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TAX TALK

GST

A Monthly Goods & Services Tax Bulletin

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Editorial...

We wish all our readers a safe and prosperous Holi. May this festival spread peace, prosperity, happiness and good health in your life. With this issue, our monthly tax bulletin has completed eighth year of its publication. We admit the fact that this accomplishment couldn't have happened without the support of our wonderful readers and associates connected with our publication. Again, we realize the sense of responsibility and commitment to provide you with the latest updates in the GST arena and bring some value addition with every issue. The month of March, which is known for pinching the nerves of taxpayers, is here again. It is time to gear up for closing the books of account while adhering to all the compliances.

Finally after a lot of extensions, the filing GSTR 9 & 9C for FY 2017-18 came to a conclusion. The GST Network (GSTN) said around 92% of large taxpayers with a turnover of over INR 2 crore have filed annual returns for the 2017-18 fiscal. The due date for the FY 2018-19 is round the corner. The option to file the same has already been enabled on the portal.

Simplified compliances are something we all have been looking forward to. CBIC has been conducting outreach programs all across the country to spread awareness about GST RET-1 (main return) along with GST ANX-1 and GST ANX-2 (annexure). New returns has been discussed in detail on Page 2 of this issue.

To identify cases of fraudulent claims under Goods & Services Tax (GST), the Government of India has taken measures to apply stringent risk parameters-based checks driven by rigorous data analytics and Artificial Intelligence (AI) tools based on which certain taxpayers are taken up for further verification. Recently CBIC made it mandatory for registered taxpayers to declare GSTIN on EXIM declarations in a bid to strengthen all round coverage of GST supplies. The same has been discussed in detail on Page 3 of this issue.

The Finance Minister has decided to hold District Level Meetings to resolve the doubts pertaining to GST. CBIC is taking a lot of initiatives to involve stakeholders and hear them out. It has issued a concept paper on Faceless E-Assessment and has invited the suggestions/views/comments of all the stakeholders.

E-Way bill has been integrated with Vahan System of Transport Department. This will enable smooth and fast processing of E-Waybills. New FAQ's in this respect has been discussed at Page 3 of the issue. Recent updates on GST has been discussed at Page 4.

We hope this newsletter will add some value and prove to be beneficial to the readers. We highly solicit suggestion/opinions of the readers. Please feel free to convey your views at gst@goyalstax.com.

Sushil Goyal

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DUE DATES			
Category of Taxpayer	**Return**	**Period**	**Due date**
Regular Taxpayer (Aggregate Turnover > 1.5 cr)	GSTR-1	February, 2020	11th March, 2020
Monthly GST Return (Aggregate Turnover >5 cr)	GSTR-3B	February, 2020	20th March, 2020
Monthly GST Return (Aggregate Turnover <5 cr)	GSTR-3B	February, 2020	22nd/24th March, 2020
Monthly ISD Return	GSTR-6	February, 2020	13th March, 2020
Annual Return	GSTR-9/ GSTR 9A	2018-19	31st March, 2020
Reconciliation Statement	GSTR 9C	2018-19	31st March, 2020

NEW GST RETURN SYSTEM

The New GST Return System, as introduced in compliance with the decisions of the GST Council in its 31st meeting and 37th meeting, will be implemented from 1st April, 2020.Under this system, there will be one main return GST RET-1 and two annexures GST ANX-1 and GST ANX-2. These returns will need to be filed on a monthly basis, except for small taxpayers, i.e. taxpayers with a turnover up to Rs 5 crore in the preceding financial year, who can opt to file the same quarterly. They can also opt for filing GST RET-2 or GST RET-3 accordingto the supplies provided by them.

In the new GST Return System, there will be 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).

The new return forms are as under:

A. **Form GST RET-1 (Normal Monthly) –** Those taxpayers whose aggregate turnover in the preceding financial year was above Rs 5 crores will have to file monthly return in FORM GST RET-1 based on FORM GST ANX-1 and FORM GST ANX-2. Taxpayers opting to file monthly return shall be able to declare all types of outward supplies, inward supplies and take credit on missing invoices.

