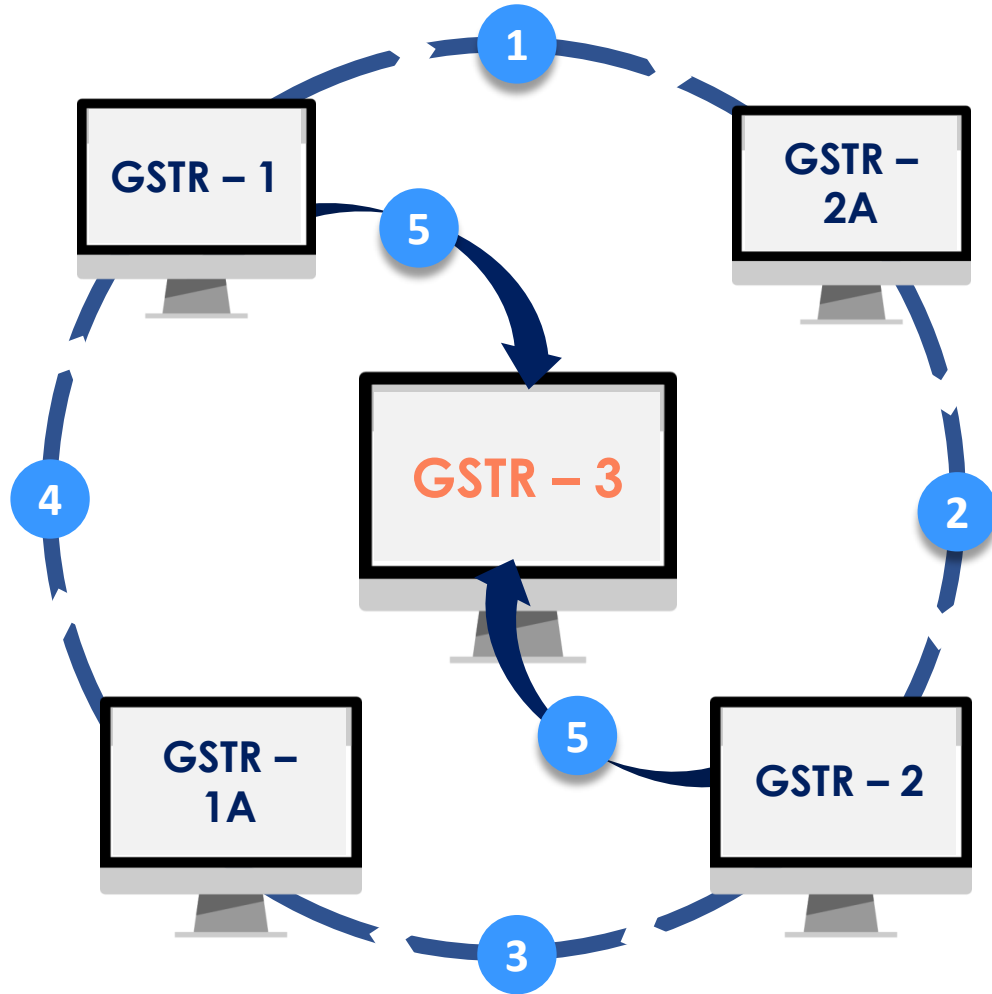


*Presentation on New **GST** Returns & *E-invoicing**

07 Feb 2020



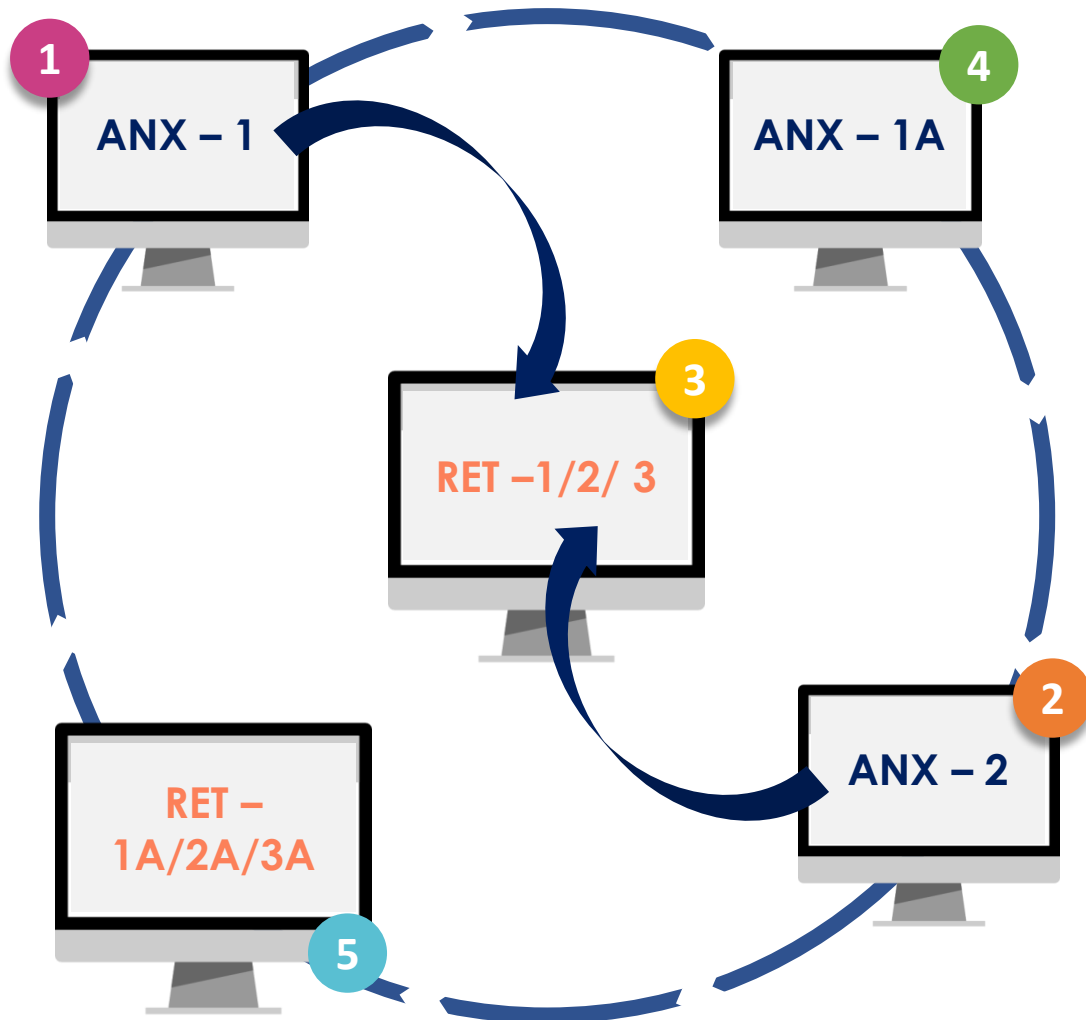
Original proposed return mechanism at time of GST introduction



Actual return mechanism available on GST portal



New return mechanism proposed from 1 April 2020



01

Details of outward supplies, imports & inward supplies attracting reverse charge

02

Details of auto-drafted inward supplies

03

Monthly (Normal) /
Quarterly (Sahaj/Sugam/Normal)

04

Amendment to details of outward supplies,
imports & inward supplies attracting
reverse charge

05

Amendment to Monthly (Normal) /
Quarterly (Sahaj/Sugam/Normal)

Comparison of Current & new GST return system

Particulars	Current GST return system	New GST return system
Claiming ITC	ITC can be claimed in GSTR-3B on the basis of self assessment	<ul style="list-style-type: none">• ITC will be auto-populated in RET-1/2/3 based on invoices accepted in ANX-2• Although provisional ITC can be claimed but if supplier does not report the same in next period, all such missing invoices has to be reported by receiver• It is also proposed that facility of provisional ITC will be removed eventually

Comparison of Current & new GST return system

Particulars	Current GST return system	New GST return system
Reverse Charge Supplies	Outward B2B supplies subject to reverse charge, needs to be reported in GSTR-1	Outward RCM supplies are not reported in ANX – 1
Credit/Debit Notes	Invoice number and date against which the credit/debit note is issued, has to be reported	Reference invoice details is not reported in ANX - 1
Large B2C Invoices	Large B2C invoices (interstate sale worth more than 2.5 lakh) has to be reported at invoice level in GSTR-1	No separate identification of B2C small or large. Only consolidated summary of all B2C invoices need to be reported in ANX-1
HSN Details	HSN summary of outward supplies is reported in GSTR-1	<ul style="list-style-type: none"> • HSN code details has to be reported with each invoice • Separate HSN summary is not required

