

Activities to be undertaken for GST Compliances of FY 2022-23 in March 2023



We are fast approaching the end of the financial year 2022-23. It mandates for some activities to be carried out under GST laws for smooth transition to Financial Year 2022-23. We have listed down certain important activities for the smooth transition/ closure of Financial Year 2022-23:

A. Input Tax Credit for the FY 2022-23

- Yearly reconciliation of ITC booked in books and ITC availed in GSTR 3B during the FY 2022-23. Reconciled the same with GSTR-2A/2B.
- Reconciliation of ITC pertaining to the FY 2021-22 availed and utilized in GSTR-3B of FY 2022-23.
- Identify the ineligible ITC (Blocked credit/ ITC on exempt supplies/Purchase made from composition supplier).
- Prepare and Review that any payment to suppliers is not pending beyond 180 days from the date of issuance of supplier's invoice.
- Identify the suppliers whose registration has been either cancelled or suspended for any reasons during the FY 2022-23 for your onward needful actions.

B. Outward supplies for the FY 2022-23

- Reconciliation of turnover/tax as reported in GSTR 1/GSTR 3B with books of accounts for FY 2022-23.
- Review the correct HSN/ SAC code and GST rate has been opted.
- Reconciliation of E-way bills generated during the FY 2022-23 with tax invoices reported in GSTR 1.
- Reconciliation of e-invoices with IRN viz. e-way bills generated viz. reported in GSTR 1.
- 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.
- Check whether the goods sent on approval basis has been either returned within 6 months or sold on issuance of tax invoices.
- Check whether the GST paid on advances received in FY 2022-23 towards the supply of services made or agreed to be made has been properly adjusted in GSTR 1 and GSTR 3B.

C. RCM liability/ITC for the FY 2022-23

- Check the transactions covered under 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.
- Raise the self-invoice in case of specified goods or services covered under RCM, received from unregistered person.
- RCM liability should be more than or equal to ITC availed under RCM.

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D. Important Activities to be undertaken

- Apply for Letter of Undertaking (LUT) in Form GST RFD 11 for FY 2023-24 to continue export of goods/services or supplies to SEZ without payment of GST from 01st April 2023 till 31th March 2023.
- Regular taxpayers whose turnover less than 1.5 cr. can opt for Composition Scheme for FY 2023-24 till 31th March 2023.
- Taxpayers having Turnover below Rs 5 Crores shall have an option to select the frequency of GST return (QRMP) filing for FY 2023-24 till 30th April 2023.
- Avail the ITC pertaining to FY 2022-23 till 30th November 2023 or the date of filing of Annual return for FY 2022-23 whichever is earlier.
- Credit Notes for supplies made during FY 2022-23 can be issued but not later than 30th November 2023 or the date of filing of Annual return for FY 2022-23 whichever is earlier.

E. Other Important Aspects for FY 2022-23

- Reconcile GST TDS/TCS credit reconciliation with E-Cash Ledger on GST portal and books of accounts for FY 2022-23.
- Reconciliation of E-Credit ledger with books of accounts for FY 2022-23.
- Check the tax has been correctly calculated and paid under RCM in case of import of Services, sitting fees paid to directors, GTA, Security Services, rent a Cab, Advocate fees, etc.
- Follow up with suppliers to furnish/report transactions in their GSTR 1 with payment of taxes in GSTR 3B in case stated transactions is not populated in your GSTR- 2B.
- Computation of reversal of ITC under Rule 42 and Rule 43.
- In compiled data of GSTR 2A/2B, check status of 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.
- For reporting purposes under Clause 44 of the Tax Audit Form (Form 3CD) for the Financial Year 2022-23, entities subject to Tax Audit in accordance with the Income Tax Act, 1961 must disclose the total expenditure breakdown of registered and non-registered entities under GST. The entity should prepare a working sheet to report their expenses, including the total amount of expenditure incurred during FY 2022-23, expenditure for registered and non-registered entities, expenditure for goods or services exempt under GST, expenditure for entities under the composition scheme, expenditure for other registered entities, and total payment to registered entities.

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