ANX-1   **Matching Tool**   **ANX-2**   **RET-1/2/3**

New GST Return

Agenda

1 Understanding GST Returns: Intent, Types and Purpose

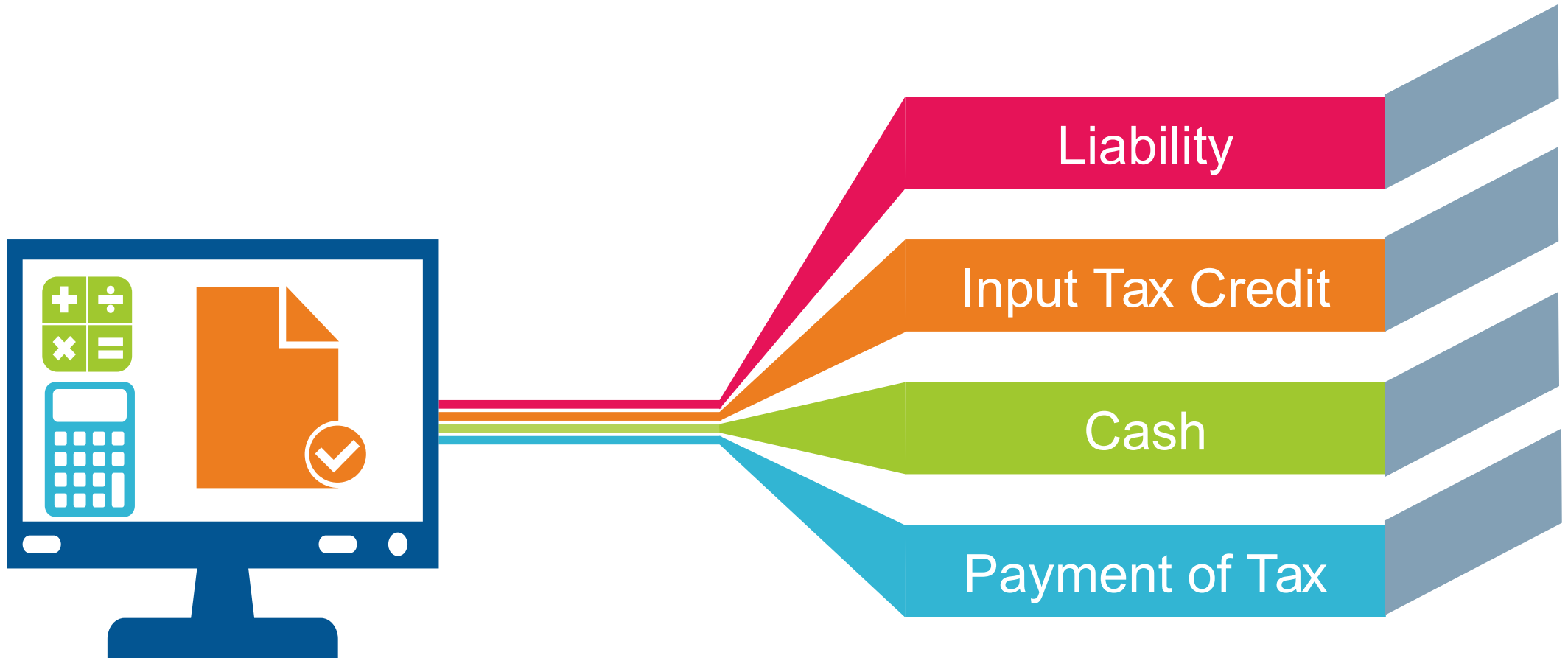**2** New GST Returns: Types and Main Features

