GSTZONE

Returns & Filing

What to file, when, and what lateness costs

The complete guide, plus all 43 sections and rules

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A Khemchandani Finance initiative

Start here

The monthly cycle has three moving parts. GSTR-1 reports what you sold. GSTR-2B is generated for you, listing the credit available. GSTR-3B is where you actually declare and pay. Miss the rhythm on one and the next one goes wrong too.

Since October 2024 the Invoice Management System sits between your supplier's GSTR-1 and your GSTR-2B. You can accept, reject, or hold each invoice. Doing nothing is safe - an untouched invoice is treated as accepted - but a wrong rejection genuinely costs you credit.

Smaller businesses - up to ₹5 crore - can move to QRMP and file GSTR-3B quarterly, while still paying monthly by challan. It reduces filing work, not payment obligations.

A worked example

The real cost of filing three months late

Tax genuinely due for the month	**₹60,000**	Not disputed
Late fee at ₹50 per day, about 90 days	**₹4,500**	Subject to the turnover-based cap
Interest at 18% a year for 90 days	**About ₹2,660**	On the tax, from the due date

> **The point:** About ₹7,000 added to a ₹60,000 liability, for delay alone. Late fees run per return and per day - filing a pending return today is always cheaper than filing it next month.

The mistakes that cost people money

- Treating a nil month as nothing to do. A nil return still has to be filed, and still attracts a late fee if it isn't.
- Rejecting an invoice in IMS because you don't recognise it, without checking with the supplier first. Rejection is the one action that genuinely destroys credit.
- Forgetting the monthly PMT-06 challan under QRMP. The return is quarterly; the payment is not.

What this guide covers

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Every provision, explained

SECTION 37 · CGST ACT, 2017

Furnishing details of outward supplies

You file your outward-supplies statement (GSTR-1) by the 11th of the following month, or by the 13th after the quarter if you are on QRMP. It feeds your buyers' GSTR-2B, so an error here becomes their credit problem. Amend a mistake up to 30 November following the financial year or the annual return, whichever is earlier - and GSTR-1A lets you correct the same period before you file that month's GSTR-3B. You cannot file if the previous period's GSTR-1 is pending, and not at all once three years have passed from the due date.

- Due date is the 11th for monthly filers and the 13th after the quarter for QRMP; the IFF is available for the first two months of a quarter.
- GSTR-1A (from August 2024) allows amendment of the same tax period before GSTR-3B for that period is filed - use it instead of waiting for the next month's amendment table.
- Sequential filing has been mandatory since 01-10-2022: no GSTR-1 until the previous one is filed, and no GSTR-1 where the previous period's GSTR-3B is pending.
- The three-year hard bar (01-10-2023 amendment, enforced from 01-07-2025) is absolute unless the Government notifies relief for a class of taxpayers.

SECTION 38 · CGST ACT, 2017

Communication of details of inward supplies and input tax credit

There is no manual inward-supply return. The portal builds your input tax credit statement, GSTR-2B, from your suppliers' filings, splitting it into credit available and credit restricted (newly registered supplier, default in paying tax, output-tax versus credit mismatch, and the other prescribed cases). Since 1 October 2025 this runs through the Invoice Management System: you accept, reject or keep pending each invoice, and GSTR-2B is built from what you accept - so the credit you can claim is now tied to the action you take in IMS.

- Section 38 was substituted with effect from 01-10-2025 (notified by 16/2025-Central Tax dated 17-09-2025), which is what put the Invoice Management System on a statutory footing.
- You can still act on records in IMS after GSTR-2B is generated and up to filing GSTR-3B, and regenerate GSTR-2B - but once GSTR-3B is filed the position is locked for that period.
- Rejecting a record has consequences for the supplier, so reject only with a reason on file; 'pending' is the right action for a disputed or not-yet-received supply.
- Section 38 restricts credit; it does not grant it. The conditions of section 16(2) still have to be met independently.