Comparison of Current & new GST return system

Particulars	Current GST return system	New GST return system
Procurement of goods from SEZ	Optional for SEZ to treat such supply as domestic supply and report in GSTR – 1 or recipient to remove it on bill of entry	Now mandatorily it will be treated as imports from SEZ on bill of entry and needs to be reported by the recipient in ANX – 1
Amendment	No separate amendment return facility is provided	Separate return provided to amend details declared in earlier tax period i.e. ANX – 1A & RET – 1A/2A/3A
Shifting of documents	No facility is there to shift type of supply declared in wrong table e.g. B2C supply declared as deemed export & vica versa	Facility for shifting is provided
Interest computation	User needs to calculate the interest in all cases	In certain cases system will calculate the interest liability

Comparison of Current & new GST return system

Particulars	Current GST return system	New GST return system
RCM inward supply	Consolidated figure is required to be provided in GSTR – 3B	GSTIN wise or PAN wise details required to declared in ANX - 1
Negative figure	Negative figure is not accepted in GSTR – 3B	Negative figure will be accepted
Late fee for amendment	No such provision in current GSTR – 1	Late fees will be charged for making amendment above the limit prescribed in Rule (to be computed by the system)
Filing of return	GSTR – 1 needs to be filed every month	No separate filing of outward and inward annexures (i.e. ANX – 1 & ANX – 2)
Document series	Document number series (invoice or credit/debit no) is reported in GSTR-1	Not required

Journey till date

04th May 2018

(27th Council Meeting)

Approved the new return formats and associated changes in law

29th Aug 2018

New Section 43A inserted in GST Act

[The CGST
(Amendment) Act]

21st July 2018

- Published concept note on simplified Return & Return Format

22nd Dec 2018

(31st Council Meeting)

- The new return filing system shall be introduced on a trial basis from 1 April 19 & on mandatory basis from 1 July 19
- Transition plan to new GST Returns

15th May 2019

Prototype of the offline tool published on the common portal to for the users

Journey till date

21st June 2019

(35th Council Meeting)

- The new return filing system shall be introduced on a trial basis from 1 July 19 & on mandatory basis from 1 Oct 19
- Transition plan to new GST Returns

20th Sept 2019

(37th Council Meeting)

- Introduction date postponed to April 2020
- No Transition plan is issued till date

04th Jan 2020

- Updated version of offline utility published on GST portal

27th Jan 2020

- FAQ & User manual issued for following:
 - New return dashboard
 - Form GST ANX – 1
 - Form GST ANX – 2

Features of new GST returns

- Simplified return format along with quarterly filing periodicity for small taxpayers having aggregate turnover upto Rs.5Cr
- Unidirectional flow of invoices
- Auto-population of key details in returns
- HSN captured at invoice level
- Enriched Offline tool with matching facility
- No separate filing of Outward and inward annexures i.e. ANX – 1 & ANX – 2. They are deemed to be filed on filing of GST RET -1/2/3
- Informing the return filing status to the recipient to take appropriate actions (better control over non-filers of return)
- Facility to file nil return by sending an SMS
- Continuous uploading and viewing of invoices
- Facility to report missing invoices to avail the provisional ITC

Features of new GST returns

- In case of default in payment of tax by the supplier, recovery shall be first made from the supplier and in exceptional circumstances like missing taxpayers, closure of business by the supplier or supplier not having adequate assets etc., recovery of input tax credit from the recipient shall be made through a due process of service of notice and issue of order

New GST Returns

SAHAJ (Quarterly)

SUGUM (Quarterly)

NORMAL (Quarterly)

NORMAL (Monthly)

Applicability of new returns:

To all taxpayers except following:

- Tax payers under Composition Scheme (GST CMP – 08 & GSTR – 4)
- Non-resident taxable person (GSTR – 5)
- Online information database and access retrieval service providers (GSTR – 5A)
- Input Service Distributor (GSTR – 6 & 6A)
- Tax Deducted at Source (GSTR – 7 & 7A)
- E-Commerce Operator Collecting TCS (GSTR – 8)

New GST Returns

SAHAJ (Quarterly)

SUGUM (Quarterly)

NORMAL (Quarterly)

NORMAL (Monthly)

Eligibility criteria based on Turnover:

Turnover <= 5Cr

Turnover <= 5Cr

Turnover <= 5Cr


Turnover > 5Cr

Restriction on type of outward supplies:

Allowed supplies:

- B2C excluding supplies through ECO
- Inward supplies attracting reverse charge

Allowed supplies:

- B2C
 - B2B
- 
- Excluding supplies through ECO
- Inward supplies attracting reverse charge

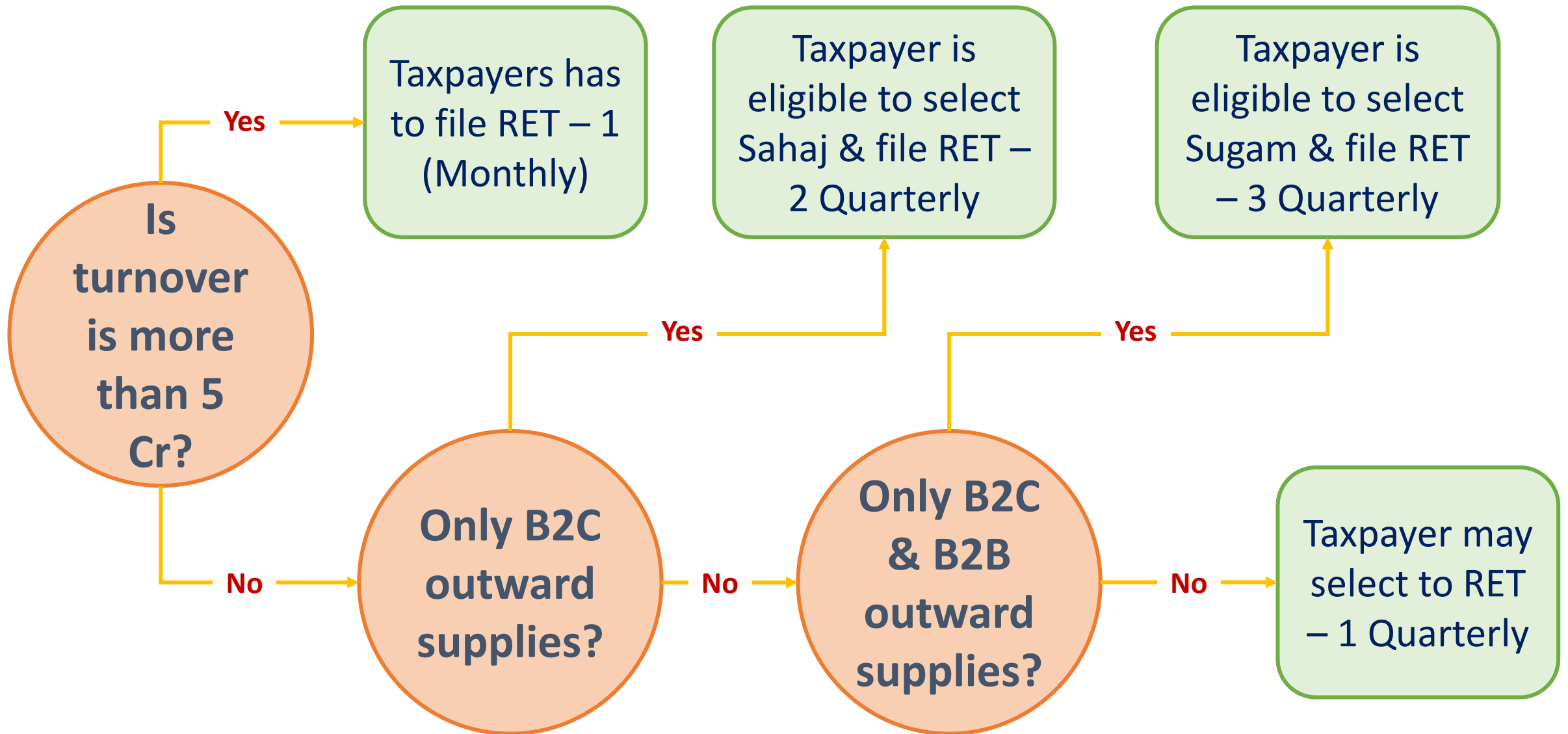
Allowed Supplies:

- All supplies including:
- B2C & B2B
 - Export
 - SEZ supplies
 - Deemed supplies
 - Inward supplies attracting reverse charge

Allowed Supplies:

- All supplies including:
- B2C & B2B
 - Export
 - SEZ supplies
 - Deemed supplies
 - Inward supplies attracting reverse charge

Flow Chart on applicability based on turnover and type of supply



New GST Returns

SAHAJ (Quarterly)

SUGUM (Quarterly)

NORMAL (Quarterly)

