



# **New GST returns – Changes and Challenges!**

## **CA Pritam Mahure**

**Guide on GST 2.0 're'forms i.e. 'Re'turns and 'Forms' including Sahaj and Saral!**

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**GST**

## **New GST Returns – Changes and Challenges**

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## Feedback

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## 1. New Returns – Key aspects

### 1.1 Present return system

Since introduction of GST in India, regular GST payers (i.e. other than composition payers etc) are typically required to file, **two returns**<sup>1</sup> on monthly basis as under:

| Form    | Return of      | Due date                                     |
|---------|----------------|----------------------------------------------|
| GSTR 1  | Outward supply | 11 <sup>th</sup> of subsequent month         |
| GSTR 2A | Inward supply  | Approximately on a yearly basis <sup>2</sup> |
| GSTR 3B | Monthly return | 20 <sup>th</sup> of subsequent month         |

### 1.2 New return system – What’s new?

The new return system comprises of following returns:

| Form  | Return of      | Frequency | Due date                             |
|-------|----------------|-----------|--------------------------------------|
| ANX 1 | Outward supply | Real time | 10 <sup>th</sup> of subsequent month |

<sup>1</sup> Apart from these returns, a GST payer could be required to file e-way bills, TDS/ TCS returns, ITC-04, Annual Return etc

<sup>2</sup> At present, ITC is availed at gross level (and not at invoice level) and thus, reconciliation of input tax credits (ITC) availed is required to be done through GSTR-2A. The facility to view invoices was made available from mid-August 2018 onwards (earlier it was only viewing facility – which was of no use to large taxpayers) and thus, for FY 1718 and 1819, invoice matching has taken place on yearly basis.

|                    |                                         |                                                     |                                                   |
|--------------------|-----------------------------------------|-----------------------------------------------------|---------------------------------------------------|
| ANX 2              | Inward supply                           | Real time <sup>3</sup>                              | 18 <sup>th</sup> of subsequent month <sup>4</sup> |
| RET 1              | Monthly return                          | Monthly                                             | 20 <sup>th</sup> of subsequent month              |
| RET 1 <sup>5</sup> | Quarterly return (Normal <sup>6</sup> ) | Quarterly and monthly payment (PMT 08) <sup>7</sup> | 25 <sup>th</sup> of subsequent quarter            |
| RET 2              | <b>Sahaj</b> - Quarterly return         |                                                     | 25 <sup>th</sup> of subsequent quarter            |
| RET 3              | <b>Sugam</b> - Quarterly return         |                                                     | 25 <sup>th</sup> of subsequent quarter            |

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<sup>3</sup> Recipient would be able to check the invoices uploaded by supplier on near-real time basis.

<sup>4</sup> Likely due date. Also, while the ITC will be auto-populated still the recipient will have to ensure that the invoices belong to the organization and thus, GST payers will have to carry out a review of the invoices at ANX 2 (alongwith other conditions such as receipt of goods/ services, blocked credit etc).

<sup>5</sup> Quarterly returns can be 'opted' by small taxpayers having turnover of not more than 5 crore in the previous financial year. In case of newly registered GST payers, turnover of previous year will be considered as 'nil' and thus, they can opt for Quarterly (normal), Sahaj or Sugam return.

<sup>6</sup> From 1<sup>st</sup> October 2019, if someone asks you 'Are you Normal?' then don't feel offended as he might be asking you about GST return scheme you have opted for!

<sup>7</sup> Only return is 'quarterly' and payment of GST liability will be monthly basis (likely due date either 20<sup>th</sup> or 25<sup>th</sup> of the month)

### 1.3 What to read/ refer for new returns and their formats?

To understand the nuances of the new returns one should Link for the forms and instruction is provided below:

| Particulars                  | Link                                                                                                                                                                    | Pages      |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Website to refer             | <a href="https://www.gst.gov.in/">https://www.gst.gov.in/</a> [Refer 'Download' tab]                                                                                    | -          |
| New return – Normal          | <a href="https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn_Normal.pdf">https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn_Normal.pdf</a> | 39         |
| New Return – Sahaj           | <a href="https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn_Sahaj.pdf">https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn_Sahaj.pdf</a>   | 30         |
| New Return – Sugam           | <a href="https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn_Sugam.pdf">https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn_Sugam.pdf</a>   | 32         |
| User Manual ANX 1            | <a href="https://demoofflinetool.gst.gov.in/assets/FAQ_ANX1_2nd%20May.pdf">https://demoofflinetool.gst.gov.in/assets/FAQ_ANX1_2nd%20May.pdf</a>                         | 23         |
| User Manual ANX 2            | <a href="https://demoofflinetool.gst.gov.in/assets/FAQ_ANX2_2nd%20May.pdf">https://demoofflinetool.gst.gov.in/assets/FAQ_ANX2_2nd%20May.pdf</a>                         | 33         |
| Prototype of ANX-1 and ANX-2 | <a href="https://demoofflinetool.gst.gov.in/">https://demoofflinetool.gst.gov.in/</a>                                                                                   | -          |
| <b>Total pages</b>           |                                                                                                                                                                         | <b>157</b> |

Simplicity of the new returns can be gauged from the aforesaid number of pages of instructions and manual itself!

Additionally, GST payer is also expected to refer to the return related provisions in the GST Act (Section 37 to Section 50) and GST Rules (Rule 59 to Rule 88A).

#### **1.4 How many returns/ statements to be filed?**

Every month, Large as well as Small taxpayers will be required to file ANX-1 and ANX-2. The only difference will be that Large taxpayers will file<sup>8</sup> monthly return i.e. RET-1 whereas Small taxpayers can **opt** for quarterly returns i.e. Normal or Sahaj or Sugam.

It may be noted that **quarterly filers** will be required to deposit GST payment on **monthly** basis (PMT-08).

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<sup>8</sup> If RET-1 is filed by GST payer then ANX-2 will be deemed as filed

Aforesaid returns for taxpayers is tabulated below:

| Particulars              |  | ANX 1 | ANX 2 | RET 1            | RET 2 | RET 3 | PMT 08 |
|--------------------------|--|-------|-------|------------------|-------|-------|--------|
| Large Tax payer          |  | Yes   | Yes   | Yes <sup>9</sup> | -     | -     | -      |
| Small Tax Payer - Normal |  | Yes   | Yes   | Yes              | -     | -     | Yes    |
| Small Tax Payer - Sahaj  |  | Yes   | Yes   | -                | Yes   | -     | Yes    |
| Small Tax Payer - Sugam  |  | Yes   | Yes   | -                | -     | Yes   | Yes    |

It may be noted that even the Quarterly GST payers may not get enough compliance relief as their customers (B2B) will always insist to all their vendors (large and small) to upload ANX 1 on real-time basis<sup>10</sup>!

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<sup>9</sup> Large GST payers will provide details of GST liability payment in Table 7 of RET 1

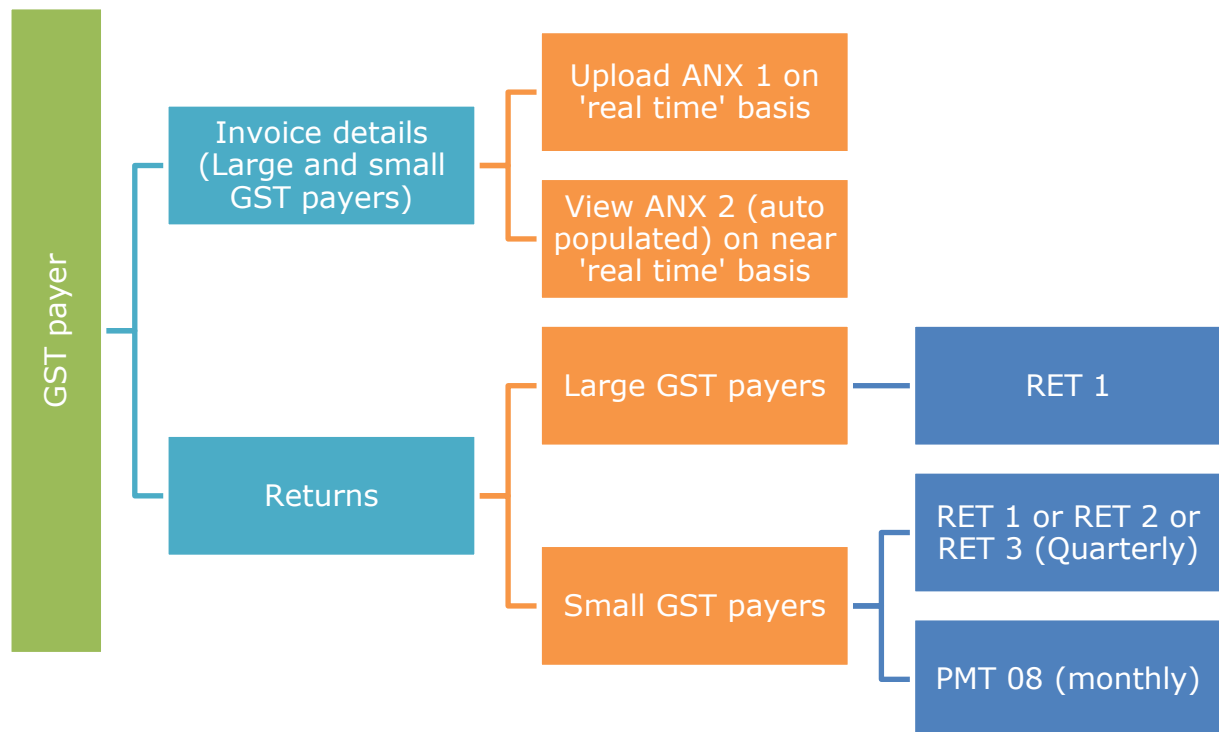
<sup>10</sup> Refer Instruction A6 to ANX 1

## 1.5 Comparison between present and new system

The comparison between present and new system is provided below:

| Particulars | Present | Future         |                                          |
|-------------|---------|----------------|------------------------------------------|
|             |         | Large Taxpayer | Small Taxpayer                           |
| Outward     | GSTR 1  | ANX 1          | ANX 1                                    |
| Inward      | GSTR 2A | ANX 2          | ANX 2                                    |
| Return      | GSTR 3B | RET 1          | RET 1 or RET 2<br>or RET 3 and<br>PMT-08 |

Effectively, the new return system will be as below:



## 1.6 Return is monthly unless opted for quarterly

It may be noted that the new return system will be monthly for all GST payers unless GST payers opt for quarterly GST returns<sup>11</sup>.

It may be noted that GST payment will be 'monthly' for every GST payer (including Quarterly filers).

As regards change in periodicity of the return filing (from quarterly to monthly and vice versa) is concerned, it will be allowed **only once**<sup>12</sup> at the time of filing the first return by a taxpayer<sup>13</sup>. Further, the periodicity of the return filing will remain **unchanged** during the next financial year **unless changed before** filing the **first return of that year**<sup>14</sup>.

## 1.7 Quarterly return for Small taxpayers

Small taxpayers choosing for 'quarterly' return can **opt** for any of the following three returns:

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<sup>11</sup> Quarterly returns can be 'opted' by small taxpayers having turnover of not more than 5 crore in the previous financial year.

<sup>12</sup> In-flexibility is a unique feature in GST regime (even earlier GSTR 3B couldn't be revised)!

<sup>13</sup> Instruction 3 to 'Profile Updation'

<sup>14</sup> Note 1 to Instruction to 'Profile Updation' in RET-1

| Quarterly           | Name of return | GST payment      | Key detail to be filled in |
|---------------------|----------------|------------------|----------------------------|
| RET 1 <sup>15</sup> | Normal         | Monthly (PMT 08) | All details                |
| RET 2               | Sahaj          | Monthly (PMT 08) | Only B2C details           |
| RET 3               | Sugam          | Monthly (PMT 08) | B2B and B2C details        |

### 1.7.1 How many times one can inter-change?

It may be noted that the person opting for Quarterly (Normal) may wish to change to Sahaj or Sugam or vice versa. In this regard, these changes are allowed, subject to following restrictions:

| Shift from - to | Once or Multiple? |
|-----------------|-------------------|
| Normal to Sugam | Once              |
| Sugam to Sahaj  | Once              |
| Normal to Sahaj | Once              |
| Sahaj to Sugam  | Multiple times    |
| Sugam to Normal | Multiple times    |
| Sahaj to Normal | Multiple times    |

---

<sup>15</sup> Quarterly returns can be 'opted' by small taxpayers having turnover of not more than 5 crore in the previous financial year.