SECTION 39 · CGST ACT, 2017

Furnishing of returns

GSTR-3B is the main return: monthly by the 20th, or quarterly under QRMP by the 22nd or 24th depending on your State, with tax paid by the due date. Composition dealers pay quarterly in CMP-08 and file GSTR-4 annually; TDS deductors file monthly whether or not they deducted; ISD and non-residents have their own returns. A nil return is still compulsory. Amend up to 30 November following the financial year, you cannot file if a previous period is pending, and no return can be filed after three years from its due date.

- Monthly GSTR-3B is due on the 20th; QRMP filers pay monthly in PMT-06 by the 25th and file the quarterly GSTR-3B by the 22nd or 24th of the month after the quarter, by State.
- Since 16-08-2024 a TDS deductor under section 51 must file GSTR-7 every month even for a nil month.
- The 2025 amendment inserted enabling words for conditions and restrictions on filing, effective 01-10-2025, which is the hook for the IMS-linked filing sequence.
- GSTR-3B has been non-editable for auto-populated liability from GSTR-1 since July 2025 - corrections go through GSTR-1A, not through overwriting 3B.

SECTION 40 · CGST ACT, 2017

First return

Sales you made between the day you became liable to register and the day you actually got your GSTIN are declared in your first return after registration - so that early-period supplies are not left out.

SECTION 41 · CGST ACT, 2017

Availment of input tax credit

You take input tax credit on a self-assessed basis in your return, and it goes to your electronic credit ledger. But if your supplier has not paid the tax on that supply, you must reverse that credit with interest - and you can take it back once the supplier pays. The old 'provisional credit' concept is gone.

- Section 41 as recast from 01-10-2022 makes the credit self-assessed but conditional: if the supplier does not pay the tax, the recipient reverses with interest and re-avails when the supplier pays.
- The operative mechanism is Rule 37A - reverse by 30 November following the year if the supplier has not paid by 30 September - which is where the compliance actually bites.

SECTION 42 · CGST ACT, 2017

Matching, reversal and reclaim of input tax credit [OMITTED]

Section 42 no longer exists. It carried the original invoice-matching scheme, which was never operationalised and was omitted with effect from 1 October 2022. Input tax credit is now governed by section 16 read with section 38 and the auto-generated GSTR-2B.

SECTION 43 · CGST ACT, 2017

Matching, reversal and reclaim of reduction in output tax liability [OMITTED]

Section 43 no longer exists. It carried the original invoice-matching scheme, which was never operationalised and was omitted with effect from 1 October 2022. Input tax credit is now governed by section 16 read with section 38 and the auto-generated GSTR-2B.

SECTION 43A · CGST ACT, 2017

[Omitted]

Omitted. It carried the never-operationalised return-and-credit-matching procedure and was removed with effect from 1 October 2022; the field is now section 38 read with GSTR-2B and the Invoice Management System.

SECTION 44 · CGST ACT, 2017

Annual return

The annual return (GSTR-9), with a self-certified reconciliation statement (GSTR-9C) where applicable, reconciles your yearly returns to your audited accounts. The earlier requirement of a CA/CMA audit was removed - it is now self-certified (from FY2020-21). Government departments audited by the CAG are exempt, and you cannot file an annual return after three years from its due date.

- GSTR-9 is exempt for aggregate turnover up to two crore rupees (notified year by year - 15/2025-Central Tax continued it); GSTR-9C is required above five crore rupees and is self-certified, not audited, since FY 2020-21.
- The three-year bar applies to the annual return as well, from 01-07-2025.
- Turnover for both thresholds is aggregate turnover on the PAN across India, not the turnover of the single GSTIN.

SECTION 45 · CGST ACT, 2017

Final return

If your GST registration is cancelled, you must file a final return (GSTR-10) within three months of the cancellation date or the cancellation order, whichever is later - closing out your GST account.

SECTION 46 · CGST ACT, 2017

Notice to return defaulters

If you miss a return under section 39 (GSTR-3B), 44 (annual) or 45 (final), the department issues a notice (GSTR-3A) requiring you to file within fifteen days. Ignoring it can lead to a best-judgment assessment under section 62.

- The GSTR-3A notice gives fifteen days; ignoring it leads to a best-judgment assessment under section 62, which is withdrawn only if the return is filed within sixty days of that order.
- A notice under section 46 is a precondition for a section 62 assessment - an ASMT-13 passed without it is challengeable.

