
FAQS ON NEW GST RETURNS FORMS

As per the press release issued by the Ministry of Finance dated 21-06-2019, the CBIC has proposed three new GST Returns forms, which shall be introduced in a phased manner - GST RET-1 (Monthly/Quarterly Normal), GST RET-2 (Sahaj), GST RET-3 (Sugam).

The criterion on the basis of which these forms can be chosen by a supplier have been enumerated in the below article.

Q1. WHICH FORM SHOULD BE FILED UNDER NEW GST RETURN STRUCTURE FOR THE FINANCIAL YEAR 2019-20?

The CBIC has proposed following GST Returns Forms:

- (a) GST RET-1 (Monthly/Quarterly Normal)
- (b) GST RET-2 (Sahaj)
- (c) GST RET-3 (Sugam)

Earlier, it was expected that the new GST Return Forms may be implemented from the second quarter of the Financial Year 2019-20 but the CBIC has notified that the GST Returns for second quarter of Financial Year 2019-20 shall be filed in existing GSTR Forms (i.e., GSTR-1 and GSTR-3B). It is expected that the new GST return Forms - Normal, Sahaj and Sugam, shall be made applicable from the third quarter of Financial Year 2019-20 and for the first and second quarter the existing return Forms, i.e., GSTR-3B and GSTR-1 would continue to apply.

As per the Press Release issued by Ministry of Finance on June 21, 2019, the new return system will be introduced in a phased manner given below:

For small taxpayers with turnover of up to Rs. 5 crores

Forms to be filed	Description of Form	July to September, 2019	October to December, 2019
GST ANX-1	Annexure of outward and inward supplies that	Optional and can be filed on a trial	Mandatory to be filed on a quarterly basis,

	require payment of GST under reverse charge	basis	due in January, 2020
GST ANX-2	Annexure of Inward Supplies		This Form comes with a view only facility. Thus, no action is required from the taxpayer.
GSTR-1 and GSTR-3B	Statement of output supplies and monthly return	Mandatory filing is required	Not required to be filed
PMT-08	Payment of self-assessed tax	Not required to be filed	Mandatory to be filed
GST-RET-1/2/3	Quarterly return ¹		For this Quarter, due in January, 2020

For large taxpayers with turnover of more than Rs. 5 crores

<i>Forms to be filed</i>	<i>Description of Form</i>	<i>July to September, 2019</i>	<i>October to December, 2019</i>
GST ANX-1	Annexure of outward and inward supplies that require payment of GST under reverse charge	Optional and can be filed on a trial basis	Mandatory to be filed on a monthly basis
GST ANX-2	Annexure of Inward Supplies		This Form comes with a view only facility. Thus, no action is required from the taxpayer.
GSTR-1	Statement of output supplies	Mandatory filing is required	Mandatory to be filed on monthly basis (it shall not be required from December 2019)
GSTR-3B	Monthly return		
PMT-08	Payment of self-assessed tax	Not required to be filed	Mandatory to be filed in January, 2020, for December only.
GST-RET-1	Monthly return		

GST RET-1		
Who can file return in GST RET-1	Monthly	The registered person, whose aggregate turnover is more than Rs. 5 crores in the preceding financial year, shall file GST RET-1 on monthly basis.
	Quarterly	If aggregate turnover of a registered person is up to Rs. 5 crores in the preceding financial year, he shall file returns in GST RET-1 on quarterly basis.
Who can't file return in GST RET-1?	<p>GST RET-1 cannot be filed by following persons:</p> <ol style="list-style-type: none">1. Dealers registered under composition scheme2. Non-resident taxpayer3. A person supplying OIDAR services from a place outside India to a non-taxable online recipient4. Input Service Distributor (ISD)5. Authorities deducting tax at source (TDS)6. E-commerce operator to report tax collected at source (TCS)	
GST RET-2 (Sahaj)		
Who can file return in GST RET-2?	<p>Return in GST RET-2 can be filed by a registered person who satisfies following conditions:</p> <ol style="list-style-type: none">1. His aggregate turnover in the preceding Financial Year should not exceed Rs. 5 crores; and2. Who makes supply only to unregistered person (B2C). <p>If a registered person is eligible to file the return in GST RET-2, he can also report <i>nil</i> rated, exempted or non-GST supply in the same Form.</p>	
Who can't file return in GST RET-2?	<p>GST RET-2 cannot be filed by:</p> <ol style="list-style-type: none">1. Dealers registered under composition scheme2. Non-resident taxpayer3. A person supplying OIDAR services from a place outside India to a non-taxable online recipient4. Input Service Distributor (ISD)	

