Induction Training – ACTOs (DR)

New Return Formats under GST

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Introduction

- Provisions on Returns for Normal RP:
  - Chapter IX of GST Act & Chapter VIII of GST Rules
  - Section 37 & 38 and Rule 59 & 60 : Furnishing of details of outward/ inward supplies – GSTR1/ GSTR2
  - Section 39 & Rule 61: Furnishing of Returns – GSTR3B
  - Section 42 & 43 and Rules 69 to 79 : Matching, reversal and reclaim of ITC and reduction in output tax liability

Introduction

- Provisions on Returns for Normal RP
  - **Section 43A: Procedure for furnishing return and availing ITC (inserted by Act No. 31 of 2018 – yet to be notified**) (to facilitate new returns)
  - Rule 61(5): Furnishing of return in Form GSTR-3B (NN.17/2017)
  - GSTR-3B is a return u/s 39(1) – NN.49/2019 w.e.f 01-07-2017

Introduction

- Provisions contd…

  o To overcome Gujarat High Court Judgment in case of AAP India – Held that GSTR-3B is not a return.

  o GSTR2 and GSTR3 are deferred

  o GSTR1 & GSTR 3B are in vogue

New Returns?

- Law provides for matching, reversal and reclaim of ITC – Sec. 42 & Rules 69 to 71

- Unless Supplier discharges liability recipient is not entitled for ITC – Sec 16(3)(c)

- Envisaged system of GSTR-1,2&3 not in place

- Without technological support matching is not possible

- Wide spread ITC frauds and non compliance

Changes in GST Return Landscape

- Current Returns - GSTR-1, GSTR-2A (Auto-populated, for view only) & GSTR-3B
- Future Return Landscape for various taxpayers
  - **one Return**
    - ➢ GST RET-1 (Normal)
    - ➢ GST RET-2 (Sahaj)
    - ➢ GST RET- 3 (Sugam)

Changes in GST Return Landscape

- Only GST ANX-1 need to be uploaded (i.e. preparation is offline& upload is online)
  - ➤ GST ANX-2 is **auto-populated** (Action to be taken)
  - ➤ Followed by GST RET-1/2/3 filing
- Staggered filing (**different** filing dates):
  - ➤ **20th** for **Monthly** filers &
  - ➤ **25th** for **Quarterly** filers

Proposed New Return System

- Taxpayers to choose between:
  - **FORM GST RET-1** (Normal/Monthly)– taxpayers with turnover over Rs 5 Cr.
  - **FORM GST RET-1** (Normal/Qtrly) – taxpayers with turnover up to Rs 5 Cr.
  - **FORM GST RET-2** (Sahaj/Qtrly) - taxpayers with turnover up to Rs 5 Cr making B2C supplies
  - **FORM GST RET-3** (Sugam/Qtrly) - taxpayers with turnover up to Rs 5 Cr making B2C & B2B

Return Filing Frequency

NAME	FORM	QUARTERLY	MONTHLY
NORMAL	GST RET-1	YES	YES
SAHAJ	GST RET-2	YES	_
SUGAM	GST RET-3	YES	_

If aggregate turnover is upto Rs 5 Cr, PAN wise

Supplies and Return Type

TRANSACTION or ACTIVITY	SAHAJ	SUGAM	NORMAL
B2C Outward Supply	YES	YES	YES
Inward Supplies Attracting Reverse Charge	YES	YES	YES
Nil rated, exempted or Non-GST supplies (*To be Declared in RET-1 only*)	YES (in annual return)	YES (in annual return)	YES
B2B Outward Supply	X	YES	YES

Supplies and Return Type

TRANSACTION or ACTIVITY	SAHAJ	SUGAM	NORMAL
Supplies Through E-commerce Operators On Which TCS Is Required	X	X	YES
Taking Credit On Missing Invoices (*provisional credit through RET-1*)	X	X	YES
All Other Types Of Inward or Outward Supplies	X	X	YES

Change in Periodicity of Return filing

- Can be opted for, **only once,** before filing the **first return of the year** by a taxpayer.

- The periodicity will remain **unchanged** during the **next** financial year **unless** changed **before filing** the first return of **that** year.

- The taxpayers, **opting** to file **quarterly return** can **choose** to file **any** of the quarterly return namely – Sahaj, Sugam or Quarterly (Normal).

Change in Quarterly Periodicity of Return

At the **beginning** of **any quarter-**

- Taxpayers filing return as **Quarterly (Normal)** can **switch over** to Sugam or Sahaj return **only once** in a financial year.

