



# **GST YEAR END COMPLIANCES AN OVERVIEW**

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**G G S H & CO. LLP**

**CHARTERED ACCOUNTANTS**

# GST DUE DATES COMPLIANCE

## Composition scheme

Regular Taxpayer, whose turnover for the FY 2022-23 **does not exceed Rs. 1.5 crores** can choose to opt-in to the composition scheme before **31st March 2023** by submitting a declaration in **Form CMP-02**.

The return in **Form GSTR-4** has to be filed for **FY 2022-23** on or before **30<sup>th</sup> April 2023**.

## QRMP Scheme

**Opt in/out** for **QRMP** Scheme for Q1 (Apr – June 2023) of FY 2023-24 before **30<sup>th</sup> April 2023**.

## LUT

For **FY 2023-24**, LUT has to be Obtained **on or before 31<sup>st</sup> March 2023**.

LUT is **mandatory** to supply goods or services for exports / SEZs without payment of integrated tax.

## HSN Code

Taxpayer is required to mandatorily mention **4 or 6 digits HSN code** towards outward supplies where turnover in previous financial year is:

Upto 5 Crores: 4 digits HSN

Above 5 Crores: 6 digits HSN

## E-Invoicing

For Taxpayers, whose aggregate turnover in any of the previous financial year starting from 2017-18 has **exceeded 10 Crores** need to comply with the provisions of E-invoicing **w.e.f 01<sup>st</sup> April 2023**.

## ITC-04

**Form ITC-04** is to be filed by principal who is sending goods for Job work, whose turnover in previous FY is:

Upto 5 Crores: Yearly basis on **25<sup>th</sup> April 2023** for FY 2022-23

Above 5 Crores: Half yearly basis on **25<sup>th</sup> April 2023** for the period 1<sup>st</sup> Oct 2022 to 31<sup>st</sup> Mar 2023.

# OUTWARD TAX LIABILITY

## RECONCILIATION OF TURNOVER ALONG WITH TAX DETAILS (1/2)

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### **Sources to identify turnover of an entity**

- GST Returns
- Form 26AS
- Accounting Entries
- Financial Statements
- E-Way bill & E-Invoice

### **What to Reconcile?**

- GSTR-1 vs BOA
- GSTR-3B vs BOA
- GSTR-1 vs GSTR-3B
- BOA vs Form 26AS
- E-Invoice vs BOA
- E-Way bill vs GSTR-1

# OUTWARD TAX LIABILITY

## RECONCILIATION OF TURNOVER ALONG WITH TAX DETAILS (2/2)

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### Reconciliation Checklist

- In case of an entity having multiple GST registrations, the GST turnover should be taken on the basis of **PAN** for reconciliations.
- To check and **record all incomes reflected in Form 26AS** in the BOA and to discharge the tax liability in the GST returns.
- To check on whether the tax liability is discharged on **sale of fixed assets** made during the year.
- To check on whether proper **HSN/SAC** and the **applicable tax rate** for the goods/services is accounted in BOA and discharged in the GST returns.
- GST implications on **receipt of advances for services**.
- To maintain Electronic credit ledger, Electronic cash ledger and Electronic liability ledger in BOA and reconcile the same with the portal.

### Corrective measures

- To make **necessary amendments in GSTR1** before filing the return of **October 2023** for deviations identified as a result of reconciliation.
- To discharge the differential tax identified in GSTR3B **on or before 30<sup>th</sup> November 2023** or to discharge through DRC03.
- Tax payable after the due date is to be discharged along with **Interest @ 18% p.a .**

**RECTIFICATION  
OF COMMON ERRORS  
COMMITTED IN THE  
GST RETURNS  
FILED DURING THE  
FY 2022-23 ?**

**CASE 1**

When the taxpayer has selected wrong HSN/SAC for goods/services sold during the year.

There is no Specific Consequence stated in the law regarding the reporting of wrong HSN/SAC in the returns unless otherwise there is a change in the rate of tax for the corresponding HSN/SAC of the supply.

It is recommended to check the HSN/SAC and the applicable tax rate for the goods/services mentioned in the Invoice at the time of receipt of such Invoice.

Any deviation in tax amount due to change in tax rate, then proper amendment to be made in GSTR1 and differential tax needs to be discharged in the returns.

**CASE 2**

The taxpayer has incorrectly charged IGST instead of CGST & SGST and Vice versa.