NORMAL (Monthly)

Restriction on type of inward supplies:

Allowed supplies:

- Inward supplies from B2B
- *Facility to claim provisional ITC is **not available** on missing invoices*

Allowed supplies:

- Inward supplies from B2B
- *Facility to claim provisional ITC is **not available** on missing invoices*

Allowed Supplies:

- All supplies including:
- Inward supplies from B2B
 - Import of goods from SEZ & overseas
 - Import of services
 - *Facility to claim provisional ITC is **available** on missing invoices*

Allowed Supplies:

- All supplies including:
- Inward supplies from B2B
 - Import of goods from SEZ & overseas
 - Import of services
 - *Facility to claim provisional ITC is **available** on missing invoices*

New GST Returns

SAHAJ (Quarterly)

SUGAM (Quarterly)

NORMAL (Quarterly)

NORMAL (Monthly)

Applicable GST Forms & their frequency

Monthly:

- ANX – 1
(Outward – B2C +
Inward – RCM)
- ANX – 2
(Inward from B2B)
- PMT – 08
(Payment net of ITC)

Quarterly:

- RET – 2 (Sahaj)

Not yet clarified:

ANX 1A & RET 2A
(Amendment)

Monthly:

- ANX – 1
(Outward – B2C + B2B
+ Inward – RCM)
- ANX – 2
(Inward from B2B)
- PMT – 08
(Payment net of ITC)

Quarterly:

- RET – 3 (Sugam)

Not yet clarified:

ANX 1A & RET 3A
(Amendment)

Monthly:

- ANX – 1
(Outward – All +
Inward – RCM)
- ANX – 2
(Inward from B2B)
- PMT – 08
(Payment net of ITC)

Quarterly:

- RET – 1 (Normal)

Not yet clarified:

ANX 1A & RET 1A
(Amendment)

Monthly:

- ANX – 1
(Outward – All +
Inward – RCM)
- ANX – 2
(Inward from B2B)
- RET – 1 (Normal)

Not yet clarified:

ANX 1A & RET 1A
(Amendment)

New GST Returns

SAHAJ (Quarterly)

SUGUM (Quarterly)

NORMAL (Quarterly)

NORMAL (Monthly)

Change in periodicity (Monthly/Quarterly):

The Periodicity of return filing will remain unchanged during next financial year ('FY') unless changed before filing the first return of that FY

Change in type of return:

Allowed multiple times :

Sahaj to Sugam or Normal(Q) at the beginning of any quarter

Allowed multiple times:

Sugam to Normal(Q) at the beginning of any quarter

Allowed once in FY:

Sugam to Sahaj at the beginning of any qtr

Allowed once in FY:

Normal(Q) to Sugam or Sahaj at the beginning of any quarter

NA

New GST Returns

SAHAJ (Quarterly)

SUGUM (Quarterly)

NORMAL (Quarterly)

NORMAL (Monthly)

HSN requirement:

Optional

4 Digit

Optional

4 Digit

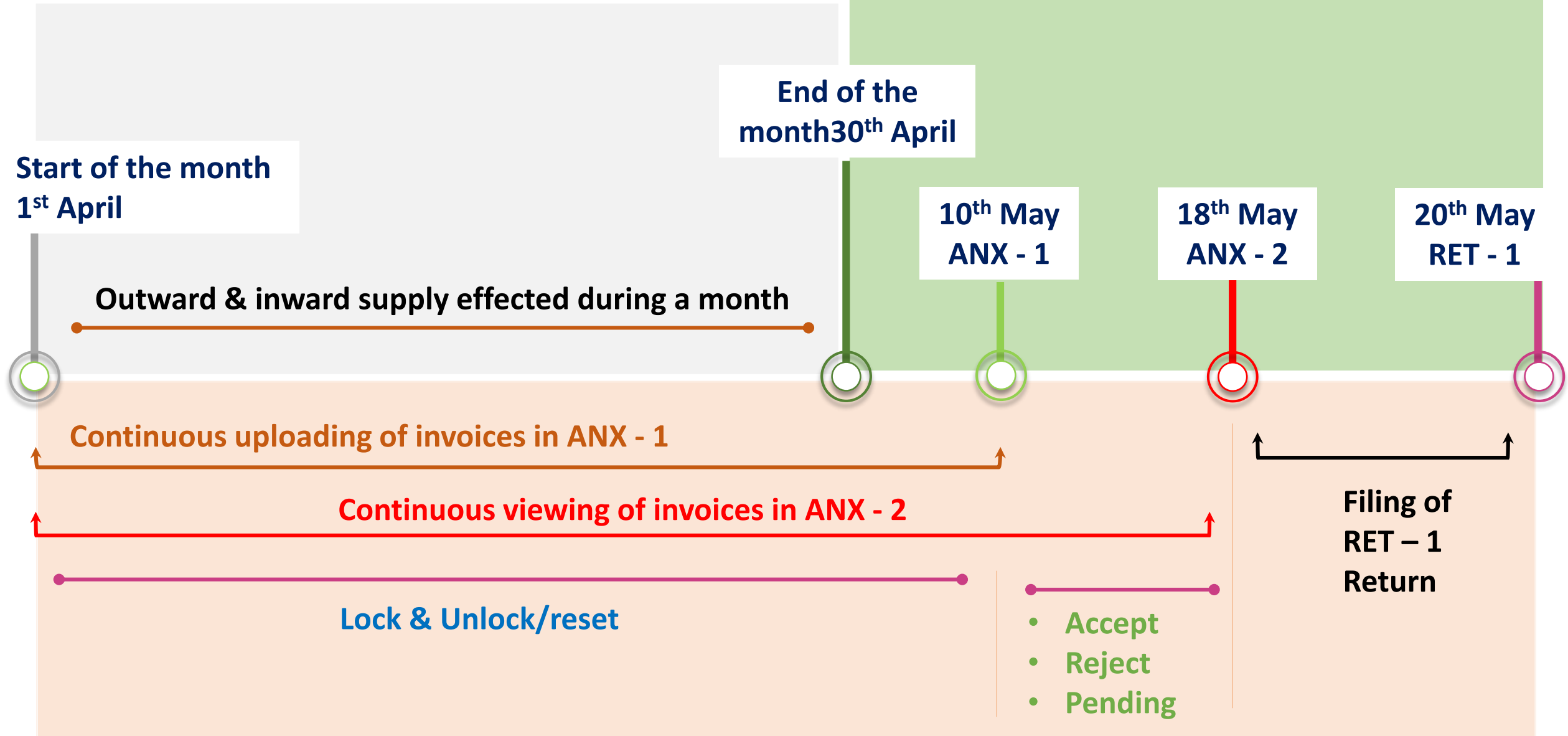
Optional

- 4 Digit for domestic
- 6 Digit for import /export/SEZ

Mandatory

- 4 Digit for domestic
- 6 Digit for import /export/SEZ

Time limit for filing of monthly GST returns



Due date of quarterly returns including amendment returns

Return/Forms	Due date	Remarks
RET – 1 [Normal – Quarterly]	20 th of the month following the quarter	For newly registered units preceding years TO will be treated as zero
RET – 2 [Sahaj]	20 th of the month following the quarter	
RET – 3 [Sugam]	20 th of the month following the quarter	
ANX – 1A [Amendment] <ul style="list-style-type: none"> • Normal – Monthly /Quarterly • Sugam • Sahaj 	Needs to be filed before due date of furnishing return for the month of September following the financial year. Periodicity of filling will be separately notified	To amend Tables where intervention of recipient of supply is not required: <ul style="list-style-type: none"> • B2C supplies • Export with/without payment of tax • Supplies attracting reverse charge • Import of goods & services • Import of goods from SEZ on BOE

Due date of quarterly returns including amendment returns

Return/Forms	Due date	Remarks
RET – 1A [Amendment] (Normal - Monthly/Quarterly)	Needs to be filed before due date of furnishing return for the month of September following the financial year	<ul style="list-style-type: none">• Periodicity of filling will be separately notified• Most of the data will flow from ANX 1A Payments can be made from this return in manner as per RET 1• If negative liability arrives no refund will be eligible. However such negative liability can be carried forward to main RET -1 return• Any adjustment to ITC whether upward or downward will be made in original return and not in amendment return

Due date of quarterly returns including amendment returns

Return/Forms	Due date	Remarks
RET – 2A [Amendment] (Sahaj)	Needs to be filed before due date of furnishing return for the month of September following the financial year	<ul style="list-style-type: none">• Periodicity of filling will be separately notified• Most of the data will flow from ANX 1A
RET – 3A [Amendment] (Sugam)	Needs to be filed before due date of furnishing return for the month of September following the financial year. Periodicity of filling will be separately notified	Most of the data will flow from ANX 1A

