

GST Alert: GST Compliance to be ensured before the End of the Financial Year

As we approach the end of this fiscal year, here is a check-list of GST tasks that should be taken care of before you file February/March 24 GSTR 1 & GSTR 3B: -

1. Filing of all the pending GST Returns for April 2023 till January'24 / February'24.
2. Reconciliation: GSTR 3B v/s GSTR 1 v/s Books for outward supplies, including taxable supplies, Zero-rated supplies, exempt supplies, Nil rated supplies, No supplies, etc., and give the impact of the same in GSTR-1/GSTR-3B, respectively.
 - a. In case of outward supplies made, you need to take care of the provision of Section 34(2) of the CGST act
 - b. Similarly, the Proviso to sub-section (3) to Section 37 states, "Provided that no rectification of error or omission in respect of the details furnished under sub-section (1) shall be allowed after furnishing of the return under section 39 for the month of November following the end of the financial year to which such details pertain".
 - c. Therefore, in case of outward supplies (which includes invoices, debit notes, credit notes, and revised invoices issued in relation to outward supplies made during any tax period), kindly make sure that any reporting/rectification in relation to Outward Supplies of FY 2023-24, are duly reported/corrected in the GSTR-1 of Feb'24 / Mar'24, so that your buyers' ITC gets reflected correctly in their GSTR-2A/2B within the FY 2023-24
 - d. If the counter party is not able to find our sales invoice in his GSTR 2A, then there might be chances that you have filed GSTR 1 wherein you have shown sales in B2CS, but it was actually B2B sales. In such a case, an amendment of B2CS is required, and you also have to upload the bill in B2B afresh.
 - e. Make sure that the adjustment of Output Tax reported, if any, in Table 10 and Table 11 of GSTR-9 for FY 2022-23 have been duly reconciled vis-a-vis with the Output Tax of FY 2023-24
 - f. If mistakenly Nil or wrong or incomplete GSTR 1 is uploaded where invoices pertaining to some months are not uploaded or uploaded to the wrong GSTIN of the buyer, or you have uploaded on some of the sheets of GSTR1, then Amendments are required.
 - g. If fixed assets were disposed of from Apr'23 to the present, ensure that the applicable GST is discharged and duly recorded in the Books, GSTR-1 and GSTR-3B.
 - h. If scrap has been disposed of from Apr'23 to the present, make sure that the applicable GST is discharged and duly recorded in the Books, GSTR-1 and GSTR-3B.

3. Reconciliation: GSTR 3B v/s GSTR 2A/2B v/s Books for Inward credit for the period of Apr'23 to Mar'24 and give the impact of the same in GSTR-3B and accordingly, where eligible credit not reflected in GSTR- 2A take follow up of your suppliers.

a. Please take note that as per the provision of Section 16(4) of the CGST Act, in case there is a credit that pertains to FY 2023-24 as per your books of account, but the same has not been taken/availed in your GSTR-3B returns filed, kindly make sure to avail this credit in GSTR-3B of Feb'24/Mar'24 and so that it is not required to separately track it for correct reporting in the GST Annual Return (GSTR-9 of FY 2023-24)

b. The process to download GSTR-2A/GSTR-2B has already been made available to you

c. Make sure to keep track of ITC reversed and ITC reclaimed during FY 2023-24 in such a way that you have available with you, after every return, a list of invoices of Inward Supply, on which ITC has been reversed under Table 4(B)(2) and the reclaim of the same is yet to be made. Kindly make sure that the total ITC pertaining to such Invoices reconciles with the amount appearing on the GST Portal under "Electronic Credit Reversal and Re-claimed Statement."

d. Kindly reconcile the ITC claimed in FY 2023-24 vis a vis the credits available as per GSTR-2A/ GSTR-2B, and in case of discrepancies, kindly follow up with your relevant vendors to make appropriate corrections in their GSTR-1s so that the Credits correctly reflect in your GSTR-2A/ GSTR-2B within the FY 2023-24. Please note that Table 8A of GSTR-9 is auto-populated on the basis of ITC reflecting in GSTR-2A hence so far as rectification pertaining to FY 2023-24 is done on or before filing GST Returns for Mar'24, it would have as much fewer discrepancies to reconcile.

e. Make sure that the adjustment of ITC reported in Table 12 and Table 13 of GSTR-9 for FY 2022-23 have been duly reconciled vis a vis the ITC of FY 2023-24

f. Make sure that vendors' invoices against which ITC has been availed during FY 2023-24 have been either paid within 180 days of the invoice's booking or the ITC is reversed and accounted for in the control account, which shall be re-availed upon payment to the vendor.

g. Make sure that in case RCM is applicable for Inward supplies availed during the FY 2023-24, has been paid, and eligible ITC against the same has been claimed. You may kindly refer to our RCM Circular for details on this link - <https://njain.com/wp-content/uploads/2023/10/GST-Alert-07-Master-GST-Alert-on-RCM-on-Services-and-Goods-updated-till-1.10.2023-1.pdf>

h. Also, reconcile the RCM reflected in GSTR 2B with the Books of Accounts in case your vendor uploads the RCM Invoices by mistake or under the wrong GSTIN (of our own). Then, kindly follow up with your relevant vendors to make appropriate corrections in their GSTR-1s to rectify the situation to avoid any adverse tax implications or further notice seeking payment under RCM from your jurisdictional officer.

i. Kindly check the POS along with the vendor's GSTIN to avail of the correct ITC under the IGST, CGST, and SGST heads.

