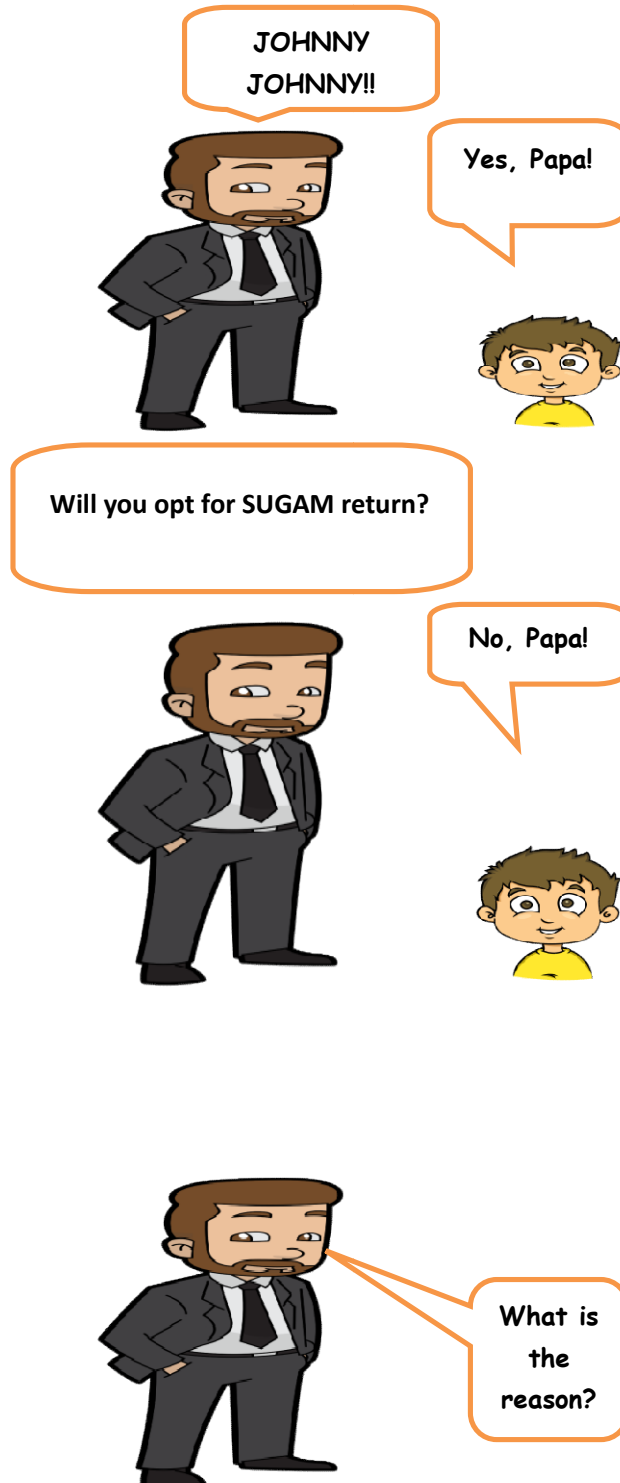


GST and JOHNNY- UPDATE No.16



This Papa-:

The new return form 'SUGAM' is for those taxpayers who are having B2B and B2C supplies only. Taxpayers having export supply can't opt for this return. In this form credit can be taken by the taxpayer only on those invoices which are appearing in Anx - 2. Here assessee can't take provisional credit. But since assessee opting for SUGAM are small taxpayers then their purchases are also from small assessee. And such small supplier assessee may not be regular in filing returns. This then creates a loss to assessee opting for SUGAM as he has to wait till the supplier assessee files the return. The taxpayer who has faced this drubbing situation is exhorted to opt for RET-1. This situation again defeats the main aim of the government wherein it tries to simplify GST for taxpayers especially smaller ones. The small taxpayers have small working capital. If they are not allowed to take credit on provisional basis then they have to pay the tax in cash. It will adversely affect their cash flows. Hence, nobody likes to pay this amount in cash. Hence, they will be compelled to opt for the regular tax paying system. This will again increase load on the portal. The Government is thinking that around 72% of assessee will opt for this scheme and hence the pressure on the portal will be minimum. But seeing this situation, everyone will be opting for monthly scheme and the very purpose of the department will be defeated.