



CA SWAPNIL MUNOT

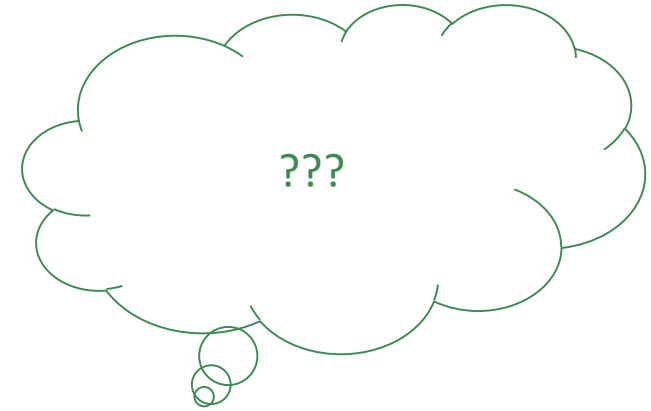
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**Seminar on**  
***NEW GST RETURNS***

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**Organized by**  
***Pune Branch of WIRC of ICAI***

**GST** : Good and Simple Tax



# STEPS TAKEN BY GST COUNCIL

# STEPS BY GST COUNCIL



27<sup>TH</sup> MEETING  
held on 04<sup>th</sup> May  
18

- Approved the basic principles of GST return design



28<sup>TH</sup> MEETING  
held on 21<sup>th</sup> July  
18

- Approved the key features and new format of the GST returns

# STEPS BY GST COUNCIL



31<sup>ST</sup> MEETING held  
on 22<sup>ND</sup> Dec 18

- Date fixed for New Return – 1<sup>st</sup> July 19 on Trial Basis and from 1<sup>st</sup> Sep 19 mandatory basis



35<sup>TH</sup> MEETING held  
on 21<sup>TH</sup> June 19

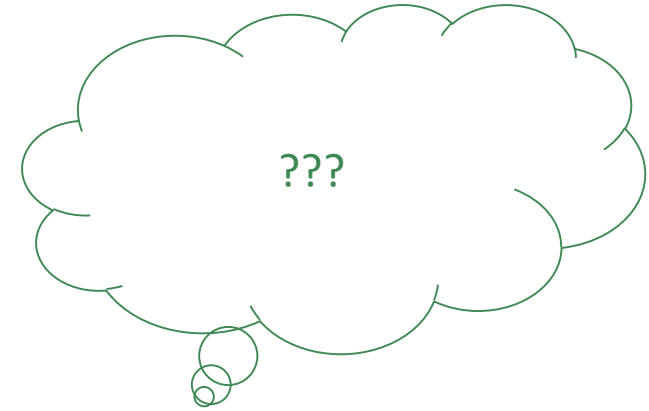
- Implementation on Mandatory basis postponed – 1<sup>st</sup> Oct 19. Transitional plan to New Return announced.





37<sup>ST</sup> MEETING held  
on 20th Sep 19

- New GST Return system postponed to 1<sup>st</sup> April 2020



# WHICH ARE THE NEW GST RETURNS ?

# APPLICABILITY OF NEW RETURNS FORMS:

1<sup>st</sup>

=> Monthly Return for Large Taxpayer whose Aggregate Turnover is more than Rs 5 Crore

FORM GST  
ANX 1  
(Sales)



FORM GST  
ANX 2  
(Purchase -  
ITC)



FORM  
GST RET 1

# APPLICABILITY OF NEW RETURNS FORMS:

2<sup>nd</sup>

=> Quarterly Return for small taxpayer whose Aggregate Turnover is less than Rs 5 Crore

=> However, Tax payment is required to be done Monthly by filing Form PMT 08

FORM GST  
ANX 1  
(Sales)



FORM GST  
ANX 2  
(Purchase -  
ITC)



FORM  
GST RET 1



# Normal Return : Form GST ANX 1 + Form GST ANX 2 + Form GST RET 1

## Monthly Filing of Form GST RET 1

### APPLICABILITY:

- Taxpayer whose aggregate turnover during the preceding F.Y. **exceeds** Rs 5 Crore, it is mandatorily application
- For others it is optional
- This is default option for all taxpayer

### DUE DATE OF FILING / UPLOADING

- ANX 1 – To be uploaded by 10<sup>th</sup> day of following month
- ANX 2 – To be uploaded by 17<sup>th</sup> day of following month. [ However no exact mention of these date ]
- RET 1 – To be FILED by 20<sup>th</sup> day of following month

## Quarterly Filing of Form GST RET 1

### APPLICABILITY:

- Taxpayer whose aggregate turnover during the preceding F.Y. was **upto** Rs 5 Crore, then he has option to file this return.
- Instead of this, said tax payer can select to File GST RET 2/3, as per his business requirement, in order to reduce compliances

### DUE DATE OF FILING / UPLOADING

- ANX 1 – To be uploaded by 10<sup>th</sup> day of following quarter
- ANX 2 – To be uploaded by 17<sup>th</sup> day of following quarter.
- RET 1 – To be FILED by 20<sup>th</sup> day of following quarter [ However no exact mention of these date ]

### MONTHLY COMPLIANCE:

- File Form GST PMT 08 on monthly basis and
- Pay Tax on monthly basis

# APPLICABILITY OF NEW RETURNS FORMS:

3<sup>rd</sup>

=> Quarterly Return for small taxpayer whose Aggregate Turnover is less than Rs 5 Crore

=> However, Tax payment is required to be done Monthly by filing Form PMT 08

FORM GST  
ANX 1  
(Sales)



FORM GST  
ANX 2  
(Purchase -  
ITC)



FORM  
GST RET 2  
(Sahaj)

# APPLICABILITY OF NEW RETURNS FORMS:

4<sup>th</sup>

=> Quarterly Return for small taxpayer whose Aggregate Turnover is less than Rs 5 Crore

=> However, Tax payment is required to be done Monthly by filing Form PMT 08

FORM GST  
ANX 1  
(Sales)



FORM GST  
ANX 2  
(Purchase -  
ITC)

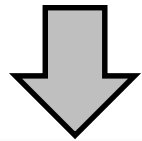


FORM  
GST RET 3  
(Sugam)

## Form GST RET 2 : Sahaj and Form GST RET 3 : Sugam

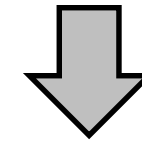
- **Sahaj and Sugam Return:** Many of small tax payer will have only B2C sales or B2C+B2B sales. Said tax payer constitute very large part of tax base and therefore two simplified quarterly returns are proposed for them. They have been named as “Sahaj” (only B2C outward supplies) and “Sugam” (both B2B and B2C outward supplies). In effect, these returns are pre-determined profiles for small taxpayers using quarterly return

