

# GST TRACKER

Issue: Feb 2020



Powered by:



PKA CONSULTANTS

# GST New Returns Mechanism: Coming Soon

GST is wonderful concept adopted by approximately 160 countries in the world. India launched and rang GST bell on 1<sup>st</sup> July 2017. Policy makers developed mechanism of return filing through system and process of GSTR 1, 1A, 2, 2A and 3 which sustained only for one month and later this systematic chain of return filing was broken and all taxpayers were permitted to file only GSTR 1 and 3B.



**CS Payal Kataria**  
M. COM, FCS

This broken chain instead created problems both for tax payers and Government. Fake Invoicing, wrong availment of ITC (Input Tax Credit) matters increased. Tax payers find difficulty in reconciliation. To mitigate this problem, 27th GST Council meeting approved principles for filing of new return design based on the recommendations of the Group of Ministers on IT simplification.



Since then efforts have been done to design new Returns on the Principle, **Keep it Simple**. New Return filing mechanism is proposed to be implemented w e f 1<sup>st</sup> April 2020. New Return Trial is available on [www.gst.gov.in](http://www.gst.gov.in). CBIC organised a nationwide “GST stakeholder feedback divas” on new GST return across all GST offices upto Divisions on 7<sup>th</sup> December, 2019.

Wonderful Concept of GST requires wonderful mechanism of Return Filing. It seems New return filing system will do wonders and provide solution to various problems. One of the unique feature of New Return Filing system is, Invoice details can be uploaded continuously by supplier and can be viewed by recipient on real time basis.

It is based on “Upload” → “Lock” → “Pay” process

It’s time to start Vendor Management and take the benefit of GST Return filing process to secure and manage payments, tax collection and Input Tax Credit.

Let’s understand returns under New system. There are Three types of Returns:

- Sahaj
- Sugam
- Normal

# Sahaj

## Features

- Applicable where aggregate Turnover is up to INR 5 Cr.
- It is a quarterly return
- Taxpayer can 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. Such taxpayers may make Nil rated, exempted or Non-GST supplies which need not be declared in the said return.
- Auto-populated ITC as uploaded by supplier

## Forms Filed under Sahaj

Form ANX-1	<ul style="list-style-type: none"><li>▪ Outward Supplies B2C</li><li>▪ Inward Supplies Attracting RCM</li><li>▪ 10<sup>th</sup> of subsequent month</li><li>▪ ANX1A for amendments</li></ul>
Form ANX-2	<ul style="list-style-type: none"><li>▪ Inward Supplies</li><li>▪ Auto populated</li><li>▪ 18<sup>th</sup> of subsequent month</li></ul>
Form RET-2 Sahaj	<ul style="list-style-type: none"><li>▪ Quarterly Return</li><li>▪ 25<sup>th</sup> of subsequent month</li><li>▪ Max Auto populated</li><li>▪ RET 2A for amendments</li></ul>
Form PMT-08 Monthly	<ul style="list-style-type: none"><li>▪ Monthly payment of tax</li><li>▪ To be paid on 20<sup>th</sup> of succeeding month to which the liability pertains</li></ul>

## Amendment in Sahaj

Government experienced the importance of amendment in Returns, therefore provide facility to amend ANX 1 and RET 2 through Form ANX-1A and RET-2A respectively.

# Sugam

## Features

- Applicable where aggregate Turnover is up to INR 5 Cr
- It is a quarterly return
- Taxpayer can 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.
- Such taxpayers may make Nil rated, exempted or Non-GST supplies which need not be declared in said return.
- Auto-populated ITC as uploaded by supplier

## Forms Filed under Sugam

Form ANX-1	<ul style="list-style-type: none"><li>▪ Outward Supplies B2C</li><li>▪ Outward Supplies B2B</li><li>▪ Inward Supplies Attracting RCM</li><li>▪ 10<sup>th</sup> of subsequent month</li><li>▪ Form ANX 1A for amendments</li></ul>
Form ANX-2	<ul style="list-style-type: none"><li>▪ Inward Supplies</li><li>▪ Auto populated</li><li>▪ 18<sup>th</sup> of subsequent month</li></ul>
Form RET-3 Sugam	<ul style="list-style-type: none"><li>▪ Quarterly Return</li><li>▪ 25<sup>th</sup> of subsequent month</li><li>▪ Max Auto populated</li><li>▪ ANX 3A for amendments</li></ul>
Form PMT-08 Monthly	<ul style="list-style-type: none"><li>▪ Monthly payment of tax</li><li>▪ To be paid on 20<sup>th</sup> of succeeding month to which the liability pertains</li></ul>

## Amendment in Sugam

To make amendment in Sugam, facility to amend ANX 1 and RET 3 is provided through Form ANX-1A and RET-3A respectively.

## Sahaj & Sugam Key Points

- 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.
- Payment of tax on account of supplies attracting reverse charge, interest, late fee, penalty and others shall be made in cash only.
- Details of documents uploaded by the supplier will be shown to the concerned recipient on near real time basis.

