



Important Points for New F.Y. 23-24 & closing of P.Y 22-23



IMPORTANT POINTS QUA CLOSING F.Y. 2022-23

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Booking of pending entries

- ❖ Raising of sales vouchers, debit note and credit notes, if any missed out
- ❖ Booking of purchase invoices and expense invoices, if any missed out
- ❖ Please note that E-invoice is applicable to all tax-payers whose aggregate turnover is P.Y. exceeds Rs. 10 Crore. Accordingly, post 31.03., it would practically not be possible either for the vendor or customer to issue invoices pertaining to P.Y. 2022-23

Reconciliations:

- ❖ ITC reconciliation with books and returns;
- ❖ ITC reversal on account of failure to pay beyond 180 days;
- ❖ ITC reversal in terms of Rule 42 in case of supply of taxable as well as exempted goods/services;
- ❖ Cash/Credit/Liability ledger as per GSTN with books of accounts;
- ❖ Sales as per GSTR-1 vs sales as per GSTR-3B vs Sales as per books;
- ❖ Sales as per E-way bill vs sales as per books;
- ❖ GSTR-2B with purchase/expense register
- ❖ Inward data as per E-way bill system vs ITC as per books of accounts
- ❖ GST TDS reflecting on GST portal vs GST TDS deducted by government companies
- ❖ GST TCS reflecting on GST portal vs GST TCS deducted by E- commerce companies

Cross Charge calculations:

Where services are provided between related persons i.e. one branch to another branch or one company to sister concern, GST Law provides for cross-charging the branch and levying GST on the same. The valuation for the same should be as per market value based on the Rule 28 of the CGST Rules

Refund application for FY 2020-21:

The time limit for making a refund application is 2 years from the relevant date of export. Accordingly, last date to apply for a refund of GST for March 2021 will be time barred on 31.03.2023

Composition Scheme:

Taxpayers who wish to opt for a Composition scheme for new F.Y. and are currently registered as regular taxpayers, must file form GST CMP-02 by 31st March. Such taxpayers must also file Form ITC-03 for reversal of ITC availed on stocks of inputs, semi-finished goods and finished goods as on 31st March.

GTA under Forward Charge:

Goods Transport Agency who are desirous of paying GST under forward charge are required to file declaration in Annexure V by 15.03.2023.

Income Tax reconciliations:

- ❖ Income Tax TDS/ TCS reconciliation with Form 26AS
- ❖ Income Tax Annual Information Statement ('AIS') with books of accounts
- ❖ Review of Advance Tax. If 90% tax is paid by 31st March, interest u/s 234B can be avoided.

Checking of issuance of notices & demands of GST & Income Tax portal

As per latest changes in law, serving of notice of government portal is legally permissible. Accordingly, it would be advisable to check GST & Income Tax portal to check for any probable issuance of notice or tax demands



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Invoicing:

A Tax invoice and delivery challan needs to be issued by every registered taxpayer under the GST Law & Income tax law. Every firm will require to reset the invoice series as well as credit notes, debit notes, delivery challan, etc for new F.Y.

E- Invoicing:

Businesses having turnover above Rs. 10 crores in any of the previous year are required to generate e-invoicing. It is hereby requested to check if turnover of previous year as to whether same has exceeded Rs. 10 Crore.

HSN:

W.e.f 01.04.2021, tax-payers have to furnish HSN/SAC on their invoices as under:

Aggregate T/o in preceding F.Y.	HSN	Applicable to
> 5 Crore	6 digit	All transactions
< 5 Crore	4 digit	Only B2B transactions
*Select chemicals	8 digit	Few chemicals from Chapter 28,29, 38 & 39- NN90/2020 dt 01.12.20

Exports & LUT:

A taxpayer who intends to undertake exports or SEZ supply without payment of IGST, needs to apply for Letter of Undertaking (LUT) for new F.Y. Such application is to be made through Form GST RFD-11 on GST Portal.

Discontinue payment of RCM under import ocean freight:

The Hon'ble Supreme Court in its landmark judgment dt. 19.05.2022 (in case of Mohit Minerals) has struck down the levy of import ocean freight. Considering the fact that GST department has not further filed any reference application or review against the said judgment, companies may discontinue payment of IGST under import ocean freight transactions from new FY.

MSE Payments - Time limit:

In order to promote timely payments to micro and small enterprises, Budget 2023 has proposed that the amount payable to micro and small enterprises beyond the time limit prescribed under MSMED Act will be allowed only on actual payment.

Form 15G/15H Forms:

Form 15G/15H for the new financial year will have to be applied for cases where TDS is not to be deducted by banks or any other institution. The said forms have to be filed by 15th July for the first quarter April to June 2023. Failure to submit Form 15G/15H will lead to deduction of TDS inspite of non taxable income.

Income Tax TDS & TCS Applicability on Goods:

- ❖ Any buyer, whose total sales, gross receipts or turnover from the business exceeds INR 10 crore during the previous financial year, shall deduct TDS of 0.1% in case of purchase of any goods of the value exceeding INR 50 lakhs.
- ❖ Every seller, whose total sales, gross receipts or turnover from the business carried on by him exceeds INR 10 crore during the previous financial year, shall collect from the buyer, a sum equal to 0.1% of the sale consideration exceeding INR 50 lakhs.
- ❖ Where TDS on purchases is made by the buyer, no TCS shall be collected by the seller on the sales value on same transaction.

Audit Trail under Accounting for companies:

As per latest notification by Ministry of Corporate Affairs, it has been clarified that wef 01.04.2023, every company will have to use accounting software which maintains audit trail of every transaction along with edit logs of each changes made in books of accounts.

Obtaining declaration from vendors & customers:

- ❖ Declaration from vendors stating issuance of E-invoices if their turnover has crossed Rs. 10 Crore in any of the previous F.Y.
- ❖ Declaration from customers stating if their turnover has crossed Rs. 10 Crore in previous F. Y. and whether they would be deducting TDS on their purchase invoices
- ❖ Declaration from vendor confirming status of Micro, Small or Medium Enterprises

Providing declaration to customers:

- ❖ Declaration to vendors stating that our turnover has crossed Rs. 10 Crore in previous F. Y. and we would be deducting TDS on their sale invoices



THANK YOU



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