System requirements

- Windows 7 and above
- MS Excel 2010 and above
- New return system is presently not mobile compatible
- Facility of filling Nil return through SMS is being provided
- For bulk data, data can also be exported from accounting software of companies in .CSV file and the same can be imported in the New return offline tool to generate the .Json file to upload online
- Accounting software must generate .CSV file in the specified format only

Content of ANX – 1

Table	Content	Requirement
3A	Supplies made to unregistered persons/consumers (B2C)	<ul style="list-style-type: none">• Figures needs to be reported net of Debit Notes /Credit notes• Consolidated details needs to be mentioned for each State (place of supply) and each rate separately
3B	Supplies made to registered persons (B2B)	<ul style="list-style-type: none">• Supplies made to Registered persons attracting reverse charge in their hand is not to be Reported here• Editing of supplies rejected by recipient in ANX 2 needs to be done here

Content of ANX – 1

Table	Content	Requirement
3C	Export of goods and services with payment of duty	<ul style="list-style-type: none">• Shipping bill number and six digit port code needs to be mentioned• Same can be mentioned in subsequent tax periods if not available in the said Tax period
3D	Export of goods and services without payment of duty	
3E	Supply to SEZ with payment of tax	<ul style="list-style-type: none">• Editing of supplies rejected by recipient in ANX 2 needs to be done here• Status of Recipient must be reflected as SEZ on the GST portal

Content of ANX – 1

Table	Content	Requirement
3F	Supply to SEZ without payment of tax	<ul style="list-style-type: none"> • Editing of supplies rejected by recipient in ANX 2 needs to be done here • Status of Recipient must be reflected as SEZ on GST portal
3G	Supplies treated as deemed export	Editing of supplies rejected by recipient in ANX 2 needs to be done here
3H	Inward supplies attracting reverse charge	<ul style="list-style-type: none"> • Same needs to be reported GSTIN wise, net of debit/credit notes and advances paid, if any • If supplier type is selected as registered, GSTIN of supplier needs to be mentioned • If supplier type is not registered then PAN no. of the supplier is required to be mentioned

Content of ANX – 1

Table	Content	Requirement
3I	Import of Services	Same needs to be reported net of credit / debit notes and includes advances paid, if any
3J	Import of goods	Reporting in this table shall be required till the time the data from ICEGATE to GSTN system starts following online
3K	Import of goods under BOE from SEZ	Reporting in this table shall be required till the time the data from SEZ to GSTN system starts following online
3L	Missing invoices on which provisional credit is availed	Report missing invoices not uploaded by the Supplier two tax periods ago in the case of monthly returns and previous tax period in case of quarterly filers for availing the provisional credit on such missing invoices

Content of ANX – 1

Table	Content	Requirement
4	Supplies made through e-commerce operators	Out of outward supplies declared in above tables

Steps for preparing ANX - 1

Offline tool mode:

- Download and Install the "GST New Returns Offline Tool"
- Enter Profile details such as GSTIN/Trade name/Financial year/Month/Return Filing Frequency
- Enter details in GST ANX-1 by any of the following methods namely
 - ✓ Online upload on GST portal by logging through user credentials. This is possible where documents to be uploaded are less than 500
 - ✓ Enter data in the excel workbook containing separate worksheets (for reporting data table wise) provided with the Offline utility tool and import the same to the offline tool in one go
 - ✓ In the offline tool adding details of documents in each table one by one
 - ✓ Importing the JSON file generated from GST Portal
 - ✓ Adding details section by section using the .CSV file as per the format given along with the Offline tool
 - ✓ Generate JSON file from the offline utility for uploading to the portal

Steps for preparing ANX - 1

Online mode:

- Upload the JSON file generated in offline utility to the GST Portal after logging with your credentials
- The online GST portal will take some time to process the uploaded file and in case of validation error, system will process the files with error.
- The status of processing will be reflected as under
 - a. In processing - System is in the process of validating data
 - b. Processed successfully - All fields validated and processed successfully
 - c. Could not be processed - Validation completely failed
 - d. Processed with error - Data validated with errors
- If processed with error download the error JSON file. The error JSON file will contain only the data processed with errors and not the entire data

Steps for preparing ANX - 1

In Offline mode:

- Import Error JSON file in the offline tool and take action for correcting the errors in the Offline tool
- After correcting errors generate JSON file again from the Offline tool

In online mode:

- Upload the JSON file generated on GST Portal after logging with your credentials. Portal will upload the corrected details in the respective tables
- Now you can preview and Download Form ANX-1

Other points for ANX - 1

- Details of invoices can be uploaded by the Supplier continuously on real time basis and the same can be viewed by Recipient also on real time basis
- Details of supplies omitted in previous returns can be uploaded in current periods ANX 1 form
- Editing of any document uploaded by the Supplier can be done by him only
- Editing can be done only if the Recipient has rejected the supply
- Editing can be done by supplier in table 3B, 3E, 3F and 3G till cut off date of 10th of the following month. Thereafter such documents will not be available for editing to the supplier
- Supplier can edit the same only if Recipient rejects such documents
- Editing cannot be done on documents which are accepted or kept pending by Recipient. However such documents will be available in the viewing status of the Supplier

Other points for ANX - 1

- Details of documents rejected will be made known to the Supplier only after Recipient files his return
- Supplier can edit such rejected documents in any subsequent ANX – 1 filed by him, however, credit on such documents will be available to recipient in the next period ANX -2
- Till 10th of next month there is a facility for Recipient to unlock any supply which has been already accepted by him. The Supplier can take corrective action only when such documents are unlocked/reset by the Recipient
- Even if the Recipient does not unlock a document supplier can make amendments by way of issuing Credit/Debit notes in terms of and within the statutory period prescribed under Section 34 of the CGST Act, 2017
- There is no provision for reporting any commercial/financial Credit/Debit notes which do not have any GST implications

Other points for ANX - 1

- Input Tax credit will flow to recipients RET -1 return basis action taken on such documents. ITC will be available on the basis of documents accepted by the Recipient. ITC will not flow from documents which are rejected or kept pending by the Recipient
- Separate functionality will be provided to search and reject a document which is already accepted by the Recipient
- **Invoices uploaded by the Supplier will be treated as valid documents for availing credit. Invoice not uploaded by supplier will be treated as missing invoices. Recipient can avail credit on such missing invoices but needs to declare details of the same in his ANX 1 return after two tax periods**
- The Supplier needs to upload details of such missing invoices otherwise credit availed needs to be reversed by the Recipient
- Any documents accepted by Recipient till 10th of the next month in ANX -2 will flow as credit available for the said Tax period. Credit on documents accepted after 10th of the next month will be available for the next Tax period

Other points for ANX - 1

- If the RET – 1 return is not filed for two consecutive tax periods by the supplier, an indication to this effect will be provided to Recipient in his ANX -2 return that credit on the uploaded invoices is not available
- Uploaded invoices of the supplier will be visible but Recipient cannot avail ITC on such documents. Recipient can reject or keep pending such invoices till such time Supplier files his return
- ANX – 1 can be filed by persons who have cancelled or surrendered their registration for the period during which they were registered
- Taxpayers filling monthly return cannot upload documents in ANX -1 from 18th to 20th of the next month following the relevant tax period and Taxpayers filling quarterly return cannot upload documents in ANX -1 from 23rd to 25th of the next month following the relevant quarter
- There is no column for reporting advances received for services on which implication of tax liability is there. Same needs to be reported in RET -1 along with advances adjusted

Other points for ANX - 1

- For persons having aggregate turnover more than 5 crores - Six digit HSN that in relation to exports, imports and SEZ supplies needs to be reported for goods as well as services. Persons having aggregate TO upto 5 crore can chose not to report HSN
- Where figures are to be reported net of Credit/Debit notes, negative figures can also be reported in negative in ANX -1
- During the intervening period documents which are not reported or accounted in GSTR 1 or GSTR 3B returns shall be dealt with as under
 - Where document is neither reported in GSTR 1 nor in GSTR 3B the same will be declared in ANX -1 and tax will also be paid in Table 3A(8) of RET -1
 - Where document is not reported in GSTR 1 but tax has been paid in GSTR 3B the same will be reported in ANX -1 & tax liability already paid will be adjusted in 3C(5) of RET -1
 - Where document has been reported in GSTR 1 but tax liability has not been paid in GSTR 3B the same will not be reported in ANX -1 but tax liability will be discharged by reporting in Table 3A(8) of RET -1

Other points for ANX - 1

- Where Credit/Debit notes are issued for change in tax rates then taxable value will be reported as zero
- There is no auto filling of ANX – 1 or ANX – 2 form. The same will be deemed to be filed along with monthly or quarterly return