### सहज Return



This form can be used by Small Tax Payer having only B2C outward Supplies

### सुगम Return

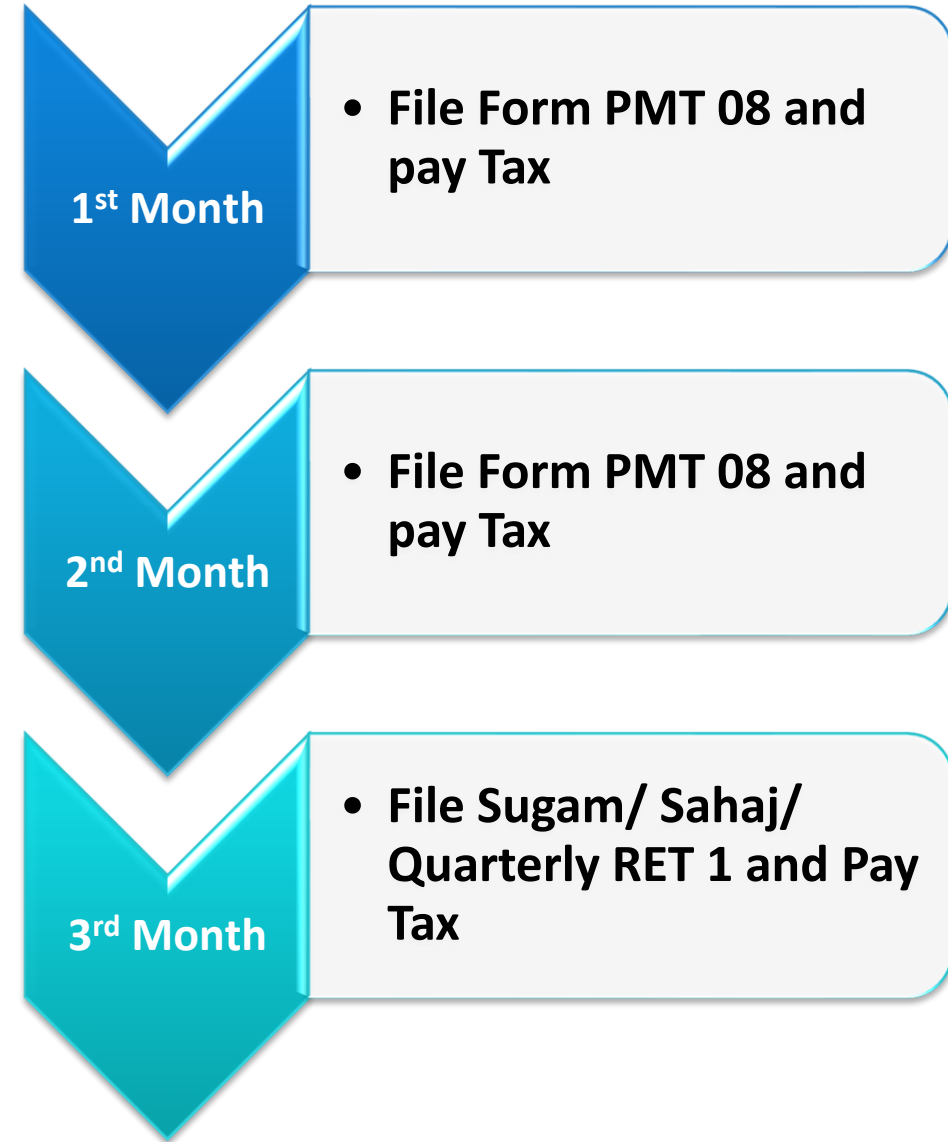


This form can be used by Small Tax Payer having only B2C + B2B outward Supplies

# Form GST RET 2 : Sahaj and Form GST RET 3 : Sugam

## ■ **Form PMT 08:**

- These small taxpayers would continue to pay taxes on monthly basis. In 1<sup>st</sup> & 2<sup>nd</sup> month of every quarter, they would use a Form PMT 08 to make the payment.
- In PMT 08, self-assessed Supply liability, RCM liability and ITC on self-declared basis shall be declared.
- Late payment of tax liability including that in 1<sup>st</sup> & 2<sup>nd</sup> month of the quarter shall attract interest.



# Normal Return – Form GST ANX 1 + Form GST ANX 2 + Form GST RET 1

## Quarterly Filing of Form GST RET 2 - Sahaj

### APPLICABILITY:

- Taxpayer whose aggregate turnover during the preceding F.Y. was **upto** Rs 5 Crore, then he has option to file this return.
- Have only supplies to unregistered persons/Consumers (B 2 C)

### DUE DATE OF FILING / UPLOADING

- ANX 1 – To be uploaded by 10<sup>th</sup> day of following quarter
- ANX 2 – To be uploaded by 23<sup>th</sup> day of following quarter.
- RET 2 – To be FILED by 25<sup>th</sup> day of following quarter  
[ However no exact mention of these date. ]

### MONTHLY COMPLIANCE:

- File Form GST PMT 08 on monthly basis and
- Pay Tax on monthly basis

## Quarterly Filing of Form GST RET 3 - Sugam

### APPLICABILITY:

- Taxpayer whose aggregate turnover during the preceding F.Y. was **upto** Rs 5 Crore, then he has option to file this return.
- Have only supplies to unregistered persons/Consumers (B 2 C) or Registered Person ( B 2 B )

### DUE DATE OF FILING / UPLOADING

- ANX 1 – To be uploaded by 10<sup>th</sup> day of following quarter
- ANX 2 – To be uploaded by 23<sup>rd</sup> day of following quarter.
- RET 3 – To be FILED by 25<sup>th</sup> day of following quarter  
[ However no exact mention of these date ]

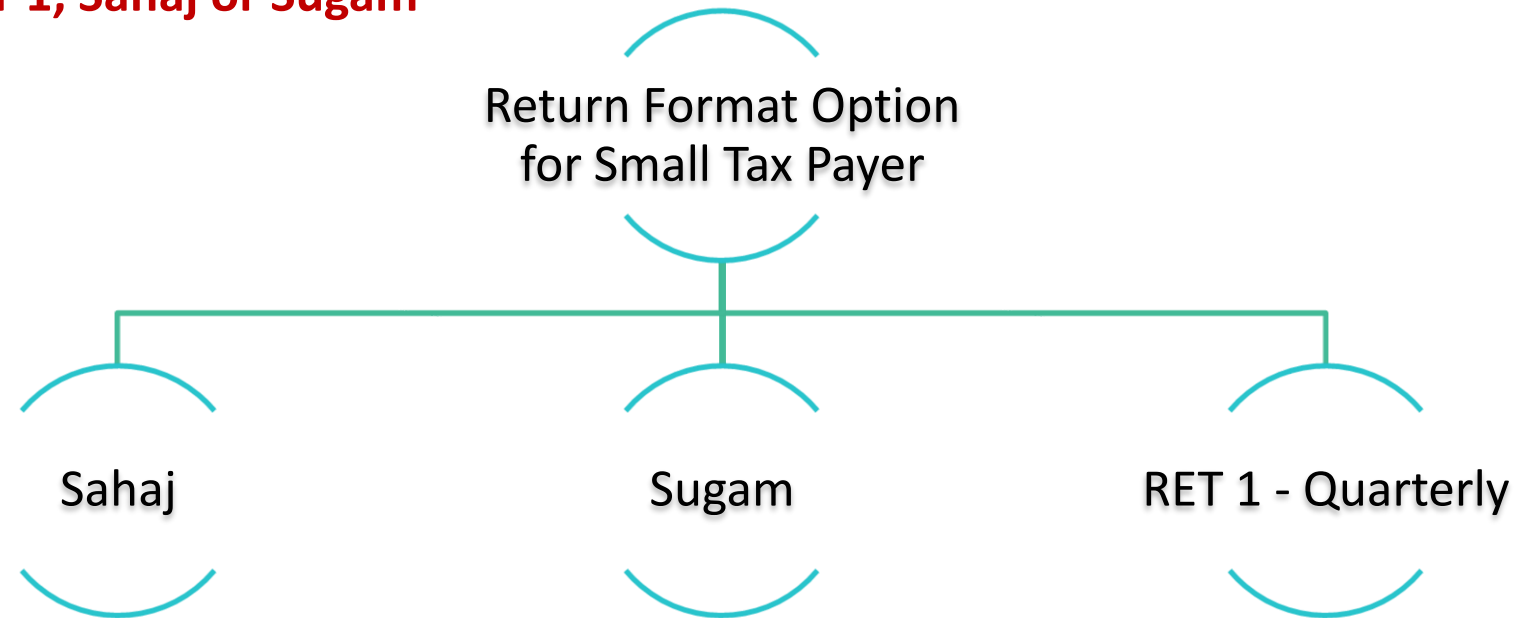
### MONTHLY COMPLIANCE:

- File Form GST PMT 08 on monthly basis and
- Pay Tax on monthly basis



# Quarterly Returns

- **Tax Monthly – Return Quarterly:** Small Tax payer ( having aggregate turnover upto ₹ 5 crore in last F.Y.) will have facility file return quarterly but would still need to pay their taxes on monthly basis and avail input tax credit on self-declaration basis to pay the monthly taxes
- **Format of Return:**
  - Small taxpayers having turnover upto Rs. 5 Cr. would have **option to file one of three forms**, namely – **Normal Quarterly return RET 1, Sahaj or Sugam**



# BIRD'S EYE VIEW OF NEW SYSTEM OF GST RETURN

Single Monthly Return **with 2 Annexures**

Quarterly Return Facility **with Monthly Payment in Form PMT 08**

Option to file Nil Return through SMS

Matching tool will be provided for ANX 2

Amendment Return provided  
( But not for B2B)

Editing / Amendment can be done only by Supplier

Recipient to perform activity of – Accept / Reject / Pending

ITC not available to Recipient, if supplier don't file Return for 2 period / 1 Quarter

ITC on missing invoice allowed only upto 20% of ITC available

Possible to Report Negative Values

Auto Computation of Interest in some cases

In all cases, Tax Payment will be monthly

# RETURNS THAT WILL BE CONTINUED IN ERA OF NEW GST RETURN SYSTEM



**GSTR 4 / CMP 08 – Return by Composition Dealer**

**GSTR 5 – Return by Non Resident taxable Person**

**GSTR 6 – ISD Return**

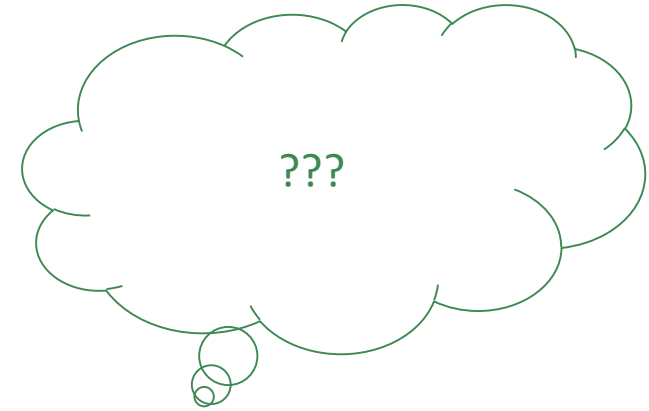
**GSTR 7 – Return by Person deducting GST TDS**