	<ol style="list-style-type: none"> 5. Authorities deducting tax at source (TDS) 6. E-commerce operator to report tax collected at source (TCS) 7. Whose aggregate turnover in the preceding F.Y. is more than Rs. 5 Crore 8. Who supply to registered person(B2B) 9. Who is engaged in zero-rated supplies, supplies to SEZ units/developers or deemed exports 10. Who supply to E-Commerce operators
GST RET-3 (Sugam)	
Who can file return in GST RET-3?	<p>Return in GST RET-3 can be filed by a registered person who satisfies following conditions:</p> <ol style="list-style-type: none"> 1. His aggregate turnover in the preceding Financial Year should not exceed Rs. 5 crores; and 2. Who makes supply to registered (B2B) and unregistered person (B2C). <p>If a registered person is eligible to file the return in GST RET-3, he can also report <i>nil</i> rated, exempted or non-GST supply in the same Form.</p>
Who can't file return in GST RET-3?	<p>GST RET-03 cannot be filed by:</p> <ol style="list-style-type: none"> 1. Dealers registered under composition scheme 2. Non-resident taxpayer 3. A person supplying OIDAR services from a place outside India to a non-taxable online recipient 4. Input Service Distributor (ISD) 5. Authorities deducting tax at source (TDS) 6. E-commerce operator to report tax collected at source (TCS) 7. Whose aggregate turnover in the preceding F.Y. is more than Rs. 5 Crore 8. Who is engaged in zero-rated supplies, supplies to SEZ units/developers or deemed exports 9. Who supply to E-Commerce operators

Overview

<i>Parameters</i>	<i>GST RET-1 (Monthly)</i>	<i>GST RET-1 (Quarterly)</i>	<i>GST RET-2 (Sahaj)</i>	<i>GST RET-3 (Sugam)</i>
<i>Outward Supplies</i>				
- B2B Supplies	✓	✓		✓
- B2C Supplies	✓	✓	✓	✓
- Exports	✓	✓		
- Supplies to SEZ units/developers	✓	✓		
- Deemed Exports	✓	✓		
- Supply to e-commerce operators	✓	✓		
- Nil Rated, Exempted or Non-GST	✓	✓	✓	✓
- Turnover exceeds Rs. 5 crores	✓			
<i>Inward Supplies</i>				
- Taxable on Reverse Charge	✓	✓	✓	✓
- Import of Services	✓	✓		
- Import of Goods	✓	✓		
- Import of Goods from SEZ	✓	✓		
Credit of missing invoices	✓	✓		
<i>Category of taxpayer</i>	<i>Applicable Forms</i>			
Composition Scheme Dealers	GSTR-4			
Non-resident taxpayer	GSTR-5			
Person supplying OIDAR services from a place outside India to a	GSTR-5A			

non-taxable online recipient	
Input Service Distributor (ISD)	GSTR-6
Authorities deducting tax at source (TDS)	GSTR-7
E-commerce operator to report tax collected at source (TCS)	GSTR-8

Q2. WHAT IS THE STRUCTURE OF NEW GST RETURN?

S. No.	GSTR Form	Description	Action Plan
1.	GST ANX-1	Annexure of outward supplies and inward supplies attracting reverse charge	Filing of this Form is mandatory before filing of GST RET-1/2/3.
2.	GST ANX-2	Annexure of inward supplies	In this Form, the details of inward supplies, uploaded by the supplier in GST ANX-1, are shown. These details have to be 'accepted' or 'rejected' or 'marked as pending' before filing of GST RET-1/2/3.
3.	GST RET-1/2/3	Monthly/Quarterly return	In addition to the details auto-populated from GST ANX-1 and ANX-2, some other details have to be added in this Form.
4.	GST ANX- 1A	Amendment to Form GST ANX-1	To make any amendment in GST ANX-1, this Form shall be filed.
5.	GST RET-1A/2A/3A	Amendment to Form GST RET-1/2/3	To make any amendment in GST RET-1/2/3, this Form shall be filed.
6.	GST PMT-08	Payment of Self-assessed tax	-

Q3. IS IT POSSIBLE TO AMEND RETURNS IN NEWLY GST RETURN STRUCTURE?

