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Issue 2

Chief Editor
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*For the canvas called life,
we wish you colours of
happiness, joy, love and
success. Team IRIS
wishes you a very happy
Holi!*

*In this issue, we'll be
covering the highlights of
implementation of new
simplified forms effective
1 April, the penal provisions
on non generation of
EWB, new feature
released in IRIS Sapphire
and, GST updates
effective April 1, 2019.*

*Regards,
Team IRIS GST*

IRIS GST TIMES



This issue

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New Simplified Tax Forms under GST

The GST council announced the implementation of new simplified forms on a pilot basis from April 1, 2019. The same shall be made mandatory from July 1, 2019. Businesses with an annual turnover up to Rs.5 crores shall be able to choose between 3 types of simplified returns,

- Sahaj (for B2B outward supplies)
- Sugam (for both B2B and B2C outward supplies)
- Quarterly return

Key points:

- Periodicity of filing return will be deemed to be monthly for all taxpayers unless quarterly filing of the return is opted for.
- For newly registered taxpayers, turnover will be considered as zero and hence they will have the option to file monthly – Saha/Sugam or Quarterly (Normal) return.
- Change in periodicity of the return filing (from quarterly to monthly and vice versa) would be allowed only once at the time of filing the first return by a taxpayer.
- The taxpayers may make Nil rated, exempted or Non-GST supplies which need not be declared in the said return.

What are the advantages of these Simplified return forms?

- The taxpayer shall be able to upload invoices to the GST Portal 24x7.
- Recipient would be able to accept or reject invoice on a real-time basis.
- Filing of Nil returns can be done via SMS
- Recipient will get credit during a tax period on the basis of the details of documents uploaded by the supplier upto the 10th of the month following the month for which the return is being filed for. There may be following two scenarios:
 - a. If the recipient files his return on a monthly basis, say, for the month of January, 2019 on 20th February, 2019, he shall be eligible to take credit in his return based on the documents uploaded by the supplier upto the 10th of February, 2019.
 - b. 2.If the recipient files his return on a quarterly basis (Normal, Sahaj or Sugam), say for the quarter January – March, 2019 on 25th April, 2019, he shall be eligible to take credit in his return based on the documents uploaded by the supplier upto the 10th of April, 2019.

Nil GSTR9 Return

Filing: Do You Need to Do That?

A registered person under GST is required to file his/her return, irrespective of business turnover or profitability.

Hence, even if there were no invoices issued by or to the given business throughout the year, the taxpayer will have to log in to the GSTN portal and submit a NIL return.

A registered taxpayer can file NIL return if the following conditions are met for the given fiscal year:

- The business made no Inward (Purchase) or Outward supplies (Sale);
- The taxpayer has no Liability (of any kind);
- No Credit was claimed by the taxpayer;
- No Demand to create order was received;
- The taxpayer claimed no Refund.

Failure to file Nil returns before the given due date is liable to be penalised with Rs 100/day until the filing is complete.

Before filing nil GSTR 9 return, it is mandatory to file nil GSTR1 and GSTR 3B of all the months of the FY.

[Read the complete article here](#)

Penalties and Confiscation for Non Generation of EWB

Author: Anushree Joshi

The basic premise of generating eWay Bill for inter-state and intra-state transportation of Goods is to eliminate the chances of tax evasion. The Eway bill lowers the chances of bribery and corruption and ensures smoother and efficient transition of goods across the nation.

However, many a times, businesses either fail to generate EWB or do it in a wrongful manner which attracts penal action as given below:



Penalties:

The authorised personnel can penalise a registered person or the consigner with a fine of Rs. 10,000 or the amount of the tax being evaded, (whichever is greater) if the person was caught

- Transporting any taxable goods without the cover of prescribed documents;
- Tampering or destroying any material evidence or document;
- Disposing off or tampering with any goods that have been detained, seized, or attached.

Detention and Seizure

The authorised officer, upon the observance of any discrepancy in the E-way bill or the absence of a valid E-way bill, has the rights to detain the vehicle and seize the goods.

