

## **Activities to be undertaken for GST Compliances of FY 2023-24 in March 2024**

**We are fast approaching the end of the financial year 2023-24. It mandates some activities to be carried out under GST laws for a smooth transition to the Financial Year 2023-24. We have listed down certain important activities for the smooth transition/ closure of the Financial Year 2023-24:**

### **A. Availment of correct Input Tax Credit for the FY 2023-24:**

1. Prepare the yearly reconciliation of ITC booked in books and ITC availed in GSTR 3B during the FY 2023-24 and availed in the subsequent month's GSTR 3B till 30th November 2024 or date of filing Annual return for FY 2023-24, whichever is earlier and reconcile the same with GSTR 2B.
2. In case any invoices are not booked in the books of accounts, however, the ITC is availed as found in GSTR 2B, kindly record the said invoices in the books of accounts. Further, if ITC was reversed in Table 4(B)(2) of GSTR 3B, as invoices reflected in GSTR 2B but not recorded in Books of Accounts, the same needs to be reclaimed which was reversed in the earlier tax period on account of invoices recorded in Books of Accounts.
3. Follow up with suppliers to furnish/report transactions in their GSTR 1 with payment of taxes in GSTR 3B in case stated transactions are not populated in your GSTR 2B.
4. Identify the ineligible ITC (Blocked credit/ ITC on exempt supplies) already availed in GSTR 3B of the 2023-24 and reverse the same. In case, where ITC has been wrongly availed and utilized, then reverse/pay the same along with interest @24% on such ITC wrongly availed and utilized if ITC, to avoid the litigation and demand of interest & penalty in the future. Further, note that no interest & penalty is leviable on the reversal of wrongly availed credit but not utilized.
5. Prepare and Review that any payment to suppliers is not pending beyond 180 days from the date of issuance of the supplier's invoice. If such ITC is availed without making the payment within 180 days from the date of issuance of the invoice, then said ITC needs to be reversed along with interest @ 18%. Further, re-avail such ITC in subsequent months' GSTR-3B if payment has been made without any time limit (i.e. even post-filing of GSTR 3B for October 2024 as the time limit for availing ITC u/s 16(4) of CGST Act is not applicable in the case of re-availment of ITC).

6. In case of purchases made from any composition supplier, ITC is not available and should not be booked in books as well as availed in GSTR 3B. If done, then, reverse the same in books as well as in return.
7. Check If there is any exempt income undertaken during the financial year, ITC reversal shall be re-calculated and considered in accordance with Rules 42 and 43 of CGST Rules at the end of year. Any additional reversal required shall be accounted for in GSTR-3B of March 2024 or thereafter. Alternatively, if excess ITC has been reversed under Table 4(B)(1) of GSTR 3B by the Company during the year, such excess ITC can be reclaimed in March 2024 GSTR 3B or thereafter.
8. Compile & reconcile ITC auto-populated in GSTR 2B for the full FY 2023-24 and for the period April to October 2024 (relevant for FY 2023-24) and identify the suppliers whose registration has been either cancelled or suspended for any reasons during the FY 2023-24 for your onward needful actions.
9. In compiled data of GSTR 2B, check the status of the date of filing of GSTR-1 and GSTR 3B of the suppliers to know whether your suppliers are tax compliant or not as your ITC has been made totally dependent on the compliances done by the suppliers.
10. In case invoices found in GSTR 2B, do not belong to your Company, and ITC is availed on the same, kindly reverse the ITC to avoid future litigation.
11. Check for any supplier's GSTIN has not been canceled from GSTR-2B data. If any supplier's GSTIN is cancelled, then ask the reason for the cancellation of GSTIN say GSTIN is cancelled due to any reason like failure to file GSTR 3B return and ask suppliers to file the returns to avoid ITC litigation in the future.
12. Check for the transactions covered under reverse charge mechanism (RCM) either from registered suppliers or unregistered suppliers and make the payment of tax under RCM as per time of supply provisions and claim ITC if not done earlier. Also, raise the self-invoices and payment vouchers in case of specified goods or services covered under RCM, received from an unregistered person.
13. Check that if the supplier has crossed the e-invoice turnover limit and is not generating IRN for tax invoices, then the invoices raised are not considered valid as per the e-invoicing mandate. Hence, ITC claimed on such invalid invoices, can be denied in the

future by the department. Thus, accordingly, communicate with your respective suppliers.