Form GST ANX-1 can be amended through Form GST ANX-1A and Form GST RET-1/2/3 can be amended through Form GST RET-1A/2A/3A respectively.

Q4. WHAT IS THE DUE DATE FOR FILING OF GST RETURN?

The due date for filing GST return has not been notified yet. However, it is expected that the due date of monthly return will be 20th of the following month and due date of quarterly return will be 25th of the month after the relevant quarter ends.

Q5. WHAT IS DUE DATE OF PAYMENT OF TAXES?

The payment shall be made on monthly basis for all taxpayers. The payment of self-assessed liabilities shall be made by 20th of the succeeding month to which liability pertains. Thus, even if a taxpayer is opting to file return on quarterly basis, he has to make the payment of tax on monthly basis.

Q6. HOW TURNOVER OF NEWLY REGISTERED TAXPAYERS SHALL BE COMPUTED?

For newly registered taxpayers, turnover will be considered as zero. Hence, they will have the option to file GST RET-1 (Monthly or Quarterly), Sahaj or Sugam.

Q7. CAN PERIODICITY OF RETURN FILING (QUARTERLY TO MONTHLY OR VICE-VERSA) BE CHANGED?

The option to change the periodicity of return filing (from quarterly to monthly or vice-versa) would be allowed only once at the time of filing of first return by a taxpayer. The periodicity of the return filing shall remain unchanged during the next financial year unless it is changed before filing of first return of that year.

Q8. CAN A TAXPAYER SWITCH FROM ONE RETURN FORM TO ANOTHER?

The taxpayers can switch from one return form to another during the financial year in the following manner:

<i>Existing Form</i>	<i>Switching to Form</i>	<i>When to be exercised?</i>
GST RET-1 (Quarterly)	Sugam or Sahaj	Only once in a Financial Year at the beginning of any quarter
Sugam	Sahaj	
Sahaj	Sugam or GST RET-1	More than once in a Financial Year at

	(Quarterly)	the beginning of any quarter
Sugam	GST RET-1 (Quarterly)	

Q9. WHAT IS THE MEANING OF 'MISSING INVOICES' IN THE NEW RETURN FORMS? WHO CAN REPORT AND TAKE CREDIT OF SUCH INVOICES?

'Missing Invoices' are those invoices which have not been uploaded by the supplier in GST ANX-1 due to any reason. Credit of such invoices can be taken by the taxpayer who opts to file GST RET-1 either on monthly or quarterly basis. In other words, the taxpayers who opts to file Sahaj (GST RET-2) or Sugam (GST RET-3) cannot take the credit of missing invoices.

Q10. WHAT IS THE TIME LIMIT TO UPLOAD THE DOCUMENTS IN NEW GST RETURNS?

The documents shall be uploaded any time during the relevant month or quarter to which it pertains or of any prior period but not later than earlier of the following dates:

1. The due date for furnishing of return for the month of September;
2. Second quarter following the end of financial year; or
3. The actual date of furnishing of relevant annual return.

However, there are a few exceptional days during which the documents cannot be uploaded in relevant forms. These dates are as under:

- (a) In case of GST RET-1 (Monthly), the documents cannot be uploaded between 18th to 20th of the month following the tax period
- (b) In case of all other returns, the documents cannot be uploaded from 23rd to 25th of month following the relevant quarter.

Q11. WHETHER DOCUMENTS CAN BE UPLOADED BY THE SUPPLIER ON REAL TIME BASIS?

The supplier can upload the documents for any supply on real-time basis. Details of such documents uploaded shall be shown to the concerned recipient on real time basis and the facility to accept or reject such documents shall also be provided.

Q12. WHO SHALL REPORT SUPPLIES UNDER RCM?

Supplies attracting reverse charge will be reported only by the recipient and not by the supplier. Such supplies shall be reported GSTIN wise and amount of tax and taxable value will be net of debit/credit notes and advance paid, if any.

Q13. WHICH TAXPAYER IS LIABLE TO REPORT HSN CODES IN THE RETURN?

All registered persons with annual aggregate turnover of more than Rs. 5 crores will report six digit HSN code for goods and SAC Code for services. Other taxpayers whose turnover is up to Rs. 5 crore shall have an option to report or not to report HSN or SAC code in GST Return forms.