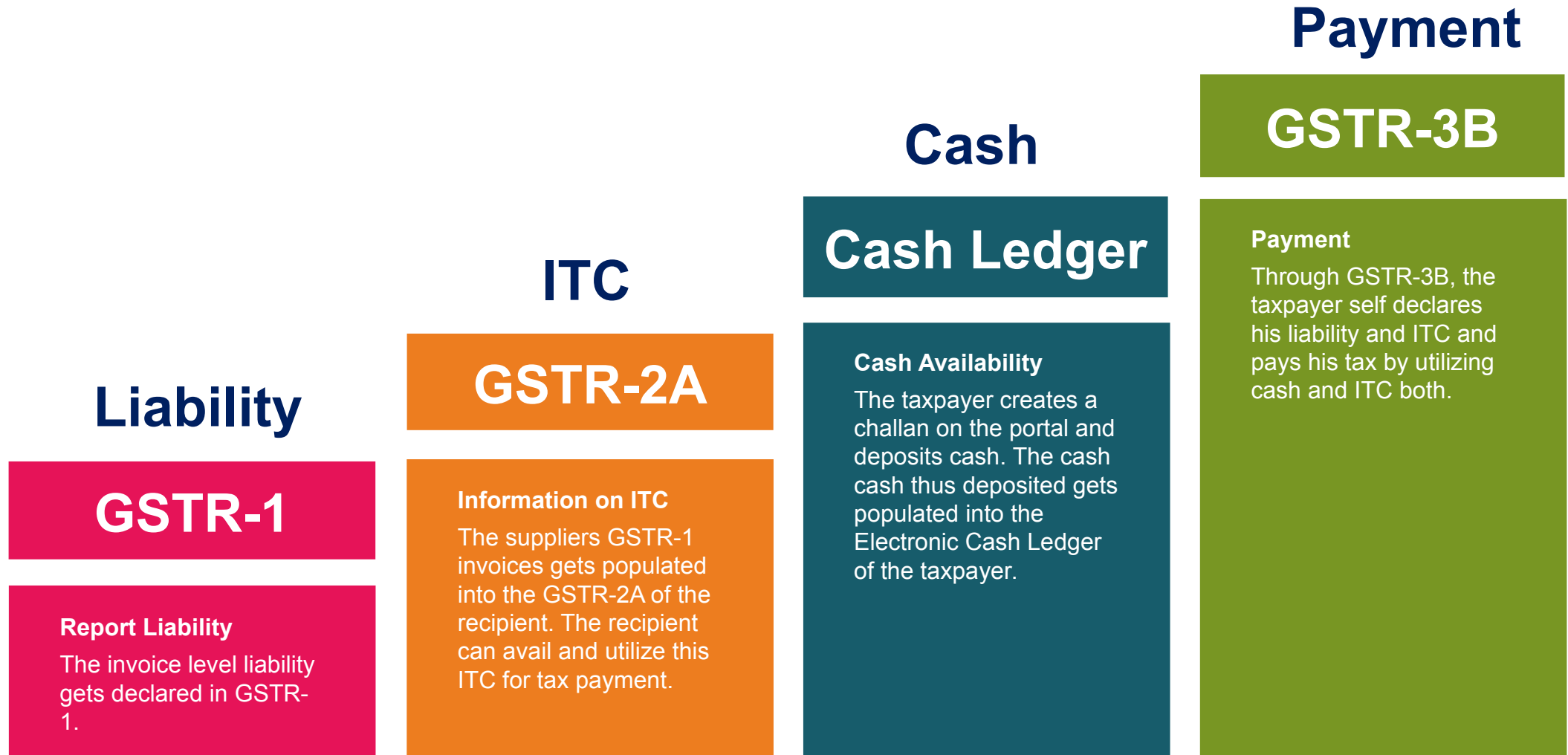**3** Differences between Existing and New Returns
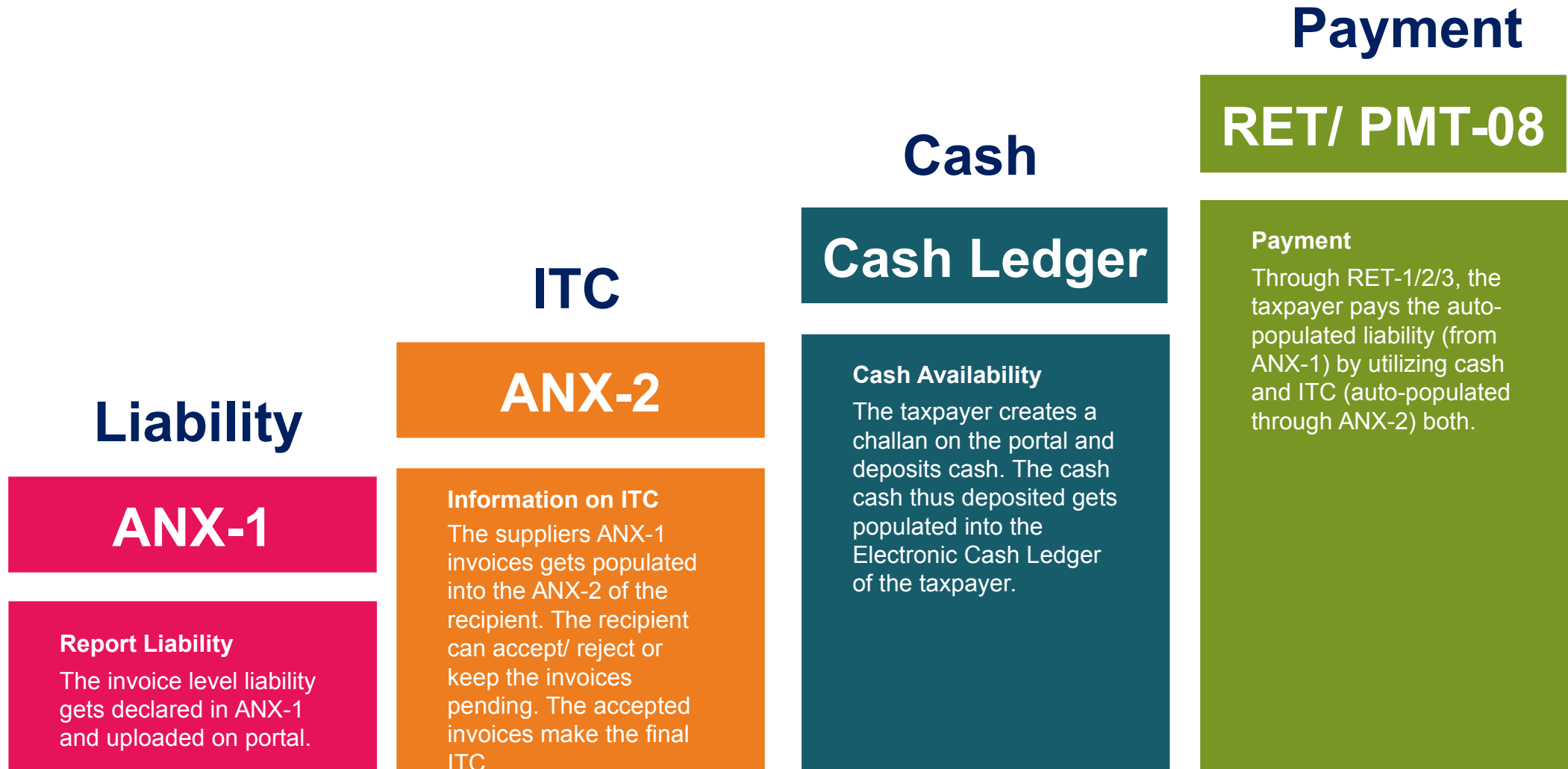
4 Intended Benefits on New Return

5 New Return Offline Tool: Functionalities and Demo

Intent of a GST Return

Liability

Input Tax Credit

Cash

Payment of Tax

Existing Scheme of Returns

Payment

GSTR-3B

Payment
Through GSTR-3B, the taxpayer self declares his liability and ITC and pays his tax by utilizing cash and ITC both.

Cash

Cash Ledger

Cash Availability
The taxpayer creates a challan on the portal and deposits cash. The cash cash thus deposited gets populated into the Electronic Cash Ledger of the taxpayer.

ITC

GSTR-2A

Information on ITC
The suppliers GSTR-1 invoices gets populated into the GSTR-2A of the recipient. The recipient can avail and utilize this ITC for tax payment.

Liability

GSTR-1

Report Liability
The invoice level liability gets declared in GSTR-1.

New Scheme of Returns

Payment

RET/ PMT-08

Payment

Through RET-1/2/3, the taxpayer pays the auto-populated liability (from ANX-1) by utilizing cash and ITC (auto-populated through ANX-2) both.

Cash

Cash Ledger

Cash Availability

The taxpayer creates a challan on the portal and deposits cash. The cash cash thus deposited gets populated into the Electronic Cash Ledger of the taxpayer.

ITC

ANX-2

Information on ITC

The suppliers ANX-1 invoices gets populated into the ANX-2 of the recipient. The recipient can accept/ reject or keep the invoices pending. The accepted invoices make the final ITC.

Liability

ANX-1

Report Liability

The invoice level liability gets declared in ANX-1 and uploaded on portal.

Main Features of New Returns

- Option of **quarterly** filing of Return for taxpayers up to 5 Crore Annual Turnover.