**Charged IGST instead of CGST and SGST:**

Changes can be made through issuing debit note for CGST and SGST and credit note for reversing IGST.

**Charged CGST and SGST instead of IGST:**

Changes can be made through issuing debit note for IGST and credit note for reversing CGST and SGST.

As per Section 77, no interest to be charged for rectification of this error.

# INPUT TAX CREDIT - CHECKLIST

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To avail ITC after checking the conditions and eligibility as per section 16 and 17 of the CGST Act 2017 before the prescribed time limit of 30<sup>th</sup> November 2023 for invoices pertaining to FY 2022-23 or the date of furnishing of relevant annual return, whichever is earlier.

NOTE: ITC on goods can be availed in GSTR3B only if such goods are physically received before 31st March of the respective financial year.

## **Rule 37:**

The payment to the supplier must be made within 180 days from the date of issue of invoice. If payment not made within the specified time, such credit availed and utilised needs to be reversed along with Interest under section 50.

The said credit can be re-availed once the payment is made to the supplier.

It is recommended to maintain separate ledger to account un-availed ITC which are availed in the subsequent Financial year.

For example:

For FY 2022-23, maintain separate ledgers to record:

1. ITC of FY 2022-23 availed in FY 2022-23
2. ITC of FY 2022-23 availed in FY 2023-24

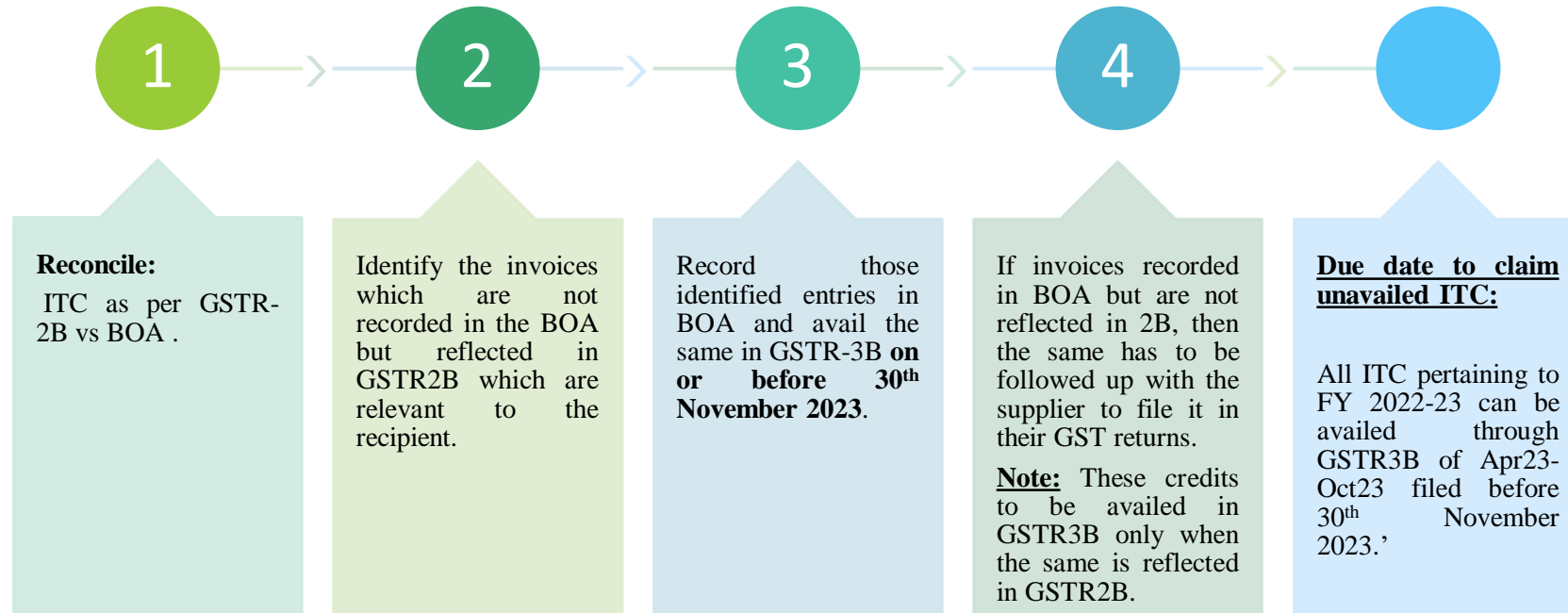
Check if any reversal required against purchase returns or any other credits made to the expense ledgers. Impact to be disclosed in the GST returns accordingly.