The goods can be released upon the payment of appropriate taxes and penalties, which can be accomplished in the below given ways:

- Owner Accepts Ownership and pays the applicable tax and penalty equal to 100% of the tax payable or an amount equal to 2% of the value of exempted goods or Rs 25000, whichever is less.
- If the Owner is unidentified, the consignor has to pay the applicable tax and penalty equal to the 50% of the value of the goods reduced by the tax amount paid thereon. While an amount equal to 5% of the value of exempted goods or Rs 25000, whichever is less

Confiscation

If the registered person or the transporter fails to pay the implied penalty within 7 days, the authorised personnel can seize goods and/or the vehicle, and begin legal proceedings for the same. Upon confiscation of the goods, the ownership of the seized goods will be transferred to the central government, which on 3 months of confiscation can be auctioned by the authorised personnel and give the proceeds to the central government.

What you can do?

In the event of confiscation, the officer adjudging the confiscation shall give an option to the owner of the goods to pay in lieu of confiscation, such fine as the said officer thinks fit. However, the fine levied shall not exceed the market value of the goods confiscated nor below the penalty levied. under the provisions of Detention and Seizure.

But as they say, "Prevention is better than cure", we recommend timely generation of EWay bills to avoid future penalties and fines.

[Read the complete article here](#)

Tax Scams Around the Nation

- **Mumbai:** 40-year-old accused allegedly issued fake invoice of more than ₹650 crore and availed input tax credit of ₹110 crore, without the actual supply of goods
- **CHENNAI:** The GST commissionerate in Chennai has arrested the accused for claiming input tax to the tune of Rs 265 crore using fake invoices.
- **Chattisgarh:** (DGGSTI) has unearthed a fraud worth a whopping Rs 1,000 crore in the state.
- **Hyderabad:** Officials have unearthed an alleged tax fraud of Rs 224 crore by a group of eight companies, which generated fake invoices worth Rs 1,289 crore.

Here is what you can do.

- Download IRIS Peridot
- Scan Invoices (GSTINs)
- Report Non-Compliance
- Make India a tax free nation

Click on the icon below to download **IRIS Peridot** today

Just **PERIDOT** it.



FEATURE HIGHLIGHT

IRIS Sapphire: Auto-Drafted GSTR 9



IRIS Sapphire has been incorporated with an Auto Drafting feature for the annual return Form GSTR 9. The Auto-draft feature auto-populates form GSTR 9 from the details filed by the user in his/her form GSTR 1 and GSTR 3B and account ledgers. With the Auto-Draft feature, IRIS Sapphire will be able to calculate the following columns in form GSTR 9:

Table 4 - From GSTR 1 and GSTR 3B;

Table 5 - From GSTR 1;

Table 9 - From GSTR 3B;

Table 6 (Partially) – 6A and 6G from GSTR 3B, 6K, 6L, 6M from ledgers

To get auto-drafted data,

- Access the dashboard at GSTIN level;
- Choose GSTR 9 from Returns tab;
- Bulk get GSTR 1 and GSTR 3B data
- Get auto-drafted data (from IRIS or GSTN as preferred by the user)

Points to remember

The user is required to fetch GSTR 1 and 3B data before autodrafting.

The user can auto-draft data from both IRIS portal and GSTN portal.

The auto-draft facility is available at GSTN level only.

Item No.	Nature of Supplies	Taxable Value	Central Tax	State Tax/IT Tax	Integrated Tax	Cess
4A	Supplies made to un-registered persons (B2C)	₹1,37,07,241			₹9,70,921.79	
4B	Supplies made to registered persons (B2B)	₹5,26,13,795.28	₹15,14,236.77	₹15,14,236.77	₹29,24,587.6	₹7,330
4C	Zero rated supply (E:export) on payment of tax (except supplies to SEZs)	₹1,17,30,000			₹16,38,000	
4D	Supply to SEZs on payment of tax					
4E	Deemed Exports	₹48,00,000	₹52,000	₹52,000	₹2,69,000	
4F	Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)		₹-0,000	₹-0,000	₹-18,000	
4G	Inward supplies on which tax is to be paid on reverse charge basis	₹1,000	₹25	₹25	₹50	₹100
4H	Subtotal (A to G above)	₹8,88,22,037.28	₹15,97,261.77	₹15,97,261.77	₹38,83,559.38	₹7,600
4I	Credit Notes issued in respect of transactions specified in (B) to (E) above (-)	₹1,79,29,000	₹9,60,310	₹6,60,210	₹6,91,920	₹7,500
4J	Debit Notes issued in respect of transactions specified in (B) to (E) above (+)	₹56,71,000	₹2,88,005	₹2,88,005	₹3,94,900	₹4,500
4K	Supplies / tax declared through Amendments (+)	₹18,34,804			₹38,874.18	

ITC -04 Enhancements

- Form ITC – 04 support in IRIS Sapphire has been optimized for better efficiency.
- Resolved- minor bugs while managing/saving invoices.

