



NEW RETURN FILING SYSTEM UNDER GST

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At the time of introduction of GST Government had introduced GSTR1, GSTR2 and GSTR3. The idea was to match the input and output tax from individual invoices and to generate GSTR3 from GSTR1 and GSTR2. This was to facilitate flow of information from GSTR1 to GSTR3 and linking the invoices. However, the Government was unable to get the result as desired. In view of the same the tax payers were advised to upload the information based on their books of accounts which was an adhoc method in GST 3b.

In order to revise the system in a suitable way, the GST Council has decided to introduce a new GST return system to facilitate the tax payers. According to them, from 1st October 2019, FORM GST ANX-1 shall be made compulsory and the old FORM GSTR-1 would be replaced by FORM GST ANX-1. The large tax payers (i.e. tax payers whose aggregate annual turnover in the previous financial year was more than Rs. 5 crores) would upload their monthly FORM GST ANX-1 from 1st October 2019 onwards. Whereas, in the case of small taxpayers (with aggregate annual turnover in the previous financial year up to Rs. 5 crores), the first compulsory quarterly FORM GST ANX-1 pertaining to the quarter October to December, 2019 to be uploaded only 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.

From July 2019, users will be able to upload invoices using the FORM GST ANX-1 Offline Tool on trial basis for familiarizing themselves. Further, users will 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 will be available for view on the common portal online. They will also be able to import their purchase register in the Offline Tool and match it with the downloaded inward supply invoices to ascertain mismatches from August 2019.

In other words, between July to September 2019 (for three months), the new return system (ANX-1 & ANX-2 only) will be available for trial for taxpayers to make themselves familiar. However, this trial will have no impact at the back end on the tax liability or input tax credit of the taxpayer. During this period, taxpayers shall continue to fulfil their compliances by filing the existing FORM GSTR-1 and FORM GSTR-3B.

FORM GST ANX-2 can be viewed simultaneously during this period but no action will be allowed on such FORM GST ANX

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

In other words, they shall file their first FORM GST-RET-01 for the quarter October 2019 to December 2019 from 20th January, 2020.

The small taxpayers shall stop filing FORM GSTR-3B and start filing FORM GST PMT-08 (For composition) from the quarter of June 2019 onwards.

The table shows the requirements and applicability of all the three returns namely Sahaj, Sugam and Normal. The tax payer can opt to file ANY of the three returns. Each return has different features as presented here below.

SL No	Particulars	Normal	Sahaj	Sugam
1	Forms	GST Ret 1	GST Ret 2	GST Ret 3
2	Annexures	-GST Anx -1 Outward supplies	-GST Anx -1 Outward supplies	-GST Anx -1 Outward supplies

		-GST Anx -1 A Amendment to Outward supplies	-GST Anx -1 A Amendment to Outward supplies	-GST Anx 1 A Amendment to Outward supplies
		-GST Anx - 2 - Inward supplies	-GST Anx - 2 - Inward supplies	-GST Anx - 2 - Inward supplies
		-GST Anx - 2A Amendment to Inward supplies	-GST Anx - 2A Amendment to Inward supplies	-GST Anx- 2A Amendment to Inward supplies
3	Periodicity	Return: Quarterly or Monthly	Return: Quarterly	Return: Quarterly
		Payment : Monthly	Payment: Monthly	Payment: Monthly
4	Applicability	For Turnover less than 5 Cr. - Option quarterly	Turnover less than 5 Cr.	Turnover less than 5 Cr. -
		For Turnover more than 5 Cr. - Monthly		
5	Features	1. All outward supplies	1. Only B2C outward supplies can be shown.	The only difference from Sahaj return is that here B2B outward supplies can also be shown.
		2. Credit of all eligible Inward supplies including missing Invoices (Not uploaded by Supplier) can be taken.	2. Inward supplies attracting tax under RCM can be shown.	2. Inward supplies attracting tax under RCM can be shown.
			3. Cannot make supplies through e- commerce operators.	3. Cannot make supplies through e- commerce operators.
			4. Credit of Missing invoice (Not uploaded by Supplier) not allowed.	4. Credit of Missing invoice (Not uploaded by Supplier) not allowed.
			5. Not allowed to make any other type of inward or outward supplies	5. Not allowed to make any other type of inward or outward supplies
			6. Such taxpayers may make Nil rated, exempted or Non-GST supplies which need not be declared in said return.	6. Such taxpayers may make Nil rated, exempted or Non-GST supplies which need not be declared in said return.
6	When the data can be uploaded	At any time.	a. Any time during Quarter to which it pertains	a. Any time during Quarter to which it pertains
		For Monthly Returns no documents upload will be possible during 18th to 20th of the following month.	b. Up to September of the following year or date of filing of annual return whichever is earlier	b. Up to September of the following year or date of filing of annual return whichever is earlier
			c. No document upload will be possible during 23rd to 25th of the month following end of quarter	c. No document upload will be possible during 23rd to 25th of the month following end of quarter
7	Switch	Can be switched to Sugam or Sahaj only	Can be switched to Sugam or Quarterly	Can be switched to Sugam only ONCE

		ONCE during a year	Normal MULTIPLE Times during a year	Can be switched to Quarterly Normal MULTIPLE times.
8	Suitable for	a. Tax payer who is also importing and exporting goods/services (including SEZ Supplies)	a. Tax payer whose turnover is less than Rs. 5 Crores.	If tax payer is supplying goods/services to business.
		b. Tax payer who is supplying goods/ services through E-commerce supplier	b. Who is supplying goods/services only to consumer and not to business	Rest all features are same as Sahaj.
		c. Who wants to avail provisional credit of Invoices not uploaded by Supplier	c. Who is dealing in only domestic business	
			d. Who does not want to avail Provisional credit of invoices not uploaded by the supplier	

Based on their experience from the old system, the Government has made an effort to iron out the deficiencies prevalent therein and brought out a refined system as proposed above. As a result, the tax payers may expect a better system catering to their tax payments requirements. With such a proactive steps of the government and the cooperation of the tax payers community on a continuous basis, we can hope to evolve a robust system for Tax payments and filing of returns in a near future.