Periodic check on the Import of goods – BOE vs ICEGATE vs GSTR2B.

Where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income tax Act, 1961 (43 of 1961), the input tax credit on the said tax component shall not be allowed for availment.

# HOW TO CLAIM UNAVAILED ITC IN RESPECT OF INVOICES RELATING TO GOODS OR SERVICES PERTAINING TO FY 2022-23?

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# ITC reversal calculation under Rule 42/43 at the end of FY 2022-23?

Turnover as audited Financial statements to be finalised with proper categorisation such as Taxable, Export, Exempted and Non GST supply.

## ➤ **Rule 42 reversal:**

- Rule 42 reversal to be re-computed as at the year end based on the turnover finalised.
- In case of short reversal made in the returns for FY 2022-23, the balance ITC is to be reversed along with Interest @ 18% p.a.

## ➤ **Rule 43 reversal:**

- To verify the correctness of accounting treatment of capital goods prior to closure of BOA.
- Impact of annualized ITC reversal under Rule 43 to be computed.
- In case of short reversal, the balance ITC is to be reversed along with interest calculated from the month of actual short reversal to be made.





# Reporting to be made in Clause 44 of tax audit FORM 3CD

▼ 44. Break-up of total expenditure of entities registered or not registered under the GST

Total Amount of expenditure incurred during the year	Expenditure in respect of entities registered under the GST				Expenditure relating to entities not registered under GST
	Relating to the goods or services exempt from GST	Relating to the entities falling under composition scheme	Relating to the other registered entities	Total Payment to Registered entities	

It is recommended to record **GST master data for all suppliers** in the BOA since it will help in the classification of B2B and B2C suppliers thereby enabling us to update the expense breakup of registered and unregistered entities in the **mandatory clause 44 of Form 3CD.**

**Note:** Maintain the records in the accounting software as per above table

# COMPLIANCE IN REVERSE CHARGE MECHANISM

## OUTWARD RCM

- In RCM cases, check whether all expenses under RCM has been reported and paid in GSTR 3B of FY 22-23; if not then pay such dues on or before 30<sup>th</sup> November 2023.
- To identify cases of import of services liable under RCM which are not yet been accounted for and to discharge the liability accordingly.
- Analyze GST on section 9(4) expenses – Real estate sector only.

