular taxpayers.

Practical Example

Suppose the **Embassy of France** in New Delhi buys office equipment worth ₹5 lakh plus 18% GST from an Indian supplier. The supplier files GSTR-1, reporting this sale with the Embassy's UIN. The Embassy then files GSTR-11, declaring this inward supply with invoice details and claiming the GST amount (₹90,000) as a refund through RFD-10. After proper verification, the tax department processes the refund, crediting the amount to the Embassy's bank account.

✓ How to File GSTR-11

To file GSTR-11:

1. Log in to the **GST portal** using UIN credentials.
 2. Navigate to **Services → Returns → Returns Dashboard → GSTR-11**.
 3. Enter the details of inward supplies based on the invoices received.
 4. Verify that the suppliers have filed the corresponding invoices in their GSTR-1.
 5. Submit the form using **Digital Signature Certificate (DSC)** or **Electronic Verification Code (EVC)**.
 6. File the refund claim through **Form RFD-10** using details from GSTR-11.
-

📁 Points to Remember

- Filing GSTR-11 is mandatory if a refund is to be claimed.
 - Ensure that the invoices uploaded match the supplier's GSTR-1 to avoid mismatches and delays.
 - Refunds are allowed only for inward supplies used for official purposes, not for any commercial activities.
 - Maintain records of all relevant invoices and supporting documents for future reference or audit.
-

👉 Conclusion

In short, **GSTR-11** is an important compliance step for foreign diplomatic missions and notified international organizations operating in India. It allows them to recover the GST paid on their inward supplies, respecting their immunity and privileges under international law. By filing GSTR-11 accurately and on time, these entities can ensure smooth processing of refunds while maintaining good standing with India's GST framework.

XIV. Maintenance of Books of Accounts for GST Annual Return and Audit

✦ Introduction

Under the Goods and Services Tax (GST) regime, every registered person is required to **maintain proper books of accounts and records** at their principal place of business. Proper record-keeping is not just a legal formality — it is the foundation for filing accurate **monthly or quarterly returns**, the **Annual Return (GSTR-9)**, and, if applicable, the **GST Audit (GSTR-9C)**. Good record-keeping ensures that the taxpayer can justify the details reported in returns, claim eligible Input Tax Credit (ITC), and comply with audit and inspection requirements.

☐ Legal Provisions Governing Maintenance of Books

Section 35 of the CGST Act, 2017 read with **Rule 56 to Rule 58 of the CGST Rules, 2017**, lays down detailed requirements for maintenance of accounts and records. These provisions apply to all registered taxpayers — whether individuals, companies, partnerships, LLPs, or other legal entities — except those specifically exempted under the Act.

📁 Mandatory Books of Accounts to be maintained

As per GST law, every registered person must maintain:

- Records of **inward and outward supplies** of goods or services.
- Details of **stock in hand**, including opening balance, receipts, supply, and closing balance.
- **Input Tax Credit availed and output tax payable and paid.**
- Records of **tax invoices, credit notes, debit notes, delivery challans**, and other relevant documents.
- Accounts of **advances received, paid, and adjustments** made.
- Details of **suppliers and customers** with GSTIN/UIN.
- Separate accounts for **tax payable, tax collected, tax paid, and adjustments.**

A person engaged in manufacturing must also maintain production accounts showing raw materials consumed, finished goods manufactured, wastage, by-products, etc. Similarly, a service provider should maintain accounts of services provided and received.

Format and Mode of Maintenance

GST does not prescribe any specific format for books of accounts — they may be maintained in **physical or electronic form**, but they must be **true, complete, up-to-date, and accessible** at the principal place of business mentioned in the registration certificate. If the taxpayer has multiple places of business, separate accounts must be maintained for each location.

Retention Period

Every registered person must **retain books of accounts and records for 72 months (6 years)** from the **due date of filing the Annual Return** for that year. If the taxpayer is involved in any appeal, revision, or proceedings, the records must be retained for one year after the final disposal of such proceedings, **whichever is later**.

