

Recent GST Updates Sky High Symposium -Women & Young Members Excellence Committee ICAI

1

CA Deepali Mehta

Mehta & Shah

Chartered Accountants



An Opportunity.....

**LATEST
GST UPDATES**



GST

CA Deepali Mehta

3



PIB Press release dated 1 st October 2021.

- ❖ The gross GST revenue collected in the month of March 2023 is ₹1,60,122 crore of which CGST is ₹29,546 crore, SGST is ₹37,314 crore, IGST is ₹82,907 crore (including ₹42,503 crore collected on import of goods) and cess is ₹10,355 crore (including ₹960 crore collected on import of goods). It is for the fourth time, in the current financial year that the gross GST collection has crossed ₹1.5 lakh crore mark registering second highest collection since implementation of GST. This month witnessed the highest IGST collection ever.
- ❖ The government has settled ₹33,408 crore to CGST and ₹28,187 crore to SGST from IGST as regular settlement. The total revenue of Centre and the States in the month of March 2023 after IGST settlement is ₹62,954 crore for CGST and ₹65,501 crore for the SGST.
- ❖ The total gross collection for 2022-23 stands at ₹18.10 lakh crore and the average gross monthly collection for the full year is ₹1.51 lakh crore. The gross revenues in 2022-23 were 22% higher than that last year.

CA Deepali Mehta

4



Amnesty Scheme for return Non-Filers for period from FY 2017-18 to FY 2021-22

Not. NO	Return Form	Type of Return/Applicable to	Actual Late Fee	Amnesty Benefit Provided	Condition
2/2023	GSTR-4 Composition Dealer	NIL Return	INR 50 per day restricted to INR 500	NIL	Return should be filed prior to 30.06.2023
		Other than NIL return	INR 50 Per day restricted to INR 2000.	Maximum limit is reduced to INR 500.	
7/2023	GSTR-9	Any Registered dealer who is eligible to file GSTR9	INR 200 per day subject to maximum of 0.5% of the turnover	Maximum amount is restricted to INR 20,000/-	Return should be filed prior to 30.06.2023
8/2023	GSTR-10	Not filed the final return within 3 months of cancellation order.	INR 200 per day up to a maximum of INR 10,000/-	Reduced to maximum of INR 500/-	Return should be filed prior to 30.06.2023

5

Big relief for Best Judgment assessment orders u/s 62



- Notices are issued in Form GSTR3A if returns are not filed. If the tax payer fails to furnish the return, the Proper Officer may pass Best Judgment Assessment Order based on the documents / information available with him. However, if the tax payer files returns within 30 days of passing of such order then the order stands withdrawn.
- Now relief has been given to all those registered persons who failed to furnish a valid return within a period of 30 days from the service of the assessment order issued on or before the 28.02.2023. Such order shall stand withdrawn if the dealer files the return on or before 30.06.2023 along with tax, interest and late fee. Moreover, if tax payer had filed any appeal petition or any order is passed against such appeal petition, shall stand withdrawn and tax payer will get on more opportunity to file the returns.

6

Bonanza for tax payers whose registration is cancelled



- One more opportunity provided to those tax payers who could not revive their registration certificate vide N. No. 3/2023. A special procedure has been provided for all registered dealers whose registration is cancelled and has failed to apply for revocation of cancellation of registration within the time specified u/s 30 [max up to 90 days] and it also includes those dealers whose appeal relating to the revocation has been rejected due to non-filing of appeal petition within the time specified u/s. 107 [max up to 90 days] subject to fulfillment following conditions:
 - (a) Application for revocation to be made on or before 30.06.2023;
 - (b) All returns to be filed till the date of cancellation along with payment of tax, Interest & Penalty;
 - (c) No further extension of time period will be available if 30.06.2023 is missed out.

7

Late fees for GSTR9 for FY 2022-23 onwards

Class of registered Person	Amount
Turnover < 5Cr	INR 50 per day subject to maximum of 0.04% of Turnover
Turnover > 5Cr < 20Cr	INR 100 per day subject to maximum of 0.04% of Turnover
Turnover > 20Cr	INR 200 per day subject to maximum of 0.5% of Turnover



8

Aadhar Authentication Procedure

- The procedure is changed and at present applicable to the state of Gujarat only. As per the new rule: date of submission of registration will be the date of Aadhaar Authentication or 15 days from the submission of application whichever is earlier. If the applicant is identified as risky then full procedure of Biometric authentication will be done at one of the facilitation centers notified by Commissioner along with photo and full set of original documents uploaded during the registration.