## RCM ITC

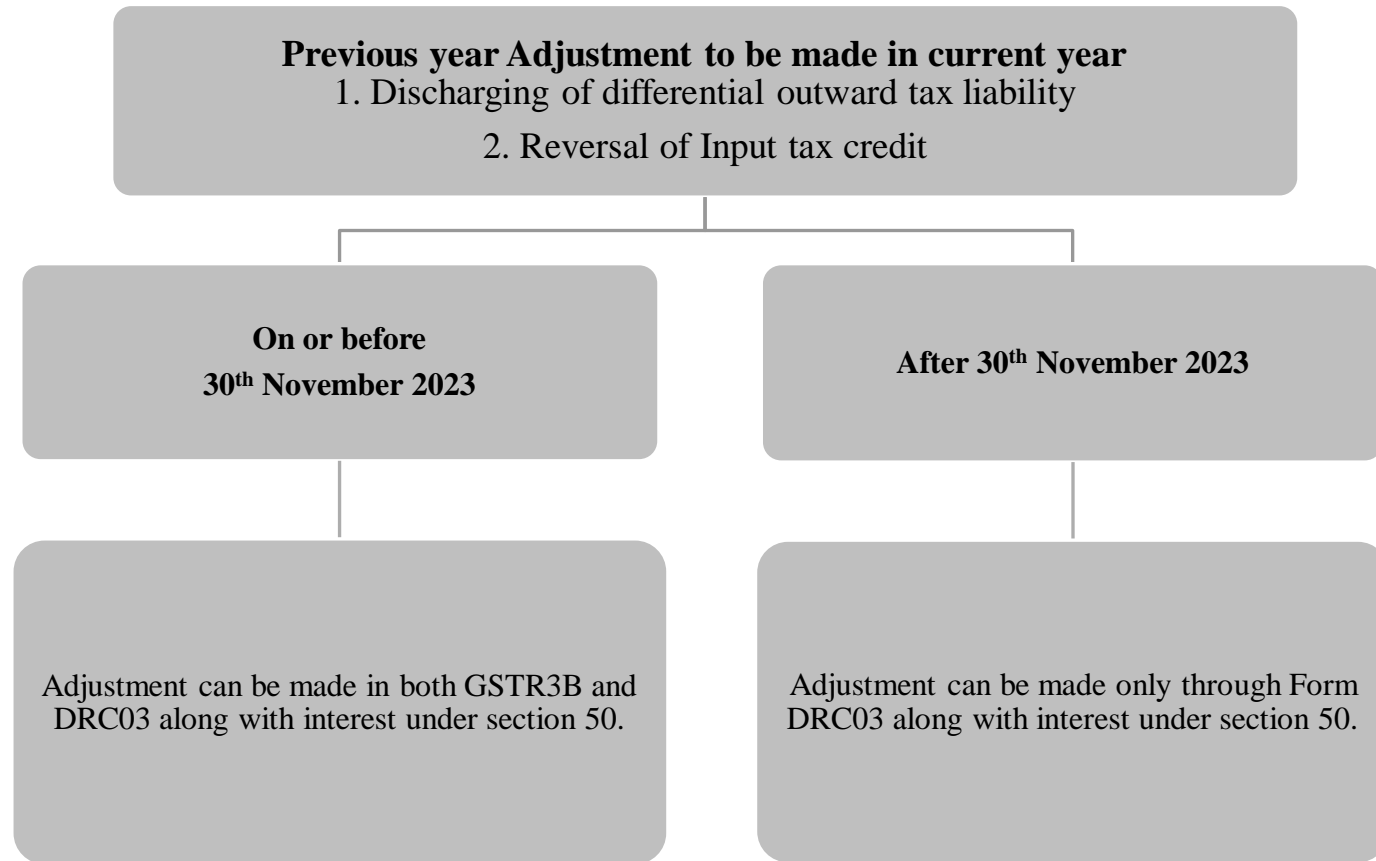
RCM ITC to be availed on the outward RCM discharged during the year.

## DOCUMENTATION

**Self invoice** needs to be issued for RCM liability discharged during the period.

# Suggestion on the correct way of discharging GST liability, Availment or reversal of ITC after the year end – Either through GSTR3B of the subsequent FY or FORM DRC-O3?

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## OTHER COMMON CHECKLIST

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All entries with proper narrations pertaining to FY 2022-23 to be passed on or before 31<sup>st</sup> Mar 2023 including all GST effecting entries to match the closing balances of GST ledgers as per BOA and GST Portal. Monthly reconciliation to be maintained for a particular financial year.

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Identification of Outward, ITC and RCM pertaining to FY 2022-23, if any, missed out to be declared in the returns and rectification of the same while filing the **return of March 2023**.

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All GRN received for FY 2022-23 to be properly Scrutinized and to raise all bills which are unaccounted as at the year end. Books inventory Vs physical inventory - assess if ITC reversal is required.

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GST taxpayers should start a new invoice series from the start of the next FY 2023-24. This will save the taxpayers from the problems faced in the process of generating e-way bill on the e-way bill system or furnishing their form GSTR 1 or while applying for a GST refund.

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Reversal of Excess availment of ITC or ineligible ITC availed pertaining to Sec 17(5) or any other ITC reversals pertaining to FY2022-23 is to be reversed in Form GSTR3B before 30<sup>th</sup> November 2023 or through filing DRC-03 along with applicable interest as per section 50 on such ITC availed and utilized (To refer Rule 88B).

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Proper HSN and the corresponding tax rate needs to be validated for a good/service before the end of the financial year and proper disclosure of amendment for any deviations identified in the respective returns accordingly.

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To track status of goods sent on job work, whether all the goods have been received back within the due time period. (1 year for inputs/ 3 years for Capital Goods). If not received in time, invoice must be raised appropriately since the same will be considered as supply.

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Cross charging impact on the supply made to distinct person and related parties.



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This report is prepared with an intention to give clarity on the year end compliances in GST to the intended users. This documentation shall not be construed as a substitute for the legal regulations/ notifications/ Act. Any decision to be taken shall be made on obtaining professional advice.

**For any clarifications, kindly reach us to:**

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