B. **Form GST RET-1 (Normal Quarterly) –** Those taxpayers whose aggregate turnover in the preceding financial year was up to Rs 5 crores can file this return based on FORM GST ANX-1 and FORM GST ANX-2. This return needs to be filed quarterly but the tax has to be paid on monthly basis through GST PMT-08. Taxpayers opting to file quarterly (normal) returns shall be able to declare all types of outward supplies, inward supplies and take credit of missing invoices.

C. **Form GST RET-2 (SAHAJ Quarterly) –** Those taxpayers whose aggregate turnover in the preceding financial year was up to Rs 5 crores and have supplies only to consumers and unregistered persons (B2C supplies) can file this return based on GST ANX-1 and Form GST ANX-2 on quarterly basis, but pay tax on monthly basis through FORM GST PMT-08. 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.

D. **Form GST RET-3 (SUGAM Quarterly) –** Those taxpayers whose aggregate turnover in the preceding financial year was up to Rs 5 crores and have made supplies to consumers and unregistered persons (B2C supplies) and to registered persons (B2B) can file this return based on GST ANX-1 and Form GST ANX-2 on quarterly basis, but pay tax on monthly basis through FORM GST PMT-08. 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.

   The tax payer making supplies through e-commerce operators or making supply other than supplies to consumers and unregistered persons (B2C) and to registered persons (B2B) are not eligible to file Sugam return.

   Such tax payers shall not be allowed to take credit on missing invoices. However, such taxpayers may make Nil rated, exempted or Non-GST supplies which need not be declared in said return.

The taxpayers can switch their returns in the following manner: -

- From Quarterly (Normal) to Sugam or Sahaj only once in a financial year at the beginning of any quarter.
- From Sugam to Sahaj only once in a financial year at the beginning of any quarter.
- From Sahaj to Quarterly (Normal) or Sugam more than once in a financial year at the beginning of any quarter.
- From Sugam to Quarterly (Normal) more than once in a financial year at the beginning of any quarter.

ANNEXURES OF NEW GST RETURNS

All returns are essentially prepared on the basis of two forms namely GST ANX-1 and GST ANX-2 which are explained below:

A. **GST ANX-1 (Annexure of Outward Supplies)** is for reporting details of all outward supplies, inward supplies liable to reverse charge, and import of goods and services, that will need to be reported invoice-wise (except for B2C supplies) on a real-time basis. Inward supplies attracting reverse charge will be reported only by the recipient. All suppliers with annual aggregate turnover of more than Rs 5 crores and that in relation to exports, imports and SEX supplies will upload HSN level data.

B. **GST ANX-2 (Annexure of Inward Supplies)** will report details of all inward supplies. Most of these details will be auto-drafted from the details uploaded by the suppliers in their GST ANX-1. The recipient of supplies will be able to take action on these auto-drafted documents, which will be available to them on a real-time basis. The recipient can accept, reject or keep pending on continuous basis after 10th of the following month on which it was uploaded by supplier. The documents accepted by the recipient shall not be available for amendment at the supplier's end. The supplier may edit rejected documents before filing subsequent return. However, credit will be available to recipient through next FORM GST ANX-2. The tax liability will be accounted for in the same tax period. Pending invoices will not be available for amendment by the supplier until rejected by the recipient.

GST UPDATES

Capturing District Origin Of Data

Government Plan to turn districts into export hubs, Central Board of Indirect Taxes and Customs has now started capturing district-wise data or origin of export goods. This additional information from the export declarations will provide a key statistical input to policy makers on the importance of each district for exports and will help in aligning the policies to enhance local capacity.

Additionally, the export declarations would now also capture declarations by exporters intending to avail India's Free and Preferential Trade Agreements (FTAs/PTAs) being exported to partner countries. This would provide critical data on the gains being made by Indian exporters under FTAs/PTAs and help the Government align India's foreign trade policy in nation's best interests.