### 1.7.2 Why small taxpayers may not opt for Sugam or Sahaj?

It may be noted that GST payers opting for Quarterly (normal) can avail ITC on missing invoices, however, Sahaj and Sugam filers **cannot avail ITC on missing invoices.**

Though the return will be Quarterly, still, the GST payment will be monthly (payment to be made through PMT-08). Further, credit of the tax paid during the first two months of the quarter shall be available at the time of filing the return for the quarter<sup>16</sup>.

Given the aforesaid restrictions, most of the small taxpayers may stay away from Quarterly returns. This will increase the load on the GST portal (as most of the GST payers may continue to file return on monthly basis itself).

### 1.8 If you are monthly filer but vendor is Quarterly filer?

Details of documents uploaded by the corresponding vendor(s) [**irrespective** of the fact whether the **vendor** files his return on **monthly or quarterly** (Normal, Sahaj or Sugam) basis] will be **auto-populated** in ANX 2 **on near real time basis** and can be accepted

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<sup>16</sup> Refer Instruction 4 to PMT-08

or reset / unlocked by the recipient upto the **10th of the month** following the month in which such documents have been uploaded<sup>17</sup>.

### **1.9 What if you are a Quarterly filer but vendor is monthly?**

If the recipient files his return on a quarterly basis (Normal, Sahaj or Sugam), say for the quarter January – March, 2019 on 25th April, 2019, he shall be eligible to take credit in his return based on the documents uploaded by the supplier upto the **10th of April, 2019** irrespective of whether the supplier files his return on monthly or quarterly basis<sup>18</sup>.

### **1.10 Update your profile!**

GST payer will required to update their GST profiles (no, its not facebook!). Based on the profile, requisite details / tables would be made available to the GST payer (for example small manufacturer without exports will see table for details for local supplies).

### **1.11 How simple new returns are?**

The details required in new returns are tabulated below:

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<sup>17</sup> Refer Instruction 1 to ANX 2

<sup>18</sup> Refer Instruction A6 (ii) of ANX 1

| Return | No. of tables | Details required | Columns (approx.) |
|--------|---------------|------------------|-------------------|
| ANX 1  | 4             | 12 <sup>19</sup> | 15                |
| ANX 2  | 5             | 7                | 18                |
| RET 1  | 6             | 58 <sup>20</sup> | 7                 |

It may be noted that though few of the amounts are expected to be auto-populated, still, many details will be required to be provided (RCM, reversal of credits advances, provisional credit etc). Also, the auto-populated figures will be required to be reconciled it with accounts, on **a monthly basis**.

Given the aforesaid, the new return system is expected to increase, substantially, the compliance burden on already burdened GST payers.

The return system is gradually moving from being a simple form to collect revenue and credit details (remember earlier Excise and Service Tax returns?) to a complicated extensive data gathering

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<sup>19</sup> From 3A to 3L

<sup>20</sup> 23 in Table 3, 20 in Table 4, 3 in Table 5, 4 in Table 6, 4 in Table 7 and 4 in Table 8

exercise for anti-evasion/ enforcement and other purposes! This effectively means every GST payer needs to be prove his innocence - on a monthly basis, for every invoice (supplied and received<sup>21</sup>).

### 1.12 How busy GST payers were in last two years?

The entire time period since introduction of GST can be split into two aspects i.e. what new things GST payers had to learn and what they had to execute/ complete as discussed below:

| FY                | Period              | What to learn?                              | What to execute?                                     |
|-------------------|---------------------|---------------------------------------------|------------------------------------------------------|
| <b>FY 2017-18</b> | July 17 to Aug. 17  | GSTR 1, 2 and 3 <sup>22</sup>               | Excise and ST return (upto 30 <sup>th</sup> June 17) |
|                   | Aug. 17 to Sept. 17 | GSTR 1 and 3B                               | GSTR 1 and 3B                                        |
|                   | Oct. 17 to Dec. 17  | TRAN 1 and TRAN 2                           | GSTR 1, 3B and TRAN 1 and TRAN 2                     |
|                   | Jan. 18 to Mar. 18  | E-way Bills (postponed later to April 2018) | GSTR 1, 3B and TRAN 1 and TRAN 2                     |
| <b>FY 2018-19</b> | April 18 to June 18 | Re-introduced E-way Bills                   | GSTR 1, 3B and E-way Bills                           |
|                   | July 18 to Sept. 18 | Sept. return (as last return for FY 1718)   | GSTR 1, 3B and E-way Bills                           |

<sup>21</sup> Refer the process of accept, reject and keep pending in the subsequent chapters.

<sup>22</sup> Replaced later with GSTR 1 and GSTR 3B

|                   |                     |                                                                                                                  |                                                                                                                                                     |
|-------------------|---------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
|                   |                     | and matching of GSTR 2A <sup>23</sup>                                                                            |                                                                                                                                                     |
|                   | Sep. 18 to Dec. 18  | Audit and Annual Return                                                                                          | GSTR 1, 3B and E-way Bills                                                                                                                          |
|                   | Jan. 19 to Mar. 19  | Matching of GSTR 2A                                                                                              | GSTR 1, 3B and E-way Bills                                                                                                                          |
| <b>FY 2019-20</b> | April 19 to July 19 | Audit and Annual Return                                                                                          | GSTR 1, 3B and E-way Bills                                                                                                                          |
|                   | Aug. 19 to Sept. 19 | New Return system                                                                                                | GSTR 1, 3B and E-way Bills                                                                                                                          |
|                   | Oct. 19 to Dec. 19  | <ul style="list-style-type: none"> <li>- Sept. return (FY 1819)</li> <li>- Real-time invoice matching</li> </ul> | GSTR 1, 3B, ANX 1, ANX 2, RET 1 and E-way Bills                                                                                                     |
|                   | Jan. 20 to Mar. 20  | E-invoicing                                                                                                      | <ul style="list-style-type: none"> <li>- ANX 1, ANX 2, RET 1 and E-way Bills/ E-invoicing</li> <li>- Annual Returns and Audits (FY 1819)</li> </ul> |

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<sup>23</sup> Facility to view/ download the GSTR-2A in excel (earlier it was only viewing facility – which was of no use to large taxpayers) was made available from mid-August 2018

|                   |                         |                  |                                                                                                                               |
|-------------------|-------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>FY 2020-21</b> | April 2020 to eternity! | Surprise awaits! | <ul style="list-style-type: none"> <li>- ANX 1, ANX 2, RET 1, E-way Bills/ E-invoicing</li> <li>- Invoice matching</li> </ul> |
|-------------------|-------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------|

For simplicity purposes, in the aforesaid table ITC 04, TDS/ TCS, Annual Return, Audit, Assessments, Refunds, ITC mis-match notices Departmental Audits of ST /Excise, SCNs as well as Advance Rulings, SC/HC cases, Notifications, RoD, Circulars, PRs, Flyers, FAQs etc are not added.

### 1.13 How busy GST payers will be in future?

In the new return system, it appears that all the GST payers will be busy as below:

| Particulars | Date of the month                  |                                     |                                      |                                       |                                           |
|-------------|------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|-------------------------------------------|
|             | 1 <sup>st</sup> to 7 <sup>th</sup> | 8 <sup>th</sup> to 10 <sup>th</sup> | 11 <sup>th</sup> to 18 <sup>th</sup> | 19 <sup>th</sup> and 20 <sup>th</sup> | 21 <sup>st</sup> to 30 <sup>th</sup>      |
| Returns     | Finalising accounts                | Preparing ANX 1                     | Preparing ANX 2                      | Preparing RET 1                       | - Follow up with non-filers <sup>24</sup> |

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<sup>24</sup> Instruction 11 to ANX 2 states that "Status of return filing (not filed, filed) by

|                                  |                                     |                       |                       |                       |                                                                  |
|----------------------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|------------------------------------------------------------------|
|                                  |                                     |                       |                       | and PMT-08            | - Correct rejected invoices<br>- Prepare RET 1/2/3 <sup>25</sup> |
| Outward –<br>Eternal             | Details<br>uploading                | Details<br>uploading  | Details<br>uploading  | Details<br>uploading  | Details<br>uploading                                             |
| Inward –<br>Eternal              | Invoicing<br>checking <sup>26</sup> | Invoicing<br>checking | Invoicing<br>checking | Invoicing<br>checking | Invoicing<br>checking                                            |
| Pending<br>invoices –<br>Eternal | Accept/<br>Reject                   | Accept/<br>Reject     | Accept/<br>Reject     | Accept/<br>Reject     | Accept/<br>Reject                                                |
| E-way <sup>27</sup> –<br>Eternal | Uploading                           | Uploading             | Uploading             | Uploading             | Uploading                                                        |

For simplicity purposes, in the aforesaid table ITC-04, TDS/ TCS, Annual Return, Audit, Assessments, Refunds etc is not added!

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*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. Recipients would be able to check the return filing status of the suppliers...”*

<sup>25</sup> Quarterly return due date will be 25<sup>th</sup> of subsequent Quarter

<sup>26</sup> Invoice checking for the current month and also for the past month

<sup>27</sup> Further, in near future, E-invoicing is expected to be introduced

One can observe that, in the new return system, GST payers and consultants will be **eternally busy!**

### 1.14 How much time GST payers have?

The transition to new return system is expected to take place in a phased manner from 1<sup>st</sup> October 2019 so effectively less than **90 days away** from the magnum-opus change<sup>28</sup>.

These 90 days should be utilized by the GST payers in:

- a. Training the staff and hiring team members, if needed
- b. Sensitizing the vendors<sup>29</sup>
- c. Preparing the ERP/ accounting system<sup>30</sup>

The new return system will involve monthly reconciliation and continuous liaising with vendors to ensure that vendors upload invoices on regular basis and file returns (effectively keeping a real - time check on vendors)!

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<sup>28</sup> Refer chapter on [Transition to New Return System](#)

<sup>29</sup> ITC will be dependent on compliances by vendors and thus, sensitizing vendors about new return system will be important

<sup>30</sup> It is crucial to assess the current ERP system to evaluate and ensure that the requisite reports, as required for preparation of new GST returns are generated from the system itself.

These being a completely new tasks for GST payers, proactive measures (such as addressing GSTR 2A reconciliation till June 2019 on priority basis, closure of Annual returns, Audit etc) could help the GST payer focus on new returns and then mitigate new challenges.

## 2. ANX 1

### 2.1 ANX 1 - Key aspects

ANX 1 is return of details containing:

- a. Outward supplies (including exports, SEZ supplies, deemed exports)
- b. Imports and
- c. Inward supplies attracting reverse charge

Effectively, ANX 1 is return of all the cases where the GST payer is depositing the GST, either on forward charge, or import or reverse charge basis.

#### 2.1.1 Invoices flow to be uni-directional

The invoices uploaded in ANX 1 will flow in **uni-direction** and thus, amendment in the invoice can only be made by vendor himself i.e. buyer cannot amend the invoice<sup>31</sup>.

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<sup>31</sup> The buyer can 'reject' the invoice

### **2.1.2 Real-time upload of invoices**

GST payers (monthly as well as quarterly) can upload the details of invoices in ANX-1 on real-time basis (upto 10<sup>th</sup> of subsequent month) except on certain specified time period<sup>32</sup>.

Also, invoices cannot be uploaded by the supplier after the due date of return of September or actual date of filing annual return, whichever is earlier<sup>33</sup> [refer section 16 (4) of CGST Act].

GST payers will have to be extremely cautious while uploading the invoices as there will be continuous upload and thus, possibility of errors increases substantially. For eg. if invoices of January are getting uploaded on 9<sup>th</sup> February and also the invoices from February are being uploaded then the possibility uploading wrong details or mixing months (particularly in manual upload cases) will be high.

It may be noted that the details of documents uploaded by suppliers will be made available to the recipients on 'near' real time basis.

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<sup>32</sup> Such as 18<sup>th</sup> to 20<sup>th</sup> for monthly and 23<sup>rd</sup> to 25<sup>th</sup> for quarterly taxpayers.

<sup>33</sup> Herein, unless permitted by system, invoice uploading may not be possible after September

### 2.1.3 Recipient GSTIN required in certain cases

In case following supplies, GST payers will need to share the GSTIN of recipient:

| Table of ANX 1 | Heading of Table                                                                 |
|----------------|----------------------------------------------------------------------------------|
| 3B             | Supplies made to registered persons (other than those attracting reverse charge) |
| 3E             | Supplies to SEZ units/developers with payment of tax                             |
| 3F             | Supplies to SEZ units/developers without payment of tax                          |
| 3G             | Deemed exports                                                                   |

GSTIN will be a bridge between supplier's ANX 1 and recipient's ANX 2, as based on GSTIN, the details will be auto-populated in recipient's ANX 2.