**GSTR 8 – Return by Person collecting GST TCS**

**GSTR 9/9C – Annual Return and Reconciliation Statement**

**GSTR 10 : Final Return**

**GSTR 11 – Return by Casual Taxable Person**



# COMPARISON of RET 1 vs Sugam vs Sahaj

# COMPARISON OF RET 1 vs Sugam vs Sahas

Particulars	NORMAL RET 1 (Monthly)	NORMAL RET 1 (Quarterly)	SAHAJ RET 2	SUGAM RET 3
<b>Turnover Limit</b>	Above ₹ 5 Crore	Upto ₹ 5 Crore	Upto ₹ 5 Crore	Upto ₹ 5 Crore
<b>Applicable for Outward Supply :</b>				
B 2 C	√	√	√	√
B 2 B	√	√	×	√
Exports / Deemed Exports / to SEZ / to E Commerce	√	√	×	×
Nil Rates / Exempted / No Supply	√	√	√	√
<b>Applicable for Inward Supply :</b>				
RCM	√	√	√	√
Import of Goods/Services/Import from SEZ	√	√	×	×

# COMPARISON OF RET 1 vs Sugam vs Sahas

Particulars	NORMAL RET 1	NORMAL RET 1	SAHAJ RET 2	SUGAM RET 3
<b>ITC Availability</b>				
As uploded by Supplier	√	√	√	√
RCM ITC	√	√	√	√
ITC of Missing Invoices	√	√	X	X
ISD ITC	√	√	X	X
<b>ITC details into Capital Goods / Input Services</b>	√	√	X	X
<b>Return Periodicity</b>	Monthly	Quarterly	Quarterly	Quarterly
<b>Tax Payment Periodicity</b>	Monthly	Monthly	Monthly	Monthly
<b>Mandatory Requirement of Reporting 6 Digit HSN / SAC</b>	√ (If turnover more than ₹ 5 Crore)	√	X	X



# Profile Updation

- ✓ Periodicity of filing return will be **deemed to be monthly** unless quarterly filing is opted for
- ✓ For newly registered taxpayers, turnover will be considered as zero and hence they will have the option to file monthly, Sahaj, Sugam or Quarterly (Normal) return.

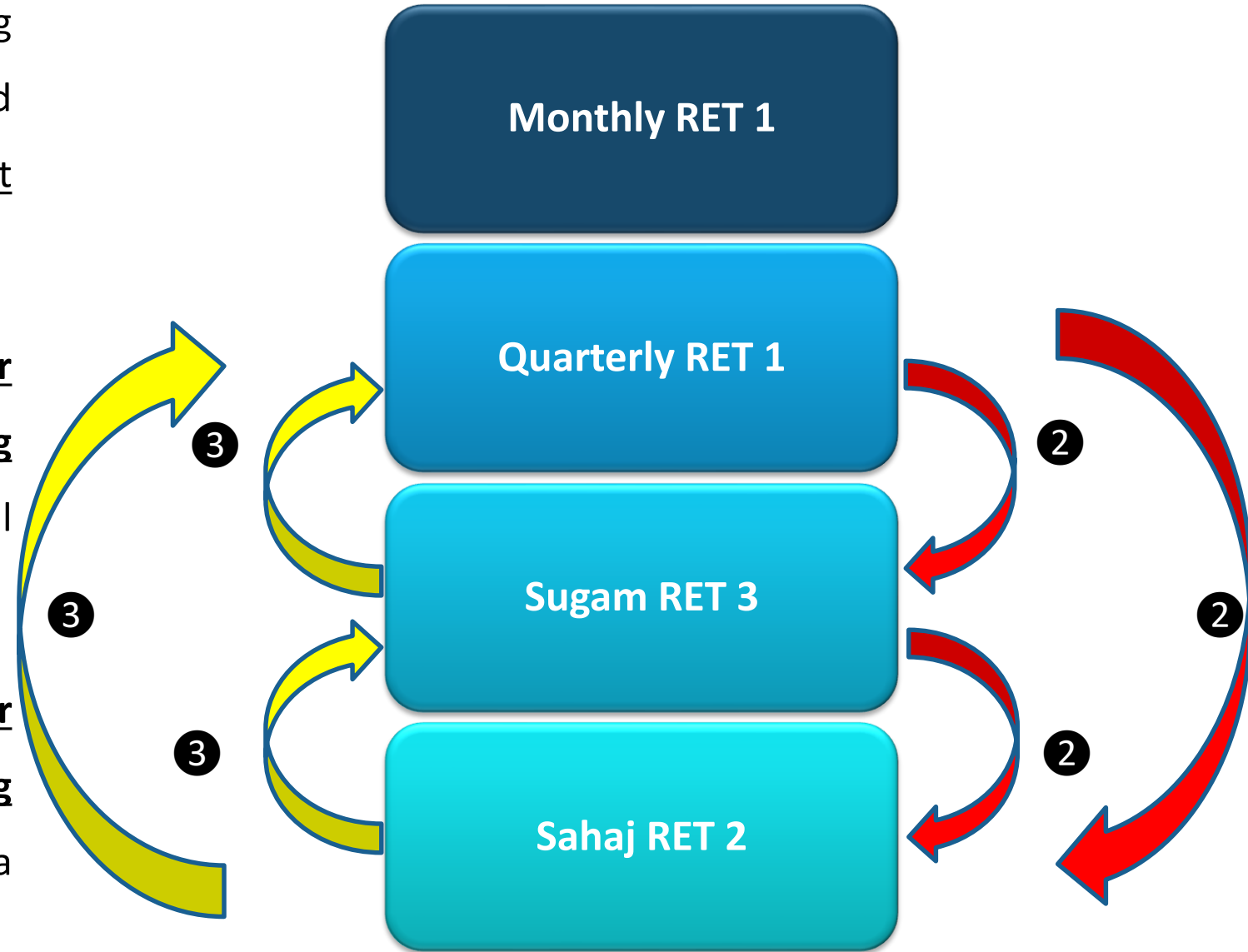
Sr. No.	Description	Option	
		3	4
1.	Was your aggregate turnover during the preceding financial year upto Rs. 5.00 Cr.?	<input type="radio"/> Yes	<input type="radio"/> No
2.	If reply is 'Yes' at Sr. No. 1, do you intend to file return on quarterly basis?	<input type="radio"/> Yes	<input type="radio"/> No
3.	If reply is 'Yes' at Sr. No. 2, choose your return -		
	(i) Sahaj	<input type="radio"/> Yes	<input type="radio"/> No
	(ii) Sugam	<input type="radio"/> Yes	<input type="radio"/> No
	(iii) Quarterly (Normal)	<input type="radio"/> Yes	<input type="radio"/> No

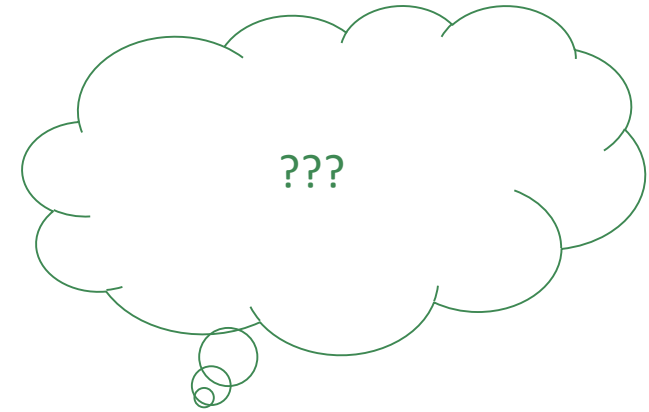
# Shifting Between RET 1 , RET 2 and RET 3

① Change in periodicity of the return filing (from quarterly to monthly and vice versa) would be allowed only once at the time of filing the first return by a taxpayer.

② Within Quarterly Return, Shift from higher reporting Return Form, to lower reporting Return Form is allowed only once in a financial year at the beginning of any quarter

③ Within Quarterly Return, Shift from lower reporting Return Form to higher reporting Return Form is allowed more than once in a financial year at the beginning of any quarter





# LEGAL PROVISION

# Legal Provision – New System of GST Return

## SEC 43A – NEW SYSTEM OF GST RETURN

## COMMENTS

Sec 43A(1) Notwithstanding anything contained in sub-section (2) of section 16, section 37 or section 38, every registered person shall in the returns furnished under sub-section (1) of section 39 **verify, validate, modify or delete the details of supplies furnished by the suppliers.**

(2) Notwithstanding anything contained in section 41, section 42 or section 43, **the procedure for availing of input tax credit by the recipient and verification thereof shall be such as may be prescribed.**

(3) The procedure for furnishing the details of outward supplies by the supplier on the common portal, for the purposes of availing input tax credit by the recipient shall be such as may be prescribed.

- A new section is being introduced in order to enable the new return filing procedure as proposed by the Returns Committee and approved by GST Council.
- **Sec 43A override Sec 16(2), Sec 37, Sec 38, Sec 41, Sec 42, Sec 43.**
- In same manner like GSTR 2, in new GST Return system, recipient is required to verify, modify, validate, or delete the details of supplies furnished by supplier
- Procedure will be prescribed for:
  - ✓ Availing the ITC by recipient and verification thereof.
  - ✓ Furnishing the details of outward supplies by supplier on the common portal, for the purpose of availing ITC by recipient.