Importance for Annual Return (GSTR-9)

The **Annual Return (GSTR-9)** is a **summary of the entire year's transactions** — details of outward and inward supplies, tax paid, ITC claimed and reversed, demands, refunds, and other reconciliations. To file this accurately, the books of accounts must be in perfect order. Any mismatch between monthly returns and annual return may lead to scrutiny, show cause notices, or demands. Hence, reconciliations must be done thoroughly using proper ledgers, purchase registers, sales registers, and ITC records.

Importance for GST Audit (GSTR-9C)

For businesses whose turnover exceeds the prescribed limit (**₹5 crore for FY 2023-24 onwards**), a **self-certified reconciliation statement** in **Form GSTR-9C** must be filed along with GSTR-9. Earlier, GSTR-9C had to be certified by a CA or CMA, but now it is self-certified. The reconciliation statement compares the figures reported in the Annual Return with the **audited annual financial statements**. Proper maintenance of books is vital to reconcile:

- Turnover declared in financial statements vs. turnover reported in GSTR-9.
 - ITC claimed in books vs. ITC claimed in returns.
 - Tax paid as per returns vs. tax payable as per accounts.
Any discrepancy must be explained and, if necessary, paid with interest.
-

Consequences of Improper Record-Keeping

Failure to maintain proper books of accounts attracts penalties under **Section 122** of the CGST Act. If records are not maintained as required, or if demanded records are not produced when demanded by a GST officer, the officer may determine the tax liability using the **best judgment method** under Section 62. This may lead to higher tax demands, penalties, and prosecution in severe cases.

Inspection, Audit, and Seizure

Under **Section 35(2)** and **Section 71**, the Commissioner or any authorized officer can inspect books, accounts, and records at the place of business during normal working hours. If the officer has reasons to believe that books are concealed or manipulated to evade tax, they can seize the books and records.

Best Practices

- Keep all invoices and supporting documents in order.
 - Do regular **monthly reconciliations** of purchase, sales, and ITC.
 - Reconcile E-Way Bills with outward supplies.
 -
 - Back up digital records securely.
 - Keep HSN-wise details for goods and SAC-wise details for services.
 - Ensure your accounting software is GST-compliant.
-

Conclusion

Proper maintenance of books of accounts is the **backbone of GST compliance**. It not only ensures smooth filing of regular returns but is absolutely critical for an accurate Annual Return (GSTR-9) and GST Audit (GSTR-9C). For businesses, investing in good accounting systems, trained staff, and periodic internal reconciliations is essential to avoid penalties, unnecessary notices, and disputes with tax authorities.

XV. Practical of GST Annual Return and Audit

✦ What is the GST Annual Return (GSTR-9)?

GSTR-9 is a **consolidated annual return** that every registered taxpayer (except composition taxpayers, ISDs, non-residents, and a few others) must file once a year. It summarizes the taxpayer's **total outward and inward supplies, tax paid, ITC claimed and reversed, demands and refunds, and adjustments** for the entire financial year.

For small taxpayers with turnover **up to ₹2 crore**, GSTR-9 filing is optional for some years (as per government notifications). But for others, it is **mandatory**.

⚙️ What is the GST Audit (GSTR-9C)?

Earlier, if a taxpayer's aggregate turnover exceeded **₹2 crore**, they had to file **GSTR-9** and a **reconciliation statement in GSTR-9C**, which had to be **certified by a Chartered Accountant or Cost Accountant**.

However, from **FY 2020-21 onwards**, the government removed the mandatory audit certification — but **GSTR-9C must still be filed** as a **self-certified reconciliation statement** if turnover exceeds the notified limit (**₹5 crore for FY 2023-24 onwards**).

GSTR-9C reconciles:

- The **figures declared in the Annual Return (GSTR-9)** **with**
- The **audited annual financial statements** (P&L, Balance Sheet).

📁 Practical Steps for Filing GSTR-9

Here's what businesses **practically do** to file an accurate GSTR-9:

✓ 1. Data Compilation

- Gather all **GSTR-1 (outward supply)** and **GSTR-3B (summary return)** for the year.
- Extract **sales registers, purchase registers, credit/debit notes**.
- Download **GSTR-2A/2B** for the entire year to match ITC.