- Taxpayers filing return as **Sugam** can **switch over** to Sahaj return **only once** in a financial year**.**

Change in QUARTERLY Periodicity of Return

At the **beginning** of **any quarter-**

- Taxpayers filing return as **Sahaj** can switch over to **Sugam or Quarterly (Normal) return <u>more than once</u>** in a financial year at the **beginning** of any **quarter**.

- Taxpayers filing return as **Sugam** can **switch over** to Quarterly (Normal) return <u>**more than once**</u> in a financial year at the **beginning** of any **quarter**.

Monthly / Quarterly (Normal) Return

FORM GST ANX-1

[See rule ----]

Details of outward supplies, imports and inward supplies attracting reverse charge

	Financial Year				
	Tax period	From – To --			

			GSTIN																			
1.			GSTIN																			
2.	(a)		Legal name of the registered person	<Auto>																		
	(b)		Trade name, if any	<Auto>																		
	(c)		ARN	<Auto (after filing)>																		
	(d)		Date of filing	<Auto (after filing)>																		

3. Details of outward supplies, inward supplies attracting reverse charge and import of goods and services

(Amount in ₹ for all tables)

GSTIN/ UIN	Place of Supply (Name of State/UT)	Document details				HSN code	Tax rate (%)	Taxable value	Tax amount				Shipping bill / Bill of Export details	
		Type	No.	Date	Value				Integrated tax	Central tax	State / UT tax	Cess	No.	Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
3A. Supplies made to consumers and un-registered persons (Net of debit / credit notes)														
3B. Supplies made to registered persons (other than those attracting reverse charge)(including edit/amendment)														
3C. Exports with payment of tax														
3D. Exports without payment of tax														
3E. Supplies to SEZ units/developers with payment of tax (including edit/amendment)														
3F. Supplies to SEZ units/developers without payment of tax (including edit/amendment)														
3G. Deemed exports (including edit/amendment)														

GSTIN/ UIN	Place of Supply (Name of State/UT)	Document details				HSN code	Tax rate (%)	Taxable value	Tax amount				Shipping bill / Bill of Export details	
		Type	No.	Date	Value				Integrated tax	Central tax	State / UT tax	Cess	No.	Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

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)

3I. Import of services (net of debit/ credit notes and advances paid, if any)

3J. Import of goods

3K. Import of goods from SEZ units / developers on a Bill of Entry

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. 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)

Sr. No.	GSTIN of e-commerce operator	Value of supplies made	Value of supplies returned	Net value of supplies	Tax amount			
					Integrated tax	Central tax	State / UT tax	Cess
1	2	3	4	5	6	7	8	9

SAHAJ

FORM GST ANX-1

[See rule ----]

Details of outward supplies and inward supplies attracting reverse charge

Financial Year				
Tax period	From – To --			

1.		GSTIN																			
2.	(a)	Legal name of the registered person	<Auto>
	(b)	Trade name, if any	<Auto>
	(c)	ARN	<Auto (after filing)>
	(d)	Date of filing	<Auto (after filing)>

3. Details of outward supplies and inward supplies attracting reverse charge

(Amount in ₹ for all tables)

GSTIN/ UIN	Place of Supply (Name of State/UT)	Document details				HSN code	Tax rate (%)	Taxable value	Tax amount				Shipping bill / Bill of Export details	
		Type	No.	Date	Value				Integrated tax	Central tax	State / UT tax	Cess	No.	Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
3A. Supplies made to consumers and un-registered persons (Net of debit / credit notes)														
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)														

SUGAM

FORM GST ANX-1

[See rule ----]

Details of outward supplies and inward supplies attracting reverse charge

Financial Year				
Tax period	From – To --			

1.		GSTIN																			
2.	(a)	Legal name of the registered person	<Auto>
	(b)	Trade name, if any	<Auto>
	(c)	ARN	<Auto (after filing)>
	(d)	Date of filing	<Auto (after filing)>

3. Details of outward supplies and inward supplies attracting reverse charge
(Amount in ₹ for all tables)

GSTIN/ UIN	Place of Supply (Name of State/UT)	Document details				HSN code	Tax rate (%)	Taxable value	Tax amount				Shipping bill / Bill of Export details	
		Type	No.	Date	Value				Integrated tax	Central tax	State / UT tax	Cess	No.	Date
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
3A. Supplies made to consumers and un-registered persons (Net of debit / credit notes)														
3B. Supplies made to registered persons (other than those attracting reverse charge)(including edit/amendment)														
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)														

GST ANX 1 & ANX 2

Taxpayers are required to:

- Prepare & Upload **Annexure of Supplies** (**GST ANX-1)** for their tax liabilities; and

- Take action on **Annexure of Inward Supplies (GST ANX-2)**.