# Legal Provision – New System of GST Return

## SEC 43A – NEW SYSTEM OF GST RETURN

## COMMENTS

Sec 43A(4) The procedure for availing input tax credit in respect of outward supplies not furnished under sub-section (3) shall be such as may be prescribed and such procedure may include the maximum amount of the input tax credit which can be so availed, **not exceeding twenty per cent.** of the input tax credit available, on the basis of details furnished by the suppliers under the said sub-section

(5) The amount of tax specified in the outward supplies for which the details have been furnished by the supplier under sub-section (3) shall be deemed to be the tax payable by him under the provisions of the Act.

(6) The supplier and the recipient of a supply shall be **jointly and severally liable to pay tax or to pay the input tax credit availed**, as the case may be, in relation to outward supplies for which the details have been furnished under sub-section (3) or sub-section (4) but return thereof has not been furnished.

- Procedure will be prescribed for:
  - ✓ Availing the ITC in respect of outward supplier, not furnished by supplier. **However such procedure may include maximum credit which can be so availed, not exceeding 20% of ITC available on the basis of details furnished by supplier**
- The amount of tax declare, furnished in outward supplies details, shall be deemed to be tax payable by him
- **Joint Responsibility:** Supplier and Recipient will be jointly liable to pay tax / ITC availed, in relation to tax not paid on outward supplies, by supplier

# Legal Provision – New System of GST Return

## SEC 43A – NEW SYSTEM OF GST RETURN

## COMMENTS

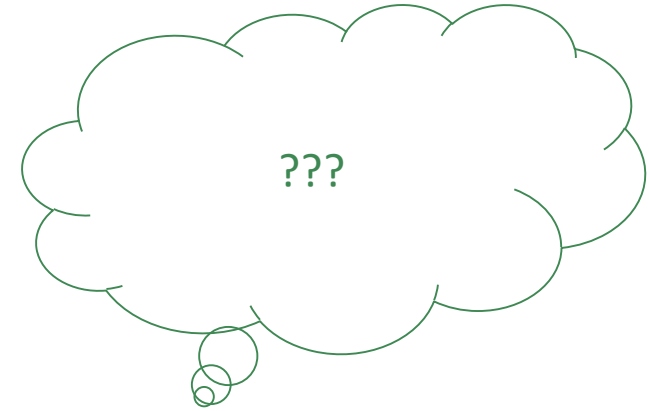
Sec 43A(7) For the purposes of sub-section (6), the recovery shall be made in such manner as may be prescribed and such procedure may provide for non-recovery of an amount of tax or input tax credit wrongly availed not exceeding one thousand rupees.

(8) The procedure, safeguards and threshold of the tax amount in relation to outward supplies, the details of which can be furnished under sub-section (3) by a registered person,—

- (i) within six months of taking registration;
- (ii) who has defaulted in payment of tax and where such default has continued for more than two months from the due date of payment of such defaulted amount, shall be such as may be prescribed

- Procedure will be prescribed for:
  - ✓ Recovery of tax not paid by supplier
  - ✓ Safeguarding against defaulter supplier
- No recovery of unpaid tax will be made, if said amount is less than Rs 1000.





# FORM GST ANX 1

# Normal Return – Form GST ANX 1

- ✓ Form ANX 1 has around **13 Tables**
- ✓ **Part A & B** - Two sets of Questioner needs to be filled before proceeding for uploading Form GST ANX 1
- ✓ Answer to first question should be compulsorily **“YES”**
- ✓ Facility to upload will be allowed throughout the month except:
  - **18<sup>th</sup> to 20<sup>th</sup>** day of the month ( for Monthly Returns)
  - **23<sup>rd</sup> to 25<sup>th</sup>** day of the month ( for Quarterly Returns)
- ✓ **Advance received against Supply of Service is not to be shown in this form.** ( to be shown in RET 1)
- ✓ **If tax is payable under RCM, supplier is not required to disclose such supply in its ANX 1** ( It was required in GSTR 1)

## Part A – Brief questions about retaining the option given in previous tax period

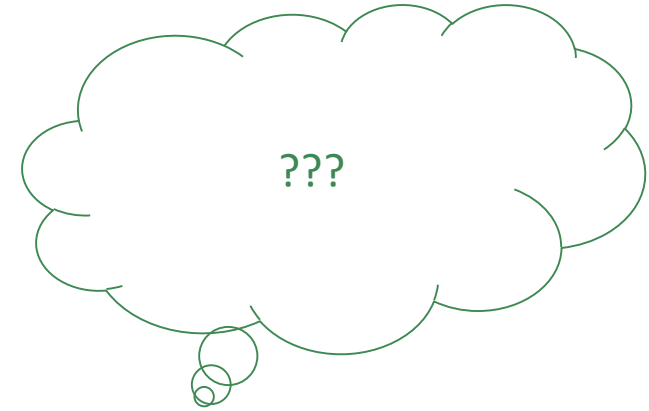
Sr. No.	Description	Option	
		3	4
1.	I understand that the amount of tax specified in the outward supplies for which the details are being uploaded by me in this annexure shall be deemed to be the tax payable by me under the provisions of the Act.	<input type="radio"/> Yes	<input type="radio"/>
2.	Would you like to change the reply to the questions regarding nature of supplies as filled in the questionnaire of the return of the last tax period, if already filled in?	<input type="radio"/> Yes	<input type="radio"/> No

*Note - In case the reply to question at S No. 2 is 'Yes', the following questionnaire will be opened for exercising the option. In the first tax period, it would be open for all taxpayers.*

## Part B – Detailed Questionnaire

Sr. No.	Description	Option	
		3	4
1.	Have you made B2C supply (table 3A)?	<input type="radio"/> Yes	<input type="radio"/> No
2.	Have you made B2B supply (table 3B)?	<input type="radio"/> Yes	<input type="radio"/> No
3.	Have you made exports with payment of tax (table 3C)?	<input type="radio"/> Yes	<input type="radio"/> No
4.	Have you made exports without payment of tax (table 3D)?	<input type="radio"/> Yes	<input type="radio"/> No
5.	Have you made supply to SEZ units / developers with payment of tax (table 3E)?	<input type="radio"/> Yes	<input type="radio"/> No
6.	Have you made supply to SEZ units / developers without payment of tax (table 3F)?	<input type="radio"/> Yes	<input type="radio"/> No
7.	Have you made any supply which is treated as deemed exports (table 3G)?	<input type="radio"/> Yes	<input type="radio"/> No
8.	Have you received inward supplies attracting reverse charge (table 3H)?	<input type="radio"/> Yes	<input type="radio"/> No
9.	Have you made import of services (table 3I)?	<input type="radio"/> Yes	<input type="radio"/> No
10.	Have you made import of goods (table 3J)?	<input type="radio"/> Yes	<input type="radio"/> No
11.	Have you imported goods from SEZ units / developer on Bill of Entry (table 3K)?	<input type="radio"/> Yes	<input type="radio"/> No
12.	Has your supplier not uploaded invoices on which you have claimed input tax credit (i.e. credit on missing invoices) two tax periods ago (for monthly) or previous tax period (for quarterly) (table 3L)?	<input type="radio"/> Yes	<input type="radio"/> No
13.	Have you made any supply through e-commerce operators on which tax was required to be collected under section 52?	<input type="radio"/> Yes	<input type="radio"/> No





# What is difference between ANX 1 and GSTR 1 ?

# Normal Return – Form GST ANX 1

- **Sr. No. 3A. Supplies made to consumers and un-registered persons (Net of debit / credit notes)**
  - ✓ **Place of Supply wise and Tax Rate** wise details are to be uploaded
  - ✓ Amount **Net of Debit/Credit Notes** is to be reported
  - ✓ **Negative amounts are allowed**
  - ✓ HSN wise details **not** required for this table
  - ✓ Any amendment to detailed declared in this table, can be made through **Form GST ANX 1A**
  - ✓ Invoice wise details **not** required ( Not required even where invoice value is more than Rs 2.5 Lakhs)

# Normal Return – Form GST ANX 1

- **Sr. No. 3B. Supplies made to registered persons (other than those attracting reverse charge)(including edit/amendment)**
  - ✓ **DN/CN:** Details of Debit/Credit Note is to be reported in the same sheet.
  - ✓ If DN/CN is issued for difference in tax rate, then taxable value should be reported as “Zero”
  - ✓ Below **outward supply is not be reported in this table:**
    - Supply on which recipient is required to pay GST under RCM
    - **Supply of goods by SEZ unit to DTA unit**
    - Zero rated supply and Deemed Exports
  - ✓ **Supply of services by SEZ to DTA** would be reported in this table, as it is taxable under forward charge
  - ✓ **HSN:** If turnover is more than ₹ 5 Crore, then HSN/SAC details at 6 digits required. [ This will need change in Rate Notification as well ? ]
  - ✓ **Amendment:** Any amendment to detailed declared in this table, can be made through this form only.