Content of ANX - 2

- Contents of ANX -2 form will be auto-populated from the ANX -1 filed by corresponding Suppliers and GSTR 6 ISD returns
- ANX -2 captures details in three table namely

Table 3 : Inward supplies received from registered persons/Import of goods/Import of goods from SEZ on Bill of entry. There are three parts to Table 3 namely

- a. Table 3A :** Supplies received from registered persons including services received from SEZ unit. This will flow from corresponding fields of ANX 1
- b. Table 3B :** Import of goods from SEZ unit on Bill of entry – Data will flow to this table from ICE Gate site when the same becomes operational and thereafter table 3J of ANX - 1 will be discontinued. Till such time ITC will directly flow to RET -1 return from the data captured in ANX -1
- c. Table 3C :** Import of goods on Bill of entry - Data will flow to this table from ICE Gate site when the same becomes operational and thereafter table 3K of ANX -1 will be discontinued. Till such time ITC will directly flow RET -1 return from the data captured in ANX -1

Content of ANX - 2

Table 4 : Summary of Credits showing separately credits on documents which are rejected by Recipient, Credits on documents which are kept pending by the Recipient and credits on documents which are accepted by the Recipient

Table 5 : ISD credits received from GSTR 6 return

Steps for preparing of ANX - 2

- Action can be taken in ANX -2 in online mode by any one of the following methods after logging to portal using user credentials. The same can be done if number of documents are not more than 500 or
- In online mode Login to the GST portal using your credentials and download Form GST ANX-2 JSON file
- Thereafter in offline mode open the downloaded ANX-2 JSON file in the GST Offline Tool and take action of accept/reject/keep pending on the auto populated details.
- Action of accept/reject/keep pending can be taken in the Offline tool only. Such action cannot be taken in downloaded excel or .CSV files
- Action of accept/reject/pending can be taken in Table 3A only. Table 4, 5 and 6 are for view only
- Action of accept/reject/keep pending can be taken any number of times till the RET -1 return is filed by the Recipient

Steps for preparing of ANX - 2

- Generate JSON file from the Offline tool after taking the required corrections
- Thereafter in online mode upload the JSON file on the GST portal
- Online portal will take some time to process the file and in case of validation error, system will process the files with error. The status of processing will be reflected as under
 - ✓ In processing
 - System is in the process of validating data
 - ✓ Processed successfully
 - All fields validated and processed successfully
 - ✓ Could not be processed
 - Validation completely failed
 - ✓ Processed with error
 - Data validated with errors
- If processed with error download the error JSON file. The error JSON file will contain only the data processed with errors and not the entire data
- Import Error JSON file in the offline tool and take action for correcting the errors in the Offline tool
- After correcting errors generate JSON file again from the Offline tool

Action types to be taken in ANX – 2

Actions	Reasons for action	Status of action
Accept	Details of inward supply are correct in all respect	Credit will flow in Recipients RET -1 return basis all documents accepted till 10 th of next month
Reject	Details of inward supply are not correct	Will flow to suppliers ANX 1 for taking corrective action by the supplier
Pending	Recipient has not received supply or is unable to take decision	Will continue to appear in ANX 2 return for the next period

Other points for ANX – 2

- Documents which are not marked under any of the category of accept/reject/pending will be deemed as accepted by the Recipient
- Recipient cannot take any other action other than action related to accept, reject or keep such documents pending
- Editing of documents can be done by the supplier only. Editing can be done only on documents rejected by Recipient. Editing cannot be done on documents accepted or kept pending by the Recipient, however, such documents will be available for view by the Supplier
- ANX – 2 provides option to select data in Table 3A either 'Supplier wise' or 'Document' wise. Action of accept/reject/keep pending can be taken accordingly i.e. individually for each document or for the entire supplier or Document at one go

Other points of ANX – 2

- ITC entitlement in the case of inter state supply where place of supply is different from the place of registration of the Recipient also needs to be selected as 'yes' or 'no', If yes is selected then ITC is available.
- However where POS of supply lies in suppliers state only then there is no option to select 'yes' and credit is not eligible
- **There is a provision to avail provisional credit on missing invoices also. If the supplier does not upload details of such invoices credit availed needs to be reversed. Such missing invoices needs to be declared by Recipient if the Supplier fails to report the same for two tax periods in the case where Recipient files monthly returns and for one tax period in the case of quarterly return filers**
- **Accordingly ITC can be availed by Recipient on such missing invoices also. Where supplier subsequently uploads such missing invoices credit flowing from ANX -1 to Recipients ANX -2 and from there to his RET -1 return needs to be reversed in table 4B(3). Otherwise there will be double credit availed on such documents.**

RET – 1 Normal [Monthly/Quarterly Return]

- Taxpayers filling Quarterly return can upload details of all the Tables of their ANX 1 form
- Taxes for the first two months of the quarter are to be paid by filling form PMT – 08. Taxes for the third month of the quarter needs to be paid along with the RET -1 quarterly return. Credit of taxes paid in the first two month in form PMT-08 will be given in the quarterly RET -1 return
- Auto-populated details of inward supply in Form ANX -2 needs to be downloaded for taking action namely accept/reject/pending.
- The Input tax credit available to such persons in their RET -1 return will flow from the said ANX 2 on which necessary action has been taken
- There is a provision to avail provisional credit on missing invoices also but details of the same needs to be reported after two tax periods by the recipient in his ANX -1 form. If the supplier does not upload details of such invoices credit availed needs to be reversed.
- Quarterly normal return in form RET -1 needs to be filed on 20th of the month following the relevant quarte

Content of RET – 1 Normal [Monthly/Quarterly] return

Sr No	Table Content	Flowing from corresponding Table of ANX -1 / User input	Table requirement
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Table 3A : Details of outward supply

1	Supplies made to unregistered persons/consumers (B2C)	Auto flowing from table 3A	
2	Supplies made to registered persons (B2B)	Auto flowing from table 3B	
3	Export of goods and services with payment of duty	Auto flowing from table 3C	
4	Export of goods and services without payment of duty	Auto flowing from table 3D	
5	Supply to SEZ with payment of tax	Auto flowing from table 3E	

Content of RET – 1 Normal [Monthly/Quarterly] return

Sr No	Table Content	Flowing from corresponding Table of ANX -1 / User input	Table requirement
Table 3A : Details of outward supply			
6	Supply to SEZ without payment of tax	Auto flowing from table 3F	
7	Supplies treated as deemed export	Auto flowing from table 3G	
8	Any liability for period prior to introduction of new return system	To be reported manually	
9	Sub-Total Liability	Auto	

Content of RET – 1 Normal [Monthly/Quarterly] return

Sr No	Table Content	Flowing from corresponding Table of ANX -1 / User input	Table requirement
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Table 3B : Details of inward supply attracting reverse charge

1	Inward supplies attracting reverse charge	Auto flowing from table 3H	
2	Import of Services	Auto flowing from table 3I	
3	Sub-Total	Auto	

Content of RET – 1 Normal [Monthly/Quarterly] return

Sr No	Table Content	Flowing from corresponding Table of ANX -1 / User input	Table requirement
Table 3C : Details of Debit/Credit notes, advances received and adjusted and other reduction in liability			
1	Debit notes	Auto flowing from respective columns of ANX -1	
2	Credit notes	Auto flowing from respective columns of ANX -1	
3	Advances received	To be reported manually	Advances for services to be reported here and tax liability on the same also needs to be reported

Content of RET – 1 Normal [Monthly/Quarterly] return

Sr No	Table Content	Flowing from corresponding Table of ANX -1 / User input	Table requirement
Table 3C : Details of Debit/Credit notes, advances received and adjusted and other reduction in liability			
4	Advances adjusted	To be reported manually	Advances pertaining to previous tax periods adjusted in the current tax period needs to be reported
5	Reduction in output tax liability on account of any reason	To be reported manually	
6	Sub-Total	Auto	

Content of RET – 1 Normal [Monthly/Quarterly] return

Sr No	Table Content	Flowing from corresponding Table of ANX -1 / User input	Table requirement
Table 3D : Details of supplies having no liability			
1	Exempted or Nil rated	To be reported manually	
2	Non GST supplies	To be reported manually	No supply and schedule III supply also to be reported here
3	Outward supply attracting reverse charge in the hands of recipient	To be reported manually	
4	Supply of goods by SEZ to DTA where recipient files BOE	To be reported manually	
3E	Total value and Tax liability		