- Only payment made by **GST PMT-08**

Simpler *quarterly* returns formats available for small businesses :

- GST RET-2 also called as **SAHAJ** (only B2C)
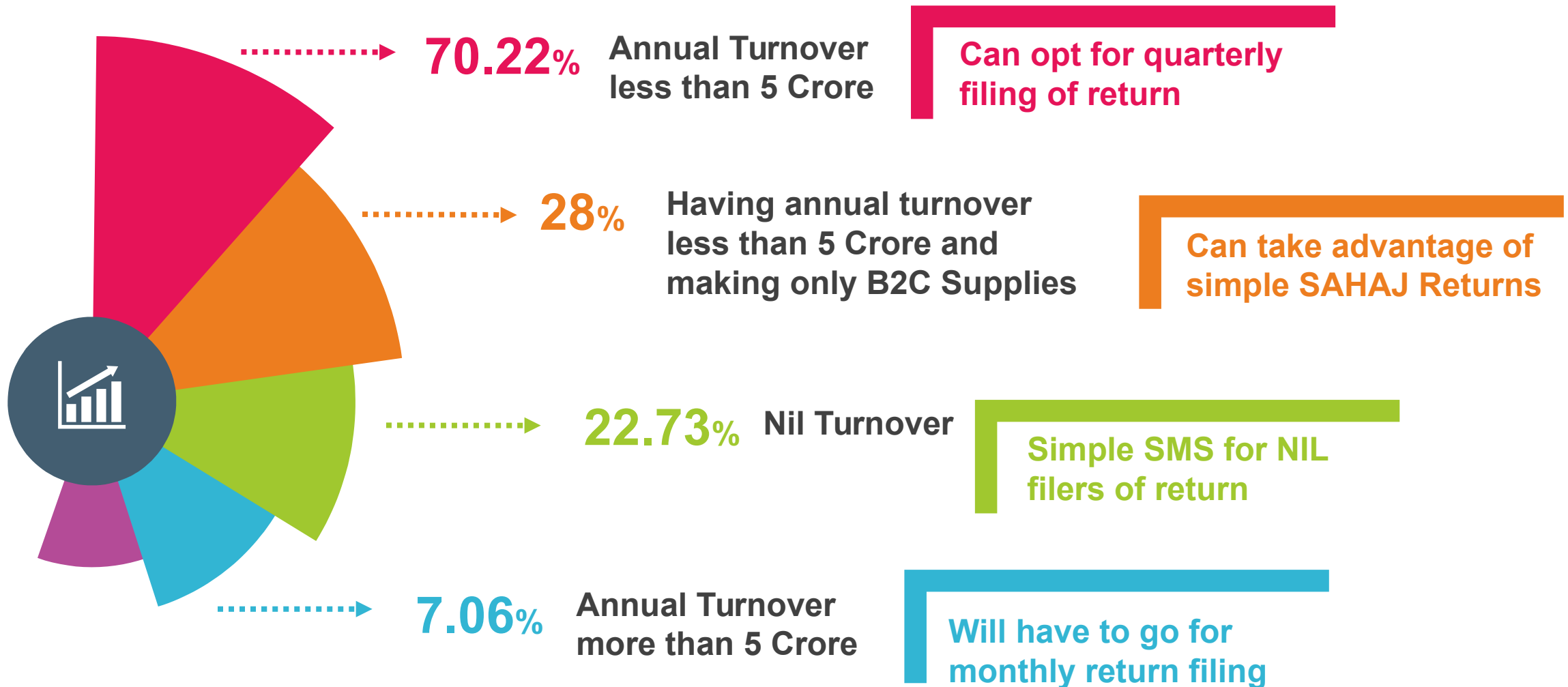
- GST RET-3 also called as **SUGAM** (only B2B & B2C)

Staggered filing (different filing dates) for monthly & quarterly filers :

- 20th for Monthly filers

- 25th for Quarterly filers

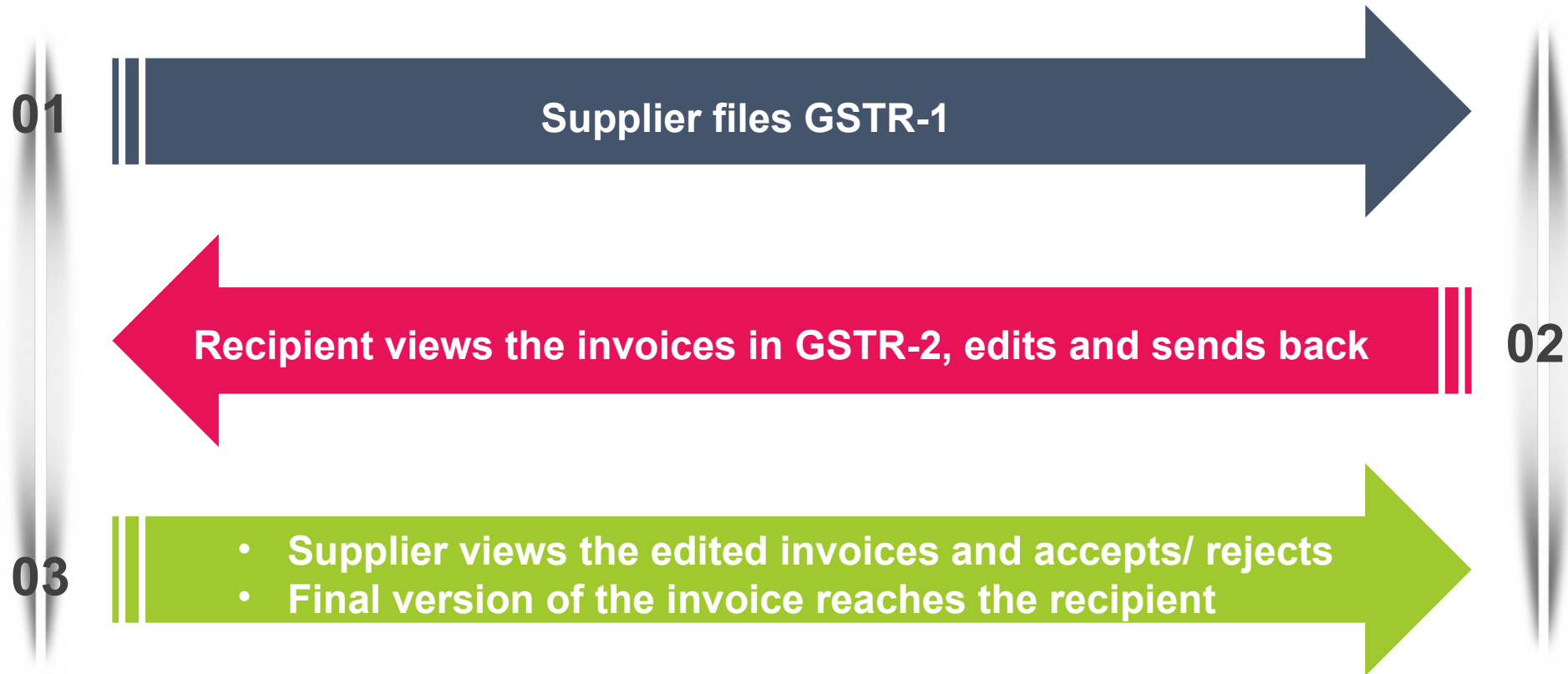- Enriched Offline Tool with Matching Facility.

New GST Returns

RET 1 (Monthly)

RET-1 Monthly (Annual Turnover more than 5 Crore)/ Mandatory
For any category of supplier having an annual turnover of more than 5 Crore.