# Normal Return – Form GST ANX 1

- Sr. No. 3C. Export with payment of Tax.
- Sr. No. 3D. Export without payment of Tax
  - ✓ **DN/CN:** Details of Debit/Credit Note is to be reported in the same sheet. If DN/CN is issued for difference in tax rate, then taxable value should be reported as “Zero”
  - ✓ Any amendment to detailed declared in this table, can be made through **Form GST ANX 1A**
  - ✓ Details of Shipping bills to the extend available, shall be provided in this. **A separate functionality** for updating Shipping Bills will be made available on the portal.
  - ✓ If turnover is more than ₹ 5 Crore, then HSN/SAC details at 6 digits required. [ This will need change in Rate Notification as well ?]



# Normal Return – Form GST ANX 1

- Sr. No. 3E. Supplies to SEZ units/developers with payment of tax (including edit/amendment)
- Sr. No. 3F. Supplies to SEZ units/developers without payment of tax (including edit/amendment)
- Sr. No. 3G. Deemed exports (including edit/amendment)
  - ✓ Supplier needs to select option “**whether he will claim refund or he allow recipient to claim refund**”
  - ✓ Details of Debit/Credit Note is to be reported in the same sheet. If DN/CN is issued for difference in tax rate, then taxable value should be reported as “Zero”
  - ✓ If turnover is more than ₹ 5 Crore, then HSN/SAC details at 6 digits required. [ This will need change in Rate Notification as well ? ]
  - ✓ Any amendment to detailed declared in this table, can be made through this form only.
  - ✓ **Deemed Export supply means** – Supply against Advance Authorisation, Supply to EOU, Supply against EPCG Authorisation.

# Normal Return – Form GST ANX 1

- **Sr. No. 3H. Inward supplies attracting reverse charge (to be reported by the recipient, GSTIN wise for every supplier, net of debit/credit notes and advances paid, if any)**
  - ✓ **GSTIN wise, Place of Supply wise and Tax Rate wise details to be reported.** [ If supplier is unregistered, **then his PAN details to be submitted** ]
  - ✓ Amount Net of Debit/Credit Notes is to be reported.
  - ✓ ITC of this amount will be auto populated in RET 1 at Table 4(A)(5)
  - ✓ **If turnover is more than ₹ 5 Crore, then HSN/SAC details at 6 digits required.** [ So now RCM liability also required to be reported HSN wise]
  - ✓ Any amendment to detailed declared in this table, can be made through **Form GST ANX 1A**

# Normal Return – Form GST ANX 1

- **Sr. No. 3I. Import of services (net of debit/ credit notes and advances paid, if any)**
  - ✓ Amount Net of Debit/Credit Notes is to be reported.
  - ✓ Place of Supply wise and Tax Rate wise details to be reported
  - ✓ Supply of Service by SEZ to DTA is not import of service. Therefore not to be reported here [ It will be declared by SEZ supplier in Table 3B of ANX 1 ]
  - ✓ **If turnover is more than ₹ 5 Crore, then HSN/SAC details at 6 digits required.** [ This will need change in Rate Notification as well ? ]
  - ✓ Any amendment to detailed declared in this table, can be made through **Form GST ANX 1A**

# Normal Return – Form GST ANX 1

- Sr. No. 3J. Import of Goods
- Sr. No. 3K. Import of goods from SEZ units / developers on a Bill of Entry
  - ✓ Details are to be reported under this table, till integration of ICEGATE Portal with GSTN Portal
  - ✓ **If turnover is more than ₹ 5 Crore, then HSN/SAC details at 6 digits required.** [ This will need change in Rate Notification as well ? ]
  - ✓ Any amendment to detailed declared in this table, can be made through **Form GST ANX 1A**

# Normal Return – Form GST ANX 1

- **Sr. No. 3L. Missing documents on which credit has been claimed in T-2 /T-1 (for quarter) tax period and supplier has not reported the same till the filing of return for the current tax period 4.**
  - ✓ Under New GST Return System, ITC is available, based on detailed uploaded by supplier
    - However, table No 4(A)(10) provides opportunity to availed ITC on documents, if not uploaded by supplier ( with certain condition).
    - In such case, if recipient has availed ITC on document not uploaded by supplier and it is still not uploaded by supplier for Two Tax Period / One Quarter, then such ITC availed inward supplier is to be mentioned here.
  - ✓ This will provide ready data to department for recovery proceedings and actions.
- **Sr. No. 4. Details of the supplies made through e-commerce operators liable to collect tax under section 52 (out of any outward supplies declared in table 3)**
  - ✓ These are not additional supplies to be declared but consolidation of supplies declared in above tables.

**April 2020 - Total ITC Rs 1.5 Crore. However ITC appearing in ANX 2 – Rs 1 Crore**

**April 2020 - Missing ITC of Rs 20 lakhs taken in RET 1 of April 19**

**July 2020 – Details of Rs 10 lakhs ITC of April 2020, not yet reported by supplier, is to be reported in ANX 1**

**June 2020 – Out of Balance Rs 16 lakhs, Rs 6 lakhs, ITC is appearing in ANX 1 of June 2020**

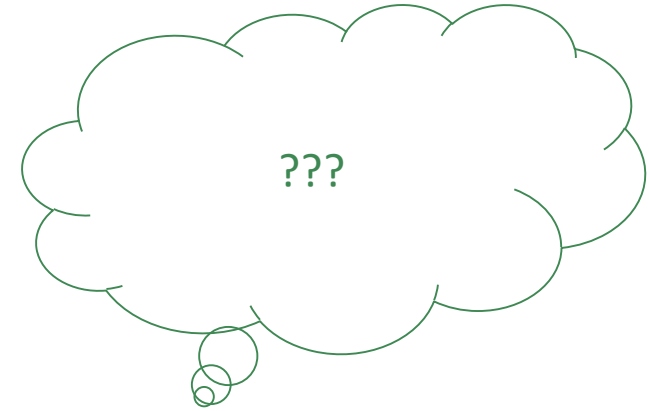
**May 2020 – Out of Rs 20 lakhs, Rs 4 lakhs, ITC is appearing in ANX 1 of May 2020**

# Normal Return – Form GST ANX 1

## ▪ Important Points of ANX 1

- ✓ The details of Form GST ANX 1 can be edited / amended only by supplier.
- ✓ The recipient will be able to only accept / reject /Pending / reset / unlock said details.
- ✓ The supplier will be able to edit / amend details in Form GST ANX 1, only if it is rejected by recipient or not accepted by recipient.
- ✓ Amendment of details relating to supplies made to person filing returns other than RET 1/2/3 (ISD, Composition etc) can be made by supplier at any point of time and it will not depend on the action of recipient.





# FORM GST ANX 2

# Normal Return – Form GST ANX 2

- Form ANX 2 has around **5 Tables**
  - **Sr. No. 3A.** Supplies received from registered persons including services received from SEZ units (other than those attracting reverse charge)
  - **Sr. No. 3B.** Import of goods from SEZ units / developers on Bill of Entry
  - **Sr. No. 3C.** Import of goods from overseas on Bill of Entry
  - **Sr. No. 4.** Summary of the input tax credit
  - **Sr. No. 5.** ISD credits received (eligible credit only)
- Details will auto populate in ANX 2 on near real time basis.
- **Upto 10<sup>th</sup> of following month**, said entries can be **Accepted or reset / unlocked**.
- **After 10<sup>th</sup> of following month**, Recipient can take action on the auto-populated documents to – **Accept / Reject / Pending** on continuous basis after 10<sup>th</sup> of the month following the month
- Accepted documents would not be available for amendment at the corresponding supplier's end. However, a **separate facility** to handle such cases will be provided.

*Note – Table 3B & 3C shall be used after the data from the ICEGATE starts flowing to the GSTN Portal. Thereafter, table 3J & 3K of FORM GST ANX-1 shall be discontinued.*