Miscellaneous

- Utilities – HSN Search by code and description.
- Faster Dashboard loading for complex company hierarchy
- Advance reconciliation rule related filter

IRIS Sapphire is an application built with a highly scalable, available and secure architecture that will help you to file with GST. With built-in analytics and dashboards, IRIS Sapphire will ensure that you stay compliant, while always having a pulse on the process. [Book your free demo](#)

GST Updates effective April 1, 2019

Upcoming Due Dates

GSTR 3B - 20th March

GSTR 5 – 20th March

GSTR 5A – 20th March

Extended Due Dates

GSTR 1 - before 31st march
(for period from July 2017 to March 2018)

GSTR 3B - before 31st march
(for period from July 2017 to March 2018)

GSTR 4 – before 31st march
(for period from July 2017 to March 2018)

ITC-04 -31st March
(Quarterly returns for July 2017 to December 2018)

TRAN-1 – 31st March
(extended for certain taxpayers who could not complete filing due to tech glitch)

CBIC has recently announced many updates to the existing GST rules in various meetings and through notifications. These are going to be in effect within 15 days (from April 1, 2019). We have brought a compilation of all the updates for our users:

GST Registration Exemption: W.e.f. April 1, 2019, any person who is engaged in exclusive supply of goods and whose aggregate turnover in the financial year does not exceed forty lakh rupees is exempt from obtaining the registration under GST Act

Due Date of filing GSTR-1: The due date for filing GSTR 1 has been notified as follows:

- Quarterly returns (April 19' to June 19') – July 31, 2019.
- Monthly returns – 11th day of the succeeding month.

Due date of filing GSTR-3B: The due date to file GSTR 3B for all the registered person is notified as 20th day of the succeeding month.

Threshold limit of composition scheme: The threshold limit of composition scheme has been increased as follows:

- 75 lacs - For a taxable person located in Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand.

1.50 crores - for a taxable person located in states other than above state.

New composition scheme for SME and MSME: First supplies of goods or services or both upto an aggregate turnover of fifty lakh rupees made on or after the 1st day of April in any financial year, by a registered person.

Sales Promotions Schemes:

Following clarification has been issued w.r.t. doubts related to treatment of sales promotion scheme under GST:

Transaction Type	Supply	ITC
Free Samples and Gifts given to other than distinct entity and related person	No Supply	No ITC to be availed and reversal 42, 43 needs to be made
Free Samples and Gifts given to distinct entity and related person	Supply	ITC to be availed on all the inputs, input services and capital goods
Buy one get one free offer when goods or services are different or same	One Supply /Mixed Supply /Composite Supply as the case may be	ITC to be availed on all the inputs, input services and capital goods
Discounts including 'Buy more,save more' offers ((if shown on invoice itself)	Supply	ITC to be availed on all the inputs, input services and capital goods
Staggered Discount Determined established before or at the time of supply	Supply	ITC to be availed on all the inputs, input services and capital goods
Discount offered by way of Credit note after time of supply	Original Supply	
Secondary Discounts offered subsequently even if not known prior to supply	Original Supplies	No impact on availability or otherwise of ITC in the hands of supplier in this case.

Nature of supply of Priority Sector Lending

Certificates (PSLC): GST on PSLCs for the period 1.7.2017 to 27.05.2018 will be paid by the seller bank on forward charge basis and GST rate of 12% will be applicable on the supply.

TCS Exclusion to compute GST liability:

TCS amount would be excluded from the value of goods for computing GST liability.

[For detailed coverage, read the article here.](#)

CONTACT US

Want to request for our product demos? Please reach out to us at

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