9

Extension of Time limit to issue an order u/s 73 for recovery of tax

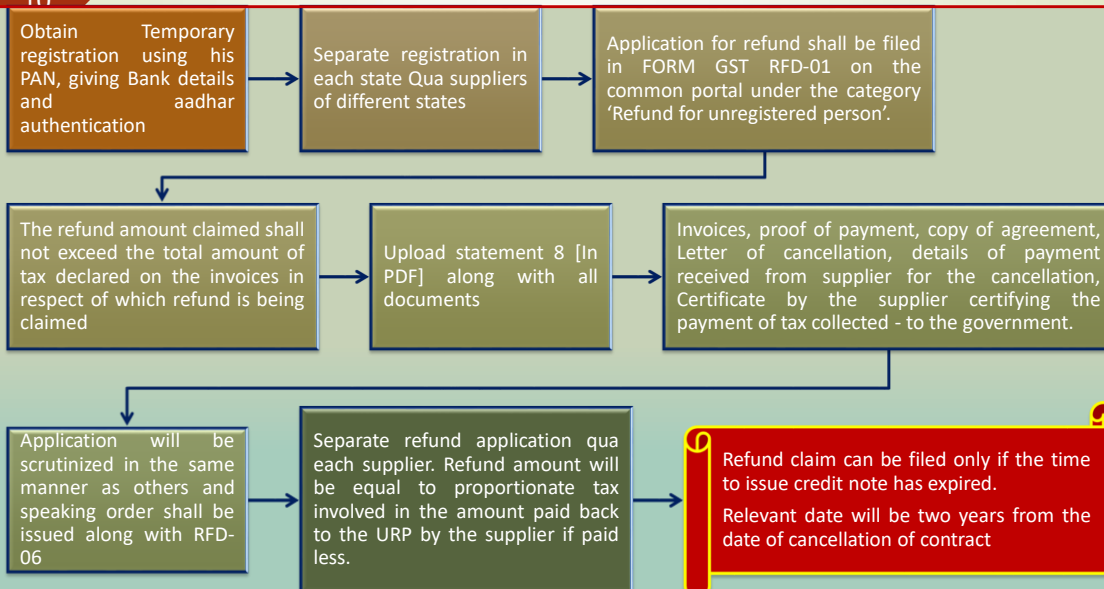
- Section 73 is for demand and recovery for reasons other than fraud or misstatement or suppression. Section 73(10) specifies time limit for passing order or for completion of assessment for recovery of tax not paid / short paid / ITC wrongly availed or utilized. Proper Officer has to pass the order within a period of 3 years of due date of filing of annual return. This time limit for issuance of order is further extended vide N. No. 9/2023 – Central Tax as under -

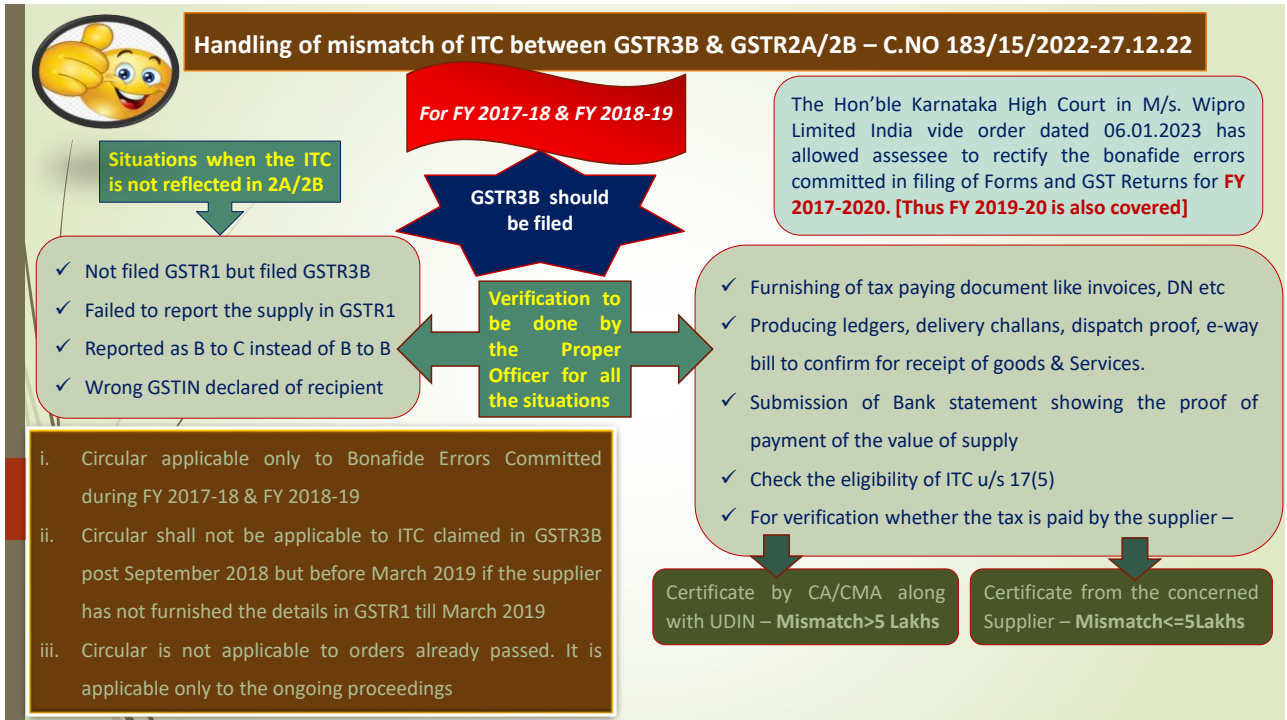
Financial year	Actual Time limit for issue of order	Extended time limit for issue of Order	Further Extension for issuance of Order	Last date to issue Notice [S.73(2)]
2017-18	31.01.2023	*30.09.2023	31.12.2023	30.09.2023
2018-19	31.12.2023	-	31.03.2024	31.12.2023
2019-20	31.03.2024	-	30.06.2024	31.03.2024

