New GST Return
Agenda

1. Understanding GST Returns: Intent, Types and Purpose
2. New GST Returns: Types and Main Features
3. Differences between Existing and New Returns
4. Intended Benefits on New Return
5. New Return Offline Tool: Functionalities and Demo
Intent of a GST Return

- Liability
- Input Tax Credit
- Cash
- Payment of Tax
The suppliers GSTR-1 invoices gets populated into the GSTR-2A of the recipient. The recipient can avail and utilize this ITC for tax payment.

Information on ITC
The taxpayer creates a challan on the portal and deposits cash. The cash thus deposited gets populated into the Electronic Cash Ledger of the taxpayer.

Cash Availability
Through GSTR-3B, the taxpayer self declares his liability and ITC and pays his tax by utilizing cash and ITC both.

Existing Scheme of Returns

GSTR-1
Report Liability
The invoice level liability gets declared in GSTR-1.

GSTR-2A

ITC

Cash Ledger

GSTR-3B
Payment

Cash
The suppliers ANX-1 invoices gets populated into the ANX-2 of the recipient. The recipient can accept/reject or keep the invoices pending. The accepted invoices make the final ITC.

Information on ITC
The taxpayer creates a challan on the portal and deposits cash. The cash thus deposited gets populated into the Electronic Cash Ledger of the taxpayer.

Cash Availability
Through RET-1/2/3, the taxpayer pays the auto-populated liability (from ANX-1) by utilizing cash and ITC (auto-populated through ANX-2) both.

Payment

Cash Ledger

New Scheme of Returns
Main Features of New Returns

- Option of **quarterly** filing of Return for taxpayers up to 5 Crore Annual Turnover.
- Only payment made by **GST PMT-08**

Simpler *quarterly* returns formats available for small businesses:
- GST RET-2 also called as **SAHAJ** (only B2C)
- GST RET-3 also called as **SUGAM** (only B2B & B2C)

Staggered filing (different filing dates) for monthly & quarterly filers:
- 20<sup>th</sup> for Monthly filers
- 25<sup>th</sup> for Quarterly filers

- Enriched Offline Tool with Matching Facility.
New GST Returns

RET 1 Monthly (Annual Turnover more than 5 Crore)/ Mandatory
For any category of supplier having an annual turnover of more than 5 Crore.

RET 1 Quarterly (Annual Turnover less than 5 Crore)/ Optional
Suppliers not eligible to file Sahaj or Sugam return but having an annual turnover of less than 5 Crore.

SUGAM (Annual Turnover less than 5 Crore)/ Optional
For suppliers having only B2C and B2B supplies and receiving supplies on reverse charge basis.

SAHAJ (Annual Turnover less than 5 Crore)/ Optional
For suppliers having only B2C supplies and receiving supplies on reverse charge basis.

Payment on a monthly basis through PMT-08
Turnover-wise Distribution based on GSTR-3B: FY18-19

- **70.22%** Annual Turnover less than 5 Crore
  - Can opt for quarterly filing of return

- **28%** Annual Turnover less than 5 Crore and making only B2C Supplies
  - Can take advantage of simple SAHAJ Returns

- **22.73%** Nil Turnover
  - Simple SMS for NIL filers of return

- **7.06%** Annual Turnover more than 5 Crore
  - Will have to go for monthly return filing
Difference between GSTR-3B and GST RET-1/2/3

- Auto-population of key details in returns
- HSN is captured at Invoice level
- Unidirectional flow of Invoices
- Consolidated Credit/Debit Notes
- No separate filing of GST ANX-1 & GST ANX-2. They are deemed to be filed on filing of GST RET-1/2/3
Bidirectional Flow of Invoices

01

Supplier files GSTR-1

02

Recipient views the invoices in GSTR-2, edits and sends back

03

- Supplier views the edited invoices and accepts/ rejects
- Final version of the invoice reaches the recipient
Supplier uploads invoices in ANX-1

Recipient views the invoices in ANX-2, can accept or reject but can’t edit/amend the invoices

Rejected invoices is viewed by the supplier; Can edit/amend and send back

Final version of the invoice reaches the recipient
- Auto-population of key details in returns
- HSN is captured at Invoice level
- Unidirectional flow of Invoices
- Consolidated Credit/Debit Notes
- No separate filing of GST ANX-1 & GST ANX-2. They are deemed to be filed on filing of GST RET-1/2/3
Changing Return Type and Filing Frequency

- **Monthly** filers allowed to file only GST RET-1
- **Quarterly** filers allowed to choose from any of the three - GST RET-1/2/3
- Taxpayer to select return profile and filing frequency at the start of the Financial Year
- Change of filing frequency not allowed for the same Financial Year
- Changing return type allowed with certain conditions
Changing Return Type and Filing Frequency

- **RET-3/SAHAJ** → **Allowed** → **RET-2/SUGAM** → **Allowed** → **RET-1/Quart.** → **Not Allowed** → **RET-2/SUGAM**
- **RET-1/Quart.** → **Not Allowed** → **RET-3/SAHAJ** → **Not Allowed** → **RET-3/SAHAJ**
- **RET-3/SAHAJ** → **Allowed** → **RET-2/SUGAM** → **Allowed** → **RET-1/Quart.** → **Not Allowed** → **RET-2/SUGAM**
- Consolidated reporting of B2C transactions
- HSN is captured at Invoice level for B2B transactions. Better sectoral analysis possible
- Consolidated reporting of Credit/Debit Notes
- Document wise reporting of Import of Goods for claiming Credit
- Capturing Place of Supply at document level and ensuring smooth Settlement of IGST

Difference between GSTR-3B and GST RET-1/2/3
• Provision of **Amendment** of Return