Q14. WHETHER VALUE OF SUPPLY CAN BE REPORTED IN NEGATIVE DUE TO DEBIT OR CREDIT NOTES?

Wherever, supplies are reported as net of debit/credit notes, the value may become negative in some cases and the same may be reported in negative value.

Q15. IF TAXPAYERS FAILED TO REPORT DOCUMENTS IN EXISTING RETURN FILING SYSTEM, CAN HE REPORT THEM IN NEW RETURN FILING SYSTEM?

Documents not uploaded during existing returns filing system can be uploaded in new return filing mechanism. Following scenarios may happen:

- (a) *If a document has not been reported in Form GSTR-1 and tax has not been paid in Form GSTR-3B?*

In this case, document shall be uploaded and tax shall be paid along with interest except in case of credit notes.

- (b) *If a document has not been reported in Form GSTR-1 but tax has been paid in Form GSTR-3B?*

In this case, document shall be uploaded and adjustment of taxes so paid shall be made in GST RET-1.

- (c) *If document has been reported in Form GSTR-1 but tax has not been paid in Form GSTR-3B.*

In this case, document shall not be uploaded but adjustment of taxes so paid shall be

made in GST RET-1.

Q16. WHETHER THE UPLOADED DOCUMENTS CAN BE EDITED?

A document (i.e., invoice, debit note, credit note, etc.) uploaded on the portal can be edited in the following manner:

- (1) *Editing a document on or before 10th of the following month:* The documents for the supplies made by the supplier, uploaded on the portal, can be edited up to 10th of the following month provided these documents have not been accepted by the recipient. In case document has been accepted by the recipient, then such document has to be reset/unlocked by such recipient before it can be edited by the supplier. In this case, following two scenarios may arise:
 - (a) *Recipient files monthly return:* All the documents uploaded by any of his supplier shall be available to such recipient for acceptance up to the 10th of the month following the month for which return is being filed.
 - (b) *Recipient files quarterly return:* All documents uploaded by any supplier shall be available to such recipient for acceptance up to the 10th of the month following the quarter for which the return is being filed.

The supplier is the only person who is given the right of editing or amending a document. The recipient will have the option to reset or unlock or reject a document.

- (2) *Editing a document after 10th of the following month:* If a document, uploaded by the supplier, is required to be edited after 10th of the following month, then accepted document would not be available for amendment at the corresponding supplier's end. However, a separate facility to handle such cases shall be provided on the portal. If a document has been rejected by the recipient, the supplier can either amend it or shift it, i.e., from B2B to B2C or *vice-versa*. If a document is marked as pending, then it will not be available for amendment after 10th of the following month until it is rejected by the recipient.

Q17. WHO CAN EDIT THE DOCUMENTS-SUPPLIER OR RECIPIENT?

The new return system provides for editing of or amendment in a document from the supplier's side only. The recipient will have the option to reset, unlock or reject a document. No option shall be available with him to edit or amend a document.

Q18. WHEN WILL THE SUPPLIER KNOW THAT A DOCUMENT HAS BEEN REJECTED BY THE RECIPIENT?

Documents rejected by the recipient shall be conveyed to the supplier only after filing of return by the recipient. The status of a document, being 'Accepted', 'Rejected' or 'Pending' shall be reflected in Form GST ANX-2. Supplier can make corrections in the rejected documents through Form GST ANX-1 as the rejected documents will be shown to the supplier.

Q19. WHAT IS THE FACILITY OF 'SHIFTING OF DOCUMENTS' AND TO WHOM IS IT AVAILABLE?

In certain situations, the particulars of a document may be correct but the document itself has been reported in the wrong table. Therefore, when such documents are rejected by the recipient, instead of amending the document, a facility of shifting such documents to the appropriate table will be provided.

Q20. HOW WILL THE DETAILS OF INWARD SUPPLIES BE REPORTED?

Details of documents uploaded by the corresponding suppliers will be auto-populated in Form GST ANX-2 on real time basis, which can be accepted or reset/unlocked by the recipient up to the 10th of the next month (following the month in which such documents have been uploaded). If any invoice is found missing by the recipient, he can report the same in Form GST ANX-1 only if he is filing GST RET-1 (Quarterly/Monthly).