✓ 2. Reconciliation

- **Match turnover:** Books of accounts vs. GSTR-1 vs. GSTR-3B.
- **Match ITC:** Purchase register vs. GSTR-3B vs. GSTR-2A/2B.
- **Identify mismatches:** Unclaimed ITC, excess claimed ITC, or unreported outward supplies.
- Resolve mismatches by paying any short tax and interest through **DRC-03**, if needed.

✓ 3. Fill the Form

- Fill details in GSTR-9 on the GST Portal — auto-populated data is available for some tables but must be verified.
- Enter amendments, mismatches, and corrections.

✓ 4. Review & File

- Cross-check figures.
- File using DSC/EVC.
- Download and keep acknowledgment.

📁 Practical Steps for Filing GSTR-9C

✓ 1. Prepare Audited Financials

- Finalize annual accounts — P&L, Balance Sheet, trial balance.
- Ensure all GST accounts (Output Tax, Input Tax, Payables, Receivables) are updated.

✓ 2. Reconcile Books vs. GST Returns

- Compare **turnover in books** with **turnover in GSTR-9**.
- Adjust for:
 - Unbilled revenue at year-end.
 - Advances received.
 - Supplies not recorded in books but shown in returns (or vice versa).
- Match **tax liability paid** vs. books.
- Match **ITC availed** as per books vs. returns.

✓ 3. Draft GSTR-9C

- Fill Part-A: Basic Reconciliation Statement.
- Fill Part-B: Certification (self-certification now).
- Report any additional liability and pay it using **DRC-03**, if needed.

✓ 4. File

- Submit GSTR-9C along with GSTR-9 on the portal.
 - Keep final signed copies, working papers, and reconciliations for records.
-

Common Practical Challenges

Frequent Issues:

- Mismatch in turnover: exports, exempt, or zero-rated supplies often get misreported.
- Unclaimed ITC or wrong ITC claimed: differences between books and GSTR-2A/2B.
- Missing credit notes or debit notes.
- Advances and their adjustment not properly reported.
- Differences due to rounding-off or year-end adjustments.

How Good Companies Handle This:

- Maintain **monthly reconciliations** rather than waiting for year-end.
 - Use **GST audit checklists**.
 - Work closely with accountants and auditors.
 - Use accounting software that integrates GST data.
 - Keep backup of E-Way Bills, invoices, GSTR-1/3B workings.
-

Due Dates

Return Due Date

GSTR-9 31st December of the next financial year (subject to extension).

GSTR-9C Same as GSTR-9 — must be filed along with it.

Penalty for Late Filing

- **GSTR-9:** Late fee of ₹200 per day (₹100 CGST + ₹100 SGST) subject to 0.5% of turnover.
 - **GSTR-9C:** No separate late fee, but late filing can attract notices and scrutiny.
-

✓ Key Takeaway

Practical tip: Do not see GSTR-9 and 9C as just “forms”. They are the **final statement** of your entire GST compliance for the year. Any error can lead to notices, show cause, or future audits. Keep books clean, reconcile regularly, and don’t rely blindly on auto-populated figures — verify everything!

Practical Documents Checklist

- ✓ Sales Register
 - ✓ Purchase Register
 - ✓ Debit/Credit Notes Register
 - ✓ E-Way Bills (if applicable)
 - ✓ GSTR-1, GSTR-3B, GSTR-2A/2B
 - ✓ Audited Financial Statements
 - ✓ Reconciliation working papers
 - ✓ DRC-03 payment proofs (if any shortfall)
 - ✓ Board Resolution & DSC for signing
-

Conclusion

For any business, the **Annual Return and Audit under GST** is not just compliance but a self-health check. A robust process for data collation, monthly reconciliations, and proper books of accounts makes GSTR-9 and 9C **smooth, risk-free, and hassle-free**.