  - ➤ **Inward** supplies **auto- populated** from the suppliers' GST ANX-1, Form GSTR- 5 and Form GSTR-6.

  - ➤ Actions include **accepting/ rejecting/** keep documents **pending.**

Details in GST ANX 1

- Supplies made to unregistered persons and consumers
- Supplies made to registered persons → **Recipient GSTIN available**
- Exports (with payment of tax)
- Exports (without payment of tax)
- Supplies to SEZ developer/unit (with payment of tax) → **Recipient GSTIN available**
- Supplies to SEZ developer/unit (without payment of tax) → **Recipient GSTIN available**

Details in GST ANX 1

- Deemed Exports
- Inward Supplies attracting reverse charge
- Import of Services
- Import of Goods
- Import of Goods from SEZ on Bill of Entry
- Credit availed on documents not uploaded by Supplier/Seller

Recipient GSTIN available

for Reporting only

Details in GST ANX 2

Documents auto-populated from suppliers' GST ANX-1, Form GSTR 5 & 6	
Import of Goods on Bill of Entry *(later on after Integration with ICEGATE system)*	Accept or Reject or Pending
Import of Goods (from SEZ units/developers) on Bill of Entry *(later on after Integration with ICEGATE system)*	

Changes in GST Return Landscape
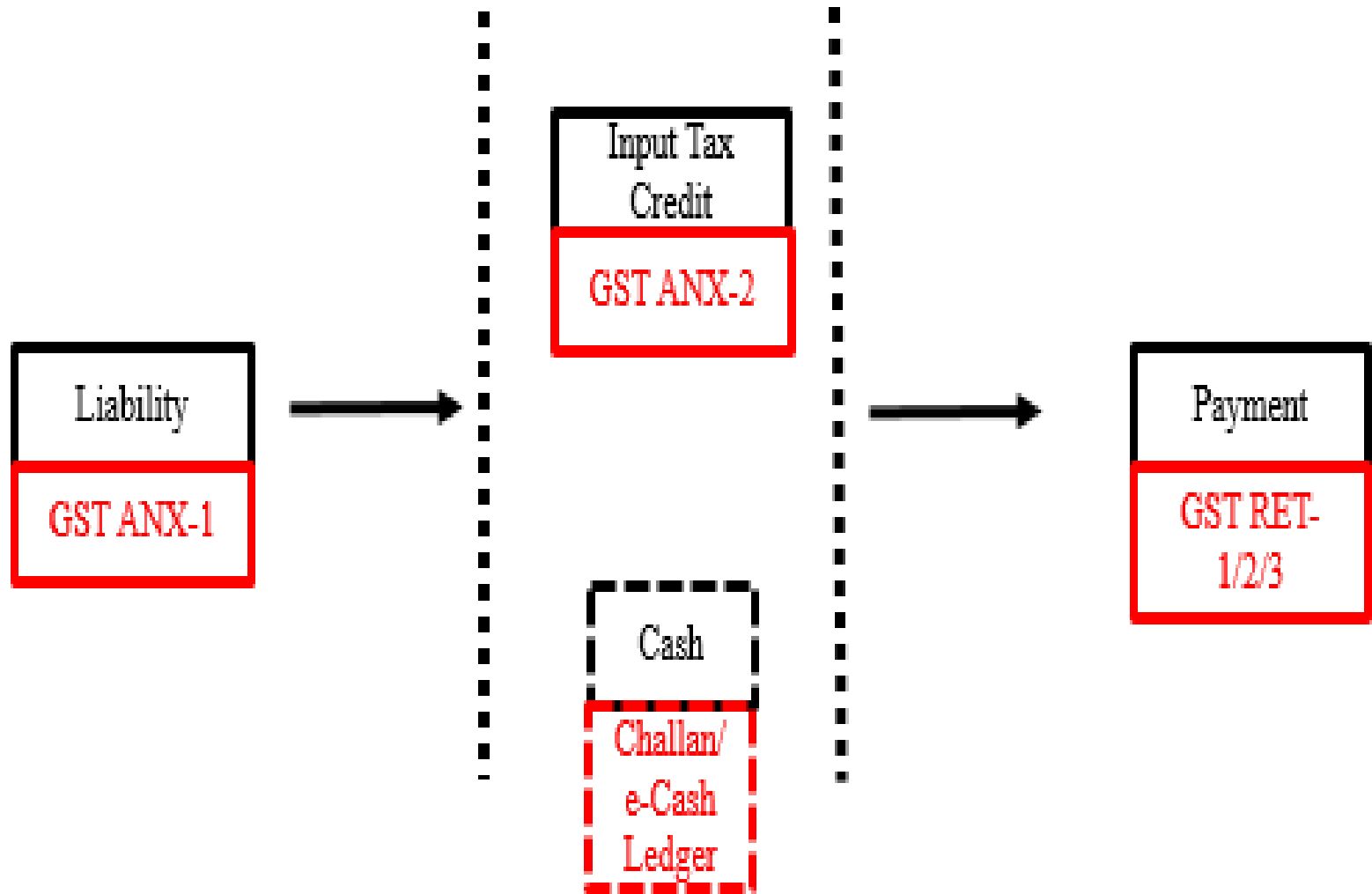
Lability Payment

