

INTRODUCTION TO GST

RETURNS-PART 3

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Week 08

Lecture 30

Can one claim ITC of an invoice that is not being reflected in GSTR 2B of a particular month?



No. ITC can be claimed for the invoices that are reflected in GSTR -2B.

***The ITC for that particular invoice can be claimed when it appears in GSTR-2B on the portal.**

So, friend, question comes, can a person claim ITC of an invoice that is not being reflected in GSTR-2B? As mentioned, if invoice is not available in GSTR-2B, then as per section 16, you cannot avail your ITC. So, means for every invoice, it should be depicted in GSTR-2B and if it is not there, you have to follow your supplier that why it is not appearing in 2B.

What is the difference between GSTR 2A and GSTR 2B?

GSTR-2A	GSTR-2B
As and when Invoices uploaded through GSTR-1 by supplier of goods and services, information are depicted to buyer in this statement.	Invoices uploaded in GSTR-1, by supplier of goods and services are depicted to buyer in this statement on month to month basis,
It can be generated any time for tax period on year-to-year basis	It will be updated for invoices uploaded between 14 th of current month to 13 th of next month
	It is available on month-to-month basis and can be generated after 14 th of subsequent month

So here is the difference between 2A and 2B. 2A can be for previous period also. It can contain the information for whole year. But 2B is for particular month. So 2B is available to us after 14th of the next month and ITC more or less depends on 2B. But if your supplier has missed filing some of the invoices during current month and which is not appearing in 2B by chance, then it will appear in 2A when he will file his next month return. So 2A carries all information, all invoices, including missed out invoices, whereas 2B will be having invoices for that particular month, if they have been filed or data is uploaded in GSTR-01 by the supplier.

Can a person claim ITC against a bill which was reflected in 2A/2B of previous months but ITC was not availed/claimed ?



Yes. A person can claim ITC afterwards also but before (earlier of) due date of filing returns **for September*** of next financial year or date of filing annual return for that financial year.

30th Of November w.e.f Budget-2022 –Notification yet to be issued.

So, question comes, can a person claim ITC against a bill which was reflected in 2A, 2B of previous month, but ITC was not availed or claimed? i.e. If any person has purchased something from another person and the supplier has filed his GSTR-01 and that amount is appearing in GSTR 2B or 2A, so it means ITC is available to this particular buyer, but he has to claim it. What is the mechanism of claiming? Because, if any item is there in 2A or 2B, it is evidence that this person, this man has purchased this item and he is supposed to be having its bill and possession of goods and services, whatever he has done. But after that, this buyer, has to claim that amount of ITC in his own return. So how he will do that? He will claim that amount in his GSTR-3B.

So, can a person claim ITC against a bill which was reflected in 2A or 2B of previous month but ITC was not availed or claimed? Answer is yes. A person can claim ITC afterwards also, but before 30th of November of the next year. What does it mean? It means, if in the month of February, I have purchased something from a supplier, he has filed his GSTR-01, and that after filing his GSTR-01, the amount or the bill raised to me is there in GSTR-2A or GSTR-2B. And when I am filing my return of GSTR-3B for the month of February, I forget to have this bill into account. So, in the month of February return, I ignored by mistake this particular bill, and I have not claimed its ITC. So, solution is, by 30th November of next year, means if I am talking about 2023-24 financial year, so 30th November 2024, in any of the returns, I can claim this amount. In any of the returns, I can claim this amount. But after 30th of November, If still I have not claimed this amount then it is foregone. Then it is not available to me for ITC. So 30th November is the date when I can claim my all ITC which I forgot by chance for the financial year 2023-24. Similarly for the next financial year if I have forgot to claim any ITC in my 3B I can claim by 30th of next year. One has to be clear in their mind that I should not forget to claim my ITC in 3B.