XVI. Reporting Issues, Resolution and Alerts- GST Annual Return and Audit

✦ Introduction

The filing of **GSTR-9 and GSTR-9C** is a complex exercise that consolidates all GST data for the entire financial year. Despite monthly or quarterly compliances, taxpayers often discover **reporting issues, mismatches, and gaps** during annual reconciliation. If not resolved properly, these can lead to **tax demands, interest, penalties, or even notices from GST authorities**. Therefore, understanding typical reporting issues, methods for resolution, and setting up alerts is critical for **accurate and compliant filing**.

⚠ Common Reporting Issues in Annual Return and Audit

1 Mismatch in Outward Supplies:

The turnover reported in **GSTR-1, GSTR-3B**, and books of accounts often differ due to unreported invoices, amendments not reflected, or wrong classification of supplies (exempt/zero-rated/regular).

2 Incorrect ITC Claim:

ITC as per **books, GSTR-3B**, and **GSTR-2A/2B** may not match due to:

- Missed invoices by suppliers.
- Duplicate ITC.
- Ineligible credits not reversed.
- Errors in claiming ITC on blocked credits.

3 Unadjusted Advances:

Advances received for goods or services but not adjusted properly can lead to over-reporting or under-reporting.

4 Credit/Debit Notes:

Failure to account for all credit or debit notes issued or received can create mismatch in taxable value and tax paid.

5 HSN/SAC Mismatch:

HSN-wise summary in **GSTR-9** may not match with actual sales registers due to wrong classification.

6 Wrong Classification of Supply Type:

Errors in categorizing B2B, B2C, exports, SEZ supplies, or deemed exports.

7 Unreported Additional Liabilities:

Sometimes, certain liabilities identified during audit (e.g., under-reported turnover) are not declared and paid properly.

8 Refunds and Demands:

Incorrect disclosure of refunds claimed, received, or demands paid during the year.

🔍 Resolution of Reporting Issues

When such issues are found during preparation of GSTR-9 and GSTR-9C, the business must **resolve them before filing** to avoid future disputes:

✓ 1. Detailed Reconciliation:

Use **excel-based reconciliation statements** to compare:

- Books vs. GSTR-1 vs. GSTR-3B vs. GSTR-2A/2B.
- Turnover heads (taxable, exempt, nil-rated).
- ITC ledgers.

✓ 2. Correction through DRC-03:

If any **under-reported liability** or excess ITC is detected, pay the differential amount with interest using **Form DRC-03** before filing the Annual Return. This voluntary payment helps avoid penalties.

✓ 3. Document Adjustments Clearly:

Keep separate working papers for:

- Amendments to turnover.
- ITC reversals.
- Additional liability paid.
- Closing stock adjustments.

✓ 4. Record Explanations for Differences:

Where differences exist due to accounting methods (e.g., cut-off differences, unbilled revenue), maintain **proper explanations** and auditor's notes. These help defend your position in case of future scrutiny.

✓ 5. Rectify Master Data:

If mismatches are recurring, check master data errors — wrong GSTIN of suppliers/customers, tax rates, HSN errors.

✓ 6. Seek Auditor's Inputs:

For large businesses, involve your statutory auditors to confirm turnover, ITC reconciliations, and special adjustments.

Setting Up Alerts and Preventive Measures

To reduce the risk of reporting issues during annual return filing, businesses should adopt a **preventive approach**:

✓ **Monthly Reconciliation Alerts:**

Set up reminders to reconcile GSTR-1 vs. 3B vs. Books every month. Differences should be corrected immediately in the next month's return.

✓ **Vendor Compliance Tracking:**

Use **GSTR-2B download and matching** monthly. Follow up with suppliers for any missing invoices to ensure ITC appears in 2B.

✓ **Internal Checklists:**

Have a year-end checklist for final checks — e.g., unbilled revenue, advances, stock reconciliations.

✓ **Workflow Alerts in Accounting Software:**

Use GST-ready software that automatically flags mismatch between invoices and returns filed.