### 2.1.4 Six digits HSN /SAC

In the new return system, the Large suppliers and exports, import, SEZ will be required to upload atleast 6-digit HSN for 'goods' and atleast 6-digit SAC for 'services'.

At present, the Not. No. 12/2017 (CT) prescribes mention of HSN upto maximum 4-digit level and thus, in days to come, this Notification could be amended or the instruction of ANX 1 could be changed to 4-digit HSN for goods and 6-digit SAC for services. Given this, the GST payers should initiate the process of capturing 6-digit HSN/ SAC at the earliest.

Thus, this being a new requirement the GST payers will be required to configure their IT / ERP/ Invoicing systems to capture HSN/SAC accordingly.

It may be noted that other taxpayers (turnover upto Rs. 5 crore) shall have an optional facility to report HSN code in the relevant table or leave it blank<sup>34</sup>. This step of allowing small taxpayers to keep HSN blank, appears to be simplification for small taxpayers, however, it is already a nightmare for most recipients/ buyers as HSN details of procurements are to be provided in the Annual Return!

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<sup>34</sup> Instruction A8 to ANX 1. However, these details could be required for Annual Returns/ Audits/ Assessment etc and thus, GST payer should always insist for it and capture the same.

### 2.1.5 HSN /SAC wise and tax rate wise details to be provided

In the new return system, the suppliers will be required to upload the **B2B invoices** with **HSN and tax rates** (refer table 3B of ANX 1).

Thus, in cases where in one invoice there are multiple HSN and multiple tax rates or one HSN with multiple tax rates, then HSN-wise and rate-wise details will be required to be uploaded in the ANX-1. This new requirement (HSN-wise and rate-wise details) could pose challenges for many GST payers!

It may be noted that in case of **B2C invoices**, HSN levels details are not required (refer table 3A of ANX 1).

### 2.1.6 Value of invoice and tax can be upto two decimals

Value of supplies and amount of tax should be reported in either whole number or upto two decimal points at the most.

Wherever supplies are reported as net of debit/credit notes, the values may become negative in some cases and the same may be reported as such e.g. ( -100)<sup>35</sup>.

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<sup>35</sup> Refer Instruction A15 of ANX 1

### 2.1.7 Tax amount to be computed by system

Tax amount shall be computed by the system based on the taxable value and tax rate. The tax amount so computed **will not be editable** except by way of issue of debit / credit notes.

As tax amount will be computed by the system, the GST payers will have to be extremely cautious while uploading the invoice details including tax value and tax rates. Also, the rounding-off should be appropriate<sup>36</sup>.

Further, it may be pertinent to note that as the tax amount will be computed by the system, there is possibility of difference between tax amount as computed by GST portal and GST amount on the actual (difference could be in decimals or more). Thus, it will be advisable that the GST Authorities should clarify on this aspect at the earliest.

As regards **Cess**, the tax amount under cess will be required to be **reported by the taxpayer**.

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<sup>36</sup> Section 170 of CGST Act provides for rounding off as *"The amount of tax, interest, penalty, fine or any other sum payable, and the amount of refund or any other sum due, under the provisions of this Act shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee and if such part is less than fifty paise it shall be ignored"*

### **2.1.8 Tax rate to be divided**

Tax rate applicable on IGST supplies can be selected from the drop down menu. For intra-State supplies, the tax rate shall be applied at half the rate of Integrated tax equally for Central tax and State / UT tax. Cess, if applicable, shall be reported under the cess column<sup>37</sup>.

### **2.1.9 PoS to be reported**

Place of supply shall have to be reported mandatorily for all supplies.

For intra-State supplies, the POS will be the same State in which the supplier is registered.

### **2.1.10 ITC depends on vendor**

Unlike ongoing return system (wherein ITC is availed in GSTR-3B by GST payer themselves), in the new return system, ITC will be available on the basis of ANX-1 filed by the vendors.

### **2.1.11 Restriction on provisional ITC**

In cases where the supplier does not upload the invoices (missing invoices), then ITC will be allowed to be availed [refer table 4A (10)]

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<sup>37</sup> Refer Instruction A11 of ANX 1

of RET-1] by the recipient subject to certain restrictions (such as limit of say 25% of ITC).

#### **2.1.12 Report missing invoices**

Further, such invoices will be required to be declared by the person availing ITC in the ANX – 1 (table 3L). These invoices will be required to be declared on T-2 basis.

For ex. if a buyer avails ITC (say based on physical invoices) in January 2020 on few of the services availed from a vendor but the vendor does not upload the said invoices of January 2020 by March 2020 then in the March's ANX -1, the recipient will be required to upload the details of such invoices.

#### **2.1.13 ITC – Denial in new way?**

Instruction 15 of ANX 2 states as under:

*"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.”*

The aforesaid effectively means that the buyers will be unable to avail credit if supplier is not filing returns for two months. It is apparent that in the fight between right of Revenue and payment by Vendor, the system is making Buyer a scapegoat!

#### 2.1.14 RCM details

Details of GST liability under RCM will be required to be provided as under:

| Table of<br>ANX 1 | Heading of Table                                                                                                                                               |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3H                | Inward supplies attracting reverse charge (to be reported by the recipient, <b>GSTIN wise</b> for every supplier, net of debit/credit notes and advances paid) |
| 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 |

In case of **Table 3H** above (i.e. domestic supplies attracting RCM), the recipient will be required to upload even the **GSTIN**, if available, of the recipient. In cases where RCM is applicable, if GSTIN is not available then the recipient will be required to capture the **Permanent Account Number (PAN)** of recipient<sup>38</sup>. This will certainly be an additional layer of compliance for GST payers.

It may be noted that the supplier (say a GTA) will not be required to submit the details of his supplies in ANX 1 (as its already being provided by the recipient alongwith GSTIN of the said supplier).

Through GSTIN/ PAN based data, the Government is trying to capture the revenue details of entities such as GTA, advocates, independent directors etc.

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<sup>38</sup> Instruction A14 to ANX 1

### 2.1.13 Supplies of period prior to new return system

In cases where the supplies pertain to the period prior to new return system, following course of action will be required to be followed:

| Scenario | Reflected in<br>GSTR 1? | Tax paid in<br>GSTR 3B? | What to do?                                                                                 |
|----------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------|
| I        | No                      | Yes                     | Upload invoice details and adjust in RET 1 [Table 3C (5)]                                   |
| II       | No                      | No                      | Report and pay tax alongwith interest                                                       |
| III      | Yes                     | No                      | Not to upload invoice details but tax paid to be adjusted in RET 1 [Table 3A (8) or 3C (5)] |

### 2.2 Due date of ANX 1

ANX 1 will be required to be uploaded by the monthly supplier on or before **10<sup>th</sup> of subsequent month**.

It may be noted that in the present system (i.e. GSTR-3B), the details of RCM are reported by 20<sup>th</sup> of subsequent month. However, in new return system, **RCM details** will be required to be collated and **reported by 10<sup>th</sup>** of subsequent month. This certainly will pose

challenge to GST payers as accounts are closed on 7<sup>th</sup> / 8<sup>th</sup> of the month and thus, effectively, GST payers will get only 1 or 2 days-time to collate, prepare, review and submit details on outward as well as RCM in ANX-1.

### 2.3 Editing ANX 1?

ANX 1 provides for all editing or amendments from the **supplier's side only**. The recipient will have the option to reset / un-lock or reject a document but editing of or amendment to the same shall be made by the supplier only<sup>39</sup>.

Details of the documents uploaded upto the 10th of the following month may be edited by the supplier upto the said date (10th of the following month) only if such documents **are not accepted** by the recipient. If a document has **already been accepted** (upto the 10th) by the recipient, then such document has to be **reset / unlocked** by the recipient and only then, it can be edited by the supplier upto the 10th of the following month<sup>40</sup>.

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<sup>39</sup> Instruction C2 to ANX 1

<sup>40</sup> Instruction C1 to ANX 1

### 2.3.1 When will supplier come to know about rejection?

Documents rejected by the recipient shall be conveyed to the supplier only after filing of the return by the recipient<sup>41</sup>. So, if A Ltd supplies goods to B Ltd and B Ltd rejects it then A Ltd will be conveyed only after A Ltd files its return.

### 2.3.2 When can supplier edit a rejected document?

The rejected documents may be edited before filing any **subsequent** return for any month or quarter by the supplier. However, **credit in** respect of the document so edited or uploaded shall be made available through the **next open FORM GST ANX-2** for the recipient. However, the **liability** for such edited documents will be accounted for in the tax period (month or quarter) **in which the documents have been uploaded** by the supplier.

### 2.3.3 Supplies to Composition taxpayers, UIN holder etc

In case of amendment of documents relating to supplies made to persons other than persons filing return in RET-1/2/3 (e.g. supplies made to composition taxpayers, ISD, UIN holders etc.), the documents relating to such supplies may be amended by the supplier

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<sup>41</sup> Instruction C5 to ANX 1

at any time and the same shall not be dependent upon the action taken (accept/reject/pending) by the recipient<sup>42</sup>.

## **2.4 What if ANX 1 is delayed?**

It may be noted that the recipient can claim ITC on the ANX 1 filed by the supplier on or before 10<sup>th</sup> of the subsequent month. Thus, if someone files the ANX 1 of January on, say 12<sup>th</sup> of February, then the recipient can claim the ITC only in his next month return i.e. return of February month which will be filed say on or before 20<sup>th</sup> March.

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<sup>42</sup> Instruction C8 to ANX 1

### 3. ANX 2<sup>43</sup>

ANX 2 is return of inward supplies (Form GST ANX-1, Form GSTR-5 & Form GSTR-6) and will be mostly auto-drafted return.

In ANX 2 GST payer will submit details of all inward supplies.

#### 3.1 Invoices cannot be amended by recipient

The invoices uploaded in ANX 1 by vendor can only be amended by himself i.e. buyer cannot amend the invoice. The buyer can 'reject' the invoices to enable vendor amend the same.

#### 3.2 Action upto 10<sup>th</sup>

Details of documents uploaded by the corresponding supplier(s) [**irrespective** of the fact **whether** the supplier files his return on **monthly or quarterly** (Normal, Sahaj or Sugam) basis] will be auto-populated in this annexure on **near real time** basis and can be accepted or reset / unlocked by the recipient **upto the 10th of the month** following the month in which such documents have been uploaded.

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<sup>43</sup> Refer Instructions to ANX 2

### 3.3 Accept, Reject or Keep Pending

Recipient can take action on the auto-populated documents to – **Accept, Reject or to keep pending** on continuous basis after 10th of the month following the month in which such documents have been uploaded.

However, in case of **quarterly return** filers communication of such rejected documents and any further action on such **rejected documents** shall be done **only in** the return for the **next quarter**.

#### 3.3.1 Accept

Accepted documents will mean that supplies reported in such document have been received before filing of return by the recipient and the details given in the documents reported in ANX 1 are correct.

Accepted documents would not be available for amendment at the corresponding supplier's end.

#### 3.3.2 Reject

For the purposes of the return process, any invoice with an error that cannot be corrected through a financial debit / credit note is expected be rejected. For example:

- (i) the recipient does not agree with some of the details such as **HSN** Code, **tax rate**, **value** etc.
- (ii) **GSTIN** of the recipient is erroneous and therefore, it is visible in the ANX 2 of a registered person who is not concerned with the supply. These are certain errors which cannot be corrected through debit/credit notes.

Supplier can make corrections in the rejected documents through GST ANX 1 as the rejected documents would be shown to the supplier.

### 3.3.3 Pending

Pending action will mean that the recipient has **deferred the decision** of accepting or rejecting the details of the invoices. There may be multiple reasons for the same such as **supplies are yet to be received** or the recipient decides that ITC is not to be taken for the time being etc.

The input tax credit in respect of pending invoices shall not be accounted for in table 4A of the main return (RET 1) of the recipient and such invoices would be rolled over to ANX 2 of the next tax period.

Pending invoices will not be available for amendment by the supplier until rejected by the recipient.

### 3.3.4 Deemed acceptance

Any document, on which an **affirmative action** of either accepting the document or keeping the document pending or rejecting the document is **not taken** by the recipient in his ANX-2, shall be **deemed to be accepted upon filing of the return** by him. Input tax credit on such **deemed accepted** documents shall be reflected / shown in table 4A of the main return (RET-1).

Till now, in indirect taxes, 'deeming fiction' used to exist only in Statutes (be it 'deemed sale', 'deemed manufacture' etc), now, it is part of even the return process!

### 3.4 ITC to be credited only on filing ANX 2

Recipient will get credit during a tax period on the basis of the details of documents uploaded by the supplier upto the 10<sup>th</sup> of the month following the month for which the return is being filed for. Such credit

can be availed i.e. credited to the ledger of the recipient only on filing of his (i.e. recipient's) return<sup>44</sup>.