• Correlation between the Outward Supplies and Return Form

• Measurable difference between auto-populated Credit and provisional Credit claimed by the recipient

• Informing the return filing status to the recipient in GST ANX-2 (better control over non-filers of return)

• Break-up of reversal of Credit
Benefits of New Return

- Uploading of Invoices can be done throughout the month & Credit can be claimed accordingly
- Auto-populated values in the return for liability and ITC
- Matching tool would be provided to match Purchase Register with inward supply annexure in Form GST ANX-2
- Checking the menace of frauds committed by generation of fake Invoices.
- New return system would deter habitual non-filers as auto-population of Credit would stop in GST ANX-2
Invoice/DN/CN flow from GST ANX-1 to GST ANX-2

Supplier
GST ANX-1

Recipient
GST ANX-2

Invoice No.-78

Liability Locked

Edit/Amend Invoice

Near Real Time

Invoice No.-78

Accept

No Action / Reset

Tax period (T)
like May

10th of (T+1)
like 10th June
Invoice/DN/CN flow from GST ANX-1 to GST ANX-2

**Supplier**
GST ANX-1

- Invoice No.: 78

**Recipient**
GST ANX-2

- Invoice No.: 78

Near Real Time

- Accept
- Reject
- Pending

**Tax period**
(T) like May

10th of (T+1)
like 10th June

**Liability Locked**
Irrespective of recipient action
Invoice/DN/CN flow from GST ANX-1 to GST ANX-2

Supplier
GST ANX-1

Invoice No.-78

Recipient
GST ANX-2

Invoice No.-78

Near Real Time

Tax period (T)
like May

10th of (T+1)
like 10th June

Accept
Reject
Pending

Return filing by Recipient

Action finalised

Rejected Invoice to Supplier
Supplier side control – Non filing by Supplier for two months

Supplier is a **monthly** filer who:

- Uploads Invoices in GST ANX-1 but **does not file two returns**

From 10th of (M+3) onwards:

- Invoices auto-populated in recipient GST ANX-2 but
- No ITC entitlement on Invoices uploaded in GST ANX-1 for month (M+2) & onward
Supplier side control – Non filing by Supplier for two months

Supplier is a **quarterly** filer who:

- Uploads Invoices in GST ANX-1 but **does not file two returns**

From 10\textsuperscript{th} of (M+3) onwards:

- Invoices auto-populated in recipient GST ANX-2
- No ITC entitlement on Invoices uploaded in GST ANX-1 for quarter (Q+1) & onward

10\textsuperscript{th} of (M+3)
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<thead>
<tr>
<th>Fields (liability) in GST ANX-1 &amp; GST RET-1 (auto-populated)</th>
</tr>
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<tbody>
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<tr>
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</tr>
<tr>
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- **Recipient is a DTA unit**: (non-SEZ unit/developer)

- **Credit availed on documents not uploaded by Supplier/Seller**: for Reporting only
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<th>Documents auto-populated from suppliers’ GST ANX-1</th>
<th>Accept or Reject or Pending</th>
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<td>Import of Goods on Bill of Entry</td>
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<td>Import of Goods (from SEZ units/developers) on Bill of Entry</td>
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GSTN has released **trial** version of the New Returns Offline Tool with
- Form GST ANX-1
- Form GST ANX-2 (with Matching Tool built in it)
- A **template** for Purchase Register (which can be used to import data of purchase register for matching)

The Offline tool is available on GST Portal under **Download** section.

Detailed guidelines for using the tool is provided in the ‘**Help**’ tab, on **each** page of the tool.
Entire ANX-1 supplies (all tables) can be maintained in this template and uploaded directly into the offline tool at one go.

ANX-1 MS Excel Template
Entire ANX-1 supplies (all tables) can be maintained in this template and uploaded directly into the offline tool at one go.

ANX-1 CSV Template
ANX-1 supplies can be maintained for different tables in the CSV formats and uploaded one by one into the offline tool.

Purchase Register MS Excel Template
Records of purchases maintained in this template can be used in the matching tool.

ANX-1/2 Offline Tool
Taxpayer can prepare his ANX-1 supplies and take action on ANX-2 supplies in offline mode and later upload on the portal.

Matching Tool
It facilitates the taxpayer to match his ANX-2 supplies with the offline records maintained in the purchase register.
To familiarize stakeholders with tool’s functionalities

To get their feedback/suggestions to improve the tool further before its actual deployment
During trial run, documents/data uploaded by taxpayers on GST Portal, will not create any liability.

This data will be visible only to taxpayers and their respective buyers.

Taxpayers should continue to report/pay their GST liability in Form GSTR-1/GSTR-3B during this period, as being done now.

After the trial period is over, the data created/entered by the taxpayers, in GST ANX-1/2 on the GST Portal, will be fully erased and no part of it will be retained on portal.
Outreach program is underway to familiarize taxpayers and tax officers both.

A total of more than 1500 tax practitioners and 1600 taxpayers have attended the workshops.

More than 30000 ANX-1 uploaded on the portal.

More and more taxpayers and practitioners should come forward and get familiar with the new return offline tool.
Prepare the annexure of outward supplies and imports/reverse charge supplies offline in the application or upload the supplies in MS Excel format directly.

Upload the ANX-1 prepared offline on the portal by converting it into JSON through the application.

Download the error JSON file containing errors committed in the ANX-1 entries, open it in the offline tool, edit and upload again.

Take action on the invoices of inward supplies in ANX-2 downloaded from the portal on the offline tool.

Before taking action on inward invoices in ANX-2, match the invoices with the purchase register.

Upload the ANX-2 by converting it into JSON through the offline tool.