✓ **Audit Review Alerts:**

Keep internal audit teams or consultants engaged to do periodic mock reconciliations before the annual filing season.

Impact of Unresolved Reporting Issues

Unresolved differences can result in:

- **Show cause notices** for tax evasion.
- **Scrutiny notices** asking for clarifications.
- **Demand notices** for short tax paid or excess ITC claimed.
- **Reversal of ITC** with interest and penalties.
- Higher risk of future departmental audit.

Final Practical Tip

Don't treat GSTR-9 and 9C as just forms to be filed mechanically. They are the final statements of your **GST health for the entire year** — a mismatch here means you are

exposed to unnecessary litigation. The best practice is to maintain **live reconciliations**, resolve mismatches promptly, and have robust documentation to explain any differences.

✓ Conclusion

Proper **reporting, resolution, and preventive alerts** make the Annual Return and GST Audit smooth and risk-free. Investing in a **strong internal control process**, reliable data, and timely action goes a long way in keeping your GST compliance healthy.

XVII. JOB WORK UNDER GST

Introduction

Job work sector constitutes a significant industry in Indian economy. It includes outsourced activities that may or may not culminate into manufacture. The term Job-work itself explains the meaning. It is processing of goods supplied by the principal. The concept of job work already exists in Central Excise, wherein a principal manufacturer can send inputs or semi-finished goods to a job worker for further processing. Many facilities, procedural concessions have been given to the job workers as well as the principal supplier who sends goods for job work. The whole idea is to make principal responsible for meeting compliances on behalf of the job worker on the goods processed by him (job worker), considering the fact that typically the job-workers are small persons who are unable to comply with the discrete provisions of the law. The GST Act makes special provisions with regard to removal of goods for job-work and receiving back the goods after processing from the job worker without payment of GST. The benefit of these provisions shall be available both to the principal and the job worker.

What is Job work?

Section 2(68) of the CGST Act, 2017 defines job work as 'any treatment or process undertaken by a person on goods belonging to another registered person'. The one who does the said job would be termed as 'job worker'. The ownership of the goods does not transfer to the job worker but it rests with the principal. The job worker is required to carry out the process specified by the principal, on the goods.

Job work Procedural aspects:

Certain facilities with certain conditions are offered in relation to job work, some of which are as under:

- a) A registered person (Principal) can send inputs/ capital goods under intimation and subject to certain conditions without payment of tax to a job worker and from there to another job worker and after completion of job work bring back such goods without payment of tax. The principal is not required to reverse the ITC availed on inputs or capital goods dispatched to job worker.
- b) Principal can send inputs or capital goods directly to the job worker without bringing them to his premises, still the principal can avail the credit of tax paid on such inputs or capital goods.
- c) However, inputs and/or capital goods sent to a job worker are required to be returned to the principal within 1 year and 3 years, respectively, from the date of sending such

goods to the job worker. d) After processing of goods, the job worker may clear the goods to-

- (i) Another job worker for further processing;
- (ii) Dispatch the goods to any of the place of business of the principal without payment of tax;
- (iii) Remove the goods on payment of tax within India or without payment of tax for export outside India on fulfilment of conditions.

The facility of supply of goods by principal to the third party directly from the premises of the job worker on payment of tax in India likewise with or without payment of tax for export may be availed by the principal on declaring premise of the job worker as his additional place of business in registration. In case the job worker is a registered person under GST, even declaring the premises of the job worker as additional place of business is not required. Before supply of goods to job worker, principal would be required to intimate the Jurisdictional Officer containing the details of description of inputs intended to be sent by the principal and the nature of processing to be carried out by the job worker.

The said intimation shall also contain the details of another job worker, if any. The inputs or capital goods shall be sent to the job worker under the cover of a challan issued by the principal. The challan shall be issued even for the inputs or capital goods sent directly to the job worker. The challan shall contain the details specified in rule 10 of the Invoice Rules. The responsibility for keeping proper accounts for the inputs or capital goods shall lie with the principal. Input Tax credit on goods supplied to job worker Section 19 of the CGST Act, 2017 provides that the principal (a person supplying taxable goods to the job worker) shall be entitled to take the credit of input tax paid on inputs sent to the job-worker for the job work. Further, the proviso also provides that the principal can take the credit even when the goods have been directly supplied to the job worker without bringing into the premise of the principal. The principal need not wait till the inputs are first brought to his place of business.