### 3.5 ITC in case of monthly filers

If the recipient files his return on a monthly basis, say, for the month of January, 2019 on 20<sup>th</sup> February, 2019, he shall be eligible to take credit in his return based on the documents uploaded by the supplier **upto the 10<sup>th</sup> of February, 2019** irrespective of whether the supplier files his return on monthly or quarterly basis<sup>45</sup>.

### 3.6 ITC in case of Quarterly filers

If the recipient files his return on a quarterly basis (Normal, Sahaj or Sugam), say for the quarter January – March, 2019 on 25<sup>th</sup> April, 2019, he shall be eligible to take credit in his return based on the documents uploaded by the supplier **upto the 10<sup>th</sup> of April, 2019** irrespective of whether the supplier files his return on monthly or quarterly basis<sup>46</sup>.

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<sup>44</sup> Instruction A6 to ANX 1

<sup>45</sup> Instruction A6 to ANX 1

<sup>46</sup> Instruction A6 to ANX 1

### **3.7 Status of supplier return (filed or not)**

Status of return filing (not filed, filed) by the supplier will also be made known to the recipient in ANX-2 of the tax period after the due date of return filing is over. Recipients would be able to check the return filing status of the suppliers. 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.

### **3.8 Trade name of supplier**

Trade name of the supplier will also be shown along with GSTIN. Legal name will be shown where trade name is not available.

### **3.9 Functionality to reject an accepted invoice**

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 RET 1 which may be adjusted in table 4A(11) of RET 1 to arrive at the amount of input tax credit availed. However, such reversal of credit for the recipient will be with interest as per the provisions of the Act read with the rules made thereunder.

### **3.10 Deemed filed ANX 2**

ANX 2 will be treated as deemed filed upon filing of the main return (FORM GST RET-1) relating to the tax period.

### **3.11 Details of non-filers**

The documents uploaded in 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 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.

## **4. RET 1 - Monthly / Quarterly**

Taxpayers opting to file monthly return or Quarterly (Normal) return shall be able to declare all types of outward supplies, inward supplies and take credit on missing invoices<sup>47</sup>.

### **4.1 RET 1 – Auto populated from ANX 1 and ANX 2**

Information declared through ANX 1 and ANX 2 shall be auto-populated in the main return i.e. RET 1.

### **4.2 RET 1 after ANX 1 and ANX 2**

After uploading details of supplies in ANX 1 and taking action on the documents auto-populated in ANX 2, the taxpayer shall file the main return in RET 1.

### **4.3 Excess tax collected can be declared in RET 1**

The supplier can report excess tax collected from the recipients, if any, in the main return (RET 1) under any other liability in Sr. No. 8 of table 3A.

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<sup>47</sup> Note 10 to Instruction to 'Profile Updation' in RET-1

#### **4.4 Rejection and pendency**

Rejection of the details of documents wrongly uploaded by suppliers, pendency of supplies not received but available in the auto-populated details of documents, reversals, adjustments etc. shall be auto-populated in table 4 of RET 1.

#### **4.5 Interest and late fees**

Interest and late fee to the extent of late filing of return, making late payment of taxes, uploading preceding tax periods' invoices shall be computed by the system. Other interest due to reversals etc. shall be entered by the taxpayer on self-assessment basis.

#### **4.6 Payment of tax**

Payment of tax can be made by utilizing ITC under the same head or cross-utilizing from other heads in accordance with the provisions of the Act read with the rules made thereunder. Balance payment of tax can be made in cash.

#### **4.7 Utilisation of ITC**

Suggested utilisation of ITC will be made available in the payment table. However, taxpayer can make changes in the suggested ITC

utilization as long as such changes are as per provisions of the Act read with the rules made thereunder.

#### **4.8 RCM payment in cash**

Payment of tax on account of supplies attracting reverse charge, interest, fee, penalty and others shall be made in cash only.

#### **4.9 Adjustment of negative liability**

Adjustment of negative liability of the previous tax period shall be allowed to be made along with the current tax period's liability.

#### **4.10 Cash and credit balances visible**

Viewing of the balance amount available in electronic cash and electronic credit ledger will be made available before making payment.

#### **4.11 Value and tax amount**

Value of inward supplies attracting reverse charge and import of services mentioned in table 3B will not be added to the turnover. Only the tax amount will be added to the computation of tax liability.

#### **4.12 Challan making facility**

Facility of creating a challan for making payment will be made available if the balance in the electronic cash ledger is insufficient to discharge the liabilities.

#### **4.13 Prior period adjustments**

Adjustment to liabilities or input tax credit relating to the period prior to the introduction of current system of return filing shall be reported in table 3 (tax liabilities) or table 4 (input tax credit), as the case may be.

#### **4.14 TDS/ TCS details**

Amount of TDS/TCS shall be credited in the electronic cash ledger which will be based on returns filed in FORM GSTR-7 and FORM GSTR-8 by deductors under section 51 and persons required to collect tax under section 52 respectively.

#### **4.15 Nil return**

Facility to file Nil return through SMS will also be available if no supplies have been made or received.

## 5. RET 2 – Sahaj (Quarterly)

Taxpayers opting to file quarterly return as 'Sahaj' shall be allowed to declare outward supply under B2C category and inward supplies attracting reverse charge only.

'Sahaj' taxpayers cannot make supplies through e-commerce operators on which tax is required to be collected under section 52.

'Sahaj' tax payers shall not take credit on missing invoices and shall not be allowed to make any other type of inward or outward supplies.

However, 'Sahaj' taxpayers may make Nil rated, exempted or Non-GST supplies which **need not** be declared in the said return<sup>48</sup>.

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<sup>48</sup> Note 8 to Instruction to 'Profile Updation' in RET-1. However, these details could be required for Annual Return!

## **6. RET 3 – Sugam (Quarterly)**

Taxpayers opting to file quarterly return as 'Sugam' shall be allowed to declare outward supply under B2C and B2B category and inward supplies attracting reverse charge only.

'Sugam' taxpayers cannot make supplies through e-commerce operators on which tax is required to be collected under section 52.

'Sugam' tax payers shall not take credit on missing invoices and shall not be allowed to make any other type of inward or outward supplies.

However, 'Sugam' taxpayers may make Nil rated, exempted or Non-GST supplies which need not be declared in said return<sup>49</sup>.

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<sup>49</sup> Note 9 to Instruction to 'Profile Updation' in RET-1. However, these details could be required for Annual Return!

## 7. Transition to New return system

### 7.1 July 2019 to September 2019

The new GST returns will be applicable, on **trial basis**, from July 2019 for three months. During the period from July 2019 to September 2019, the GST payers will continue to file GSTR-1 and GSTR-3B (as its filed as of now).

### 7.2 October 2019 onwards

The new forms i.e. ANX-1 will be compulsory and GSTR-1 will be replaced by ANX-1.

Large taxpayers (i.e. those taxpayers whose aggregate annual turnover in the previous financial year was more than Rs. 5 Crore) would upload their monthly FORM GST ANX-1 from October 2019 and thus, GSTR-1 will discontinued.

For October and November 2019, large taxpayers would continue to file FORM GSTR-3B on monthly basis.

For Small Taxpayers (with an aggregate annual turnover in the previous financial year upto Rs. 5 Crore) file first quarterly FORM GST

ANX 1 to be uploaded would be due only in January, 2020. From October, 2019, small taxpayers to stop filing FORM GSTR-3B and to start filing FORM GST PMT-08.

Further, during the period October 2019 to December 2019, ANX 2 may be viewed simultaneously, however, no action will be allowed on such ANX 2.

### 7.3 January 2020 onwards

From January, 2020 onwards, all taxpayers shall be filing FORM GST RET 1 and GSTR-3B shall be completely phased out. (i.e. first RET-01 for the month of December, 2019 is to be filed by 20<sup>th</sup> January, 2020)

### 7.4 Month-wise transition plan for Large taxpayers

The table below summarises the month-wise transition plan for large taxpayers:

| Particulars | Sept. 19              | Oct. 19    | Nov. 19    | Dec. 19    | Jan. 20    |
|-------------|-----------------------|------------|------------|------------|------------|
| GSTR 1      | Applicable            | NA         | NA         | NA         | NA         |
| Due date    | 11 <sup>th</sup> Oct. | -          | -          | -          | -          |
| ANX 1       | -                     | Applicable | Applicable | Applicable | Applicable |
| Due date    | -                     | Real time  | Real time  | Real time  | Real time  |
| ANX 2       | -                     | Real time  | Real time  | Real time  | Real time  |

|          |                       |                       |                       |                       |                       |
|----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Due date | -                     | View <sup>50</sup>    | View                  | View                  | View and Act          |
| GSTR 3B  | Applicable            | Applicable            | Applicable            | -                     | -                     |
| Due date | 20 <sup>th</sup> Oct. | 20 <sup>th</sup> Nov. | 20 <sup>th</sup> Dec. | -                     | -                     |
| RET 1    | -                     | -                     | -                     | Applicable            | Applicable            |
| Due date | -                     | -                     | -                     | 20 <sup>th</sup> Jan. | 20 <sup>th</sup> Feb. |

Aforesaid details can be summarised, month-wise, as below:

| For the month of | Sept. 19      | Oct. 19             | Nov. 19             | Dec. 19                | Jan. 20                |
|------------------|---------------|---------------------|---------------------|------------------------|------------------------|
| Returns          | GSTR 1 and 3B | ANX 1, ANX 2 and 3B | ANX 1, ANX 2 and 3B | ANX 1, ANX 2 and RET 1 | ANX 1, ANX 2 and RET 1 |

## 7.5 Month-wise transition plan for Small taxpayers

The table below summarises the month-wise transition plan for small taxpayers:

| Particulars | Sept. 19              | Oct. 19    | Nov. 19    | Dec. 19    | Jan. 20    |
|-------------|-----------------------|------------|------------|------------|------------|
| GSTR 1      | Applicable            | NA         | NA         | NA         | NA         |
| Due date    | 11 <sup>th</sup> Oct. | -          | -          | -          | -          |
| ANX 1       | -                     | Applicable | Applicable | Applicable | Applicable |

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<sup>50</sup> Refer Instruction 4 to Press Release dated 11<sup>th</sup> June 2019

|                         |                       |                    |            |                                              |                 |
|-------------------------|-----------------------|--------------------|------------|----------------------------------------------|-----------------|
| Due date                | -                     | Real time          | Real time  | Real time                                    | Real time       |
| ANX 2                   | -                     | Real time          | Real time  | Real time                                    | Real time       |
| Due date                | -                     | View <sup>51</sup> | View       | View <sup>52</sup>                           | View and<br>act |
| GSTR 3B                 | Applicable            | NA                 | NA         | NA                                           | NA              |
| Due date                | 20 <sup>th</sup> Oct. | -                  | -          | -                                            | -               |
| PMT 08                  | -                     | Applicable         | Applicable | Applicable                                   | Applicable      |
| Due date                | -                     | Monthly            | Monthly    | Monthly                                      | Monthly         |
| RET 1/2/3<br>(Quartely) | -                     | -                  | -          | Applicable<br>(For Oct.<br>19 to<br>Dec. 19) | -               |
| Due date                | -                     | -                  | -          | 20 <sup>th</sup> Jan.                        | -               |

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<sup>51</sup> Refer Instruction 4 to Press Release dated 11<sup>th</sup> June 2019

<sup>52</sup> View and act facility could be made available in Dec. 2019

Aforesaid details can be summarised, month-wise, as below:

| For     | Month            | Quarter                |                           |                                                                   |
|---------|------------------|------------------------|---------------------------|-------------------------------------------------------------------|
|         | Sept. 19         | Oct. 19                | Nov. 19                   | Dec. 19                                                           |
| Returns | GSTR 1 and<br>3B | ANX 1, ANX<br>2 (view) | ANX 1,<br>ANX 2<br>(view) | ANX 1, ANX<br>2, and RET<br>1/2/3 (20 <sup>th</sup><br>Jan. 2020) |
| Payment | -                | PMT 08                 | PMT 08                    | PMT 08                                                            |

## 7.6 How GSTN can make test/ trial successful?

GSTN should actively seek participation of GST payers through Chamber of Commerce and Professional Associations. Through this process it can be ensured that MNCs, SME and MSME can participate and share their suggestions. It should be targeted that atleast 10%- of the monthly invoice load is atleast tested.

Also, updates (including glitches) should be published to enable GST payers learn from the process and avoid certain errors.