14. Check whether ITC has been reversed or not for transactions such as Discount Received, sales of Securities (refer to Explanation 2(b) of Rule 45 of the CGST Rules, 2017), etc., to avoid ITC reversal litigation in the future.
15. Check physical stock and the entry of the same in the books. ITC should be reversed if while checking the physical stock, the stock is not found. If any difference is found in both then do check if any sales are missed while in books.

**B. Reporting of correct outward supplies for the FY 2023-24:**

1. Prepare and reconcile the turnover as reported in GSTR 1/GSTR 3B with books of accounts for FY 2023-24. Also, check that it has been classified under the correct HSN/SAC code and correct GST rate has been levied on the same. Further, any outward supplies of FY 2023-24 shown in the period of April to October 2024 should be captured properly for proper disclosure in GSTR 9 & GSTR 9C of FY 2023-24.
2. Compile and reconcile the amount of taxes paid in GSTR 1 and GSTR 3B filed during the FY 2023-24 with books of accounts and pay the tax if there is any shortfall vide filing DRC 03 to avoid litigation.
3. Reconcile the debit notes and credit notes as per books with GSTR-1 and GSTR-3B and differences, if any, shall be accounted for accordingly.
4. In the case of exempt supplies, ensure the bill of supply is issued and reported in GST returns.
5. In case of supply between related parties, verify whether provisions of Section 15 – Valuation of CGST Act read with Rule 28 of CGST Rules followed by the taxpayer.
6. Prepare the reconciliation of E-way bills generated during the FY 2023-24 with tax invoices reported in GSTR 1 and give prior intimation to the department in case of any deficiency.
7. In case of compulsory generation of e-invoices, check & reconcile whether all the tax invoices for B2B supplies have been duly reported on the dedicated e-invoice portal and IRN generated with QR code and digitally signed. If not, then kindly report the same

- on the e-invoice portal and take the necessary action in the subsequent month's GSTR 1. The government has made it mandatory to generate e-invoice within 30 days from the date of the invoice. Further, prepare reconciliation with e-invoices with IRN viz. e-way bills generated viz. reported or furnished in GSTR 1.
8. In case of the export of goods, reconcile the shipping bill details with GSTR-1. This is necessary for claiming the refund of unutilized ITC / GST paid on export.
  9. Check whether all the invoices raised during the FY 2023-24 have been properly reported in GSTR 1 and taxes have been paid thereon in GSTR 3B. In case, any kind of amendment is required viz. GSTIN, Invoice Number, Invoice Date, Taxable Value, taxes, B2C to B2B, etc., need to be done, then the same must be done till 30th November 2024.
  10. Check other incomes from the Profit and Loss including items like vouchers or coupons received, scrap of sales, etc., to determine if any applicable taxes are payable, if yes, then pay tax accordingly.
  11. Check whether the GST paid on advances received in FY 2023-24 towards the supply of services made or agreed to be made has been properly adjusted in GSTR 1 and GSTR 3B.
  12. Check the tax compliances in case of supply of business assets during the FY 2023-24 on which ITC has been availed.
  13. In case of material sent for job work, check whether the same has been returned within the time limit prescribed (Inputs – 1 year and Capital goods – 3 years) and the same has been duly reported in ITC 04.
  14. Check whether the goods sent on an approval basis have been either returned within 6 months or sold on the issuance of tax invoices.

### **C. Reverse Charge Mechanism Supplies:**

1. To identify all expenses subject to RCM (sitting fees paid to directors, GTA, Security Services, rent a Cab, Advocate fees, etc.) and reconcile the same with RCM liability discharged in GSTR-3B. The differential liability if any shall be discharged along with interest as per time of supply provisions.

2. Reconcile the foreign expenditure as per financials with import details disclosed in the GST returns.
3. To verify the self-invoices and payment vouchers issued for supplies received from unregistered persons and subject to RCM.
4. ITC availed in respect of RCM transactions shall be equal to or less than GST liability discharged under RCM. Where the ITC is disallowed in respect of the RCM discharged by the taxpayer, such ITC shall be disclosed in Table 4B(1) of GSTR-3B.