## Normal Return – Form GST ANX 2

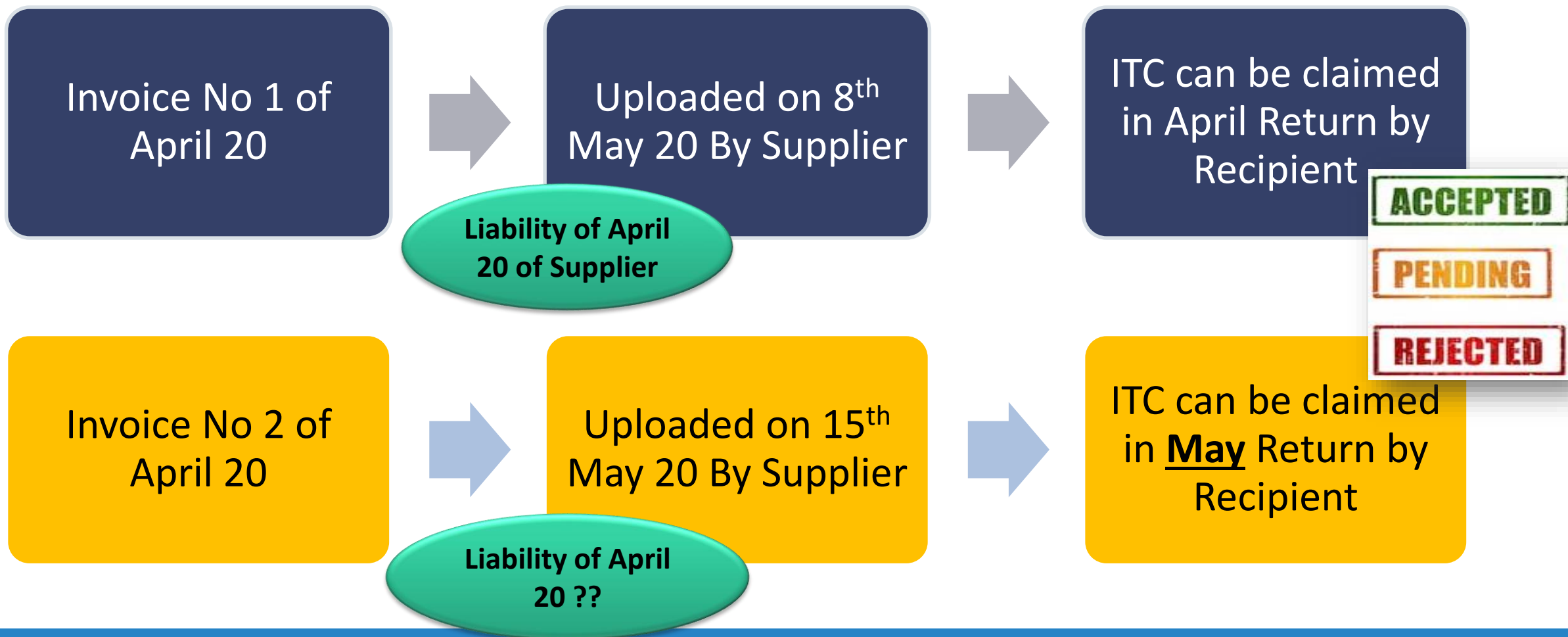
- **The input tax credit in respect of pending invoices** shall not be accounted for in table 4A of the main return (FORM GST RET-1) of the recipient and such invoices would be rolled over to FORM GST ANX-2 of the next tax period.
- **Pending invoices will not be available for amendment** by the supplier until rejected by the recipient.
- If no action is taken on any entry appearing in ANX 2, then it will be deemed to be accepted
- **Status of return filing** (not filed, filed) by the supplier will also be made known to the recipient in FORM GST ANX-2 of the tax period after the due date of return filing is over. This status, however, does not affect the eligibility or otherwise of input tax credit, which will be decided as per the Act read with the rules made thereunder.
- **Trade name** of the supplier will also be shown along with GSTIN. Legal name will be shown where trade name is not available.

## Normal Return – Form GST ANX 2

- **Separate functionality would be provided to search and reject an accepted document** on which credit has already been availed. Input tax credit availed on such document shall be shown for reversal in table 4B(1) of FORM GST RET-1. However, **such reversal of credit for the recipient will be with interest** as per the provisions.
- The documents uploaded in FORM GST ANX-1 for month 'M' by a supplier who did not file his return for the previous two consecutive tax periods (M-1 and M-2 months) shall be made available to the recipient in FORM GST ANX-2 with an indication that the credit shall not be available on such documents. In other words, such documents will be visible to the recipient but the recipient cannot claim ITC on such inward supplies. However, the recipient can reject or keep such documents pending until filing of return by the supplier. For suppliers filing return on quarterly basis, this period will be one quarter i.e. if return of one quarter has not been filed, then recipient will not be able to claim credit on the invoices uploaded during next quarter.
- **In ANX 2, recipient can also see the date when it is uploaded in ANX 1 by supplier**

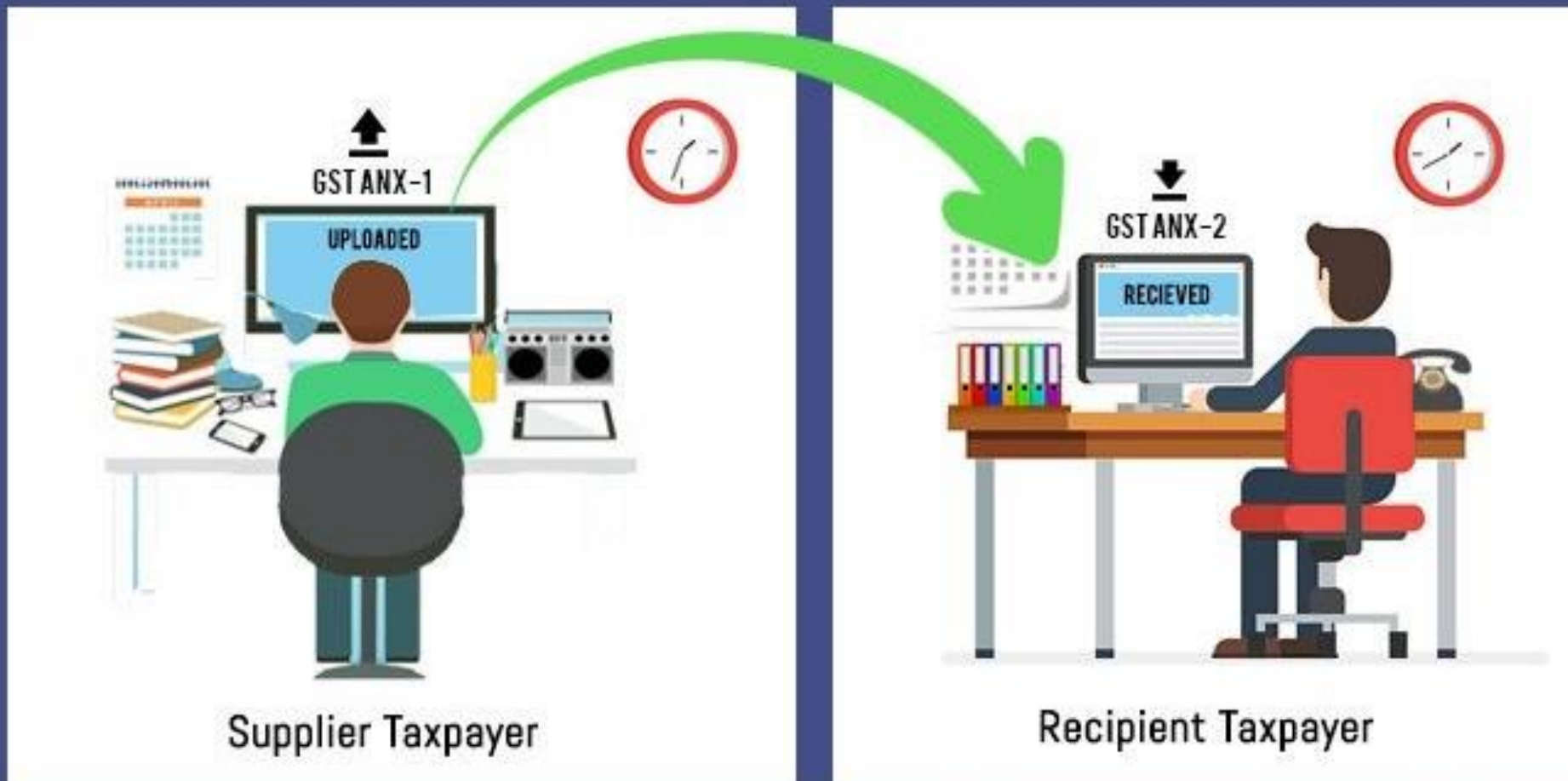
# Normal Return – Form GST ANX 2

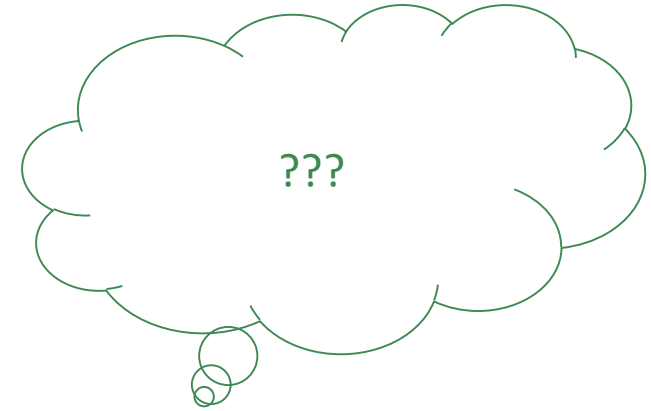
- Example



# PICTORIAL EXPLANATION OF WORKING OF ANX 1 AND 2 BY GSTN

Details of documents uploaded by the Supplier Taxpayer will be shown to the concerned Recipient Taxpayer on near **Real-time basis**.