## **8. Press Releases**

### **8.1 31<sup>st</sup> GST Council Meeting – PR (11<sup>th</sup> June 2019)**

11th June 2019

#### **Press Release**

#### **Transition plan to the new GST Return**

The GST Council in its 31st meeting decided that a new GST return system will be introduced to facilitate taxpayers. In order to ease transition to the new return system, a transition plan has been worked out. The details of the indicative transition plan are as follows: -

- i. In May, 2019 a prototype of the offline tool has already been shared on the common portal to give the look and feel of the tool to the users. The look and feel of the offline tool would be same as that of the online portal. Taxpayers may be aware that there are three main components to the new return – one main return (FORM GST RET-1) and two annexures (FORM GST ANX-1 and FORM GST ANX-2).
- ii. From July, 2019, users would be able to upload invoices using the FORM GST ANX1 offline tool on trial basis for familiarisation. Further, users would also be able to view and download, the inward supply of invoices using the FORM GST ANX-2 offline tool under the trial program. The summary of

inward supply invoices would also be available for view on the common portal online. They would also be able to import their purchase register in the Offline Tool and match it with the downloaded inward supply invoices to find mismatches from August 2019.

- iii. Between July to September, 2019 (for three months), the new return system (ANX-1 & ANX-2 only) would be available for trial for taxpayers to make themselves familiar. This trial would have no impact at the back end on the tax liability or input tax credit of the taxpayer. In this period, taxpayers shall continue to fulfil their compliances by filing FORM GSTR-1 and FORM GSTR-3B i.e. taxpayers would continue to file their outward supply details in FORM GSTR-1 on monthly / quarterly basis and return in FORM GSTR-3B on monthly basis. Non-filing of these returns shall attract penal provisions under the GST Act.
- iv. From October, 2019 onwards, FORM GST ANX-1 shall be made compulsory and FORM GSTR-1 would be replaced by FORM GST ANX-1. The large taxpayers (i.e. those taxpayers whose aggregate annual turnover in the previous financial year was more than Rs. 5 Crore) would upload their monthly FORM GST ANX-1 from October, 2019 onwards. However, the first compulsory quarterly FORM GST ANX-1 to be uploaded by

small taxpayers (with aggregate annual turnover in the previous financial year upto Rs. 5 Crore) would be due only in January, 2020 for the quarter October to December, 2019. It may be noted that invoices etc. can be uploaded in FORM GST ANX-1 on a continuous basis both by large and small taxpayers from October, 2019 onwards. FORM GST ANX2 may be viewed simultaneously during this period but no action shall be allowed on such FORM GST ANX-2.

v. For October and November, 2019, large taxpayers would continue to file FORM GSTR-3B on monthly basis. They would file their first FORM GST RET-01 for the month of December, 2019 by 20th January, 2020.

vi. The small taxpayers would stop filing FORM GSTR-3B and would start filing FORM GST PMT-08 from October, 2019 onwards. They would file their first FORM GST-RET-01 for the quarter October, 2019 to December, 2019 from 20th January, 2020.

vii. From January, 2020 onwards, all taxpayers shall be filing FORM GST RET-01 and FORM GSTR-3B shall be completely phased out.

2. Separate instructions shall be issued for filing and processing of refund applications between October to December, 2019.

## 8.2 35<sup>th</sup> GST Council Meeting – PR (21<sup>st</sup> June 2019)

**21<sup>st</sup> June 2019**

### **PRESS RELEASE**

(Law and Procedure related changes)

The GST Council, in its 35<sup>th</sup> meeting held today at New Delhi, recommended the following:

1. In order to give ample opportunity to taxpayers as well as the system to adapt, the new return system to be introduced in a phased manner, as described below:
  - i. Between July, 2019 to September, 2019, the new return system (**FORM GST ANX-1&FORM GST ANX-2** only) to be available for trial for taxpayers. Taxpayers to continue to file **FORM GSTR-1&FORM GSTR-3B** as at present;
  - ii. From October, 2019 onwards, **FORM GST ANX-1** to be made compulsory. Large taxpayers (having aggregate turnover of more than Rs. 5 crores in previous year) to file **FORM GST ANX-1** on monthly basis whereas small taxpayers to file first **FORM GST ANX-1** for the quarter October, 2019 to December, 2019 in January, 2020;
  - iii. For October and November, 2019, large taxpayers to continue to file **FORM GSTR-3B** on monthly basis and will file first **FORM GST RET-01** for December, 2019 in January,

2020. It may be noted that invoices etc. can be uploaded in **FORM GST ANX-1** on a continuous basis both by large and small taxpayers from October, 2019 onwards. **FORM GST ANX-2** may be viewed simultaneously during this period but no action shall be allowed on such **FORM GST ANX-2**;

- iv. From October, 2019, small taxpayers to stop filing **FORM GSTR-3B** and to start filing **FORM GST PMT-08**. They will file their first **FORM GST-RET-01** for the quarter October, 2019 to December, 2019 in January, 2020;
- v. From January, 2020 onwards, **FORM GSTR-3B** to be completely phased out

2. On account of difficulties being faced by taxpayers in furnishing the annual returns in **FORM GSTR-9**, **FORM GSTR-9A** and reconciliation statement in **FORM GSTR-9C**, the due date for furnishing these returns/reconciliation statements to be extended till 31.08.2019

3. To provide sufficient time to the trade and industry to furnish the declaration in **FORM GST ITC-04**, relating to job work, the due date for furnishing the said form for the period July, 2017 to June, 2019 to be extended till 31.08.2019

4. Certain amendments to be carried out in the GST laws to implement the decisions of the GST Council taken in earlier meetings

### **8.3 PR on 2<sup>nd</sup> Anniversary of GST (30<sup>th</sup> June 2019)**

Ministry of Finance

2<sup>nd</sup> anniversary of Goods & Services Tax to be  
celebrated on 1st July 2019

Posted On: 30 JUN 2019 1:04PM by PIB Delhi

The second anniversary of Goods & Services Tax (GST) will be celebrated tomorrow with Hon'ble Union Minister of State of Finance and Corporate Affairs Shri Anurag Thakur presiding over the event.

Shri Subhash C. Garg, Secretary, Department of Economic Affairs, Dr. Ajay Bhushan Pandey, Revenue Secretary, Secretaries of the Ministries of Finance, Shri P.K. Das, Chairman CBIC, Members of CBIC, and senior officers of various Ministries of Government of India will also attend the event. Senior functionaries of the apex chambers of commerce, trade and industry will also be present in large numbers. Similar functions will be held across the country in all States and Union Territories.

GST was launched on the 1<sup>st</sup> July, 2017 in a majestic ceremony held in the Central Hall of Parliament on the midnight of 30<sup>th</sup> June, 2017.

Hence, the Government alongwith partners from the trade and industry is celebrating the 2<sup>nd</sup> Anniversary of GST on 1<sup>st</sup> July 2019.

However, the implementation of GST has not been without challenges especially in the early months. But thanks to the cooperation of the Trade and Industry and the yeoman service rendered by the GST authorities of the States and the CBIC, these challenges have been overcome and GST has now settled down. Hence, the Government is commemorating the true spirit of **G**rowing and **S**haring **T**ogether (GST).

At the event a book on "GST for MSME" will also be released. The distinguished officers of CBIC who have put in hard work in the implementation of GST will be awarded 'GST Commendation Certificates' by the Union Minister of State Shri Anurag Thakur.

### **Some advantages of GST:**

- **Simplified Tax Structure:** Reduction in cascading effect of taxes, transparent and has harmonisation of laws and procedures.
- **Easy Compliance:** compliance burden has come down with one pan-India tax replacing multiple taxes and automated processes.
- **Promoting Trade and Industry:** Seamless flow of tax credit.

- **Spurring Economic Growth:** Creation of unified common national market.

### **Some developments during the GST journey since 2017:**

- **Subsuming of taxes:** It was new experience of subsuming 17 different types of taxes under GST. Pre – GST, Trade & Industry had to undergo compliances under Central Excise, Service Tax & VAT and doing business in multiple states involved adhering to different VAT laws, compliance through different portals and answering to different authorities. **All that has been unified into a single robust online system.** Starting up has become simple with one-stop online GST registration for wanting to do business anywhere in the country.
- **Formalisation of economy:** More and more businesses moving in the formal economy is evident from the significant increase in the GST taxpayer base. Moving to the formal economy has brought in more visibility and hence more opportunities for Trade and Industry.
- **State borders:** The State borders' glitches and delays have come down significantly. Due to different VAT laws in different states, inter-state transactions were a pain for Trade and Industry. CST charged on inter-state transactions were an additional cost with no

input-credit available and thousands of productive hours were wasted at state border crossings. Cost and time of doing interstate transactions have come down significantly after implementation of E – way bill.

- **Rate Rationalisation:** Major changes in the Tax rates of various items whereby 28% items pulled to 18%, 18% items pulled to 12% & 12% items pulled to 5%. Further various essential goods were made tax free. Mostly goods are unbranded and manufactured by MSMEs. The reduction in almost all the cases has been from the higher to the immediately lower tax slab (whether from 12% to 5% or 18% to 12%) and involves indigenously processed foods, man-made textile yarn, stationery and other job-work items.
- **Return filing:** The original concept of four Tax returns in a month (GSTR-3B, 1, 2 & 3) was gradually curtailed to two tax returns viz: GSTR-3B & 1. Further the Govt. extended due dates for filing tax returns as and when felt necessary. Quarterly Returns were also prescribed for small taxpayers. Reduction in the late fee payable for delay in filing tax returns from Rs 200/- per day to Rs 50/- per day / Rs 20/- per day. For the Trade and Industry whose turnover was turnover below five crores, quarterly return filling system is proposed. This will benefit 93% of the taxpayers, reduce their compliance burden and increase ease of doing business.

- **Exports & Refunds:** Exports are made possible on the basis of Bond/LUT and without payment of IGST tax. A major package for exporters / merchant exporters has been announced after discussions with various Export Promotion Councils & organizations like FIEO, APEC, GJEPC, EEPC, Handicraft EPC etc. Refund Fortnights were conducted on 15<sup>th</sup> March to 31<sup>st</sup> March, 2018, 31<sup>st</sup> May to 14<sup>th</sup> June, 2018 and 16<sup>th</sup> July to 30<sup>th</sup> July, 2018.
- **GST Law Amendment Act, 2018:** In its 28th meeting of GSTC held in New Delhi on 21.07.2018, the GST Council recommended certain amendments in the CGST Act, IGST Act, UTGST Act and the GST (Compensation to States) Act. In order to ensure that the changes in the Centre and the State GST laws are brought into force simultaneously, these amendments are made effective from 01.02.2019.
- **MSME support and outreach programme:** With effect from 2<sup>nd</sup> November 2018 GST Help desks were created by CBIC at 80 places all over the India to support MSMEs and hand holding of MSMEs was done with regard to GST Registration / Return Filing / Refunds / E – way bill etc.

**Further reforms in current fiscal (2019-20):**

- **New return system:** Introduction of New Return System on trial basis from 01.07.2019 and on mandatory basis from 01.10.2019. SAHAJ & SUGAM Returns for small taxpayers are proposed
- **Single Cash Ledger:** Rationalisation of Cash Ledger in such a manner that earlier 20 heads are merged into 5 major heads. There is only one Cash Ledger for Tax , interest, penalty, fee & others .
- **Single Refund Disbursing:** The Central or State Government which sanctions refund disburses all four major heads of refunds namely CGST, SGST, IGST and Cess.
- **Threshold limit for goods:** Threshold Limit of Rs 40 Lacs is offered of suppliers of goods as per the choice of States.
- **Composition Scheme for Services:** Composition Scheme for small service providers up to annual turnover of Rs 50 lacs with a tax rate of 6%
- **E-invoicing system:** Electronic invoicing system in a phase-wise manner for B2B transactions is proposed to be introduced.
- **GSTAT:** GST Appellate Tribunals are being established at various State Headquarters and area benches also.

The introduction of GST is a game changer for Indian economy as it has replaced multi-layered, complex indirect tax structure with a

simple, transparent and technology-driven tax regime. It has integrated India into a single, common market by breaking barriers to inter-State trade and commerce. By eliminating cascading of taxes and reducing transaction costs, it will enhance ease of doing business and provide an impetus to 'Make in India' campaign.

\*\*\*\*

DSM/RM/KMN

(Release ID: 1576356)

## 9. Instructions for Return

### 9.1 Profile – Updation Instructions

**Note –**

1. Periodicity of filing return will be deemed to be monthly for all taxpayers unless quarterly filing of the return is opted for.
2. 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.
3. 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.
4. The periodicity of the return filing will remain unchanged during the next financial year unless changed before filing the first return of that year.
5. The taxpayers opting to file quarterly return can choose to file any of the quarterly return namely – Sahaj, Sugam or Quarterly (Normal).
6. Taxpayers filing return as Quarterly (Normal) can switch over to Sugam or Sahaj return and taxpayers filing return as Sugam can switch over to Sahaj return only once in a financial year at the beginning of any quarter.