Q21. WHAT ACTION CAN BE TAKEN BY THE RECIPIENT ON AUTO-POPULATED DOCUMENTS RELATED TO INWARD SUPPLY?

The recipient can take following actions on the auto-populated documents after 10th of the next month (following the month in which such documents have been uploaded):

- (a) Accept
- (b) Reject
- (c) Pending

All documents, which have been kept pending, shall be rolled over to Form GST ANX-2 of

next tax period.

Q22. WHAT IS 'PENDING INVOICE' UNDER NEW GST RETURN SYSTEM?

'Pending Invoice' means such invoices which have been uploaded by the supplier but for which one of the following situations exist:

- (a) The supply has not been received by the recipient yet
- (b) If recipient believes that the invoice needs amendment
- (c) If recipient is not able to decide the availability of input tax credit of such supply

Q23. CAN THE 'INPUT TAX CREDIT' OF THE 'PENDING INVOICES' BE TAKEN?

The input tax credit in respect of pending invoices shall not be accounted in the main return of the recipient and such invoices would be rolled over to Form GST ANX-2 of the next tax period.

Q24. CAN 'PENDING INVOICES' BE AMENDED? IF YES, THEN WHAT IS THE TIME LIMIT FOR SUCH AMENDMENT?

Pending invoices will not be available for amendment by the supplier until these are rejected by the recipient. Pending invoices relating to supplies made to a person, not being a person filing return in Form GST RET-1/2/3 (i.e., supplies made to composition taxpayers, ISD, UIN holders etc.), will be available for amendment by the supplier and the same shall not be dependent upon the action taken (accept/reject/pending) by the recipient.

Q25. IF RECIPIENT DOES NOT TAKE ANY ACTION (ACCEPTANCE, REJECTION OR PENDING) ON THE DOCUMENT, THEN HOW THAT DOCUMENT IS TO BE TREATED IN THE RETURN?

Any document on which any action of either accepting the document or keeping the document pending or rejecting the document is not taken by the recipient, then it shall be deemed to be accepted upon filing of the return by him. Input tax credit on such deemed accepted documents shall be reflected in the main return.

Q26. IF MY SUPPLIER DOES NOT FILE THE RETURN, CAN I TAKE 'INPUT TAX CREDIT' IN THAT CASE?

Status of return filing (not filed, filed) by the supplier will also be made known to the recipient in Form GST ANX-2 of the relevant tax period after the due date of filing of return is over. Mere status does not affect the eligibility of input tax credit. The documents uploaded in Form GST ANX-1 for month 'M' by a supplier who did not file his return for the previous two consecutive tax periods (M-1 and M-2 months) shall be made available to the recipient in Form GST ANX-2 with an indication that the credit shall not be available on such documents.

In other words, such documents will be visible to the recipient but the recipient cannot claim ITC on such inward supplies. However, the recipient can reject or keep such documents pending until filing of return by the supplier.

For suppliers filing return on quarterly basis, this period will be one quarter i.e. if return of one quarter has not been filed, then recipient will not be able to claim credit on the invoices uploaded during next quarter.

Q27. CAN DOCUMENT ON WHICH 'INPUT TAX CREDIT' HAS BEEN ALREADY AVAILED BE REJECTED?

Separate functionality would be provided to search and reject an accepted document on which credit has already been availed. Input tax credit availed on such document shall be shown for reversal which may be adjusted in Form GST RET-1 to arrive at the amount of input tax credit availed. However, such reversal of credit for the recipient will be with interest as per the provisions of the Act read with the rules made thereunder.

Q28. WHO CAN FILE *NIL* RETURN?

Nil return can be filed if you have not uploaded any document in Form GST ANX-1 and no inward supplies (purchases) have been auto-populated in Form GST ANX-2 and no other information is required to be reported in the main return i.e. Form GST RET-1/2/3.

Q29. HOW INTEREST AND LATE FEES WILL BE SHOWN IN THE RETURN?

Interest and late fees for making prescribed default (i.e., late filing of return, making late payment of taxes, uploading preceding tax period's invoices, etc.) shall be computed by the system. Other interest due to reversals of input tax credit shall be calculated and entered by the taxpayer on self-assessment basis.

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1. A supplier whose turnover is Rs. 5 crores or less has an option to file GST RET-1 on monthly basis or quarterly basis.