RET 1 (Quarterly)

RET-1 Quarterly (Annual turnover less than 5 Crore)/ Optional
Suppliers not eligible to file Sahaj or Sugam return but having an annual turnover of less than 5 Crore.

Sugam Return (Only Quarterly)

SUGAM (Annual turnover less than 5 Crore)/ Optional
For suppliers having only B2C and B2B supplies and receiving supplies on reverse charge basis.

Sahaj Return (Only Quarterly)

SAHAJ (Annual turnover less than 5 Crore)/ Optional
For suppliers having only B2C supplies and receiving supplies on reverse charge basis.

Payment on a monthly basis through PMT-08

Turnover-wise Distribution based on GSTR-3B: FY18-19

70.22% Annual Turnover less than 5 Crore

Can opt for quarterly filing of return

28% Having annual turnover less than 5 Crore and making only B2C Supplies

Can take advantage of simple SAHAJ Returns

22.73% Nil Turnover

Simple SMS for NIL filers of return

7.06% Annual Turnover more than 5 Crore

Will have to go for monthly return filing

- Auto-population of key details in returns

- HSN is captured at Invoice level

- Unidirectional flow of Invoices

- Consolidated Credit/Debit Notes

- No separate filing of GST ANX-1 & GST ANX-2. They are deemed to be filed on filing of GST RET-1/2/3

Bidirectional Flow of Invoices
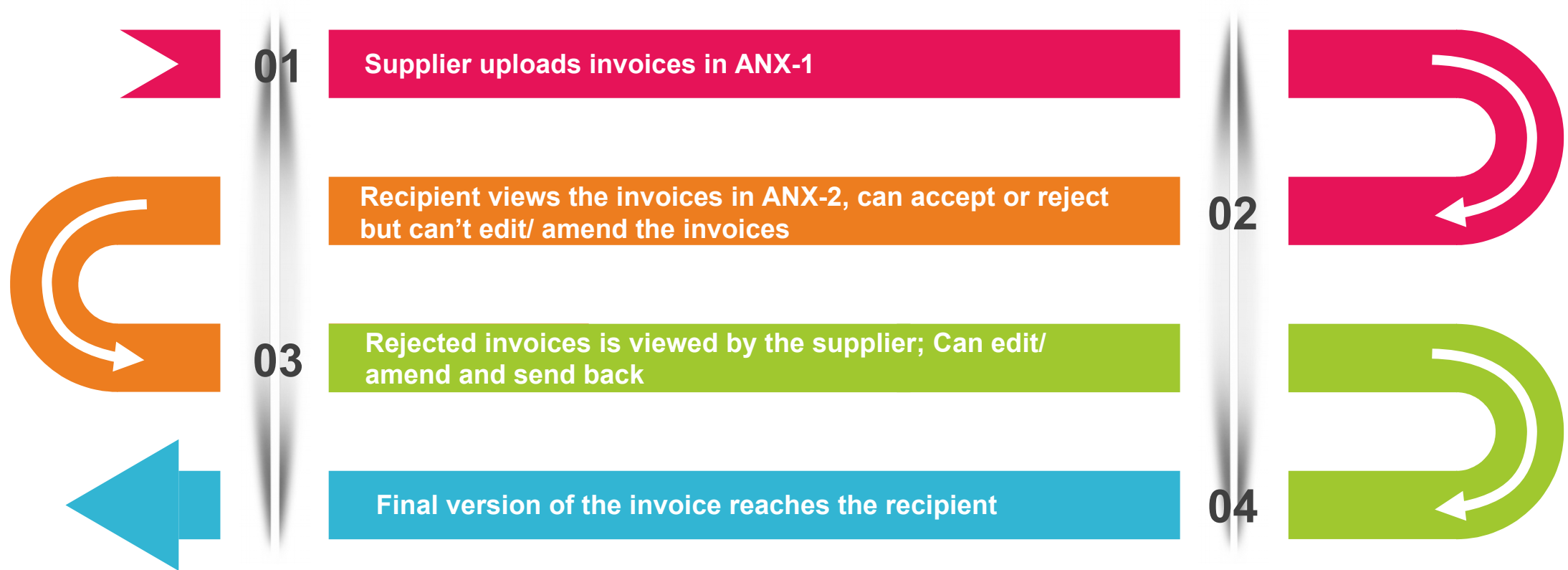
01 → Supplier files GSTR-1

02 ← Recipient views the invoices in GSTR-2, edits and sends back

03 →
- Supplier views the edited invoices and accepts/ rejects
- Final version of the invoice reaches the recipient

Unidirectional Flow of Invoices

01 — Supplier uploads invoices in ANX-1

02 — Recipient views the invoices in ANX-2, can accept or reject but can't edit/ amend the invoices

03 — Rejected invoices is viewed by the supplier; Can edit/ amend and send back

04 — Final version of the invoice reaches the recipient

- Auto-population of key details in returns

- HSN is captured at Invoice level

- Unidirectional flow of Invoices

- Consolidated Credit/Debit Notes

- No separate filing of GST ANX-1 & GST ANX-2. They are deemed to be filed on filing of GST RET-1/2/3

Changing Return Type and Filing Frequency

- **Monthly** filers allowed to file only **GST RET-1**

- **Quarterly** filers allowed to choose from any of the three - **GST RET-1/2/3**

- Taxpayer to select return profile and filing frequency at the start of the Financial Year