**D. Important Activities to be undertaken:**

1. **New Tax Invoice Series for FY 2024-25:** Adopt new document series unique for FY 2024-25 preferably a separate series for each GST registration to ensure easy identification and verification.
2. **Important step to be taken by the exporters before the beginning of FY 2024-25:** Apply for Letter of Undertaking (LUT) in Form GST RFD 11 for FY 2024-25 to continue export of goods/services or supplies to SEZ without payment of GST from April 01, 2024.
3. **Enrolment for Composition Scheme FY 2024-25:** The GST Portal will remain open until March 31, 2024, for taxpayers who wish to enroll in the composition scheme for the financial year 2024-25. To apply, file Form CMP-02 by navigating to 'Services -> Registration -> Application to Opt for Composition Levy'.
4. **Filing of ITC-03 for Transition to Composition Scheme:** In case of transitioning from a regular taxpayer to a composition taxpayer, ITC-03 is required to be filed within 60 days from the commencement of the financial year, i.e., on or before 30th May 2024.
5. **Time limit to avail of the option to opt out from the QRMP Scheme:** Taxpayers having a Turnover below Rs 5 Crores shall have the option to select the frequency of GST return filing for FY 2024-25 till 30th April 2024. So, if the taxpayers have opted for Jan – Mar 2024 and want to continue monthly filing of returns from FY 2024-25, they need to take action by 30th April 2024.
6. **Time limit for availing ITC pertaining to the FY 2023-24 coming to an end:** Avail the ITC pertaining to FY 2023-24 till 30th November 2024 or the date of filing of Annual return for FY 2023-24 whichever is earlier. Hence, prepare reconciliation of ITC for FY

2023-24 is availed in FY 2023-24 and in the period April to October 2024 for proper disclosure in GSTR 9 & GSTR 9C of FY 2023-24.

7. **Time limit for issuance of credit notes under GST for FY 2023-24:** Credit Notes for supplies made during FY 2023-24 can be issued but not later than 30th November 2024 or the date of filing of the Annual return for FY 2023-24 whichever is earlier. Hence, capture CN details of FY 2023-24 are shown in FY 2023-24 and in the period April to November 2024 for proper disclosure in GSTR 9 & GSTR 9C of FY 2023-24.
8. **Cross Charge:** Identify the common expenses incurred for related or distinct persons on which ITC has been availed by the taxpayer. The taxpayer needs to cross-charge such expenses to the respective entities / GSTIN of the same entity on the basis of turnover (or such other reasonable method of allocation as applicable to the industry).

#### **D. Other Important Aspects for FY 2023-24:**

1. Check whether the purchase (ITC) register prepared for FY 2023-24 contains all necessary details/ information like tax invoice no./ date, description of goods or services, nature of goods or services like inputs/capital goods/input services and account head, etc. for ITC matching with supplier's invoice.
2. In case of year end discounts given by the taxpayer to its agents, the GST impact of same is duly accounted for in the books and GST returns.
3. Re-computation of reversal of ITC under Rule 42 and Rule 43.
4. Check whether the sales register (Output taxes) captures all the necessary/ details information as required.
5. Ensure that all the other provisions of GST Law have been duly complied with.
6. Reconcile GST TDS/TCS credit reconciliation with e-Cash Ledger on GST portal and books of accounts for FY 2023-24.
7. Reconciliation of E-Credit ledger with books of accounts for FY 2023-24.
8. Claim GST Refund for the FY 2021-22 as the last date to apply for GST Refund Application will be 31<sup>st</sup> March 2024.