7. Taxpayers filing return as Sahaj can switch over to Sugam or Quarterly (Normal) return and taxpayers filing return as Sugam can switch over to Quarterly (Normal) return more than once in a financial year at the beginning of any quarter.
8. Taxpayers opting to file quarterly return as 'Sahaj' shall be allowed to declare outward supply under B2C category and inward supplies attracting reverse charge only. Such taxpayers cannot make supplies through e-commerce operators on which tax is required to be collected under section 52. Such tax payers shall not take credit on missing invoices and shall not be allowed to make any other type of inward or outward supplies. However, such taxpayers may make Nil rated, exempted or Non-GST supplies which need not be declared in the said return.
9. Taxpayers opting to file quarterly return as 'Sugam' shall be allowed to declare outward supply under B2C and B2B category and inward supplies attracting reverse charge only. Such taxpayers cannot make supplies through e-commerce operators on which tax is required to be collected under section 52. Such tax payers shall not take credit on missing invoices and shall not be allowed to make any other type of inward or outward supplies. However, such taxpayers may make Nil rated,

exempted or Non-GST supplies which need not be declared in said return.

10. Taxpayers opting to file monthly return or Quarterly (Normal) return shall be able to declare all types of outward supplies, inward supplies and take credit on missing invoices.

## 9.2 ANX 1 - Instructions

### A. General instructions

#### 1. Terms used –

- (a) GSTIN: Goods and Services Tax Identification Number
- (b) UIN: Unique Identity Number
- (c) HSN Code: Harmonized System of Nomenclature Code
- (d) POS: Place of Supply (Respective State/UT)
- (e) B2B: Supplies made to registered persons having GSTIN or UIN
- (f) B2C: Supplies made to consumers and un-registered persons, not having GSTIN or UIN
- (g) Type of document: Invoice (including revised invoices), debit / credit note, bill of supply, bill of entry etc.
- (h) ARN: Acknowledgment Reference Number

- 2. Registered person can upload the details of documents any time during a month/quarter to which it pertains or of any prior period but not later than the due date for furnishing of return for the month of September or second quarter following the end of the financial year to which such details

pertains or the actual date of furnishing of relevant annual return whichever is earlier except that –

- (i) the taxpayer filing the return on monthly basis will not be able to upload the details of documents from 18<sup>th</sup> to 20<sup>th</sup> of the month following the tax period.
  - (ii) the taxpayer filing the return on quarterly basis will not be able to upload the details of documents from 23<sup>rd</sup> to 25<sup>th</sup> of the month following the quarter.
3. Supplier can upload the documents for any supply on real time basis. Facility for accepting such documents by the recipient shall be made available. Details of documents uploaded by the supplier will be shown to the concerned recipient also on near real time basis.
  4. Details of the documents issued during the tax period or of any prior period by the supplier and uploaded by him after filing of the return for such prior period period will be accounted for towards the tax liability of the supplier in the return in which such details have been uploaded.
  5. Advances received on account of supply of services shall not be reported here. The same shall be reported in Table 3C(3) and adjustment thereof shall be reported in table 3C(4) of FORM GST RET-1.

6. Recipient will get credit during a tax period on the basis of the details of documents uploaded by the supplier upto the 10<sup>th</sup> of the month following the month for which the return is being filed for. Such credit can be availed i.e. credited to the ledger of the recipient only on filing of his (i.e. recipient's) return. There may be following two scenarios:
- (i) If the recipient files his return on a monthly basis, say, for the month of January, 2019 on 20<sup>th</sup> February, 2019, he shall be eligible to take credit in his return based on the documents uploaded by the supplier upto the 10<sup>th</sup> of February, 2019 irrespective of whether the supplier files his return on monthly or quarterly basis.
  - (ii) If the recipient files his return on a quarterly basis (Normal, Sahaj or Sugam), say for the quarter January – March, 2019 on 25<sup>th</sup> April, 2019, he shall be eligible to take credit in his return based on the documents uploaded by the supplier upto the 10<sup>th</sup> of April, 2019 irrespective of whether the supplier files his return on monthly or quarterly basis.
7. Supplies attracting reverse charge will be reported only by the recipient and not by the supplier in this annexure. Such supplies shall be reported GSTIN wise and amount of tax

and taxable value will be net of debit / credit notes and advance paid (on which tax has already been paid at the time of payment of advance), if any.

8. All suppliers with annual aggregate turnover of more than Rs. 5 crore and that in relation to exports, imports and SEZ supplies will upload HSN level data. HSN code shall be reported at least at six digit level for goods and at least at six digit level for services. Other taxpayers (turnover upto Rs. 5 crore) shall have an optional facility to report HSN code in the relevant table or leave it blank.
9. Tax amount shall be computed by the system based on the taxable value and tax rate. The tax amount so computed will not be editable except by way of issue of debit / credit notes. However, the tax amount under cess will be reported by the taxpayer himself.
10. Place of supply shall have to be reported mandatorily for all supplies. For intra-State supplies, the POS will be the same State in which the supplier is registered.
11. Tax rate applicable on IGST supplies can be selected from the drop down menu. For intra-State supplies, the tax rate shall be applied at half the rate of Integrated

tax equally for Central tax and State / UT tax. Cess, if applicable, shall be reported under the cess column.

12. Value of supplies and amount of tax shall be reported in whole number or upto two decimal points at the most.
13. GSTIN/UIN of the recipient of supplies shall be reported in respect of supplies reported in table 3B, 3E, 3F and 3G.
14. GSTIN of the supplier shall be reported (wherever available) in table 3H, 3K and 3L from whom the supplies have been received. PAN may be reported in Table 3H if supplies attracting reverse charge are received from un-registered persons.
15. Wherever supplies are reported as net of debit/credit notes, the values may become negative in some cases and the same may be reported as such e.g. ( -100).
16. Details of documents of the period prior to introduction of the current return filing system can also be uploaded in the relevant tables of this annexure. Only those details shall be uploaded which have not been included in the erstwhile FORM GSTR-1. All supplies that are declared in this annexure will be accounted for payment of tax. Following scenarios may happen:

- (i) Document has not been reported in FORM GSTR-1 and tax has also not been accounted for in FORM GSTR-3B – In this case, document shall be uploaded and tax shall also be paid along with applicable interest except in case of issuance of credit notes.
- (ii) Document has not been reported in FORM GSTR-1 but tax has been accounted for in FORM GSTR-3B– In this case, document shall be uploaded and adjustment of tax accounted for shall be made in table 3C(5) of FORM GST RET-1, but in case of issuance of credit notes, upward adjustment shall be made in table 3A(8) of FORM GST RET-1.
- (iii) Document has been reported in FORM GSTR-1 but tax has not been accounted for in FORM GSTR-3B – In this case, uploading of the document shall not be required but adjustment of tax shall be made in table 3A(8) or 3C(5) of FORM GST RET-1, as the case may be.

## B. Table specific instructions

| Sr.<br>No. | Table<br>No. | Instructions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1          | 2            | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 1.         | 3A           | <p><input type="checkbox"/> All supplies made to consumers and un-registered persons (i.e. B2C) shall be reported in this table. Supplies shall be reported tax rate wise and net of debit / credit notes. HSN Code is not required to be reported in this table.</p>                                                                                                                                                                                                                                                                                                                   |
| 2.         | 3B           | <ul style="list-style-type: none"> <li>• All supplies (other than those attracting reverse charge) made to registered persons (GSTIN/UIN holders i.e. B2B) shall be reported in this table. Reporting of supplies made to Government department and other entities having TDS registration or through persons having TCS registration shall also be reported here. This would include amendments, if any.</li> <li>• Supply of goods made by SEZ units / developers to persons located in domestic tariff area (DTA) shall not be reported in this table as the same will be</li> </ul> |

|    |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |            | <p>treated as imports by the recipient who shall report the same in table 3K.</p> <ul style="list-style-type: none"> <li>• Supply of services made by SEZ units to persons located in domestic tariff area (DTA) shall be reported by the SEZ unit / developers in this table.</li> <li>• Supply of goods or services made to SEZ units / developers shall not be declared in this table and shall be reported in table 3E or 3F, as the case may be.</li> <li>• The "value" in column 6 shall be the "invoice value" whereas the "taxable value" shall be reported in column 9.</li> </ul> |
| 3. | 3C &<br>3D | <p><input type="checkbox"/> Export with payment of tax (Integrated tax) shall be reported in table 3C while those without payment of tax shall be reported in table 3D.</p> <p>Shipping bill / bill of export number available (till the date of filing of return) may be reported against export invoices. Details of remaining shipping bills can be reported after filing the return.</p> <p>A separate functionality for updation of details of</p>                                                                                                                                     |

|    |            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |            | shipping bill / bill of export in table 3C or table 3D will be made available on the portal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 4. | 3E &<br>3F | <ul style="list-style-type: none"> <li>• All supplies made to SEZ units / developers shall be reported in table 3E and 3F depending upon whether the supplies are made with payment or without payment of tax respectively. This would include amendments, if any.</li> <li>• In case of supplies made with payment of tax, the supplier will have an option to select if the supplier or the SEZ units / developers will claim refund on such supplies. If the supplier is not availing refund, only then the SEZ units / developers will be eligible to avail input tax credit and claim refund for such credit after exports by them.</li> </ul> |
| 5. | 3G         | <ul style="list-style-type: none"> <li>• All supplies treated as deemed exports shall be reported in this table. This would include amendments, if any.</li> <li>• Supplier shall declare whether refund will be claimed by him or the recipient of deemed export supplies will be availing refund on such supplies. If refund is</li> </ul>                                                                                                                                                                                                                                                                                                        |

|    |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    |    | to be claimed by the supplier, then recipient will not be eligible to avail input tax credit on such supplies.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 6. | 3H | <ul style="list-style-type: none"> <li>• All supplies attracting reverse charge shall be reported by the recipient. Only GSTIN wise details have to be reported. Invoice wise details are not required to be reported in this table.</li> <li>• The amount of advance paid for such shall to be declared in the month in which the same was paid.</li> <li>• The value of supplies reported shall be net of debit / credit notes and advances on which tax has already been paid at the time of payment of advance, if any.</li> </ul> |
|    |    | <input type="checkbox"/> Where only advance has been paid to the supplier, on reporting the same, the credit shall flow to the main return (FORM GST RET-1) and shall be reversed in table 4 of the said return. This credit can be availed only on receipt of the supply and issue of invoice by the supplier.                                                                                                                                                                                                                        |

|    |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7. | 3I | <ul style="list-style-type: none"> <li>• Import of services shall be reported in this table. The value of supplies shall be net of debit / credit notes and advances paid on which tax has already been paid at the time of payment of advance, if any. The amount of advance paid has to be declared in the month in which the same was paid. Invoice wise details are not required to be reported in this table.</li> <li>• Services received from SEZ units / developers shall not be reported in this table.</li> <li>• Where only advance has been paid to the supplier, on reporting the same, the credit shall flow to the main return (FORM GST RET-1) and shall be reversed in table 4 of the said return. This credit can be availed only on receipt of the supply and issue of invoice by the supplier.</li> </ul> |
| 8. | 3J | <ul style="list-style-type: none"> <li>• Details of taxes paid on import of goods shall be reported in this table. These goods have already suffered IGST at the time of import and are not subjected to taxation in this return. The exact amount of IGST and Cess paid at the port of import may be reported here, to avail input tax credit.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

|     |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |    | <ul style="list-style-type: none"> <li>Any reversal on account of in-eligibility of credit or otherwise is to be carried out in table 4B of the main return (FORM GST RET-1).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                |
| 9.  | 3K | <ul style="list-style-type: none"> <li>Goods received from SEZ units / developers on Bill of Entry shall be reported in this table by the recipient. These goods have already suffered IGST at the time of clearance into DTA and have been cleared on a Bill of Entry and are not subjected to taxation in this return.</li> <li>SEZ units / developers making such supplies shall not include such outward supplies in table 3B.</li> <li>Reporting in table 3J and 3K shall be required till the time the data from ICEGATE and SEZ to GSTN system starts flowing online.</li> </ul> |
| 10. | 3L | <p><input type="checkbox"/> The recipient shall provide document wise details of the supplies for which credit has been claimed but the details of supplies are yet to be uploaded by the supplier(s) concerned as detailed below:</p> <p>(i) Where the supplier has failed to report the supplies after a lapse of two tax periods in case</p>                                                                                                                                                                                                                                         |

|  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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|  |  | <p>of monthly return filers and after a lapse of one tax period in case of quarterly return filers.</p> <p>(ii) Where the supplier uploads the invoice subsequently (after reporting in this table by the recipient), then such credit has to be reversed by the recipient in table 4B(3) of the main return (FORM GST RET-1) as this credit cannot be availed twice.</p> <p>For example – In a case where the supplier has made a supply in April but has not reported the same in FORM GST ANX-1 till 10<sup>th</sup> May and the recipient has claimed input tax credit by reporting the same in the main return (FORM GST RET-1) in table 4A(10), reporting is required in the following situation:</p> <p>Where the supplier concerned has not uploaded the invoices in FORM GST ANX-1 of April, May or June tax period till 10<sup>th</sup> July, the recipient shall report the same, document wise in this table in FORM GST ANX-1 of June.</p> |
|--|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|     |                       |                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11. | All tables (3 series) | <input type="checkbox"/> Debit / Credit notes issued by the supplier with respect to supplies other than supplies attracting reverse charge shall be reported in the respective tables. If debit / credit note is issued for the difference in tax rate only, then taxable value shall be reported as 'Zero', so that the liability computation is not disturbed.<br><br>Only tax amount shall be reported in such cases. |
| 12. | 4                     | <input type="checkbox"/> Supplies made through e-commerce operators liable to collect tax under section 52 shall be reported at the consolidated level in this table even though these supplies have already been reported in table 3.                                                                                                                                                                                    |

### C. Edit/Amendment of uploaded documents

- Editing of documents upto the 10<sup>th</sup> of the following month** - Details of the documents uploaded upto the 10<sup>th</sup> of the following month may be edited by the supplier upto the said date (10<sup>th</sup> of the following month) only if such documents are not accepted by the recipient. If a document has already been accepted (upto the 10<sup>th</sup>) by the recipient, then such document has to be reset / unlocked by the recipient and only then, it can

be edited by the supplier upto the 10<sup>th</sup> of the following month.