- Auto-population of liabilities from **GST ANX-1**

  o Uploading can be done **throughout** the month

  o Documents uploaded in GST ANX 1, till date of filing

  o ITC entitlement to recipient's GST ANX-2 - would **stop** if **two consecutive returns** are **NOT** filed in case of monthly filer and **one** return in case of **quarterly** filer.

Lability Payment

- Auto-population of liabilities from **GST ANX-1**

- Auto-population of ITC - action (of A/R/P) in **GST ANX-2**

  - Documents **auto-populated till 10th of next month**

  - Deemed action is **acceptance** of Invoices

- Payment of liability using ITC & Cash in **GST RET-1/2/3**

  - Claiming ITC and Payment(on **self assessment**) by *quarterly* filers in first two month of the quarter is through **GST PMT-08**

New Return on GST Portal

- Auto-population of key details in returns

- HSN is captured at Invoice level

- Unidirectional flow of invoices-Supplier only can edit document details

- Consolidated Credit/Debit Notes

- Credit/Debit Notes are treated as independent 'documents' for the purpose of uploading

- Facility to file NIL return through SMS will be available

- No separate filing of GST ANX-1 & GST ANX-2. They are
  deemed to be filed on filing of GST RET-1/2/3

Present Return vs. New Proposed

Present Return	New Return
Taxpayers are considered small, if turnover is **upto Rs 1.5 crore** in preceding FY - for the purpose of quarterly filing of GSTR-1	Taxpayers considered small, for filing Return on quarterly basis, if turnover is **upto Rs 5 crore** in the preceding FY
Formats of GSTR-1 & 3B (with many tables) are **common to all taxpayers**	Taxpayer will choose a return type based on his nature of business **(with limited/relevant tables)**
GSTR-3B (with many details) is used for declaring liability and payment of tax on monthly basis	For quarterly filers, a **short & simple form PMT-08** will be used for payment for 1st & 2nd month of the quarter.

Present Return vs. New Proposed Return

Present Return	New Return
GSTR-1 needs to be **'FILED'** (with DSC/EVC)	Supply details in ANX-1 to be just **'uploaded'** (No need of DSC/EVC)
Details auto-populated in GSTR-2A, but are available for **'VIEW ONLY'**	**ANX-2** gets **auto-populated,** details can be **matched** with purchase register & **'action'** can be taken
Input tax **credit is claimed on self-declaration** basis through GSTR-3B	Only eligible Input tax credit can be claimed **based on invoices uploaded by supplier and accepted by receiver;** Provisional credit can be taken on missing invoices for 02 Tax periods by monthly filers & 01 tax period by quarterly filers.

Present Return vs. New Proposed Return

Present Return	New Return
GSTIN-wise, invoice-wise details need to be given for **B2C inter-state** supplies > Rs. 2.5 Lakhs	For B2C supplies (irrespective of value), **no need to give GSTIN-wise, invoice-wise details;** Only consolidated summary to be given based on PoS
I.r.o supplies to SEZ, no option to indicate the **choice of claiming refund**	The option **of claiming refund in GST ANX-1 is available to the Suppliers making** supplies to SEZ and also for supplies made by Deemed Exporters

Present Return vs. New Proposed

Present Return	New Return
Nil-rated/Exempt/Non-GST supplies are to be given in GSTR- 1 & GSTR-3B	Nil-rated/Exempt/Non-GST supplies to be given **only in annual return** for SAHAJ & SUGAM filers and in RET-1 by Monthly/Qty filers
Outward supplies attracting reverse charge – **Invoice-wise details** to be given in GSTR-1 by supplier	Outward supplies attracting reverse charge – **only consolidated entry** to be given by supplier
No facility to indicate **missing supply invoices** in Return	Facility to give **GSTIN-wise, invoice-wise details of supplies** not uploaded by supplier

Using the Offline Tool

- **Download** the tool from 'Downloads' section
- **Install** the tool on the machine
- **Create a profile** in it by entering GSTIN and other details.