So, if supplier has supplied goods to me, I have purchased goods, I have received the goods, I have received the bills also. When he will file his GSTR-1 as a supplier, that invoice will appear to me in my GSTR-2A or GSTR-2B and based upon that GSTR-2A or GSTR-2B and the invoice (of which I have physical copy) and the goods physically I have. I will put this ITC amount in my GSTR-3B when I will file my GSTR-3B. That is my tax liability statement or the return which I file every month after GSTR-01. So, when I have put this amount in GSTR-3B, it means I have claimed that amount. And if for some other reason I forget to claim this amount in 3B, I have a time up to 30th November of next year. So, for financial year 2024-2025, I can claim any such invoice which I have not claimed in my 3B by 30th November of

2025. For 2023-2024, I have a time up to 30th November of 2024. So, during this period, in any of my returns, I can put this claim and it will be available to me.

What is GSTR-3B return?



It is basically a summary of outward supplies, inward supplies of goods/services, ITC availed, tax payable, tax paid.

Now coming to GSTR-3B, it is my tax return. My liability has been fixed by GSTR-01, and now I have to pay a tax. So, this return, GSTR 1, gives you the amount of tax you are supposed to pay to the government based upon your sale and you have declared your sale in GSTR-01. And based upon 2A or 2B, your ITC is also clear now. So, after having proper calculation of 2A, 2B and physical copy of the bills you received, the goods you have received, you will make your calculations and in GSTR-3B, in a given column, you will mention about your ITC. And it is a system of segregation of ITC into three parts. One is ITC available on your inputs, that is your raw material, your expenses. And then ITC available against your capital goods. If you have purchased any plant and machinery, then that has to be segregated separately and inputs on your services. Your input services, services of engineer, services of advocate, services of architect, etc. So total ITC available to you in 2B or 2A will be segregated into three parts under GSTR-3B. There are different columns available there in 3B. You are supposed to declare there your ITC. Here you will declare your total ITC and after that you will reduce from this ITC your ineligible ITC in the same fashion, in the same manner, and then work out your net ITC available for different-different taxes. Means ITC available or eligible for IGST, for CGST, and for SGST. And also, you will declare over here your output liability in form of IGST, in form of CGST, in form of SGST on your sales. What you have declared in your GSTR-01 return. So GSTR-01 is supposed to be filed by 11th of the next month, and GSTR-3B is supposed to be filed by 20th of the next month. So, if we are talking about July, so July return of GSTR-01 date is 11th of August and for GSTR-3B date is 20th of August. So, it's a monthly return again, which calculate your tax liability, your ITC available, which talk about your cash payment of

taxes. So, this is the summary basically, of outward supplies, inward supplies, ITC availed, tax paid or payable. By filing GSTR-3B, you will clear your all taxes for that particular month.

If we talk about July, July return will be filed on 20th of August, it means whatever business you have done in July, whatever tax liability has been calculated based on the sales you have declared in GSTR-01, now you have paid your taxes to the government after addressing all ITC. And also, if there is any service obtained by you under reverse charge mechanism, because in reverse charge mechanism you are the recipient, so, reverse charge means recipient has to pay taxes. So, if during July, if you received a bill from advocate of 1 lakh rupees, there is a liability of 18,000 rupees of GST to be paid in GSTR-3B. So, there is a column in 3B about this transaction also. Means all transactions cover under RCM.

So, in GSTR-3B, you will declare your outward supply liability, your RCM liability, your any fine, any penalty, any late fee or any interest. So, any type of liability if have been intimated by department or it is because of law, you are supposed to pay in GSTR-3B only. An ITC settlement or ITC benefit is available only for the payment of taxes. RCM, you cannot pay from your ITC. Fine, penalty, late fee, you cannot pay from your ITC; for that, you have to deposit cash by generating chalan through NEFT, RTGS, like that. So whatever ITC is available to you, that can be used for the payment of IGST tax, CGST tax, or SGST tax; but cannot be used for payment of RCM, fine, penalty, late fee. And for that you have to pay cash only, and that too in GSTR-3B. So, when we are preparing our GSTR-3B or we are calculating our GSTR-3B or for the sake of filing of GSTR-3B, the calculations are made by referring your GSTR-01.