Following two scenarios may arise:

- (i) In case, the recipient files his return on monthly basis, all the documents uploaded by any supplier [irrespective of the fact whether the supplier files his return on monthly or quarterly (Normal, Sahaj or Sugam) basis] shall be available for acceptance by such recipient upto the 10<sup>th</sup> of the month following the month for which the return is being filed. The supplier can edit the documents so accepted by the recipient only if the same are reset/unlocked by the recipient by the said date.
- (ii) In case, the recipient files his return on quarterly (Normal, Sahaj or Sugam) basis, all the documents uploaded by any supplier [irrespective of the fact whether the supplier files his return on monthly or quarterly (Normal, Sahaj or Sugam) basis] shall be available for acceptance by such recipient upto the 10<sup>th</sup> of the month following the quarter for which the return is being filed. The supplier can edit the documents so accepted by the recipient only if the same are re-set/unlocked by the recipient by the said date.

2. **Supplier side Amendment** - The return system provides for all editing or amendments from the supplier's side only. The

recipient will have the option to reset / un-lock or reject a document but editing of or amendment to the same shall be made by the supplier only.

3. **Edit / Amendment after 10<sup>th</sup> of the following month** -The details of the documents uploaded by the **supplier** upto the 10<sup>th</sup> of the month following the month or quarter for which the return is being filed for will be auto-populated and made available to the recipient in FORM GST ANX-2 to accept, reject or to keep the document pending.
4. **Instructions** regarding acceptance, rejection or kept pending by the recipient may be referred to in the instructions to FORM GST ANX-2.
5. **Documents** rejected by the recipient shall be conveyed to the supplier only after filing of the return by the recipient.
6. The rejected documents may be edited before filing any **subsequent** return for any month or quarter by the supplier. However, credit in respect of the document so edited or uploaded shall be made available through the next open FORM GST ANX-2 for the recipient. However, the liability for such edited documents will be accounted for in the tax period (month or quarter) in which the documents have been uploaded by the supplier.

7. **Shifting of Documents** - In certain situations, the **particulars** of the document may be correct but the document has been reported in the wrong table. Therefore, when such documents are rejected by the recipient, instead of amending the document, a facility of shifting such documents to the appropriate table will be provided.
8. **Amendment of documents relating to supplies made to persons other than persons filing return in FORM GST RET-1/2/3(e.g. supplies made to composition taxpayers, ISD, UIN holders etc.)** – The documents relating to such supplies may be amended by the supplier at any time **and** the same shall not be dependent upon the action taken (accept/reject/pending) by the recipient.

### **9.3 ANX 1A - Instructions**

1. The amendment will be based on the tax period and for invoices/documents reported therein earlier.
2. If missing details of documents pertaining to the tax period 'T' have been reported in the return of the tax period 'T+n', then amendment of such documents shall be made by amending return of the tax period 'T'.
3. Amendment to FORM GST ANX-1 can be filed before the due date for furnishing of return for the month of September following the end of the financial year or the actual date of furnishing relevant annual return, whichever is earlier. The amendment to FORM GST ANX1 can be filed as many times as provided in the Act read with the rules made thereunder.
4. Filing process will be similar to the process of filing of the original FORM GST ANX-1. The annexure will be deemed to have been filed upon filing of return in FORM GST RET-1A.
5. Amendment of invoice, debit / credit notes shall be carried out through this annexure in relation to table 3A, 3C, 3D, 3H, 3I, 3J and 3K of FORM GST ANX-1.
6. Providing original document details will be mandatory for amending the same except in case of B2C supplies in table 3A, table 3H and table 3I of FORM GST ANX-1.

7. Missing documents of prior period(s) shall not be reported in this annexure but can be reported in FORM GST ANX-1 itself.
8. The invoices /documents on which refund has already been claimed by the supplier/recipient shall not be open for amendment.
9. For changing the value or any other particulars under Table 4, the original GSTIN shall be re-entered as revised GSTIN and then the value or any other particular may be amended.
10. Amendment in relation to table 3B, 3E, 3F and 3G shall be carried out in FORM GST ANX1 of the main return (FORM GST RET-1) itself.

## **9.4 ANX 2 - Instructions**

1. Details of documents uploaded by the corresponding supplier(s) [irrespective of the fact whether the supplier files his return on monthly or quarterly (Normal, Sahaj or Sugam) basis] will be auto-populated in this annexure on near real time basis and can be accepted or reset / unlocked by the recipient upto the 10th of the month following the month in which such documents have been uploaded. After that the procedure as outlined in Sr. No. 2 below will be applicable.
2. Recipient can take action on the auto-populated documents to – Accept, Reject or to keep pending on continuous basis after 10th of the month following the month in which such documents have been uploaded. However, in case of quarterly return filers communication of such rejected documents and any further action on such rejected documents shall be done only in the return for the next quarter.
3. Accepted documents will mean that supplies reported in such document have been received before filing of return by the recipient and the details given in the documents reported in FORM GST ANX-1 are correct.

4. 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.
5. For the purposes of the return process, any invoice with an error that cannot be corrected through a financial debit / credit note shall be rejected. For example-
  - (i) the recipient does not agree with some of the details such as HSN Code, tax rate, value etc. These are certain errors which cannot be corrected through debit/credit notes.
  - (ii) GSTIN of the recipient is erroneous and therefore, it is visible in the FORM GST ANX-2 of a registered person who is not concerned with the supply. These are certain errors which cannot be corrected through debit/credit notes.
6. Supplier can make corrections in the rejected documents through FORM GST ANX-1 as the rejected documents would be shown to the supplier.
7. Pending action will mean that the recipient has deferred the decision of accepting or rejecting the details of the invoices. There may be multiple reasons for the same such as supplies are yet to be received or the recipient decides that ITC is not to be taken for the time being etc.

8. 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.
9. Pending invoices will not be available for amendment by the supplier until rejected by the recipient.
10. Any document, on which an affirmative action of either accepting the document or keeping the document pending or rejecting the document is not taken by the recipient in his FORM GST ANX-2, shall be deemed to be accepted upon filing of the return by him. Input tax credit on such deemed accepted documents shall be reflected / shown in table 4A of the main return (FORM GST RET-1).
11. 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. Recipients would be able to check the return filing status of the suppliers. 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.
12. Trade name of the supplier will also be shown along with GSTIN. Legal name will be shown where trade name is not available.

13. 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 which may be adjusted in table 4A(11) of FORM GST RET-1 to arrive at the amount of input tax credit availed. However, such reversal of credit for the recipient will be with interest as per the provisions of the Act read with the rules made thereunder.
14. FORM GST ANX-2 will be treated as deemed filed upon filing of the main return (FORM GST RET-1) relating to the tax period.
15. 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.

*Note – Table 3B and 3C shall be used after the data from the ICEGATE and SEZ (through ICEGATE) starts flowing to the GST system online. Thereafter, table 3J & 3K of FORM GST ANX-1 shall be discontinued. Data will be shown to the taxpayer as received from the ICEGATE.*

## **9.5 RET-1 - Instructions**

### **A. General Instructions**

1. Facility to file Nil return through SMS will also be available if no supplies have been made or received.
2. After uploading details of supplies in FORM GST ANX-1 and taking action on the documents auto-populated in FORM GST ANX-2, the taxpayer shall file the main return in FORM GST RET-1.
3. Information declared through FORM GST ANX-1 and FORM GST ANX-2 shall be autopopulated in the main return (FORM GST RET – 1).
4. The supplier can report excess tax collected from the recipients, if any, in the main return (FORM GST RET-1) under any other liability in Sr. No. 8 of table 3A.
5. Rejection of the details of documents wrongly uploaded by suppliers, pendency of supplies not received but available in the auto-populated details of documents, reversals, adjustments etc. shall be auto-populated in table 4.
6. Amount of TDS/TCS shall be credited in the electronic cash ledger which will be based on returns filed in FORM GSTR-7 and FORM GSTR-8 by deductors under section 51 and persons required to collect tax under section 52 respectively.

7. Interest and late fee to the extent of late filing of return, making late payment of taxes, uploading preceding tax periods' invoices shall be computed by the system. Other interest due to reversals etc. shall be entered by the taxpayer on self-assessment basis.
8. Payment of tax can be made by utilizing ITC under the same head or cross-utilizing from other heads in accordance with the provisions of the Act read with the rules made thereunder. Balance payment of tax can be made in cash.
9. Suggested utilisation of ITC will be made available in the payment table. However, taxpayer can make changes in the suggested ITC utilization as long as such changes are as per provisions of the Act read with the rules made thereunder.
10. Payment of tax on account of supplies attracting reverse charge, interest, fee, penalty and others shall be made in cash only.
11. Adjustment of negative liability of the previous tax period shall be allowed to be made along with the current tax period's liability.
12. Viewing of the balance amount available in electronic cash and electronic credit ledger will be made available before making payment.

13. Value of inward supplies attracting reverse charge and import of services mentioned in table 3B will not be added to the turnover. Only the tax amount will be added to the computation of tax liability.
14. Facility of creating a challan for making payment will be made available if the balance in the electronic cash ledger is insufficient to discharge the liabilities.
15. Adjustment to liabilities or input tax credit relating to the period prior to the introduction of current system of return filing shall be reported in table 3 (tax liabilities) or table 4 (input tax credit), as the case may be.