*Note: **Multiple** profiles can be created in the tool so that one tool can be used for preparing and retaining data of multiple taxpayers.*

- **Prepare** outward and certain inward supplies (e.g. reverse charge) data in Form GST ANX-1,
  - **directly** by inputting data or
  - by **importing** the same from an Excel file or CSV, in the **template** provided with the Tool

Using the Offline Tool

- **Log on to** the GST portal using **current** User ID and Password.
- **Go to Return** under **Services** and select **'New Return Trial'** tab.
- Select **period** and **'Upload/Download of JSON file'** option on the dashboard and **upload** the JSON file created by the Tool.

*Note:This data will **appear** in the Form GST ANX-2 of the respective **recipient** taxpayers.*

Using the Offline Tool

- As recipient taxpayer, **download** ANX-2 **auto-drafted** by GST System.
- **Open** the same in the Offline Tool to take actions of Accept, Reject or keep Pending.

*Note: In case of **few** documents take action of accept/reject etc. **without** running the matching tool.*

*In case, of **more** invoices, **import purchase register** in the **Offline Tool** and **then** **run** the **Matching Tool**.*

THANK YOU

Questions

1. A RP has aggregate turnover less than Rs 5 Crores during the FY 2019-20. Choose the more appropriate option.   (   )

(a)   He has to file quarterly return for the year 2020-21

(b)   He has to file monthly return for the year 2020-21

(c)   He can opt for quarterly return for the year 2020-21

(d)   He can opt for Sahaj quarterly return for the year 2020-21 as he supplying only to consumers

(i)   (a) & (d)   (ii) (c) & (d)   (iii) (b)   (iv) (c)

2. What is a missing invoice?   (   )

(i)   Invoice missed from his purchase register

(ii)   ITC claimed on such invoice but the supplier not uploaded in ANX-1

(iii)   An invoice on which ITC can't be claimed

(iv)   Disappeared from GST Portal due to technical glitch

Questions

3. Why IGST on imports not reflected in RET-1?   (   )

(i)   IGST is paid along with BCD on import of goods

(ii)   Non GST supply

(iii)   As it is an inward supply from foreign country not liable to GST

(iv)   Liability of GST arises on supply of such imported goods only

4. Select more appropriate option regarding action to be taken by the recipient RP on the invoices reflected in ANX-2?   (   )

(a) Rejected   (b) Accepted   (c) Keep pending   (d) No action

(i)   (a) & (b) only   (ii) (d) only

(ii)   (iii) (a), (b) & (c) only   (iv) (a), (b), (c) & (d)

Questions

5. A RP has the following attributes – (a) less than Rs. 5 crores aggregate turnover during the previous financial year. (b) He supplies goods on B2B and B2C basis only (c) He purchases cashew nut from agriculturists. What type of return he can opt for it?(   )

(i)   He can opt for RET-1 monthly only

(ii)   He can opt for SAHAJ

(iii)   He can opt for SUGAM

(iv)   He can opt for Composition Levy

6. Select more appropriate option regarding quarterly return filers(   )

(a) Return to be filed and tax to be paid for every quarter

(b) Quarterly return and monthly payment of tax

(c) Payment of monthly tax through PMT-08

(d)Balance tax to be paid along with quarterly return after reducing tax paid for the first and second month of the quarter

(i) (a) only   (ii) (b) & (c) only(iii) (d) only   (iv) (b), (c) & (d)

Questions

7. A RP supplies goods through e-Commerce operator and sells goods to consumers across the counter. His aggregate turnover for the previous financial year is Rs. 4.95 crores. What do you advice him regarding return? (   )

   (i)   Opt for SAHAJ return   (ii)   Opt for normal quarterly return

   (iii) Opt for SUGAM return (iv)   Opt for GSTR-4

8. ITC can be availed provisionally through RET-1. (True / False) (   )

9. What are the types of document for the column 'DOCUMENT' in new return formats? (   )

   (a) Credit note   (b) Debit note (c) Tax invoice   (d) Bill of supply

   (i) (a), (b) & (c) (ii) (a) & (b) only   (iii) (c) only   (iv) (a), (b), (c) & (d)

10. Which one of the following cannot be reported through ANX-1? (   )

   (i)   Import of goods(ii)   Receipt of goods liable for RCM

   (iii) B2C supplies   (iv) Supply of goods liable for RCM