- Change of filing frequency not allowed for the same Financial Year

- Changing return type allowed with certain conditions
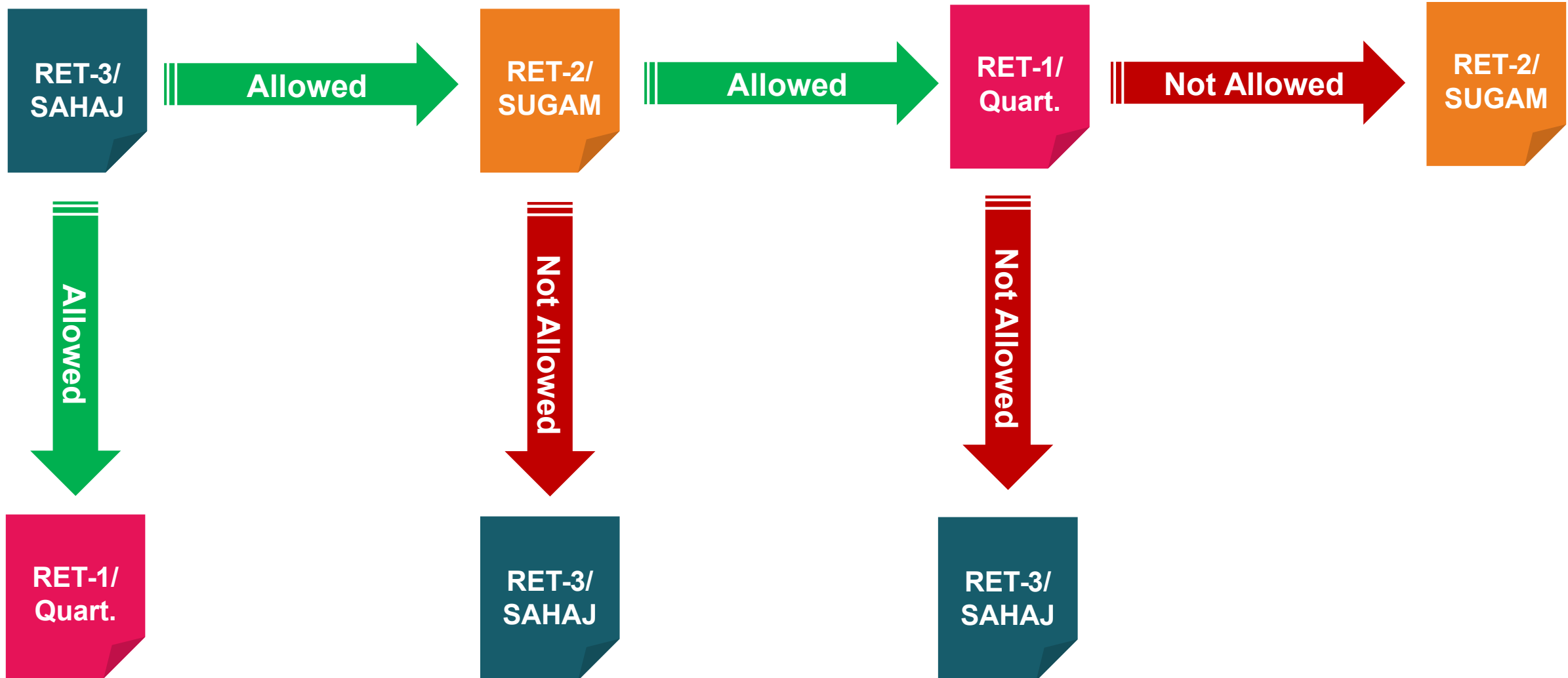
- Consolidated reporting of B2C transactions

- HSN is captured at Invoice level for B2B transactions. Better sectoral analysis possible

- Consolidated reporting of Credit/Debit Notes

- Document wise reporting of Import of Goods for claiming Credit

- Capturing Place of Supply at document level and ensuring smooth Settlement of IGST

- Provision of **Amendment** of Return

- Correlation between the Outward Supplies and Return Form

- Measurable difference between auto-populated Credit and provisional Credit claimed by the recipient

- Informing the return filing status to the recipient in GST ANX-2 (better control over non-filers of return)

- Break-up of reversal of Credit

- Uploading of Invoices can be done throughout the month & Credit can be claimed accordingly

- Auto-populated values in the return for liability and ITC

- Matching tool would be provided to match Purchase Register with inward supply annexure in Form GST ANX-2

- Checking the menace of frauds committed by generation of fake Invoices.