9. To verify whether export proceeds are received in convertible foreign exchange accompanied by FIRC's or BRC's. Ensure that export proceeds are realized within the time limit specified by the Foreign Exchange Management Act, 1999.
10. Reconcile the GST receivable or payable as per financials with the closing balance as per the electronic credit ledger on the GSTN portal. Similarly, reconcile the GST cash ledger in the financials with the electronic cash ledger on the GSTN portal.
11. To ensure that place of supply provision have been complied with in respect of supplies undertaken by Company.
12. For the purpose of reporting under clause 44 of the Tax Audit Form (Form 3CD) for Financial Year 2023-24, the entity (on which Tax Audit is applicable in accordance with the relevant section of the Income Tax Act, 1961) needs to disclose the break-up of total expenditure of entities registered or not registered under GST. The entity is advised to prepare the following working for the purpose of reporting the expense under the aforesaid clause in the Form 3CD:-
  - (I) Total Amount of Expenditure (capital expenditure as well as revenue expenditure) incurred during FY 2023-24.
  - (II) Expenditure in respect of entities registered under GST.
  - (III) Expenditure in respect of entities not registered under GST.
  - (IV) Expenditure relating to goods or services exempt under GST.
  - (V) Expenditure relating to entities falling under the composition scheme.
  - (VI) Expenditure relating to other registered entities.
  - (VII) Total payment to registered entities.

**Here are key important updates on the GST Portal in 2024 as on date:**

**1. Advisory on the functionalities available on the portal for the GTA taxpayers**

The following Functionalities are made available on the portal for GTA Taxpayers.

1. **Filing of Online Declaration in Annexure V and Annexure VI for the existing GTA Taxpayers:** As per the [Notification No. 06/2023-Central Tax \(Rate\)](#),

[dated 26.07.2023](#), the option by GTA to pay GST on Forward Charge mechanism or the Reverse Charge mechanism respectively on the services supplied by them during a Financial Year shall be exercised by making a declaration in **Annexure V or Annexure VI from the 1<sup>st</sup> January of the current Financial Year till 31<sup>st</sup> March of the current Financial Year, for the next Financial Year.**

To comply with the above notification, online filing in **Annexure V Form** and **Annexure VI Form** is available on the portal for the existing GTA taxpayers for filing declaration in Annexure V Form or Annexure VI Form for the succeeding FY 2024-25 from 01.01.2024 to 31.03.2024.

**To Access Annexure V Form:** Post login on the FO portal-Navigate to **Services>>User Services>>GTA>>Opting Forward Charge Payment by GTA (Annexure V).**

**To Access Annexure VI Form:** Post login on the FO portal-Navigate to **Services>>User Services>>GTA>>Opting to Revert under Reverse Charge Payment by GTA (Annexure VI)**

- 2. Filing of Online Declaration in Annexure V for the Newly registered GTA Taxpayers:** As per the [Notification No. 5/2023-Central Tax \(Rate\), dated 09.05.2023](#), the option to pay GST on Forward Charge mechanism on the services supplied the Newly registered taxpayers can now be able to file their declaration within the specified due date for the current Financial Year i.e. 2023-2024 and onwards. The due date (before the expiry of forty-five days from the date of applying for GST registration or one month from the date of obtaining registration whichever is later) is now being configured by the system and the same would be displayed to the newly registered taxpayers on their dashboard. The newly registered GTA taxpayers can now file their online declaration on the portal for the current FY within the specified due date.

**To Access:** Post login on the FO portal-Click **YES** on the pop up message on post login (or) Navigate to **Services>>User Services>>GTA>>Opting Forward Charge Payment by GTA (Annexure V).**

- 3. Uploading manually filed Annexure V Form for the FY 2023-24 on the portal:** The Existing/ Newly registered GTA taxpayers who have already submitted Declaration in Annexure V Form for the FY 2023-24 manually with the jurisdictional authority are requested to upload their duly acknowledged legible copy of the Annexure V Form on the portal,



mentioning correct particulars as mentioned in the physical Annexure V submitted, with correct date of acknowledgement from jurisdictional office, where such physical Annexure V was filed for the record purposes. Further it is informed that if the Annexure V was filed manually within the specified due date for the FY 2023-24, he need not to file it again on the portal for the FY 2024-25 or any succeeding FY. By utilizing the manual upload facility, you can upload the legible copy of duly acknowledged manually filed Annexure V for 2023-24, with correct particulars.