## Form PMT-08 Key Points

- Taxpayers opting to file the return on quarterly basis have to make payment on monthly basis on the supplies made during the month.
- Only eligible ITC shall be claimed through this FORM.
- Payment of the self-assessed liabilities shall be made by 20<sup>th</sup> of the month succeeding the month to which the liability pertains.

# Normal

## Features

- Turnover exceeding INR 5 Crore: Monthly Normal
- Turnover below INR 5 Crore: there is option either to adopt Monthly (Normal) or Quarterly (Normal)
- Taxpayers opting to file monthly or Quarterly (Normal) return shall be able to declare all types of outward supplies, inward supplies and take credit on missing invoices
- All suppliers with annual aggregate turnover of more than INR 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 INR 5 crore) shall have an optional facility to report HSN code in the relevant table or leave it blank
- Place of supply shall have to be reported mandatorily for all supplies
- Mandatory bifurcation of ITC capital and input goods & services in RET

## Forms Filed under Normal

Form ANX-1	<ul style="list-style-type: none"><li>▪ All type of Supplies</li><li>▪ 10<sup>th</sup> of subsequent month</li></ul>
Form ANX-2	<ul style="list-style-type: none"><li>▪ Inward Supplies</li><li>▪ Auto populated</li><li>▪ 18<sup>th</sup> of subsequent month</li></ul>
Form RET-1 Normal	<ul style="list-style-type: none"><li>▪ Monthly or Quarterly Return</li><li>▪ Max Auto populated</li><li>▪ 20<sup>th</sup>/25<sup>th</sup> of subsequent month</li></ul>
Form PMT-08 Monthly	<ul style="list-style-type: none"><li>▪ Monthly payment of tax</li><li>▪ To be paid on 20<sup>th</sup> of succeeding month to which the liability pertains</li></ul>

## Amendment in Normal

To make amendment in Normal, facility to amend ANX 1 and RET 1 is provided through Form ANX-1A and RET-1A respectively

## Switch Over option

- Change in periodicity of return filing allowed only once – at the time of filing first return for the year
- Switch from Quarterly (Normal) to Sugam or Sahaj – allowed only once in a year (at beginning of any quarter)
- Switch from Sahaj to Sugam or Quarterly (Normal) and from Sugam to Quarterly (Normal) allowed more than once (at beginning of any quarter)

## Unique facility to file NIL return through SMS

### Conclusion:

Indeed, New Return filing mechanism is simple and maximum auto population is provided. Now more discipline is expected from Supplier to upload Invoice on real time bases and from Recipient to accept/ confirm purchases. This system will further help to mitigate Tax evasion. At the launch of new return system, again industry has to show patience and cooperation. To avoid future hassle, start testing and filing New system under trial version which is available on GST Portal.

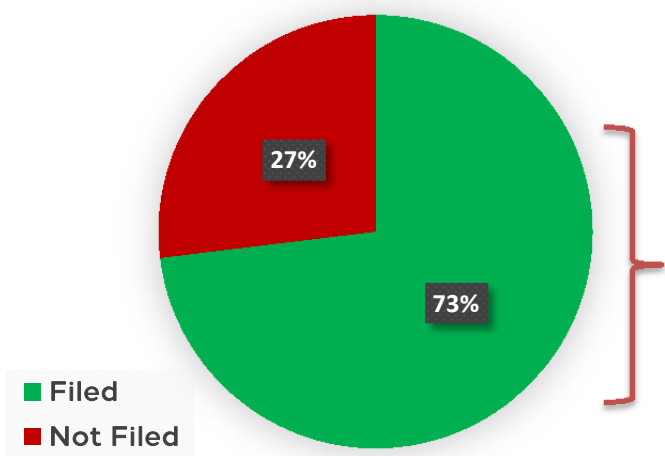
# Status of Annual Filing for FY 2017-18 as on 24<sup>th</sup> Jan 2020

S. No	Category	No. of Taxpayers	Percentage
1	No of regular Tax Payers during FY 2017-18	92,58,899	
2	Out of above(1) Number of Tax payers who have filed all GSTR 3B and GSTR 1	67,64,361	73%
3	Out of above(2) who have filed GSTR 9	29,90,817	44%
4	No of tax Payer eligible to file GSTR 9C	12,41,764	
5	Out of above(4) No. of tax payers Filed GSTR 9C	2,46,547	19%

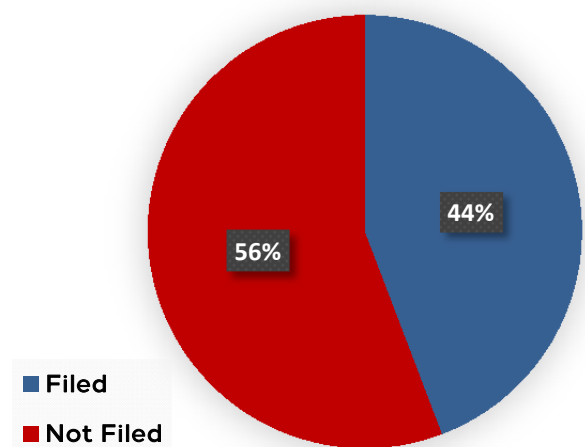
Source: [www.cbic.gov.in](http://www.cbic.gov.in)