- New return system would deter habitual non-filers as auto-population of Credit would stop in GST ANX-2
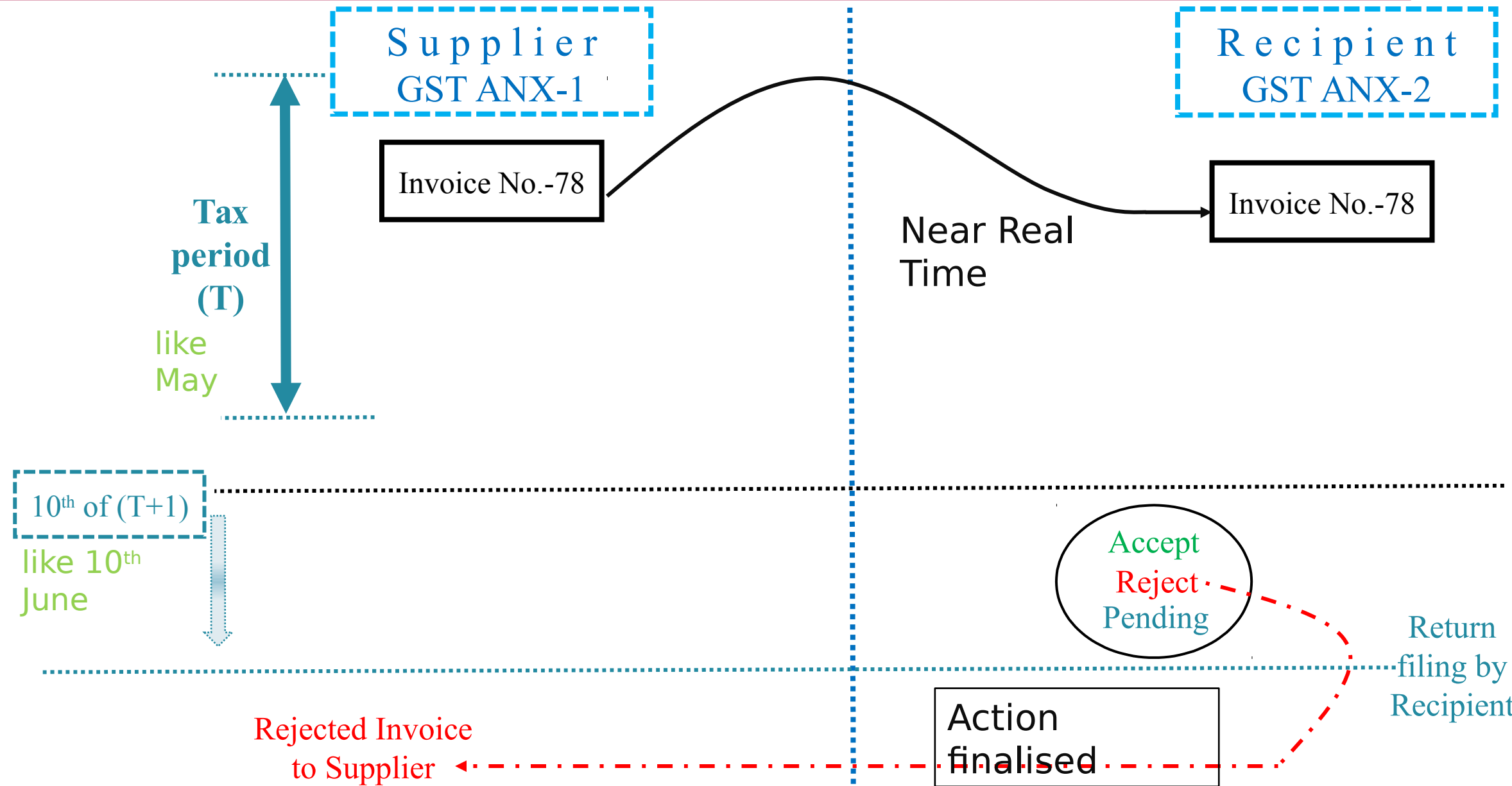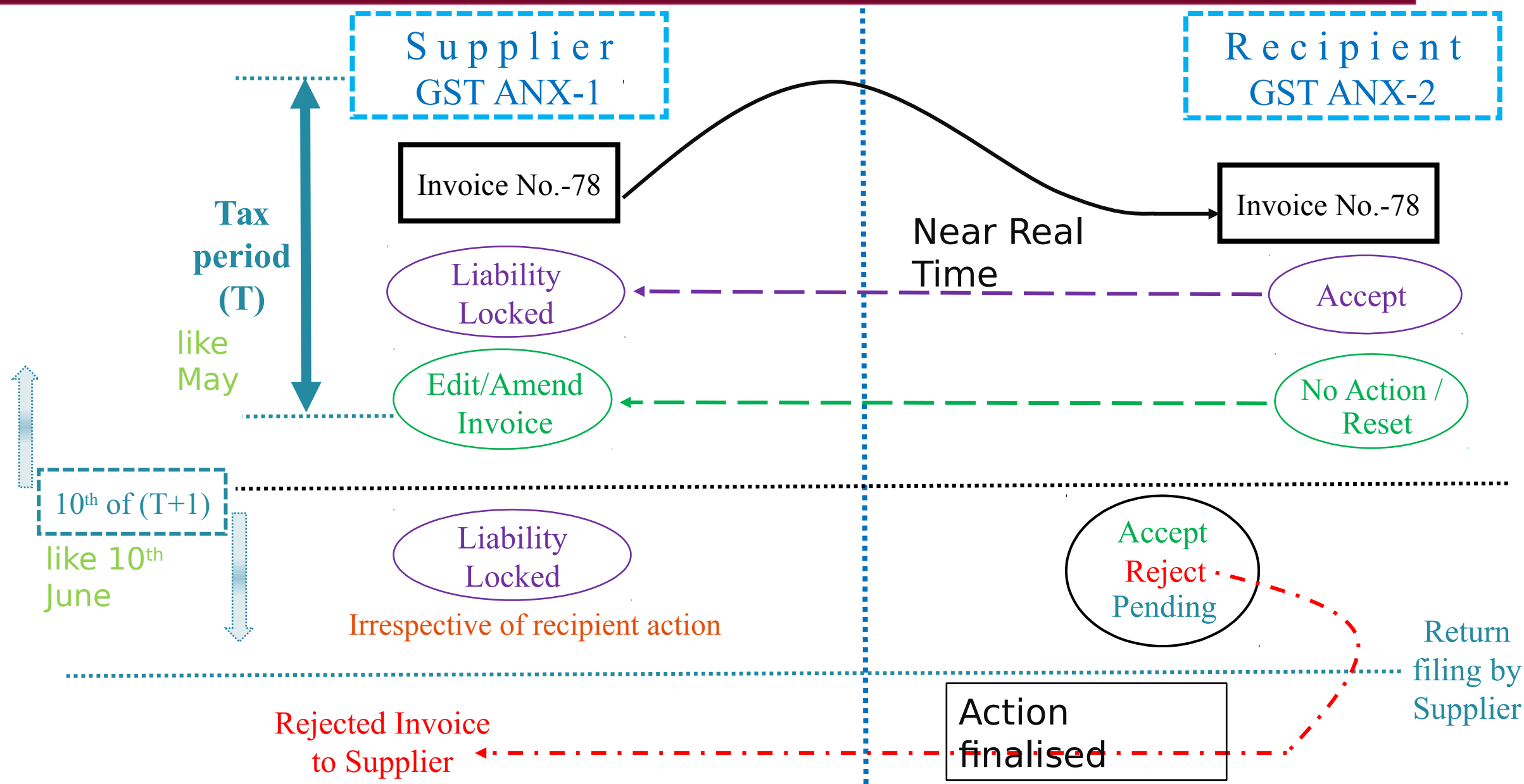
Invoice/DN/CN flow from GST ANX-1 to GST ANX-2

Supplier
GST ANX-1

Recipient
GST ANX-2

Invoice No.-78

Invoice No.-78

Near Real Time

Tax period (T)

like May

Liability Locked

Accept

Edit/Amend Invoice

No Action / Reset

10th of (T+1)

like 10th June

Invoice/DN/CN flow from GST ANX-1 to GST ANX-2

Supplier
GST ANX-1

Recipient
GST ANX-2

Invoice No.-78

Near Real Time

Invoice No.-78

Tax period (T) like May

10th of (T+1) like 10th June

Liability Locked

Irrespective of recipient action

Accept
Reject
Pending

Invoice/DN/CN flow from GST ANX-1 to GST ANX-2

Invoice/DN/CN flow from GST ANX-1 to GST ANX-2

Supplier GST ANX-1

Recipient GST ANX-2

Invoice No.-78

Invoice No.-78

Near Real Time

Tax period (T)

like May

Liability Locked

Accept

Edit/Amend Invoice

No Action / Reset

10th of (T+1)

like 10th June

Liability Locked

Irrespective of recipient action

Accept Reject Pending

Return filing by Supplier

Rejected Invoice to Supplier

Action finalised

Supplier is a **monthly** filer who :

- Uploads Invoices in GST ANX-1 but **does not file two returns**
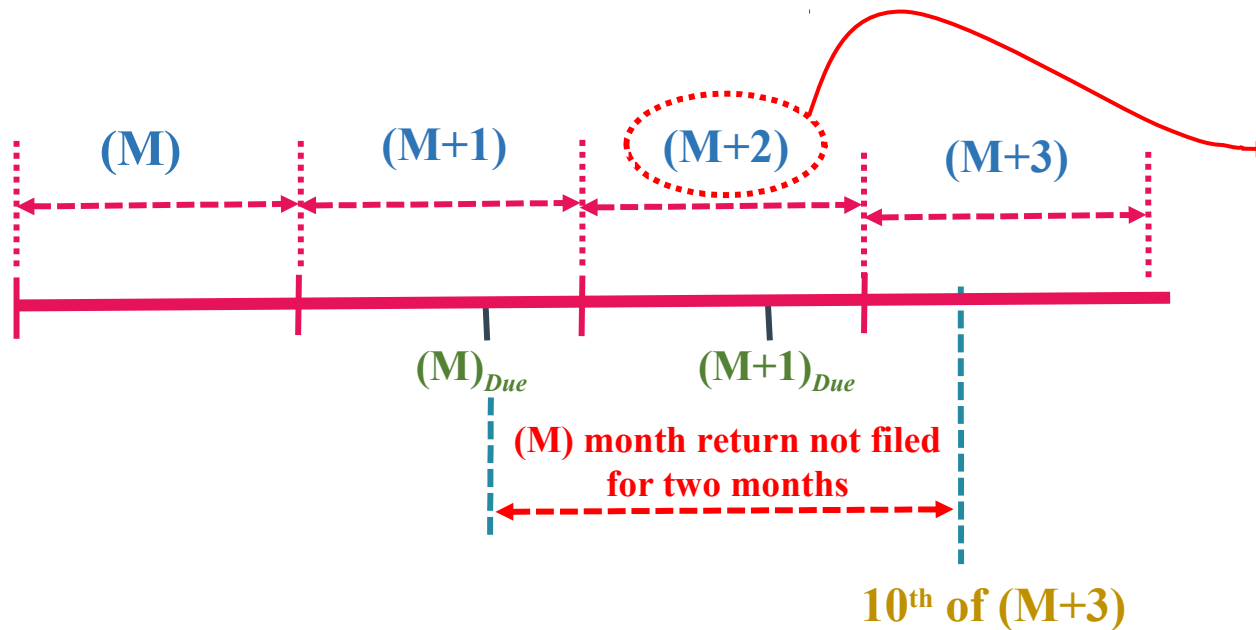
| (M) | (M+1) | (M+2) | (M+3) |