SECTION 47 · CGST ACT, 2017

Levy of late fee

Late filing carries a late fee. The section sets Rs 100 per day per Act (so Rs 200 a day) capped at Rs 5,000 for GSTR-1, GSTR-3B, the final return and the TCS statement, and 0.25 per cent of State turnover per Act for the annual return. In practice the fee actually charged is the reduced one notified from time to time - currently Rs 50 a day (Rs 20 for a nil return) with turnover-linked caps, and a graded scale for GSTR-9. Always read the current late-fee notification before quoting a figure.

- The statutory figure and the notified figure are different numbers - quoting the section alone will overstate the fee.
- Late fee for GSTR-9 was rationalised by turnover slabs (Notification 07/2023-Central Tax): the ceiling depends on turnover, not a flat cap.
- Late fee is a levy, not a penalty: it cannot be waived by the officer, only by a notification, and amnesty windows are notified periodically - check whether one is open before advising a client to pay.

SECTION 48 · CGST ACT, 2017

Goods and services tax practitioners

A registered person can authorise an approved GST practitioner (GSTP) to file GSTR-1, GSTR-3B, annual and final returns and do other prescribed tasks - but the legal responsibility for the correctness of what is filed always stays with the taxpayer, not the practitioner.

- Responsibility for correctness stays with the taxpayer - a practitioner's error is no defence to a demand, though it may support a plea against penalty.
- The taxpayer must confirm the return filed by a practitioner; silence for the notified period is treated as confirmation.

RULE 59 · CGST RULES, 2017

Form and manner of furnishing details of outward supplies

GSTR-1 - the outward supplies statement - is filed by the eleventh of the following month, or by the thirteenth after a quarter for a QRMP taxpayer, who may also use the Invoice Furnishing Facility for the first two months. GSTR-1 cannot be filed if the previous period's GSTR-1 or GSTR-3B is pending, and GSTR-1A allows an amendment before GSTR-3B for that period is filed.

- Sequential filing is enforced: no GSTR-1 where the previous GSTR-1 or GSTR-3B is pending.
- GSTR-1A allows correction of the same period before GSTR-3B is filed - use it instead of waiting for the next month's amendment table.
- Rule 59(6) blocks GSTR-1 where a Rule 88C or 88D intimation is unanswered.

RULE 60 · CGST RULES, 2017

Form and manner of ascertaining details of inward supplies

GSTR-2B, the auto-drafted statement, is generated for each recipient from the suppliers' GSTR-1, IFF, GSTR-5, GSTR-6, TDS and TCS returns and the ICEGATE import data. It is what fixes the credit a recipient may claim under section 16(2)(aa) and (ba).

RULE 61 · CGST RULES, 2017

Form and manner of furnishing of return

GSTR-3B is the monthly return, due by the twentieth of the following month, and by the twenty-second or twenty-fourth for QRMP taxpayers depending on the State; tax is discharged by debiting the electronic cash and credit ledgers when the return is filed. Since 1 July 2025 a GSTR-3B cannot be filed after three years from its due date.

RULE 61A · CGST RULES, 2017

Manner of opting for furnishing quarterly return

How to opt for quarterly filing under QRMP: the choice is made on the portal during the notified window for the quarter, and once made it continues until changed; taxpayers with turnover up to five crore rupees are eligible.

RULE 62 · CGST RULES, 2017

Form and manner of submission of statement and return

A composition taxpayer files CMP-08 by the eighteenth after each quarter with the self-assessed tax, and the annual return GSTR-4 by the thirtieth of June following the year.

RULE 63 · CGST RULES, 2017

Form and manner of submission of return by non-resident taxable person

A non-resident taxable person files GSTR-5 within thirteen days after the end of the month or within seven days after the last day of the registration, whichever is earlier.

RULE 64 · CGST RULES, 2017

Form and manner of submission of return by persons providing online information and data base access or retrieval servic

An overseas supplier of online information and database access services, or of online money gaming to a person in India, files GSTR-5A by the twentieth of the following month.

RULE 65 · CGST RULES, 2017

Form and manner of submission of return by an Input Service Distributor

An Input Service Distributor files GSTR-6 by the thirteenth of the following month, working from the auto-drafted GSTR-6A.

