

IMPORTANT POINTS TO BE TAKEN CARE OF AS THE NEW FINANCIAL YEAR BEGINS

- ACTIVITIES MEANT FOR FY 2020-21
 - ❖ To submit LUT for FY 2020-21
 - ❖ To start new series for all invoices, debit notes credit notes, delivery challans, receipt vouchers with unique serial numbers. The serial number can be alpha numeric viz S – Sales, 4 – April , Serial Number. Thus the suggested series for sales – S /4/ Also it should be changed every month.
 - ❖ Separate series be maintained for Job Work done / received
 - ❖ To maintain HSN /SAC summary for purchases as well as sales (amount & quantity)
 - ❖ To urge the vendors to select the option of monthly return filing even though their respective turnover is below the threshold.
 - ❖ To ensure that all the places from where business is conducted are informed to GST department and are updated in the registration certificate. Place of unregistered Job Worker is also to be informed as an Additional Place of business.
 - ❖ To ensure that new line of business or new range of products are added to the registration certificate
 - ❖ To update Vendor master ,if any
 - ❖ To ensure that GSTIN is displayed in the premises
 - ❖ To decide whether to opt for composition by making analysis of GST impact on the business
 - ❖ To ensure that the mobile number registered with the department is correct and in continuity
 - ❖ To ensure the e –mail address registered with the department pertains to the business owner and NOT that of the consultant or any other person
 - ❖ To ensure that DSC is valid ,in case it is mandatory
 - ❖ To ensure that ADHAR is linked to GSTIN / PAN
 - ❖ Requirement of QR code
 - ❖ **To ponder upon the criteria for vendor selection as follows :**
 1. The GST site provides information about the return filing status of all TIN holders. Whether the vendor has filed his latest returns or not can give a clue about his GST compliant environment
 2. The invoice provided by vendor can speak of his approach towards the law. The Invoice should have all the aspects as mandated by law ,else the input may be denied at assessment stage.
 3. To obtain a Declaration from the vendors so as to indemnify the probable loss on account of non compliance of GST from their side. (Format Attached)— **APPENDIX I**
 4. To instil a system of vendor rating and constantly updating the same on a timely basis. This will help to select the vendors more carefully

ACTIVITIES MEANT FOR FINANCIAL 2019-20

❖ To prepare following reconciliations for FY 2019-20:

1. GSTR1- and GSTR-3 B
2. GSTR-3 B and GSTR-2A
3. Reconciliation of E cash with books
4. Reconciliation of E-credit with books
5. Reconciliation of GSTR -4 (Job work) with books of accounts
6. Reconciliation of E way bills and books of accounts
7. Reconciliation with books at invoice level as well as month to month basis so as to comply with Rule 36 (4)
8. Reconciliation of RCM liability and expenses requiring payment of RCM GST especially GTA, Sponsorship , Imports, Directors (Salary, rent, sitting fees etc)
9. Reconciliation of goods sent on approval basis ,if any with books of accounts
10. Reconciliation of GST TDS ,if any with books of accounts as well as E cash ledger
11. Reconciliation of imports on ICEGATE
12. Reconciliation of payment of IGST with Bill of Entry
13. Reconciliation of exports and FIRC

❖ Reversal of GST in following circumstances

1. Reversal of GST input if any under Rule 37—Non payment to creditors within 180 days
2. Reversal in case of goods given away as gifts
3. Reversal in case of goods are distributed as free samples
4. Reversal required if any in case of rejections
5. Goods lost or stolen destroyed
6. Reversal of GST input if any under Rule 42and 43 for Exempted turnover
7. Goods lost or stolen written off

❖ Identification of Blocked Credits

1. GST cannot be claimed in case of goods distributed towards sales promotion
2. GST availed in respect of any personal nature of expenses
3. GST in case of immovable property is not allowed
4. GST in case of works contract is not allowed

❖ Vendor specific activities

1. Identification of bad vendors for recovering tax and interest

2. Amendments if any required in input invoices then follow up with the respective vendors
3. Purchases from composition dealers ,if any –GST cannot be claimed on the same
4. To complete the formalities of KYC of majority of vendors and to ensure that they are genuine