4. Please consider the impact of Circular No.170/02/2022-GST, dated 6 July 2022, which deals with reconciling ITC reflected in GSTR 2B with ITC availed in GSTR-3B/Books.

5. In case you have in your P&L Income arising from the Supply of Exempt Goods or Services other than Interest on Deposits / Supply of MEIS/SEIS, then as per provision of Section 17(2) of the CGST Act, 2017, read with Rule 42 and 43 of the CGST Rules, prorate Reversal of Common ITC as per prescribed procedure needs to be done. In case of taxable as well as exempted supplies, the taxpayer shall perform the annual calculation for reversal of common ITC as per rule 42 of the CGST Rules, 2017. The effect of any excess reversal or short reversal shall be duly accounted for in GST returns for the month of March 2024 so as to avoid interest implication, should you require to make additional reversal on account of the annual True-up.

6. File GST TDS Returns if applicable u/s 51 (CGST Act 2017) for Apr'23 to March'24.

7. Kindly make sure to claim a refund for the period Feb'22 onward (if any) before the due date of filing GSTR-3B for the month of Feb'24 (i.e., 20th March 2024) since the extension period granted under Notification No. 13/2022-Central Tax dated 5th July 2022 due covid would lapse subsequently.

8. Check if your supplier is a government organization and whether they are deducting TDS under GST. If yes, reconcile the TDS deducted by them from April 2023 to February 2024 with the TDS reflected on your account, accepted, and filed.

9. If you wish to make zero-rated supplies without paying tax, apply for LUT for F. Y. 2024-25.

10. Apply if you wish to opt for the composition scheme for F. Y. 2024-25, which is now available in the GSTN Portal.

11. Check the status of Input Goods (1 year) / Capital Goods (3 years) sent to the Job Worker for the purpose of ITC reversal where the timelines have been exceeded.

12. Check the status of Goods sent on an approval basis.

13. Reconciliation of E-way bill data with GSTR-1 for FY 2023-24

14. Reconciliation of E-Invoice data with GSTR-1 / Books for FY 2023-24 and making sure that IRN is generated for every B2B Invoice/ B2B Credit Note/ B2B Debit Note/Export Invoice for the period applicable.

15. Applicability of E-Invoicing :

Kindly note that the E-invoice system for B2B transactions is made mandatory for businesses with Aggregate Annual Turnover (AATO) above 5 Cr from 1st August 2023. (Prior to August 2023, the said threshold limit was 10 Crore). As per Rule 48(5) of the CGST Rules, any vendor who is eligible to issue E-invoices but issues normal tax invoices, then such normal invoices shall not be treated as Tax Invoices, and the recipient will not be eligible to avail of Input Tax Credit. The recipient may also have to pay interest as well as a penalty if charged. Therefore, may we request you to kindly check if your AATO exceeded Rs 5 Crores in any of the Previous FYs (Starting FY 2017-18) OR if your AATO in the current FY 2023-24 is likely to exceed Rs 5 Crores, then you are required to comply with E-Invoicing requirement with effect from 1st April 2024. Therefore, kindly ensure to make the necessary accounting software-related changes at your end.

You may kindly refer to our E-Invoice alert for further details on this link à <https://njain.com/gst-alert-14-e-invoicing-for-fy-2023-24/>

16. Incomes appearing in Form 26AS (where applicable) for the FY 2023-24 (Up to Dec'23) would also be now available, and hence, in case there is any income / TDS recognized in 26AS/Books of FY 2023-24 (Up to Dec'23), which has been missed to be reported in GSTR-1 / GSTR-3B, kindly ensure that the same is duly reported, to match with the Annual Accounts for the FY 2023-24.

17. Kindly verify that the Principal place of business and additional place of business as currently reflected on the GSTN portal are correct OR that any changes/amendments are required. In case any changes are required, make sure that the relevant amendments are done on the portal.

Further, may I draw your attention to Rule 18 of the CGST Rules 2017, which reads as under: -

"18. Display of registration certificate and Goods and Services Tax Identification Number on the name board.- (1) Every registered person shall display his certificate of registration in a prominent location at his principal place of business and at every additional place or places of business.

(2) Every registered person shall display his Goods and Services Tax Identification Number on the name board exhibited at the entry of his principal place of business and at every additional place or places of business."

Therefore, kindly ensure that GSTIN RC is properly displayed at all the registered places of business.

Trust you shall find the above checklist useful. Happy Accounting!!!!