# FORM GST RET 1



# Normal Return – Form GST RET 1

- Form GST RET 1 has around **44 Tables Entries**,
  - Out of that, around 21 Entries are auto populated and
  - 23 Entries needs to be filled in manually

Option to file 'Nil' return -

Description	Option
Do you intend to file Nil return?	<input type="radio"/> Yes <input type="radio"/> No
<small>Note – Nil return can be filed if you have not uploaded FORM GST ANX-1 and no inward supplies (purchases) have been auto-populated in FORM GST ANX-2 and no other information is required to be reported in the main return i.e. FORM GST RET-1.</small>	

- Facility to file Nil return through SMS will also be available
- **Adjustment of negative liability** of the previous tax period shall be allowed to be made along with the current tax period's liability.
- Auto utilisation of ITC and Auto Challan for payment will be provided by system.
- **Details of ITC into Capital Goods and Input Services is required to be provided in this return.**
- System based computation on Interest in case of – Late reporting of invoices, **Rejection of accepted ITC documents** etc
- **Amendment in Form RET 1 is allowed by filing Form RET 1A**

# Normal Return – Form GST RET 1

- **Table Sr. No. 3(A)(8): Liabilities relating to the period prior to the introduction of current return filing system and any other liability to be paid**
  - ✓ Supply declared in GSTR 1 but not paid in GSTR 3B upto 31<sup>th</sup> March 2020 will be reported here.
  - ✓ RCM Liability for past period shall be declared here, for which ITC is already availed before 31<sup>th</sup> March 2020
  - ✓ Excess tax collected from recipient shall be reported here
  
- **Table Sr. No. 3(C)(3): Advances received (net of refund vouchers and including adjustments on account of wrong reporting of advances earlier):**
  - ✓ Advances received on account of supply of services during the period shall be reported by the taxpayer after giving effect to refund vouchers.
  - ✓ The same may be used to adjust any advances reported wrongly earlier [ For Example: For April 20, advance of Rs 250, by mistake reported as Rs 200. Then in May 20, Rs 50 can be added here.

# Normal Return – Form GST RET 1

## ▪ **Table Sr. No. 3(C)(4): Advance Adjusted**

- ✓ Adjustment made out of advances reported earlier will be reported by the taxpayer.
- ✓ Excess adjustment of earlier period shall be adjusted in this table [Excess adjustment, if any, made shall be accounted for in the next tax period's return ]

## ▪ **Table Sr. No. 3(C)(5): Reduction in output tax liability on account of transition from composition levy to normal levy, if any or any other reduction in liability**

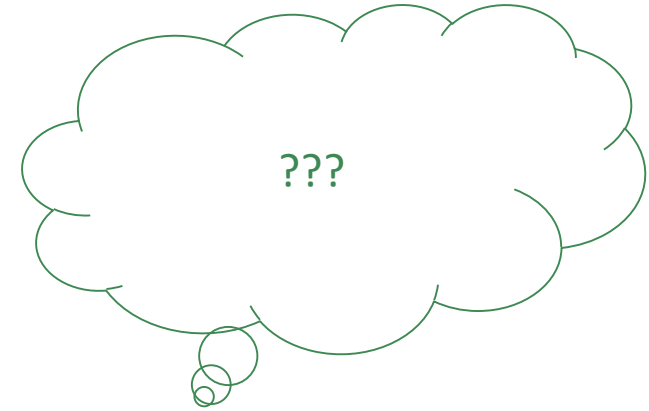
- ✓ Any invoice on which tax is paid in GSTR 3B upto 31<sup>th</sup> March 2020. However same was not disclosed in GSTR 1 of earlier period and therefore considered in ANX 1, required to be reduced here, to net off effect.
- ✓ Any Credit Note issued, disclosed in GSTR 1 and not considered in GSTR 3B upto 31<sup>th</sup> March 2020 , should be considered here.

# Normal Return – Form GST RET 1

- **Table Sr. No. 4(A)(4):** Eligible credit (after 1st July, 2017) not availed prior to the introduction of this return but admissible as per Law (transition to new return system)
  - ✓ Example : Invoice dated 25<sup>th</sup> Mar 2020 but Goods received physically on 5<sup>th</sup> April 2020
  
- **Table Sr. No. 4(A)(10):** Provisional input tax credit on documents not uploaded by the suppliers [net of ineligible credit]
  - ✓ As per Sec 43A, maximum missing ITC that can be availed shall be upto 20% of Total ITC available
  
- **Table Sr. No. 4(A)(11):** Upward adjustment in input tax credit due to receipt of credit notes and all other adjustments and reclaims:
  - ✓ ITC reversed earlier due to non payment within 180 days, can be reclaimed on payment here.
  - ✓ ITC as per Invoice Rs 100. Availed Rs 75. Credit Note received for Rs 50 in ANX 2. So it will be reversed. Here, same can be re-availed proportionately

# Normal Return – Form GST RET 1

- **Table Sr. No. 4(B)(1):** Credit on documents which have been accepted in previous returns but rejected in current tax period (net of debit/ credit notes)
  - ✓ This will be auto populated based as per revised action taken
  
- **Table Sr. No. 4(B)(3):** Reversal of credit in respect of supplies on which provisional credit has already been claimed in the previous tax periods but documents have been uploaded by the supplier in the current tax period (net of ineligible credit)
  - ✓ In order to reduce double effect of provisional ITC and ITC uploaded by supplier, this is reversal entry
  - ✓ It will be important for Tax Payer to keep working of Missing ITC, how much availed, how much uploaded by supplier afterwards, how much reversed thereafter in this entry etc. #Very Monotonous Job#
  
- **Table Sr. No. 8: Refund claimed from electronic cash ledger:** Now refund of Excess balance in Electronic cash ledger can be claimed through RET 1, unlike in current system it is to be claimed in RFD 01A.



# TRANSITIONAL ISSUES

# TRANSITIONAL ISSUES – SUPPLY INVOICE RELATED



Sr. No.	Whether Considered in		Reporting Requirement in	
	GSTR 1	GSTR 3B	ANX 1	RET 1
1	Yes	No		
2	No	Yes		
3	Yes	Yes		
4	No	No		





# TRANSITIONAL ISSUES – SUPPLY INVOICE RELATED

Sr. No.	Whether Considered in		Reporting Requirement in	
	GSTR 1	GSTR 3B	ANX 1	RET 1
1	Yes	No	No	Yes, at Table 3(A)(8)
2	No	Yes	Yes, at Table 3(B) or respective table of ANX 1 as per Supply Type	Yes, at Table 3(C)(5), for reduction in Liability
3	Yes	Yes	No	No
4	No	No	Yes, at Table 3(B) or respective table of ANX 1 as per Supply Type	Its auto from ANX 1. So manual Reporting

# TRANSITIONAL ISSUES – SUPPLY CREDIT NOTE RELATED

Sr. No.	Whether Considered in		Reporting Requirement in	
	GSTR 1	GSTR 3B	ANX 1	RET 1
1	Yes	No		
2	No	Yes		
3	Yes	Yes		
4	No	No		

# TRANSITIONAL ISSUES – SUPPLY CREDIT NOTE RELATED

Sr. No.	Whether Considered in		Reporting Requirement in	
	GSTR 1	GSTR 3B	ANX 1	RET 1
1	Yes	No	No	Yes, at Table 3(C)(5), for reduction in Liability
2	No	Yes	YES	Yes, at Table 3(A)(8)
3	Yes	Yes	No	No
4	No	No	Yes, at Table 3(B) or respective table of ANX 1 as per Supply Type	Its auto from ANX 1. So manual Reporting

# TRANSITIONAL ISSUES – ITC RELATED



Sr. No.	Particular	Whether ITC availed in GSTR 3B	Reporting IN ANX 2	Reporting IN RET 1
1	ITC of Invoice dated 20 <sup>th</sup> Sep 19	Yes availed		
2	ITC of Invoice dated 20 <sup>th</sup> Aug 19	Not availed till Sep 2019 GSTR 3B		
3	RCM Liability of Aug 19. Paid in Sep GSTR 3B Return	Not availed till Sep 2019 GSTR 3B		
4	Wrong ITC availed in Aug 2019	Reversed in Sep 2019		
5	Wrong ITC availed in Aug 2019	Not reversed till Sep 2019 GSTR 3B		



# TRANSITIONAL ISSUES – ITC RELATED



Sr. No.	Particular	Whether ITC availed in GSTR 3B	Reporting IN ANX 2	Reporting IN RET 1
1	ITC of Invoice dated 20 <sup>th</sup> Sep 19	Yes availed	N.A.	No
2	ITC of Invoice dated 20 <sup>th</sup> Aug 19	Not availed till Sep 2019 GSTR 3B	No Manual Entry allowed in ANX 2	Yes, at Table 4(A)(4)
3	RCM Liability of Aug 19. Paid in Sep GSTR 3B Return	Not availed till Sep 2019 GSTR 3B	No Manual Entry allowed in ANX 2	Yes, at Table 4(A)(4)
4	Wrong ITC availed in Aug 2019	Reversed in Sep 2019	N.A.	No
5	Wrong ITC availed in Aug 2019	Not reversed till Sep 2019 GSTR 3B	N.A.	Yes, at Table 4(B)(5)