Time Limits for return of processed goods As per section 19 of the CGST Act, 2017, inputs and capital goods after processing shall be returned back to **principal within one year or three years** respectively of their being sent out. Further, the provision of return of goods is not applicable in case of moulds and dies, jigs and fixtures or tools supplied by the principal to job worker.

Extended meaning of input As per the explanation provided in section 143 of the CGST Act, 2017, where certain process is carried out on the input before removal of the same to the job worker, such product after carrying out the process to be referred as the intermediate product. Such intermediate product can also be removed without the payment of tax. Therefore, both input and intermediate product can be cleared without payment of duty to job worker.

Waste clearing provisions Pursuant to section 143 (5) of the CGST Act, 2017, waste generated at the premises of the job worker may be supplied directly by the registered job worker from his place of business on payment of tax or s such waste may be cleared by the principal, in case the job worker is not registered.

Transitional provisions:

Inputs as such or partially processed inputs which are sent to a job worker prior to introduction of GST under the provisions of existing law [Central Excise] and if such goods are returned within 6 months from the appointed day i.e. 1st July, 2017 no tax would be payable. If such goods are not returned within prescribed time, the input tax credit availed on such goods will be liable to be recovered. If manufactured goods are removed, prior to the appointed day, without payment of duty for testing or any other process which does not amount to manufacture, and such goods are returned within 6 months from the appointed day, then no tax will be payable. For the purpose of these provisions during the transitional period, the manufacturer and the job worker are required to declare the details of such goods sent/received for job work in prescribed format GST TRAN-1, within 90 days of the introduction of GST.

XVIII. Job Work vs. Works Contract under GST

Under the Goods and Services Tax (GST) regime, **Job Work** and **Works Contract** are two distinct concepts, each governed by separate provisions and applicable to different types of transactions.

Job Work, as defined under Section 2(68) of the CGST Act, 2017, refers to any treatment or process undertaken by a person (called the job worker) on goods belonging to another registered person (called the principal). In this arrangement, the ownership of the goods remains with the principal throughout the process. The job worker merely performs a specific task—such as machining, painting, assembling, or packaging—on the goods and returns them to the principal or supplies them as instructed. The movement of goods to and from the job worker’s premises is generally exempt from GST, provided certain conditions are met, such as the goods being returned within prescribed time limits (1 year for inputs and 3 years for capital goods). The principal is also entitled to claim Input Tax Credit (ITC) on goods sent for job work, even if they are dispatched directly to the job worker without first coming to the principal’s premises. Job workers may or may not be registered under GST, and if registered, they can even supply goods from their premises if declared as an additional place of business by the principal.

In contrast, a **Works Contract** is defined under Section 2(119) of the CGST Act as a contract for building, construction, fabrication, installation, repair, renovation, or similar activities involving immovable property. Unlike job work, a works contract is treated as a composite supply of both goods and services, where the contractor undertakes to deliver a finished immovable structure or facility. Here, the ownership of goods used in the contract may transfer to the customer as part of the service. GST is applicable on the entire value of the works contract, and the contractor must be registered under GST. Input Tax Credit is allowed only to the extent that the goods and services are used in providing taxable works contracts; however, ITC is restricted in cases involving construction of immovable property for personal use. There is no requirement for the return of goods in works contracts, as the materials used are typically consumed or embedded in the construction process.

In summary, **Job Work** involves processing of movable goods without transfer of ownership and is primarily a manufacturing support activity, whereas **Works Contract** involves construction or installation of immovable property with transfer of ownership and is treated as a composite supply under GST. The tax treatment, ITC eligibility, registration requirements, and legal implications differ significantly between the two, making it essential to distinguish them correctly for compliance and operational clarity.