$(M)_{Due}$ $(M+1)_{Due}$

(M) month return not filed for two months
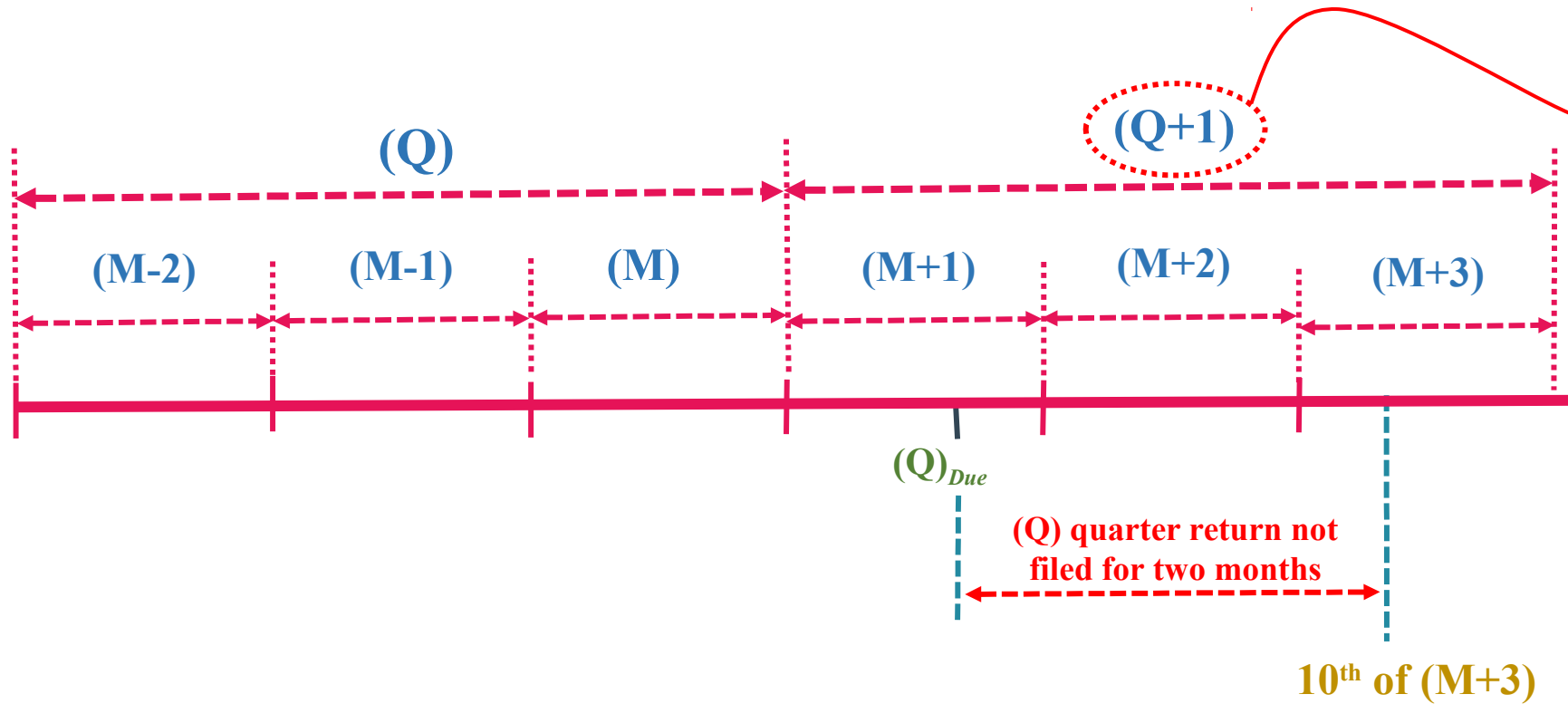
10th of (M+3)

From 10th of **(M+3) onwards** :

Invoices auto-populated in recipient GST ANX-2
but
No ITC entitlement on Invoices uploaded in GST ANX-1 for month (M+2) & onward

Supplier is a **quarterly** filer who :

- Uploads Invoices in GST ANX-1 but **does not file two returns**

From 10th of **(M+3) onwards** :

Invoices auto-populated in recipient GST ANX-2 but
No ITC entitlement on Invoices uploaded in GST ANX-1 for quarter (Q+1) & onward

(Q)

(Q+1)

(M-2)   (M-1)   (M)   (M+1)   (M+2)   (M+3)

(Q)$_{Due}$

(Q) quarter return not filed for two months

10th of (M+3)

Supplies made to unregistered consumers

Supplies to registered persons → **Recipient GSTIN available**

Export (with payment of tax)

Export (without payment of tax)

Supplies to SEZ developer/unit (with payment of tax) → **Recipient**

Supplies to SEZ developer/unit (without payment of tax)

Deemed Exports → **GSTIN available**

Inward Supplies attarcting Reverse Charge

Import of Services

Import of Goods

Import of Goods from SEZ on Bill of Entry

Credit availed on documents not uploaded by Supplier/Seller → for Reporting only

Supplies made to unregistered consumers

Supplies to registered persons

Export (with payment of tax)

Export (without payment of tax)

Supplies to SEZ developer/unit (with payment of tax) → **Recipient is**

Supplies to SEZ developer/unit (without payment of tax) → **SEZ unit/developer**

Deemed Exports

Inward Supplies attarcting Reverse Charge

Import of Services

Import of Goods

Import of Goods from SEZ on Bill of Entry

Credit availed on documents not uploaded by Supplier/Seller → for Reporting only

Fields (liability) in GST ANX-1 & GST RET-1 (auto-populated)

Supplies made to unregistered consumers

Supplies to registered persons →⟶ **Recipient is a DTA unit (non-SEZ unit/developer)**

Export (with payment of tax)

Export (without payment of tax)

Supplies to SEZ developer/unit (with payment of tax)

Supplies to SEZ developer/unit (without payment of tax)

Deemed Exports →⟶ **Recipient is a DTA unit (non-SEZ unit/developer)**

Inward Supplies attarcting Reverse Charge

Import of Services

Import of Goods

Import of Goods from SEZ on Bill of Entry

Credit availed on documents not uploaded by Supplier/Seller →⟶ for Reporting only

Documents auto-populated from suppliers' GST ANX-1	
Import of Goods on Bill of Entry	Accept or Reject or Pending
Import of Goods (from SEZ units/developers) on Bill of Entry	

- GSTN has released **trial** version of the New Returns Offline Tool with

  - Form GST ANX-1

  - Form GST ANX-2 (with Matching Tool built in it)

  - A **template** for Purchase Register (which can be used to import data of purchase register for matching)

- The Offline tool is available on GST Portal under Download section.