How GSTR-3B can be prepared?



- Outward details auto populate from GSTR 1.
- Inward details auto populate from GSTR 2A/2B.
- ITC availed auto populate from GSTR 2A/2B.
- any taxable liability to be paid through cash ledger.

It is your sale, inward supplies to you, which are auto-populated in 2A and 2B for your procurement. ITC availed is auto-populated in GSTR-2B and any tax liability to be paid in cash ledger. So, summarizing all these things, we will file our GSTR-3B to close that particular tax period. And if there is anything outstanding, that can be taken care of in next month GSTR-3B.

What are the terms of filing GSTR-3B?



- For registered person having turnover more than Rs. 20 Lac/Rs. 40Lac, GSTR-3B has to be filed monthly
- For registered person with turnover Rs. 20Lac/Rs. 40Lac, having opted for quarterly return (QRMP), GSTR-3B has to be filed quarterly, but tax, if any, has to be paid monthly.

So, when we are filing GSTR-3B, a registered person having turnover more than 20 lakh rupees or 40 lakh rupees, GSTR-3B has to be filed on a monthly basis. It is a monthly statement, monthly summary, monthly return we have to file. A registered person with turnover 20 lakh rupees having opted for quarterly return; this is option given to the businessman if he want to file quarterly return also. So, for filing of returns, means we have mainly two main returns under GST, that is GSTR-01 and GSTR-3B. These are our monthly returns, but to facilitate the trade and industry, to give a facility or give an ease of doing business to the trader, government has given another option of QRMP for small traders. For small traders, they have option of QRMP. QRMP means you file your GSTR-01 and GSTR-3B quarterly also, but pay taxes monthly. So, you can file your GSTR-01, GSTR-3B on quarterly basis, but have to pay taxes monthly basis. So, government will get taxes every month, if you are opting for this, otherwise, as a regular dealer, you are supposed to file your GSTR-01, GSTR-3B on monthly basis.

What is GSTR- 4?



- It's a return for Composition taxable person (Composite Dealer) to file annual return,
- Composition Dealer has to file only one return in every financial year by 30th of April following the relevant financial year.
- the taxpayer has to file CMP-08 form for the payment of tax in every quarter of the year
- GSTR- 4 cannot be revised.

Now, GSTR-04, another return under GST by composite taxable person. He will also file CMP-08. This composite dealer or a person having turnover up to 1.5 crore has option to go for this scheme where he will not charge tax in his invoice. I mentioned earlier, he will calculate tax on total turnover and pay to the government as per the rate applicable. But he will file return on quarterly basis and pay tax quarterly basis. This is for small traders having turnover less than 1.5 crore. This return cannot be revised. Whatever you want to do, it will be during assessment by the department. So, for composition dealer, means those are having small businesses up to turnover of 1.5 crore if dealing in goods or 50 lakhs in case of services.

How tax is calculated for Composition Dealer?



- 1% of turnover for traders and manufacturers
- 5% of turnover for restaurant services not serving alcohol.
- 6% by service providers (upto TO Rs 50 lakh).
- 6% by manufacturers of bricks (including building bricks, bricks of fossil meals or similar siliceous earths, earthen or roofing tiles, and fly ash bricks and blocks-
[wef:01.04.2022](#)).

So, if they are having goods or a manufacturer, he will pay 1% tax on his total turnover. So, if any composite dealer having turnover less than 1.5 crore is a manufacturer, he will not charge any tax in his invoice to his customer, but whatever turnover will be there during that particular month or a quarter, he will calculate 1% tax on that turnover and pay to the government. And if he is in service, like restaurant service or so, he will charge 5% of the turnover. And if he is a service provider, he will charge 6% tax. So, these are different type of categories for different type of business people.

So, we have to understand nature of the business and the applicable provision under GST. We cannot say that common rules or the same rules are applicable to every business model. Here also it is mentioned for manufacture of bricks, provisions are different. Though they are eligible for this composition scheme, they are not the regular dealer.