Content of RET – 1 Normal [Monthly/Quarterly] return

- **Table 4** : Pertains to summary of inward supply for claiming Input Tax credit which flows from ANX -2 and certain tables of ANX -1. This table also contains details of reversal of credits on account of various reasons such as documents accepted previously but rejected in current tax period, Supplies not eligible for credit, missing documents uploaded by supplier on which recipient has already availed credit, reversal on account of Rule 37 – non payment of consideration within 180 days, Rule 39 – ISD reversals, Rule 42 – apportionment of credit between taxable and exempt supplies, Rule 43 – apportionment of Capital goods credit between taxable and exempt supply
- **Table 5** : Pertains to TDS and TCS credits received in Electronic cash ledger
- **Table 6** : Pertains to Interest and late fees liabilities
- **Table 7** : Pertains to payment of Tax
- **Table 8** : Pertains to Refund claimed from Electronic cash ledger

RET – 2 Sahaj [Quarterly]

- Taxpayers having T.O. of upto 5 crores in preceding Financial year & making supplies to only consumers & unregistered persons can opt for filling the Sahaj return
- Taxpayers filling Sahaj return can upload details of the following tables in their ANX 1 form namely
 - ✓ Table 3A – Details of supplies made to consumers and unregistered persons
 - ✓ Table 3H - Details of inward supplies attracting reverse charge
- Taxes for the first two months of the quarter are to be paid by filling form PMT – 08. Taxes for the third month of the quarter needs to be paid along with the RET -2 quarterly return. Credit of taxes paid in the first two month in form PMT-08 will be given in the quarterly return
- Auto-populated details of inward supply in Form ANX -2 needs to be downloaded for taking action namely accept/reject/pending. The Input tax credit available to such persons in their RET -2 return will flow from the said ANX 2 on which necessary action has been taken

RET – 2 Sahaj [Quarterly]

- For Sahaj return filers there is no provision to avail provisional credit on missing invoices not uploaded by supplier
- Sahaj return filers can also declare Nil rated, exempted or non GST supplies in the return
- Sahaj return in form RET -2 needs to be filed on 20th of the month following the relevant quarter
- E-com operators cannot file Sahaj return

RET – 3 Sugam [Quarterly] return

- Taxpayers having aggregate Turnover of upto 5 crores in preceding Financial year and making supplies to registered persons as well as consumers and unregistered persons can opt for filling the Sahaj return.
- Taxpayers filling Sahaj return can upload details of the following tables in their ANX 1 form namely
 - Table 3A – Details of supplies made to consumers and unregistered persons
 - Table 3B - Details of supplies made to registered persons
 - Table 3H - Details of inward supplies attracting reverse charge
- Taxes for the first two months of the quarter are to be paid by filling form PMT – 08. Taxes for the third month of the quarter needs to be paid along with the RET -1 quarterly return. Credit of taxes paid in the first two month in form PMT-08 will be given in the quarterly RET -3 return

RET – 3 Sugam [Quarterly] return

- Auto-populated details of inward supply in Form ANX -2 needs to be downloaded for taking action namely accept/reject/pending. The Input tax credit available to such persons in their RET -3 return will flow from the said ANX 2 on which necessary action has been taken
- For Sugam return filers there is no provision to avail provisional credit on missing invoices not uploaded by Supplier
- Sugam return filers can also declare Nil rated, exempted or non GST supplies in the return
- Sugam return in form RET -3 needs to be filed on 20th of the month following the relevant quarter
- Ecom operators cannot file Sugam return

Certain precautions to be taken while filing the forms and returns

- For bulk uploading of documents in ANX 1 or where ANX 1 template is generated from accounting software of clients, the same needs to be generated in .CSV file in the format specified by the GST offline return utility
- Invoice number can have maximum sixteen digits in any alpha-numeric combination with special characters Hyphen '-' or slash '/' allowed. Any other characters will not be accepted by the system
- Details of shipping bill number and date can be entered later if the same is not available in the current tax period
- Inputs for reporting amounts should not be more than 13 digits and two decimals.
- Taxpayers filling quarterly – Normal return can switch over to Sugam or Sahaj only once in a financial year at the beginning of any quarter

Certain precautions to be taken while filing the forms and returns

- Taxpayers filling quarterly – Sugam can switch over to Sugam only once in a financial year at the beginning of any quarter
- Taxpayers filling Sahaj can switch over to Sugam or Quarterly normal more than once in a financial year at the beginning of any quarter
- Taxpayers filling Sugam can switch over to Quarterly normal more than once in a financial year at the beginning of any quarter

Concept of matching invoices

For matching invoices entered in Purchase registers of Tax payer with entries reflecting in ANX -2 the details of entries in Purchase register needs to be entered in the Excel template provided in the GST offline return utility. In the excel template the following details needs to be captured

GSTIN of supplier	Trade/Legal name	Type of inward supplies	Doc. Type	Doc. number	Doc. date	Tax. value	Total tax	Integr. tax	Central tax	State/ UT tax	Cess
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- Taxpayer can match the auto drafted documents in GST ANX-2 with the purchase register. Taxpayer first opens the ANX-2 JSON file (downloaded from GST portal) by clicking on 'Open Annexure of Inward supplies (ANX-2).
- Then, navigate to GST ANX-2 Dashboard > Matching Tool > Import Purchase Register to import the purchase register (maintained in template provided along with the tool)

Concept of matching invoices

Once both files are successfully processed by tool, taxpayer may proceed with matching. Matching enables the taxpayer to recognize the differences in the documents uploaded by the supplier and auto-drafted in GST ANX-2 as compared to details recorded in his purchase register

Categories of matching results:

1. Exact match for all 7 parameters on the basis of following parameter:

- GSTIN
- Document type
- Document number
- Document date
- Total taxable value
- Total tax amount
- Tax amount headwise

Concept of matching invoices

2. Partial Match where there is match in:

GSTIN & Document type matched but only one of the following is mismatched

- Document number
- Document date
- Total taxable value
- Total tax amount
- Tax amount headwise

3. Probable match if there is match in following parameters

- Document number
- Document date
- Total taxable value
- Total tax amount
- Tax amount headwise

But there is mismatch in one of the following parameters

GSTIN or Document type

Concept of matching invoices

4. Unmatched if following parameters match namely:

- **GSTIN**
- **Document type**
- **Document number**
- **Document date**

but there is a mismatch in one or more of following parameters
(here user can set tolerance limit also)

- **Total taxable value**
- **Total tax amount**
- **Total amount head wise**
- **Integrated tax**
- **Central tax**
- **State tax**
- **Cess**

Concept of matching invoices

5. In GST ANX-2 but not in Purchase register:

All documents that is there in ANX-2, but is not there in purchase register

6. In PR but not in GST ANX – 2

All documents that is there in Purchase register but not there in ANX -2

Some features of matching tool:

- Tolerance limit can be set for monetary values and matching tool will match fields in the said tolerance limit
- Approximation logic can be selected for document number in which case certain fields such as special characters, prefix or suffix as zero etc. will be ignored while matching

Supplier

- Outward supply documents will be uploaded by the supplier in ANX – 1 till 10th of the following month
- Based on the type of return selected by the supplier only relevant fields will be activated to declare the details in the said annexure e.g. for RET – 2 (Sahaj) return fields to declare of B2C & inward supply under RCM will be available



Taxpayer wise action details will be available on GST officers dashboard

Recipient

- Recipient will have to take actions on documents uploaded by the supplier as under:
 - Till 10th – Accept or lock/unlock
 - After 10th – Accept, Reject or keep pending
- Filing of RET – 1/2 & 3 will be treated as deemed filing of ANX – 2. However, no action will be allowed between 18th to 20th of next following month & 23rd to 25th for quarterly return



E-invoicing

Current status of E-invoicing

- Separate reporting of invoice data for GST Return and e-way Bill
- Both have different formats and hence the taxpayer has to prepare them every time
- The format of reporting in GSTR-1 and that for e-way bill are different from original invoice
- Lots of errors creep in in manual processing by businesses
- It involves lot of paper use, use of courier etc.
- Unscrupulous elements generate fake invoices, push them in the GST system and vanish

What is E-invoicing?

- It is a misconception that 'E-invoicing' or 'electronic invoicing' means generation of invoice on an electronic portal run by the Government. In fact e-invoicing is a system in which B2B invoices issued by suppliers are uploaded on an e-portal notified by the Government and authenticated electronically by such e-portal for further use in various compliances such as preparation of GST returns, e-way bills etc. on the GST system
- Once uploaded by the supplier the notified e-portal [Invoice Registration Portal ('IRP') to be managed by the GST Network] will generate an identification number [Invoice Reference Number ('IRN')] against every invoice
- Once the system becomes operational there is no need for manual data entry while filing the new GST returns. Further part-A of the e-way bill will also be generated automatically once, the e-invoice is uploaded on the GST portal
- The suppliers will continue to generate invoice using their regular software system. However, details of the invoice will also be uploaded on the e-invoice portal

What is E-invoicing?

- Further, the e-invoicing process is required to be followed not only in case of invoices, but also in other relevant documents under GST Law such as credit note, debit note etc.