❖ **Customer specific activities**

1. Amendments if any required by customers then changes to be made through credit notes or amendments to GSTR-1
2. To ensure payment of GST on advances received for services and their adjustments subsequently at the time of raising an invoice throughout the year
3. To issue Debit notes or credit notes as the case may be (including quantity discounts)
4. In case of Exports in case the proceeds are not realised within the stipulated time period under FEMA , the sale may be treated as domestic sale
5. In case of SEZ , the sale is treated as exports even though SEZ is located well within the State
6. In case of merchant exporter the sale attracts 0.5% of the tax subject to fulfilment of certain conditions
7. Place of supply is utmost important in case of ‘ Bill to ‘ and ‘ship to ‘transactions

❖ **Related Party Transactions**

1. Cross charge to related parties ,if warranted for use of common services viz services of common directors, sharing of staff etc
2. RCM GST on services from directors

❖ **GST on RCM basis**

1. Reconciliation of various expenses attracting RCM GST and timely payment of same
- 2.Reconciliation of RCM paid and RCM claimed as set off
- 3.Payment of RCM in case of Import of services –please refer Tax audit report wherein payment of TDS u/s 195 may be appearing

❖ **Matters related to refund in case**

1. There is no supply made against the advances
2. Tax paid extra erroneously
3. Incorrect head of tax
4. The time of limitation is two years from the relevant date for claiming a refund so the application needs to be filed preferably before the expiry of at least six months before the limitation period

❖ **Procedural matters**

2. To ensure that all mandatory returns viz GSTR -1 and GSTR -3 B are filed
3. HSN/SAC summary is available for sales as well as purchases
4. Based on the turnover of the previous financial year the HSN requirement changes eg. HSN to be mentioned in two digits, four digits etc
5. In case of continuous supply of services tax invoice is raised as per the contracts

6. In case of assets ,if a benefit of ITC is claimed then depreciation is calculated excluding the amount of GST
7. In case of sale of assets the GST is paid on the same even if it is a case of barter
8. In case of sale of assets if GST is availed at the time of purchase then the proportionate amount of input availed OR GST payable on the sale consideration – whichever is higher needs to be reversed
9. Filing of GST return for obtaining credit of GST TDS from vendors
10. Filing of GST TCS / TDS returns if required under the law. At present this applicable to Government departments and E commerce operators.
11. There are overall 21 offences which attract heavy penalties. To ensure strict adherence to law is therefore crucial. The list of such offences is attached as **Appendix II**.
12. A view has been taken by certain courts that The GST input is NOT a constitutional Right .It is concession given by Statute and hence it has to be claimed within the time limit –The last date being the due date of September return from the end of the financial year i.e. October 20th as of now

❖ **Miscellaneous activities**

1. To ensure that the goods sent out for job work are returned within one year from the date on which the same were taken out
2. To ensure that there are no recoveries from employees which attract GST payment
3. To ensure that there is no write back of amounts otherwise to be paid to left employees –GST is attracted in such cases
4. Reconciliation of GST records with other statutory records to be maintained under Income Tax, Cost Records, Company Law etc
5. To ensure that GST ,if reversed on account of non payment to vendors within 180 days then the same is considered again as and when the payment is made
6. To screen every head of other income in order to retrospect impact of GST and also to confirm that there are no credits to expenditure accounts
7. Reconciliation of inventory as per books and as per GST records should match in toto.
8. To take note of various AARs issued during the year and its impact on the GST rates particularly in relation to supply , if any
9. To ensure that the provisions of Time of supply are followed i.e. invoice in case of goods to be raised within 30 days from the date of supply or receipt of
10. In case of services it is within 60 days from the provision of service or receipt of advance whichever is earlier
11. To ensure adherence to provisions of ‘Place of supply’
12. In case certain business is closed down then to surrender the GSTIN as well to file the final return in GSTR -10
13. In case of supply to SEZ each invoice should be endorsed by SEZ
14. In case of ISD registration the ISD return needs to be filed
15. To keep a track of any notices being issued by the department online