RULE 66 · CGST RULES, 2017

Form and manner of submission of return by a person required to deduct tax at source

A TDS deductor files GSTR-7 by the tenth of the following month; the deduction certificate in GSTR-7A is made available to the deductee, who sees the credit in his electronic cash ledger.

RULE 67 · CGST RULES, 2017

Form and manner of submission of statement of supplies through an e-commerce operator

An e-commerce operator collecting tax at source files GSTR-8 by the tenth of the following month, and the amounts are made available to each supplier for acceptance.

RULE 67A · CGST RULES, 2017

Manner of furnishing of return or details of outward supplies by short messaging service facility

A Nil GSTR-3B, a Nil GSTR-1 or a Nil CMP-08 may be filed by sending an SMS from the registered mobile number and confirming with the one-time password - no login needed.

RULE 68 · CGST RULES, 2017

Notice to non-filers of returns

A notice in FORM GSTR-3A is issued electronically to anyone who has not filed the return under section 39, 44, 45 or 52, requiring the return within fifteen days. Ignoring it leads to a best-judgment assessment under section 62, which is withdrawn only if the return is filed within sixty days of that order.

RULE 69 · CGST RULES, 2017

[Omitted]

This matching rule was omitted with effect from 1 October 2022; the invoice-matching scheme it belonged to was never operated and has been replaced by GSTR-2B.

RULE 70 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022 along with the rest of the invoice-matching scheme.

RULE 71 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022 along with the rest of the invoice-matching scheme.

RULE 72 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022 along with the rest of the invoice-matching scheme.

RULE 73 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022 along with the rest of the invoice-matching scheme.

RULE 74 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022 along with the rest of the invoice-matching scheme.

RULE 75 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022 along with the rest of the invoice-matching scheme.

RULE 76 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022 along with the rest of the invoice-matching scheme.

RULE 77 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022; it dealt with refund of interest paid on reclaimed reversals under the old sections 42 and 43.

RULE 78 · CGST RULES, 2017

Matching of details furnished by the e-Commerce operator with the details furnished by the supplier

The supplies an e-commerce operator declares in GSTR-8 are matched against the supplier's own GSTR-1 - the check behind a TCS mismatch notice.

RULE 79 · CGST RULES, 2017

[Omitted]

Omitted with effect from 1 October 2022; it dealt with communicating an e-commerce mismatch.

RULE 80 · CGST RULES, 2017

Annual return

The annual return GSTR-9 is due by 31 December following the financial year; taxpayers with turnover above five crore rupees must also file the self-certified reconciliation statement GSTR-9C. Turnover up to two crore rupees is exempt from GSTR-9 by notification, and no annual return can be filed after three years from its due date.

RULE 81 · CGST RULES, 2017

Final return

A person whose registration is cancelled files the final return GSTR-10 within three months of the cancellation or of the cancellation order, whichever is later.

RULE 82 · CGST RULES, 2017

Details of inward supplies of persons having Unique Identity Number

A holder of a Unique Identity Number claiming refund of the tax he bore files the details of his inward supplies in GSTR-11 along with the refund application.

RULE 83 · CGST RULES, 2017

Provisions relating to a goods and services tax practitioner

Enrolment as a GST practitioner: apply in PCT-01, and on approval the certificate is issued in PCT-02. Eligibility covers chartered accountants, cost accountants, company secretaries, advocates, graduates in commerce or law, and retired officers of the tax departments.

RULE 83A · CGST RULES, 2017

Examination of Goods and Services Tax Practitioners

A GST practitioner enrolled on the strength of the sales-tax-practitioner route must pass the NACIN examination within the period allowed, or the enrolment lapses.

RULE 83B · CGST RULES, 2017

Surrender of enrolment of goods and services tax practitioner

A practitioner may surrender his enrolment in PCT-06, and the Commissioner cancels it in PCT-07.

RULE 84 · CGST RULES, 2017

Conditions for purposes of appearance

A practitioner may appear before an authority only if enrolled, and only for the tasks the taxpayer has authorised in PCT-05; the taxpayer, not the practitioner, remains responsible for what is filed.