FY 2017-18 Total regular Tax payers: 92,58,899

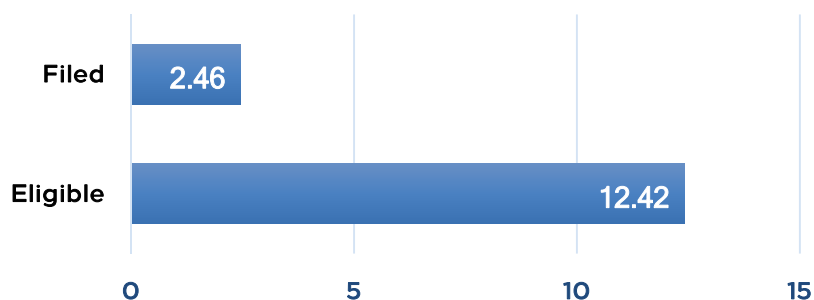
## GSTR-3B & GSTR-1



## GSTR-9



## GSTR-9C





## GST Notifications/Circulars/Orders issued in the month of Jan 2020

### Central Tax Notifications January 2020

Notification No.	Date of Issue	Subject
01/2020	01/01/2020	Seeks to bring into force certain provisions of the Finance (No. 2) Act, 2019 to amend the CGST Act, 2017.
02/2020	01/01/2020	Seeks to make amendment (2020) to CGST Rules.
03/2020	01/01/2020	Seeks to amend the notification No. 62/2019-CT dt. 26.11.2019 to amend the transition plan for the UTs of J&K and Ladakh
04/2020	10/01/2020	Seeks to extend the one-time amnesty scheme to file all FORM GSTR-1 from July 2017 to November, 2019 till 17th January, 2020.
05/2020	13/01/2020	Seeks to appoint Revisional Authority under CGST Act, 2017.

### Central Tax (Rate) Notification January 2020

No notification was issued under Central Tax (Rate) Notification in the month of January 2020

### Integrated Tax Notification January 2020

Notification No.	Date of Issue	Subject
01/2020	01/01/2020	Seeks to bring into force certain provisions of the Finance (No. 2) Act, 2019 to amend the IGST Act, 2017

### Integrated Tax (Rate) Notification January 2020

No notification was issued under Integrated Tax (Rate) Notification in the month of January 2020

## Circular

Circular No	Date of Issue	Subject
131/1/2020	23/01/2020	Standard Operating Procedure (SOP) to be followed by exporters -reg.

## Orders

No Order was issued the month of January 2020

## Removal of Difficulty Orders January 2020

No Removal of difficulty Order was issued the month of January 2020

---

**Disclaimer:** *The contents of this document are solely for informational purpose. It does not constitute professional advice or recommendation of firm. Neither the authors nor firm and its affiliates accepts any liabilities for any loss or damage of any kind arising out of any information in this document nor for any actions taken in reliance thereon.*

*Readers are advised to consult the professional for understanding applicability of this newsletter in the respective scenarios. While due care has been taken in preparing this document, the existence of mistakes and omissions herein is not ruled out. No part of this document should be distributed or copied (except for personal, non-commercial use) without our written permission.*

# Poverty – A trending challenge

Written by: Arnav Kataria [14 yrs]



Have you ever wondered who are the people feeding the monster of poverty? Poverty which is now becoming a global issue all over the globe is a disastrous evil stopping the development of the country both economically and socially. It is a state in which the people are unable to meet their basic necessities and is like a converting mechanism in which a person turns into a liability from an asset for its country.

Unemployment is both a cause as well as a consequence of poverty. It leads a sense of despair, depression and hopelessness in the young, innovative and creative minds of the youth. Also social exclusion of people belonging to minorities to have equal benefits and job opportunities plays an important role in spreading the discontent.

Vulnerability of labourers is also another factor responsible for the low income of the daily wage labourers and workers. The wrong implementation of schemes related to poverty generated by the government can also have devastating effects on the public.

Therefore, there should be proper implementation of these schemes as well as regular checking by sending employees to construction sites asking labourers about their working conditions, wages and opinions. Government should encourage start-ups and create self-help groups, so that more job opportunities are created. By now, you might have recalled that maybe you also have fed this monster some way or the other. So, now it's time for you to change your attitude towards this poisonous issue and contribute for the development of all the life forms and the whole planet.

## GET IN TOUCH

E: [info@pakkabill.com](mailto:info@pakkabill.com)

W: [www.pakkabill.com](http://www.pakkabill.com)