## **B. Table specific instructions**

| <b>Table No.</b> | <b>Part of the table</b> | <b>Instructions</b>                                                                                                        |
|------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <b>1</b>         | <b>2</b>                 | <b>3</b>                                                                                                                   |
| <b>3.</b>        |                          | <b>Summary of outward supplies, inward supplies attracting reverse charge, debit / credit notes etc. and tax liability</b> |
|                  |                          | <b>A. Details of outward supplies</b>                                                                                      |

|    |                                                                                                                                                                                                               |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Taxable supplies made to consumers and un-registered persons will be autopopulated from table 3A of FORM GST ANX-1. The value will be net of debit / credit notes.                                            |
| 2. | Taxable supplies made to registered persons (other than those attracting reverse charge) will be autopopulated from table 3B of FORM GST ANX-1. It includes all supplies made to persons having GSTIN or UIN. |
| 3. | Exports made with payment of tax will be autopopulated from table 3C of FORM GST ANX-1.                                                                                                                       |
| 4. | Exports made without payment of tax will be autopopulated from table 3D of FORM GST ANX-1.                                                                                                                    |
| 5. | Supplies made to SEZ units / developers with payment of tax will be auto-populated from table 3E of FORM GST ANX-1.                                                                                           |
| 6. | Supplies made to SEZ units / developers without payment of tax will be autopopulated from table 3F of FORM GST ANX-1.                                                                                         |

|                                                                                                                   |                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7.                                                                                                                | Supplies made to registered persons which are treated as deemed exports will be auto-populated from table 3G of FORM GST ANX-1.                                                                                                             |
| 8.                                                                                                                | Liabilities relating to the period prior to the introduction of current return filing system and any other liability (including excess tax collected from the recipient, if any) to be paid shall be reported here by the taxpayer.         |
| <b>B. Details of inward supplies attracting reverse charge</b>                                                    |                                                                                                                                                                                                                                             |
| 1.                                                                                                                | Inward supplies attracting reverse charge will be auto-populated from table 3H of FORM GST ANX-1.<br><br>The values will be net of debit/ credit notes and advances on which tax has already been paid at the time of payment, if any.      |
| 2.                                                                                                                | Import of services made during the tax period will be auto-populated from table 3I of FORM GST ANX-1.<br><br>The values will be net of debit / credit notes and advances on which tax has already been paid at the time of payment, if any. |
| <b>C. Details of debit / credit notes issued, advances received / adjusted and other reduction in liabilities</b> |                                                                                                                                                                                                                                             |

|    |                                                                                                                                                                                                                      |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Debit notes issued during the period in respect of supplies other than those attracting reverse charge will be auto-populated from the respective tables of FORM GST ANX-1.                                          |
| 2. | Credit notes issued during the period in respect of supplies other than those attracting reverse charge will be auto-populated from the respective tables of FORM GST ANX-1.                                         |
| 3. | 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. |
| 4. | Adjustment made out of advances reported earlier will be reported by the taxpayer. Excess adjustment, if any, made shall be accounted for in the next tax period's return.                                           |
| 5. | Reduction in output tax liability on account of transition from composition levy to normal levy or any other reduction in liability shall be reported here by the taxpayer.                                          |

| <b>D. Details of supplies having no liability</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                                 | <p>Supplies covered under GST but exempted from payment of tax or Nil rated shall be reported here.</p> <p>(For example, goods exempted under notification No. 2/2017-Central Tax (Rate) dated 28<sup>th</sup> June, 2017, services exempted under notification No. 12/2017-Central Tax (Rate) dated 28<sup>th</sup> June, 2017 etc.).</p>                                                                                                                                                                                                                                       |
| 2.                                                | <p>This is a residual entry for supplies not reported in any other column. Non-GST supplies and no supply specified in Schedule III shall be reported here.</p> <p>Supplies other than taxable and exempted /Nil rated supplies shall be reported here. However, it will exclude outward supplies attracting reverse charge.</p> <p>For the purposes of reporting here, non-GST supplies shall include supply of alcoholic liquor for human consumption, motor spirit (commonly known as petrol), high speed diesel, aviation turbine fuel, petroleum crude and natural gas.</p> |

|           |                                                                                                                           |                                                                                                                                                                   |
|-----------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | 3.                                                                                                                        | Outward supplies attracting reverse charge on which tax is to be paid by the recipient shall be reported here. The values will be net of debit / credit notes.    |
|           | 4.                                                                                                                        | Supply of goods by SEZ units / developers to DTA on a Bill of Entry shall be reported here. This column is to be filled by SEZ units or developers only.          |
|           | <b>E. Total value and tax liability</b>                                                                                   |                                                                                                                                                                   |
|           | 1.                                                                                                                        | Sum of part A, B, C and D will be the total value of supplies and that of liability and will be auto-computed.                                                    |
| <b>4.</b> | <b>Summary of inward supplies for claiming input tax credit (ITC)</b>                                                     |                                                                                                                                                                   |
|           | <b>A. Details of ITC based on auto-population from FORM GST ANX-1 and action taken in FORM GST ANX-2 and other claims</b> |                                                                                                                                                                   |
|           | 1.                                                                                                                        | Amount of credit involved in the rejected documents in FORM GST ANX-2 before filing the return will be auto-populated here and will be net of debit/credit notes. |
|           | 2.                                                                                                                        | Amount of credit involved in the documents which have been kept pending in FORM GST ANX-2 will be                                                                 |

|    |                                                                                                                                                                                                                                                                                  |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | auto-populated here and will be net of debit/ credit notes.                                                                                                                                                                                                                      |
| 3. | Amount of credit on all documents accepted (including deemed accepted) in FORM GST ANX-2 will be auto-populated here and will be net of debit/credit notes.                                                                                                                      |
| 4. | If any eligible credit has not been claimed in FORM GSTR-3B due to non-receipt of supplies etc., the same can be claimed here.                                                                                                                                                   |
| 5. | Credit on inward supplies attracting reverse charge as reported in table 3H of FORM GST ANX-1 will be auto-populated here and will be net of debit / credit notes and advances on which tax has already been paid at the time of payment, if any.                                |
| 6. | Credit on import of services as reported in table 3I of FORM GST ANX-1 will be auto-populated here. It will not include services received from SEZ units and will be net of debit / credit notes and advances on which tax has already been paid at the time of payment, if any. |

|     |                                                                                                                                                                                                                                                    |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 7.  | Credit on import of goods from overseas as reported in table 3J of FORM GST ANX-1 will be auto-populated here. It will not include goods received from SEZ units / developers.                                                                     |
| 8.  | Credit on import of goods from SEZ units / developers as reported in table 3K of FORM GST ANX-1 will be auto-populated here.                                                                                                                       |
| 9.  | Credit distributed by ISD and reported in FORM GSTR-6 of the said ISD as autopopulated in table 5 of FORM GST ANX-2 will be auto-populated here. It will be net of ISD credit notes.                                                               |
| 10. | Provisional credit on documents not uploaded by supplier(s) can be reported by the recipient for availing ITC to the extent provided in the Act read with the rules made thereunder. This ITC is other than that auto-populated in FORM GST ANX-2. |

11. i) There may be situations where a credit note was issued by the supplier against an invoice but the recipient had taken nil or partial credit on such invoice. Since acceptance of credit note will lead to reversal of credit, there may be instances where there will be a double reversal of credit for the recipient. In order to address the same, a facility has been provided for recipients to self-adjust any such loss of credit arising from issuance of credit notes by the supplier.

Illustrations:

- a) A supplier issues an invoice for Rs. 1000/- to the recipient in the month of May. The recipient accepts the invoice in his FORM GST ANX-2 and the credit involved in the said invoice gets auto-populated in his FORM GST RET-1. In the month of June, the supplier gives a credit note to the recipient who accepts the same in his FORM GST ANX-2. Upon acceptance of the said credit note, the credit involved therein is reversed and this gets reflected in FORM GST RET-1. No adjustment needs to be made in such a case.

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|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>b) A supplier issues an invoice for Rs. 1000/- to the recipient in the month of May. The recipient accepts the invoice in his FORM GST ANX-2 but takes 50% credit on the said invoice in his FORM GST RET-1. In the month of June, the supplier gives a credit note to the recipient who accepts the same in his FORM GST ANX-2. Upon acceptance of the said credit note, the credit involved therein is reversed and this gets reflected in FORM GST RET-1. In such a case, the recipient may make an upward adjustment of 50% credit in this row as he had initially taken only 50% credit on the original invoice.</p> <p>c) A supplier issues an invoice for Rs. 1000/- to the recipient in the month of May. The recipient accepts the invoice in his FORM GST ANX-2 but takes no credit on the said invoice in his FORM GST RET-1. In the month of June, the supplier gives a credit note to the recipient who accepts the same in his FORM GST ANX-2. Upon acceptance of the said credit note, the credit involved therein is reversed and this gets</p> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                          |                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | <p>reflected in FORM GST RET-1. In such a case, the recipient may make an upward adjustment of 100% credit in this row as initially he had not taken any credit on the original invoice.</p> <p>ii) Any other reclaim of ITC can also be reported here.</p>                                                                               |
| <b>B. Details of reversals of credit</b> |                                                                                                                                                                                                                                                                                                                                           |
| 1.                                       | <p>If a document is rejected by the recipient after accepting and filing return of any tax period, then the value and amount of ITC will be auto-populated here, in the return filed immediately after such rejection. Credit availed on such document will be reversed. The amount will be net of debit / credit notes.</p>              |
| 2.                                       | <p>Out of the credit available in table 4A, the recipient shall report the amount of ineligible credit. ISD credit is also part of credit available in table 4A and shall also be taken into account accordingly for declaring ineligible credit. It shall not include any credit claimed in table 4A (10) in respect of supplies not</p> |

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     | uploaded by the supplier during the tax period which is already net of ineligible credit.                                                                                                                                                                                                                                                                                                              |
| 3.                                                  | Documents of supplies uploaded subsequently by suppliers on which credit has already been claimed on provisional basis in the previous tax periods by reporting on self-assessment basis in table 4A(10) shall be reported by recipient here. As the credit was claimed on missing invoices on net of ineligible credit basis earlier, the values should be reported as net of ineligible credit only. |
| 4.                                                  | Reversal of input tax credit under rule 37, 39, 42 & 43 shall be reported here, if applicable.                                                                                                                                                                                                                                                                                                         |
| 5.                                                  | Any other reversal including ineligible credit on import of services, downward adjustment of ITC on account of transition from composition levy to normal levy, etc. not covered by Sr. no. 1 to 4 shall be reported here.                                                                                                                                                                             |
| <b>C. Input tax credit available after reversal</b> |                                                                                                                                                                                                                                                                                                                                                                                                        |
| 1.                                                  | Difference of credit available in table 4A and reversal of credit reported in table 4B will be the amount of credit available during the tax period.                                                                                                                                                                                                                                                   |

|                                                                                                                       |                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>D. ITC declared during first two months of the quarter (only for quarterly return filers)</b>                      |                                                                                                                                                                                |
| 1.                                                                                                                    | ITC declared during first two months of the quarter shall be auto-populated from FORM GST PMT-08 at Sr. no. 1 & 2 for first month and second month respectively.               |
| <b>E. Net ITC available</b>                                                                                           |                                                                                                                                                                                |
| 1.                                                                                                                    | Difference of credit reported in table 4C and table 4D will be the net ITC available during the tax period and will be posted to the electronic credit ledger for utilization. |
| <b>ITC on capital goods and services</b>                                                                              |                                                                                                                                                                                |
| Out of credit available in table 4C, ITC claimed on capital goods and ITC claimed on services shall be reported here. |                                                                                                                                                                                |

## **9.6 RET-1A - Instructions**

1. Filing process of amendment return will be similar to the filing process of original return (FORM GST RET-1).
2. Entries made by the taxpayer in the main return (FORM GST RET-1) which were not auto-populated shall be editable in this return.
3. Amendment return can be filed for a tax period i.e. either a Month or a Quarter, as the case may be.
4. Frequency of filing and period within which it is to be filed will be as per provisions of the Act read with the rules made thereunder.
5. Payment can be made if liability arises due to filing of amendment return. If liability becomes negative then no refund shall be paid. However, the negative liability will be carried forward to the main return (FORM GST RET – 1) of next tax period where adjustment can be made.
6. Payment process will be similar to that of the main return (FORM GST RET-1). ITC available in the electronic credit ledger can be utilized for payment of liability as per the provisions of law read with rules made thereunder.
7. Revised values shall be reported wherever amendment is required in the returns already filed. For example, if the original

value reported was Rs. 100/- and revised value is Rs. 120/-, then Rs. 120/- shall be reported in these tables.

8. Amendment to ITC (upward / downward adjustment) shall be reported in the main return (FORM GST RET-1) and not to be taken to the amendment return.

## **9.7 PMT-08 - Instructions**

1. Taxpayers opting to file the return on quarterly basis have to make payment on monthly basis on the supplies made during the month.
2. Only eligible ITC shall be claimed through this FORM.
3. Payment of self-assessed liabilities shall be made for the first two months of the quarter.
4. Credit of the tax paid during the first two months of the quarter shall be available at the time of filing the return for the quarter.
5. Payment of the self-assessed liabilities shall be made by <20th> of the month succeeding the month to which the liability pertains.
6. Liability can be settled out of balance in electronic credit ledger or electronic cash ledger as the case may be.
7. Liability and input tax credit availed shall be based on self-assessment subject to adjustment in the main return of the quarter.
8. Excess input tax credit claimed or short liability stated will be liable for levy of interest under section 50 of the Act.
9. The declaration shall also be required to be filed if no supplies have been made during the month.

10. Late payment will attract interest at the rate specified in section 50 of the Act.

## **9.8 RET 2 – Instructions**

Kindly refer

[https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn\\_Sahaj.pdf](https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn_Sahaj.pdf)

## **9.9 RET 3 – Instructions**

Kindly refer

[https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn\\_Sugam.pdf](https://tutorial.gst.gov.in/offlineutilities/returns/NewGSTReturn_Sugam.pdf)

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***Yesterday I was clever, so I wanted to change the world.***

***Today I am wise, so I am changing myself.***

***Rumi***