What is GSTR -5?



- It's a return form for Non-resident foreign taxable person and to be filed for the period during which he carries out business transactions in India.
- GSTR -5 to contain outward and inward supplies made and received
- to be filed within 7days after the last day of registration or on 20th of the next month, whichever is early.

Then GSTR-05, is a return form for non-resident foreign tax person. A person sitting in USA, a person sitting in Australia, a person sitting in China selling goods to Indian buyer, maybe through e-commerce operator, maybe through some representative in India. So, when consumption is in India, tax will be levied on imported goods. And the person authorized by this fellow who is sitting in China or America or UK, through his authorized representative in India, they will file their monthly returns and pay taxes to the government. So, there is set format and, GSTR-05, asks for various returns, various type of information in that return. And you are supposed to file this return by 20th of next month.



What is GSTR 6?

- Its return Form for Input Service Distributor (ISD)
- It contains details of ITC received by an Input Service Distributor and distribution of ITC.
- Due date to file GSTR- 6 is 13th of next month.
- There is no provision under GST for revising GSTR 6.

GSTR-06 for input service distributor. Any company when having centralized procurement, bills are coming to them in head office and they are sending goods to units directly. And since GST is a consumption-based tax, so finally this ISD has to raise invoices to their units so that tax can be transferred to respective states where goods are consumed. So, they file their GSTR-06 mentioning there what type of and how many values of goods they have purchased and for how many goods they have raised the invoices and if there is any difference what are the reasons for that. They have to file their monthly return by 13th of next month. Based on their return, whatever invoices they will raise to their units, it will appear for their units in their GSTR-2B for credit purposes, for ITC purposes. If they will not upload the invoices, on GST portal, the units will not get ITC. So, they have to make it sure that they file returns on regular basis.



What is GSTR -7?

- Its return form for authorities/government departments/PSUs deducting tax at source (TDS).
- Return to be filed on or before 10th of next month

So, GSTR-07 to be filed by government agencies, those are deducting TDS. TDS will be a benefit available to the person from whose payment the TDS is deducted, and they will claim it in their cash ledger. So, unless the parties those have deducted TDS or TCS file their monthly returns, the amount deducted by these parties will not appear in GST portal in cash ledger of the suppliers. So, it is mandatory for them to file their return by 10th of next month so that it appears to the suppliers for their statement at appropriate time. So, when they start calculating their tax liability in 3B by 20th of next month, they will consider this amount also while calculating their tax liability. So, it is important for such people to file their GSTR-07 well in time without failure, without ignoring any invoice or tax deducted by them. Otherwise, it will be a loss for the supplier because he will not be in a position to claim this amount or consider this amount while calculating his own tax liability.

What is GSTR -8?



- [GSTR 8](#) is a return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST.
- It contains the details of supplies effected through an e-commerce platform and the amount of TCS collected on such supplies.
- It is a monthly return to be filed by 10th of the following month

Similarly, friends, GSTR-08 is again a monthly return to be filed by a person who has collected tax at source and deposited to the government. So, its date is also 10th because TDS and TCS are having similar provisions. So, once this man/person/buyer has deducted TCS or collected TCS, he is supposed to deposit it to the government and file its return in GSTR-08 giving details of all such deductions so that the amount deducted and deposited by this fellow is available to the buyer for calculating his own tax liability. So, these returns are equally important from buyer's point of view.

What if a registered person does not have any outward or inward supply?



If a person does not have any sale/purchase, even then he has to file NIL GSTR- 1 and GSTR-3B without failure.

So, if you are having a GST number, you are supposed to compliance with each and every provision of law without failure. Under GST, if you don't have any sale during the month, is return filing compulsory? Answer is 'yes'. If person does not have any sale or purchase, even then he has to file nil return without failure. If he will not file, his next return will be stopped. He will not be able to file next month return. So nil rate of return is must, only then he will be able to file August month return.