**To Access:** Post login on the FO portal-Navigate to **Services>>User Services>>GTA>> Upload Manually Filed Annexure V.**

4. As per the above notification, the option exercised by GTA to itself pay GST on the services supplied by it during a Financial Year shall be deemed to have been exercised for the next and future financial years unless the GTA files a declaration in Annexure VI to revert under reverse charge mechanism.
5. However, the GTAs who filed declaration for the FY 2024-25 on the portal for the period from 27.07.2023 till **22-08-2023** has been considered as filed and valid. Those taxpayers are requested that they need not file declaration in Annexure V Form for the subsequent FYs if they wish to continue their option for pay GST on Forward charge mechanism.

## **2. Advisory on the introduction of new Tables 14 & 15 in GSTR-1**

As per **Notification No. 26/2022 – Central Tax dated 26th December 2022** two new tables Table 14 and Table 15 were added in GSTR-1 to capture the details of the supplies made through e-commerce operators (ECO) on which e-commerce operators are liable to collect tax under section 52 of the Act or liable to pay tax u/s 9(5). These tables have now been made live on the GST common portal. These two new tables will be available in GSTR-1/IFF from January-2024 tax periods onwards. Please [click here](#) for the complete advisory.

## **3. Advisory on Payment through Credit Card (CC)/Debit Card (DC) and Unified Payments Interface (UPI)**

To facilitate the taxpayer registered under GST with more methods of payment, two new facilities of payment have now been provided under e-payment in addition to net-banking. The two new methods are Cards and Unified Payments Interface (UPI). Cards facility includes Credit Card (CC) and Debit Card (DC) namely Mastercard, Visa, RuPay, Diners(CC only) issued by any Indian bank. Please [click here](#) for the complete advisory.

**4. Advisory for furnishing bank account details by registered taxpayers under Rule 10A of the Central Goods and Services Tax Rules, 2017.**

**Mandatory Bank Account Details Submission as per law:** All Registered Taxpayers are required under the provisions of CGST Act, 2017 and the corresponding Rules framed thereunder to furnish details of their bank account/s within 30 days of the grant of registration or before the due date of filing GSTR-1/IFF, whichever is earlier.

Taxpayers are therefore advised to promptly furnish their bank account details, who have not provided it so far if 30 Days period is shortly going to expire to avoid disruption in business activities and the subsequent suspension of GSTIN.

A new functionality is being developed with the following features and will be deployed in near future:-

**1.Failure to furnish the bank account in the stipulated time:** It would result into following:

a) Taxpayer Registration would get suspended after 30 days and intimation in FORM REG-31 will be issued to the Taxpayer.

b) Get the Taxpayer debarred from filing any further GSTR-1/IFF.

**2.Revocation of Suspension:** If the taxpayer updates their bank account details in response to the intimation in FORM REG-31, the suspension will be automatically revoked.

**3.Cancellation of Registration:** If the bank account details are not updated even after 30 days of issuance of FORM REG-31, the registration after suspension may also be taken up for cancellation process by the Officer.

Taxpayers are requested to take immediate action to provide the necessary information and avoid any adverse consequences.

**5. Advisory: Enhanced E-Invoicing Initiatives & Launch of Enhanced <https://invoice.gst.gov.in> portal**

1. GSTN on occasion of one year of the successful going live with the additional five new IRP portals, the e-invoice master information portal, and the e-invoice QR Code Verifier app, announces the launch of the revamped e-invoice master information portal <https://invoice.gst.gov.in>. This enhancement is part of ongoing effort to

further improve taxpayer services. New Features of the revamped E-Invoice Master Information Portal are as follows:

- i. **PAN-Based Search:** Users can check the e-invoice enablement status of entities using their Permanent Account Number (PAN) in addition to search with GSTIN.
- ii. **Automatic E-invoice exemption List:** The portal now automatically publish updated list with all GSTINs that have filed for e-invoice exemptions at the start of the month and is available for users to download.
- iii. **Global Search Bar:** A comprehensive search tab has been introduced that allows for quick access to the information across the portal.
- iv. **Local Search Capabilities:** Enhanced search functionality within advisory, FAQ, manual, and other sections for efficient information access.
- v. **Revamped Advisory and FAQ Section:** Now organized year-wise and month-wise for easier reference, offering comprehensive guidance.
- vi. **Daily IRN Count Statistics:** The portal now includes statistics on the daily Invoice Reference Number (IRN) generation count.
- vii. **Dedicated Section on Mobile App:** Information and support for the e-invoice QR Code Verifier app are readily available.
- viii. **Improved Accessibility Compliance and UI/UX:** Adhering to the GIGW guidelines, the portal now offers improved features such as contrast adjustment, text resizing buttons, and screen reader support for enhanced accessibility.
- ix. **Updated Website Policy:** The website policy has been thoroughly updated including the website archival policy, content management & moderation policy, and web information manager details.