Features of E-invoicing

- E-invoice will be created by Taxpayers on their own accounting/billing/ERP System
- The e-invoice, as prepared will be reported on IRP
- IRP will generate unique IRN which will be attached on the e-invoice and system will digitally sign the same and return to taxpayer (supplier) as well as recipient
- The IRP will also generate a QR code containing the unique IRN along with some important parameters of invoice like GSTIN of supplier and buyer, invoice number, date, invoice value, total tax amount and HSN code of major item
- QR code will enable Offline verification using MobileApp
- Multiple IRP to ensure uninterrupted availability.
- To start with NIC will be the first Registrar. Based on experience of the trial more registrars will be added

Basic concepts

Digital Signing by e-Invoice Registration Portal:

- The invoice data will be uploaded on the IRP, which will generate IRN.
- The GSTN will verify IRN so as to ensure that it is unique and then will digitally sign it with the private key of the IRP
- The taxpayer as an alternative can generate IRN independently before pushing data to IRP
- The GSTN will be required to validate even such IRN
- The IRP will sign the e-invoice with IRN, and such e-invoice digitally signed by the IRP will be a valid e-invoice which can be used by GST/E-Way bill system

Basic concepts

- **QR Code:**

The IRP will also generate a QR code containing the unique IRN ('hash') along with some important parameters of invoice and digital signature so that it can be verified on the central portal as well as by an Offline App. This will be helpful for tax officers checking the invoice on the roadside where Internet may not be available all the time. The web user will get a printable form with all details including QR code.

The QR code will consist of the following e-invoice parameters:

- a) GSTIN of supplier & Recipient
- b) Invoice number as given by Supplier
- c) Date of generation of invoice
- d) Invoice value (taxable value and gross tax)
- e) Number of line items
- f) HSN Code of main item (the line item having highest taxable value)
- g) Unique Invoice Reference Number (hash)

Applicability of e-invoicing provision from 1 April 2020

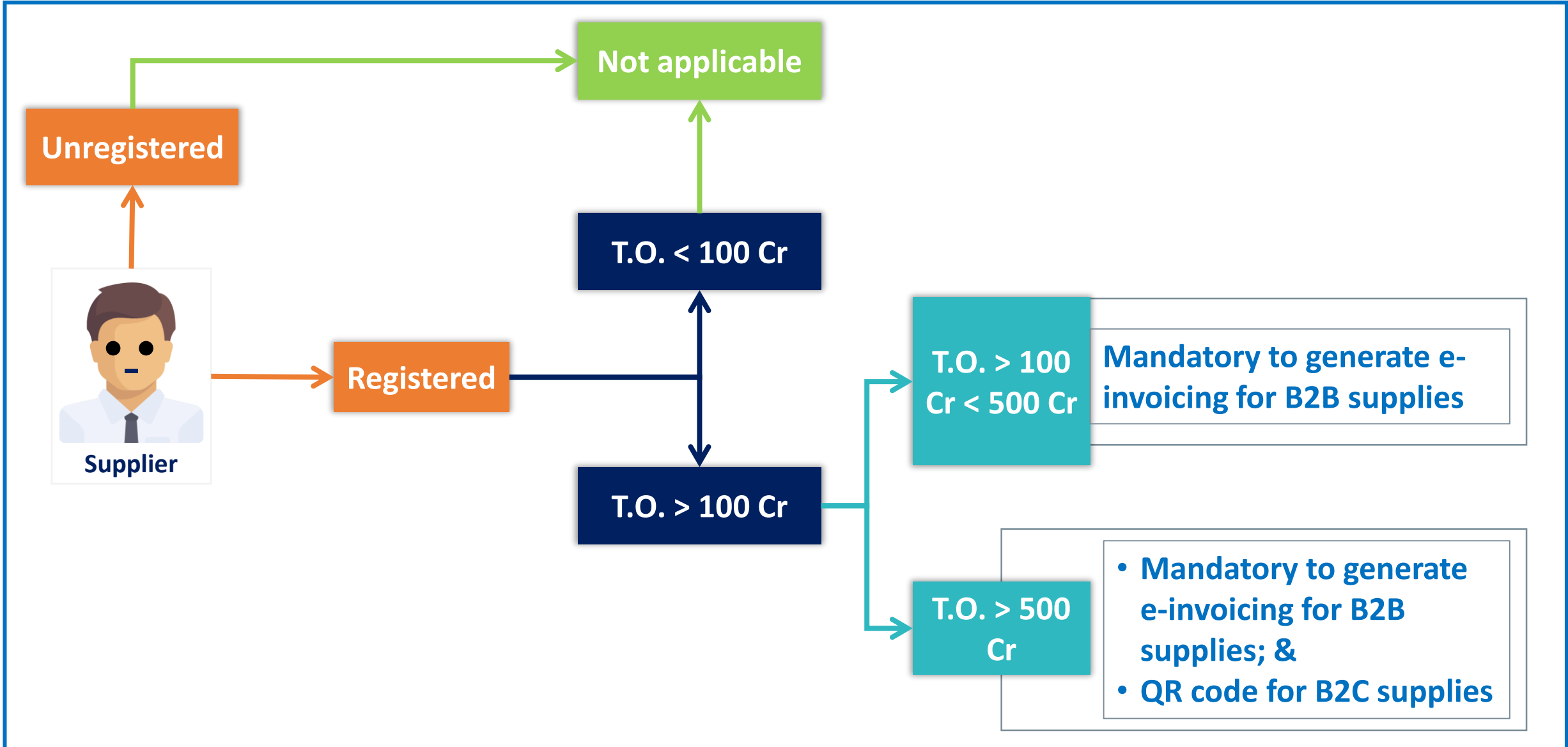
Supply(ies) to Registered person (B2B supplies):

- A registered person whose aggregate turnover in a financial year **exceeds INR 100 Crs**, will be required to prepare an 'e-invoice' in terms of Rule 48 (4) of CGST Rules, 2017 where Form GST INV- 01 containing various particulars is required to be uploaded on specified GST portal to generate IRN

Supply(ies) to Unregistered person (B2C supplies):

- Further, invoice issued to an unregistered person i.e. B2C by a registered person whose aggregate turnover in a financial year **exceeds INR 500 Crs**, is required to contain QR Code to be generated
-
- *List of 10 websites is notified as Common GST Electronic Portal for the generation of the IRN*
 - *Invoices not issued as above shall be treated as invalid under GST*