Further, CBIC has now made it mandatory that every GST registered importer and exporter must declare their GSTIN on the import and export declarations. It will not only help the taxpayers to claim the ITC Credit and IGST Refunds, but also help in combating frauds.

The additional information from the export declarations will provide a key statistical input to policy makers on the importance of each district for exports and will help in aligning the policies to enhance local capacity.

Central Board of Indirect Taxes and Customs (CBIC) is to capture district-wise data or origin of export goods. The move is in line with PM's aim of turning districts into export hubs.

FAQ'S ON VAHAN SYSTEM & E-WAYBILL

1. What is verification of vehicle number in EWB Portal?

Ans: E-Way bill has been integrated with Vahan System of Transport Department. Vehicle number entered in e-way bill will now be verified with the Vahan System. If Vehicle no. is not available in the Vahan system user will get 'Alert Message' about the non-availability of vehicle number in vahan database. However, later, such vehicle numbers will not be allowed for the generation of e-way bill.

2. Why am I getting alert message when I enter vehicle number in E-way Bill?

Ans: The vehicle number entered in the EWB is not available in Vahan Database, you are requested to check and update the vehicle registration with your concerned Regional Transport Office (RTO), otherwise after sometime this vehicle number will not be allowed for e-way bill generation.

3. When I enter Vehicle number, I get a message that Vehicle is registered in more than one RTO, what should I do?

Ans: This message indicates that the Vehicle details are found in more than one RTOs. You need to approach your RTO and request for updation of the office. Once the details are updated this message will not appear again. Not doing so, later it will be treated as Vehicle no. is not existent and may not be allowed for e-waybill generation.

4. In spite of having a Valid RC of my Vehicle, I am getting alert message from e-waybill portal. What can I do?

Ans: In case, Vehicle number entered in the e-waybill is registered and system still showing 'Alert Message' it is suggested to reach to your concerned RTO. Once the vehicle details are updated in Vahan system, the status in e-Waybill system will subsequently get updated.

5. How do I check my vehicle number is available in Vahan system?

Ans: Vahan System provides a nationwide search over the digitized data of Registered Vehicles. You can always check your vehicle number in Vahan system below.

https://vahan.nic.in/nrservices/faces/user/searchstatus.xhtml.

6. I am unable to find my vehicle details on Vahan. How to get vehicle details added to the Vahan System?

Ans: You need to visit your RTO with original RC and other documents and get the details updated in the Vahan Database.

7. I am moving vehicles with Temporary Registration. Will these Vehicle numbers be allowed for e-waybill registration?

Ans: If the Vehicle number is with temporary registration, the details are not verified and enter the temporary number starting with TR.

8.Details of my Vehicle number are shown in Vahan website, however, in e-way bill portal it shows not available. What should I do ?

Ans: You can contact the E-way bill Helpdesk and submit your grievance. Specify the Vehicle number which is there in Vahan system but not available in e-way bill portal.

GST UPDATES

TAXATION OF LOTTERY AUTHORISED BY STATE GOVERNMENT

The CBIC has notified the uniform rate of 28% under GST for lottery which will be effective from March 1, 2020. Now, there is no distinction for lottery authorized by State Governments and lottery run by State Governments for the purpose of taxability and, hence, standard rate of 28% shall apply.

(Notification No. 1/2020-Central Tax)

EXTENSION FOR FILING TRAN-1

The CBIC has extended the time limit for submitting the declaration in Form GST Tran – 1, for such class of registered person who could not submit the declaration by the due date on account of technical difficulties on the common portal and whose cases have been recommended by the council, till March 31, 2020.

(Order No. 01/2020)

UPDATES ON E-INVOICING

An e-invoice standard has been finalized after consultation with trade/industry bodies as well as ICAI. Adoption of this new standard ensures complete inter-operability of e-invoices across the entire GST eco-system. The new system eliminates the need for fresh data entry, reduction of reconciliation errors and population of invoice details directly into Return through Invoice Reporting Portal (IRP).

BOOK POST

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