2. In the past year alone, more than 1.6 crore e-invoices were reported through the new IRPs, demonstrating the robustness and efficiency of the system. Furthermore, GSTN has introduced an internal e-invoice comprehensive health dashboard to further enhance monitoring of the e-invoice ecosystem. As a result of these improvements in the GSTN E-Invoicing System, today we have:

- a. **Expansion of IRP Portals:** Today, GSTN operates a total of six IRP portals through its partners, running robustly alongside the centralized de-duplication system.
- b. **E-Invoicing Reporting Accessibility:** All taxpayers who are eligible for e-invoicing can report e-invoices through any of these six IRP portals. The

reporting can be done online, via APIs, or through a mobile app, all free of cost, making the process accessible and convenient for taxpayers nationwide.

- c. **Hourly Auto population** of e-invoices in GSTR-1 from new IRPs. Additionally, we are working with NIC-IRP to enable hourly auto-population of e-invoices in GSTR-1 reported on the NIC-IRP 1&2 portal.
- d. **E-invoice download** for past six months for both buyers and sellers via e-invoice portals and G2B APIs.
- e. **E-invoice QR code verifier App** for verification of e-invoice, and search IRN functionality for online verification of IRN.

3. Additionally, an enhanced version of the e-invoice verifier app, packed with new features, will be launched shortly.

4. GSTN remains dedicated to excellence in taxpayer services. GSTN appreciates your continued support and look forward to further facilitate your compliance journey on the portal.

**6. Subject: Instances of Delay in registration reported by some Taxpayers despite successful Aadhar Authentication in accordance with Rule 8 and 9 CGST, Rules, 2017-reg**

In accordance with Rule 9 of the Central Goods and Services Tax (CGST) Rules, 2017, pertaining to the verification and approval of registration applications, following is informed:

Where a person has undergone Aadhaar authentication as per sub-rule (4A) of rule 8 but has been identified in terms of Rule 9(aa) by the common portal for detailed verification based on risk profile, your application for registration would be processed within thirty days of application submission.

Necessary changes would also be made to reflect the same in the online tracking module vis-à-vis processing of registration application.

**7. Advisory: Integration of E-Waybill system with New IRP Portals**

1. GSTN is pleased to announce the successful integration of E-Waybill services with four new IRP portals via NIC, enabling taxpayers to generate E-Waybills alongside E-Invoicing on these four IRPs.

2. This new facility complements the existing services available on the NIC-IRP portal, making E-Waybill services, along with E-Invoicing, available across all six IRPs.

3. Please find below the websites for all six IRP portals:

- i. <https://einvoice1.gst.gov.in>
- ii. <https://einvoice2.gst.gov.in>
- iii. <https://einvoice3.gst.gov.in>
- iv. <https://einvoice4.gst.gov.in>
- v. <https://einvoice5.gst.gov.in>
- vi. <https://einvoice6.gst.gov.in>

#### **8. Advisory on GSTR-1/IFF: Introduction of New 14A and 15A tables**

It is informed to all taxpayers that as per Notification No. 26/2022 – Central Tax dated 26th December 2022 two new Table 14A and Table 15A have been introduced in GSTR-1 to capture the amendment details of the supplies made through e-commerce operators (ECO) on which e-commerce operators are liable to collect tax under section 52 or liable to pay tax u/s 9(5) of the CGST Act, 2017. These tables have now been made live on the GST common portal and will be available in GSTR-1/IFF from February 2024 tax period onwards. These amendment tables are relevant for those taxpayers who have reported the supplies in Table 14 or Table 15 in earlier tax periods. Please [click here](#) to view the complete advisory on the captioned subject.

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