Flow chart on applicability of e-invoicing provision from 1 April 20



Stake holders & modes of generation of e-invoicing

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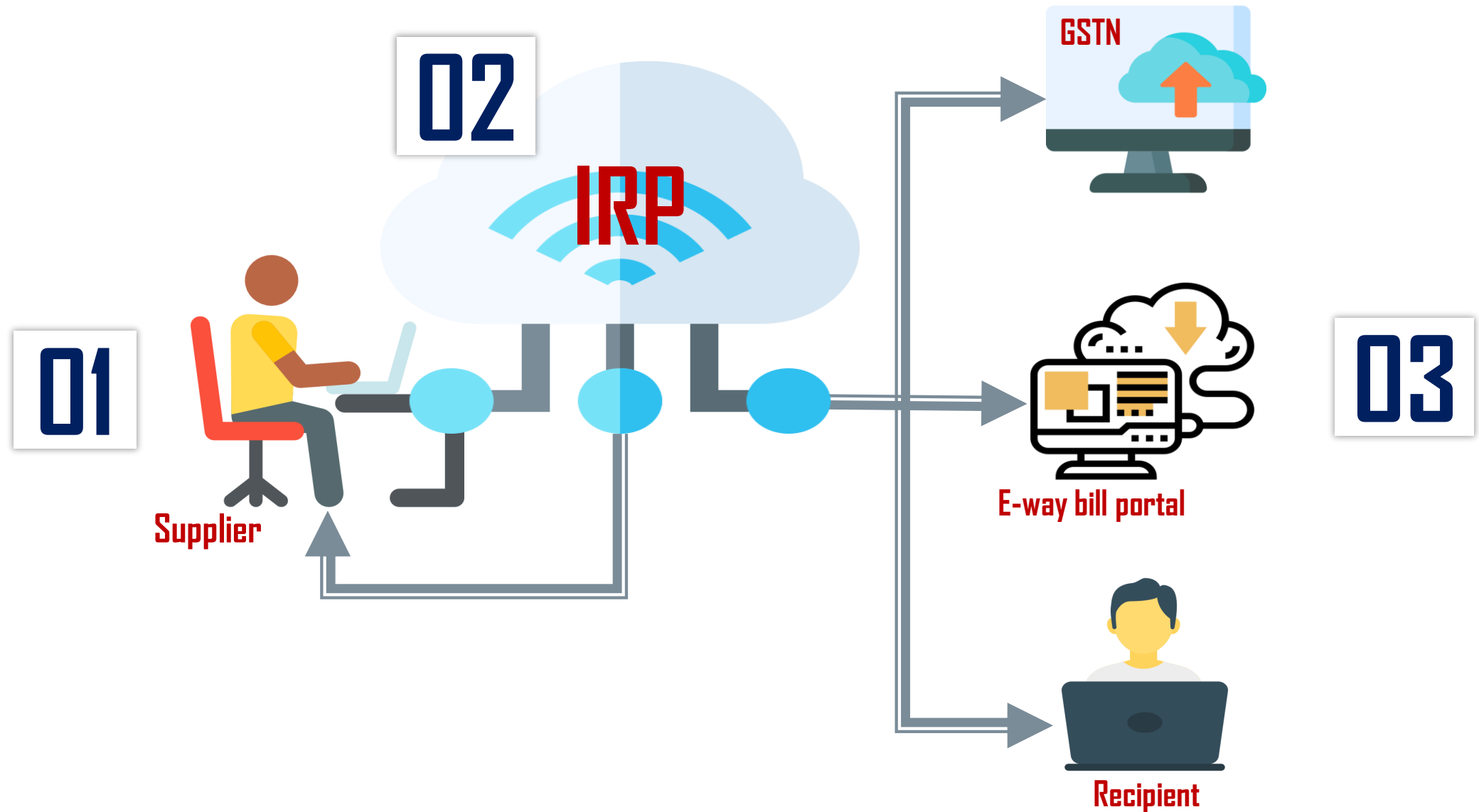
- **Supplier**: Generation of e-invoice will be the responsibility of taxpayer who will be required to report the same to Invoice Registration Portal ('IRP') in JSON file format prepared using schema generated by the respective software
- **Invoice Registration Portal ('IRP')/'Registrar'**: IRP will be responsible to generate unique Invoice Reference Number ('IRN'), digitally sign the e-invoice, to generate a QR code and to communicate the same to respective stake holders
- **GST system**: The GST System will update the ANX-1 of the seller and ANX-2 of the buyer, which in turn will determine respectively the liability and ITC
- **Recipient**: Recipient will receive e-invoice from IRP duly updated in his ANX-2 and then he is required to take necessary action
- **E-way bill system**: E-Way bill system will create Part-A of e-way bill using e-invoicing data. The person responsible will have to fill part-B for generation of e-way bill at the time of movement of the goods

Stake holders & modes of generation of e-invoicing

M O D E S

- Web based
- API based
- SMS based
- Offline tool based
- GSP based

Process flow under e-invoicing system



E-invoicing

E-invoice does not mean generation of invoice on any specified Government portal. It means that the Government portal namely Invoice Registration Portal (IRP) will generate or validate a unique number known as Invoice reference number for each document uploaded by the user.

Documents that are to be uploaded to IRP for generation of mandatory IRN are

- Invoice
- Credit Note
- Debit Note
- Any other document notified by the Government

E-invoicing

- IRN is a unique number (also known as hash) generated by the IRP using a hash generation algorithm.
- A hash generation algorithm is a function that converts a message or a string consisting of characters (alphabets + numbers + certain special characters) into a series of numbers such that the resulting numbers cannot indicate the original message and have a unique one time combination.
- Hash algorithm for IRP generation is SHA-256 which is a Cryptographic Hash Algorithm.
- A cryptographic hash is a kind of 'signature' for a text or a data file. SHA-256 generates a 64 character unique number which is dependent on user input
- User input for generation of Hash or IRN is
`<Supplier GSTIN><Fin. Year><Doc Type> <Doc Number>`
- Illustration of HASH of user input “01AAAAB1234C1Z02019-20INVAB1234” is
`35054cc24d97033afc24f49ec4444dbab81f542c555f9d30359dc75794e06bbe`

E-invoicing

- Invoices under the new e-invoicing system will continue to be prepared using any software that a business entity uses to generate invoices. However, they will have to conform to the prescribed standard and parameters
- Accounting software of Clients should be able to generate JSON files of the invoices.
- Those who do not use any accounting software or IT tool to generate the invoice, will be provided an offline tool to key-in data of invoice and then submit the same. The small and medium size taxpayers (having annual turnover below Rs 1.5 Crores) can avail accounting and billing system being offered by GSTN free of cost

E-invoicing

- JSON files need to capture the mandatory details as required by IRP for generation of IRN and QR code. Further Client software solution providers also need to make necessary updates in the software so as to enable Clients to generate JSON file capturing other essential details required (apart from mandatory details required by IRP) in the invoices of such clients.
- The e-invoice standardized schema has mandatory and optional items. The e-invoice shall not be accepted in the GST System unless all the mandatory items are present.

E-invoicing

- Mandatory details required by the IRP are
Invoice Type/Invoice Type Code/ Supplier GSTIN/Invoice number/Invoice Date/Reverse Charge
- Details of Receiver (Billed to) namely – **GSTIN / State code / Place / Pin-code**
Item Description / Quantity / Rate / Assessee Value / GST Rate / IGST Value / CGST Value / SGST Value / Total Invoice Value / Unique Identification Number
- Details of Consignee (Shipped to) namely – **ShipTo GSTIN / Ship To State / Supply Type / Transaction Mode**

E-invoicing

After the JSON file is generated either of the following two options can be opted by the clients

Option 1: Upload the JSON of the e-invoice into the IRP without generating the Hash at their end. In this case Hash or unique IRN will be generated by IRP itself

Option 2: Generate the hash at their end using the prescribed hash algorithm and then upload the e-invoice along with the hash into the IRP. Clients accounting software will help in generating HASH. In this case IRP will validate the HASH to check whether it is in the prescribed format

In both the cases, the IRP will perform a de-duplication check where the IRN generated will be checked against the Central Registry of the GST System to avoid any duplication. IRP will also sign it with digital signature and add QR code to the JSON file.

E-invoicing

- The QR code will contain the following details namely GSTIN of seller, GSTIN of buyer, Invoice number, invoice date, invoice value, number of line items, HSN of main item having the highest value, HASH
- In case the same document has been uploaded earlier, the IRP will send an error code back to the seller, when he tries to upload a duplicate e-invoice.
- The IRP will also share uploaded data of accepted document (invoice etc.) with GST and e-way bill system. The GST System will update the ANX-1 of the seller and ANX-2 of the buyer, which in turn will determine liability and ITC.
- The e-invoice schema includes parameters e.g. 'Transporter Id' and 'Vehicle Number' that are required for creating and generating e-way bills. Provision has also been made to enter transporter code and vehicle number, if available with seller at the time of generation of e-invoice. In that case, e-way bill can be prepared fully. The E-Way bill system will accordingly create e-way bill using this data

E-invoicing

- In Application process Interface (API) mode, the tax payers and accounting software providers can interface their systems and pull the IRN after passing the relevant invoice information in JSON format. API request will handle one invoice request at time to generate the IRN. This mode will also be used for bulk requirement (user can pass the request one after the other and get the IRN response within fraction of second) as well.
- The maximum number of line items per e-invoice is 100
- The e-invoice has a provision for capturing discount at line item level.
- The discounting at line item level is to be mentioned only when and if it is applicable in the particular transaction.
- There will be provided a facility for linking multiple invoices in case of debit note/credit note

E-invoicing

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- There will be provided a facility for linking multiple invoices in case of debit note/credit note

E-invoicing

- E-invoicing will also cater to reverse charge mechanism
- E-Invoice can't be partially cancelled. It has to be fully cancelled
- For cancelling E-invoice the same needs to be done within 24 hours. Any cancellation after 24hrs is not be possible on IRP since IRP does not store information for more than 24 hrs. In such cases cancellation of invoices needs to be done on GST portal.

Thank You !



1st floor, Keshav Apartment, Next to Kohinoor Mangal Karyalaya, Lane no.8, Prabhat Road, Pune - 04



020-25421898/ 020-25421012



www.optitaxsconsulting.com

Raveendra Pethe

Senior Advisor

Mobile : +91 9823 010 562

Email : ravi@optitaxsconsulting.com

Sunil Kumar

Senior Advisor

Mobile : +91 9822 529 390

Email : sunil@optitaxsconsulting.com

Amrendra Chaudhri

Senior Advisor

Mobile : +91 9823 445 595

Email : amrendra@optitaxsconsulting.com

Milind Kulkarni

Senior Advisor

Mobile : +91 9823 048 450

Email : milind@optitaxsconsulting.com

Madhav Bapat

Senior Advisor

Mobile : +91 9823 051 284

Email : madhav@optitaxsconsulting.com

Nilesh Mahajan

Consultant

Mobile : +91 8087040710

Email : Nilesh@optitaxsconsulting.com