- Detailed guidelines for using the tool is provided in the **'Help'** tab, on **each** page of the tool.

ANX-1/2 Offline Tool

Taxpayer can prepare his ANX-1 supplies and take action on ANX-2 supplies in offline mode and later upload on the portal.

Matching Tool

It facilitates the taxpayer to match his ANX-2 supplies with the offline records maintained in the purchase register.

ANX-1 MS Excel Template

Entire ANX-1 supplies (all tables) can be maintained in this template and uploaded directly into the offline tool at one go.

ANX-1 CSV Template

ANX-1 supplies can be maintained for different tables in the CSV formats and uploaded one by one into the offline tool.

Purchase Register MS Excel Template

Records of purchases maintained in this template can be used in the matching tool.

- To **familiarize** stakeholders with tool's **functionalities**

- To get their **feedback/suggestions** to **improve** the tool further before its actual deployment

- During trial run, documents/ data uploaded by taxpayers on GST Portal, will **not** create any liability.

- This data will be visible only to taxpayers and their respective buyers.

- Taxpayers should continue to **report/ pay** their GST liability in Form GSTR-1/ GSTR-3B **during this period**, as being done now.

- **After the trial period is over**, the data created/entered by the taxpayers, in GST ANX-1/2 on the GST Portal, will be **fully erased** and no part of it will be retained on portal.

Outreach for New Return

Cities Covered

19

Outreach program is underway to familiarize taxpayers and tax officers both.

Participants

3000

A total of more than 1500 tax practitioners and 1600 taxpayers have attended the workshops.
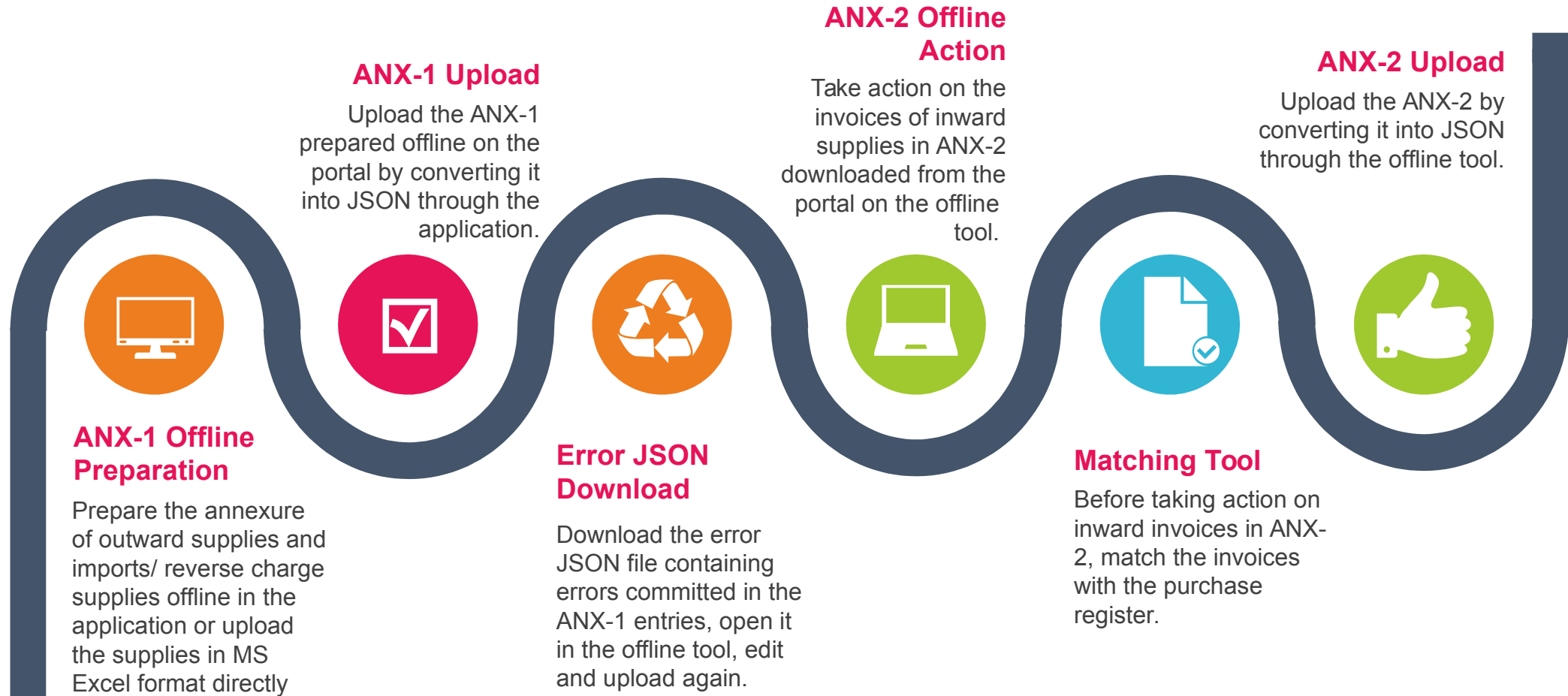
Uploads

30000

More than 30000 ANX-1 uploaded on the portal.

More and more taxpayers and practitioners should come forward and get familiar with the new return offline tool.

Offline Tool: ANX-1/ 2 Process

ANX-1 Upload

Upload the ANX-1 prepared offline on the portal by converting it into JSON through the application.

ANX-2 Offline Action

Take action on the invoices of inward supplies in ANX-2 downloaded from the portal on the offline tool.

ANX-2 Upload

Upload the ANX-2 by converting it into JSON through the offline tool.

ANX-1 Offline Preparation

Prepare the annexure of outward supplies and imports/ reverse charge supplies offline in the application or upload the supplies in MS Excel format directly

Error JSON Download

Download the error JSON file containing errors committed in the ANX-1 entries, open it in the offline tool, edit and upload again.

Matching Tool

Before taking action on inward invoices in ANX-2, match the invoices with the purchase register.