# AMENDMENT / REVISION IN RETURN

## AMENDMENT / REVISION IN RETURN IN FILED

Amendments to FORM GST ANX 1 is to be made in -

- Form ANX 1
- Form ANX 1A

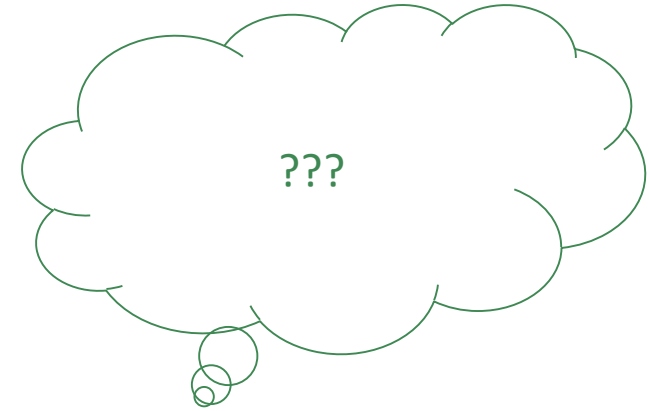
Amendments (rejection to FORM GST ANX 2 is to be made in -

- Separate functionality will be provided for rejecting Already the accepted invoices

Amendments to FORM GST RET 1/2/3 is to be made in -

- Form GST RET 1A/2A/3A as applicable





**ARE WE READY ?**

# WHAT PREPARATION REQUIRED ?

- 1. Study the system New System of GST Return. This is like re-implementation of GST
- 2. Train your Staff for New Return. Conduct in house session on New GST Returns.
- 3. Assess the impact of New mechanism of ITC based on matching.
- 4. Short listing of supplier and warning for filing return within due date
- 5. Changes in ERP – Details of ITC into Input / Input Services / Capital Goods, Missing ITC

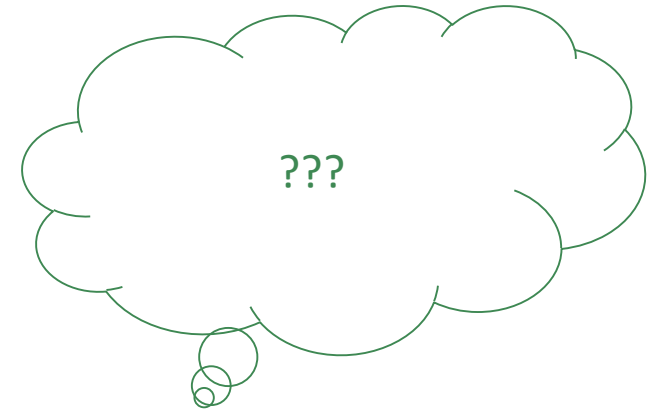
# WHAT PREPARATION REQUIRED ?

Transitional Phase – Very important. Close all old issues - Difference between GSTR 1 sales and GSTR 3B

List of quarterly return filer supplier to be prepared. If possible, procure from supplier opting for monthly return or ask quarterly return filer to file monthly RET 1.

Company may decide not to take voluntarily ITC of missing invoices. This will help to have proper control over working. Else it will be very important to have proper control over reconciliation of missing invoices.

Before 10th – Not only Sales but RCM, Import data needs to be finalised and uploaded



# E - INVOICE

Around in April 2019, news started coming in public domain about E Invoicing



On 22<sup>nd</sup> April 2019, GST Council decided for constitution of “Committee of Officers – CoO” to study Invoice system in Korea/America, Suggest threshold limit and various matter.



On 23<sup>rd</sup> May 2019, GST Council decided for constitution of working Sub-Group on policy issues for generation of E – Invoicing



At 35<sup>th</sup> GST Council meeting, held on 21<sup>st</sup> June 2019, in principal approval for E Invoicing was given for implementation of it from 1<sup>st</sup> Jan 2020

# E INVOICING

- E - Invoicing will be implemented phase wise manner for B2B Transactions.
- **The Phase 1 is proposed to be voluntary and it shall be rolled out from Jan 2020**
- **Benefits of E-invoicing :**
  - ✓ It will lead to one time reporting of invoice data, to reduce multiple reporting (GST Return, E Way bill )
  - ✓ It will help to generate sales and purchase register ( ANX 1 and ANX 2)
  - ✓ Eliminate the process of compilation of invoices at the end of month.
  - ✓ It will help in reduction of ITC verification issues
  - ✓ It would also help tax authorities in combating the menace of tax evasion.
- Earlier, the government had fixed Rs 50 crore as the limit for the applicability of e-invoicing, as per media information.
- **Various countries in world has implemented this concept – USA, Australia, Canada, Sweden, Turkey, Italy, Peru, New Zealand, South Korea, Mexico, Singapore etc**
- **GSTIN in partnership with ICAI has drafted an E Invoice Template.**



GOODS AND SERVICES TAX NETWORK

## E-Invoice Industry Consultation

### E-Invoice Schema & Template Review

#### CONCEPT

As you may be aware that the GST Council has decided to introduce electronic-invoice (hereinafter called as E-invoice) on voluntary basis from January 2020.

Presently there is no standard defined for E-invoice under GST or under any other statute. Need has been felt of having a standard to ensure complete inter-operability of e-invoices across the entire GST eco-system so that e-invoices generated by one software can be read by any other software, thereby eliminating the need of fresh data entry, which is a pain point today and also responsible for lot of transcription error related non-reconciliation. Apart from the GST System, adoption of a standard will also ensure that an e-invoice shared by a seller with his buyer or bank or agent or any other player in the whole business eco-system can be read by machines and obviate and hence eliminate data entry errors. In short, standard will ensure machine readability across business eco-system. Many countries across the world have adopted standards for e-invoice, based on the Universal Business Language (UBL) Standard.

GSTN, in partnership with Institute of Chartered Accountants of India (ICAI), has drafted an e-invoice standard, (referring and considering the PEPPOL standard, which is based on UBL standard) which also takes into account the requirement under tax laws and has features, which are required for international trade.

The concept note and the proposed e-invoice schema and template are attached at this link for your ready reference: [Concept-Note](#), and [Schema-Template](#)

You may study the concept note and the schema from all perspectives of business / technology and provide your valued feedback to GSTN.

Your support is solicited to get the feedback/suggestion/input from the professional / Industry fraternity in the link [www.gstn.org/e-invoice/feedback](http://www.gstn.org/e-invoice/feedback) latest by 20th August 2019.

The valuable input will be helpful to finalise the standards and notify the same at an early date. You may publicise this with your other peers/contemporaries/teams for sharing their feedback as well.

GSTN appreciates your time as well as feedback.

# NEW SYSTEM OF GST RETURN

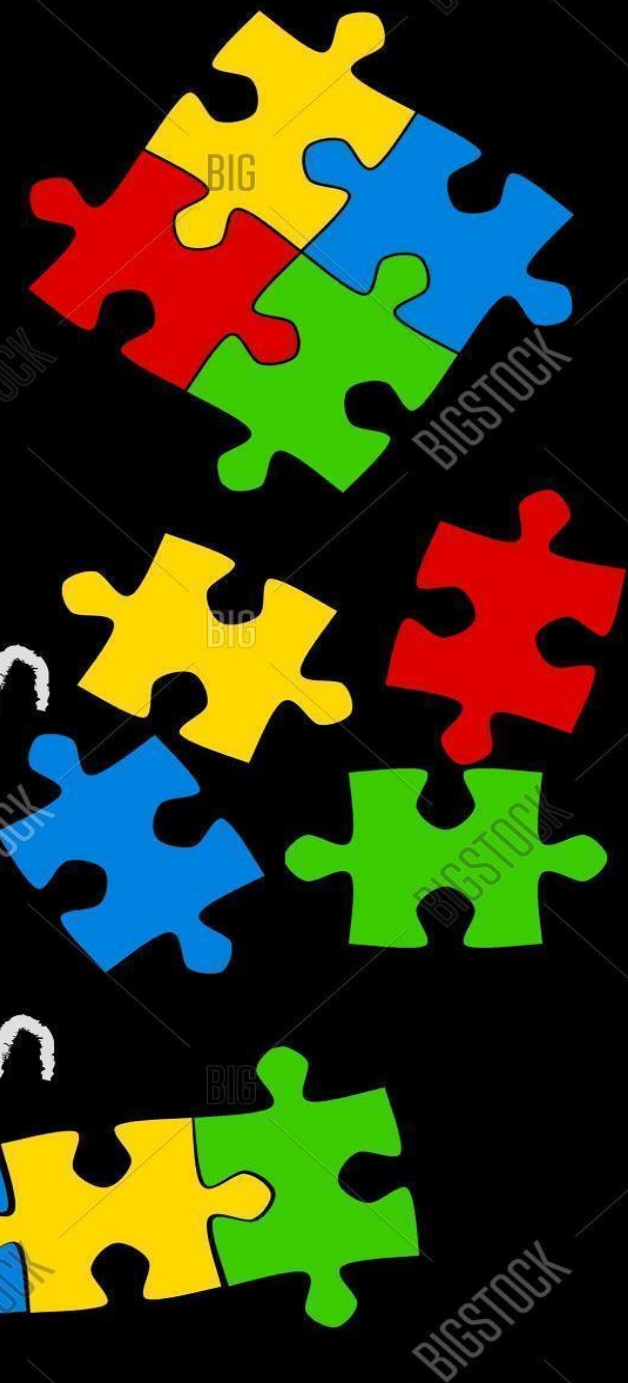
Learn



Unlearn



Relearn





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# Thank You.

**PRESENTED BY**

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