*N. No. 13/2022 – Central Tax, dated 05-07-2022

Refund to unregistered persons of tax borne by them in the event of cancellation of the contract/agreement for supply of services of construction of flat/ building or on termination of long-term insurance policy

10





13

Outward Supply – effect to be given in March 2023



- Summary report of details filed in GSTR1 & GSTR3B is available on the portal, reconciliation of the same needs to be done. And steps needs to be taken if liability is paid short or in excess.
- The above report should be reconciled with the Books of Account to identify differences and necessary steps of correction needs to be taken. For e.g. if any outward supply is not reported or if any credit note is till pending to be taken due to non acceptance of negative figure in GSTR3B, then effect needs to be given.
- Check the duties & Taxes ledger in Books with the liability paid in GST returns and necessary correction needs to be done.
- Check all the HSN and the same has to be minimum 4 digits for Turnover up to INR 5Cr and 6 digits for others. For exports requirement is 8 digit HSN irrespective of turnover.

14

Outward Supply – effect to be given in March 2023



- Check whether E-Invoice is generated for all B to B supplies, Credit Notes, Exports & SEZ supplies
- Check the applicability of E-Invoice: : If first time, turnover of your company is crossed Rs 10 crore in FY 2022-23, from any of the year 2017 to 2023, then in such case, from 1st April 2023, E – Invoice is applicable to your company.
- Application of Letter of Undertaking [LUT] for FY 2023-24 for exports or supplies to SEZ without payment of IGST.
- In case of export of goods check whether all the shipping bill details are filled for the entire year FY 2022-23. If not then incorporate the same in GSTR1
- If you have made supply to Merchant Exporter at concessional rate (0.05% +0.05% or 0.10%) in FY 2022-23, then ensure that condition as per Notification No 40/2017 CT Rate dated 23rd Oct 2017 is complied with.

15

Outward Supply – effect to be given in March 2023



Other Income

- Ensure that GST is paid on all 'other incomes' , " Sale of Fixed Assets" which are taxable
- Taxability of "Liquidated damages / Penal Income" to be determined as per Circular No. 178/10/2022-GST dated 3rd Aug 2022.
- Ensure that such other income on which GST is paid, is correctly disclosed in GST Return and also Invoice for the same is prepared.
- Review Fixed Asset Register for any GST implications
- Supply of Services: Check whether GST is paid on all Advances received and whether invoice is raised for the same and reported in GSTR1 and there is no double taxation. Also whether advance adjustment is correctly displayed in GSTR1

16

Outward Supply – effect to be given in March 2023



Miscellaneous

- Check the rate of tax applicable on all outward supply and whether the correct tax is paid
- New Invoice series to be created for FY 2023-24
- Opting for Composition scheme if applicable for FY 2023-24 by filing of GST CMP 03.
- Opting for QRMP scheme applicable to tax payers having aggregate turnover up to INR 5 Cr to be done before 30th April 2023
- Goods Transport Agency - GTA Service Provider, who is desirous to opt to Pay tax under Forward Charge either at '5% without ITC' or '12% with ITC' has to Submit Annexure V before 15.03.2023, if not filed then default is supply under reverse charge.
- Check whether any modification / amendments needs to be done in registration certificate

17

Inward Supply

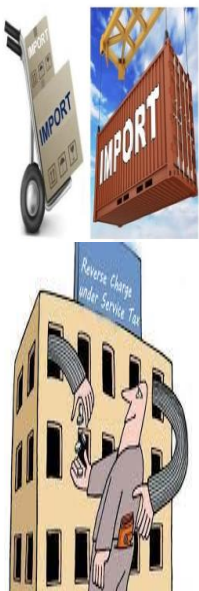


Reconciliation of ITC

- Prepare ITC reconciliation of ITC availed in Books/GSTR 3B and GSTR 2B.
- Identify the suppliers not reflecting in GSTR2B and follow up with them to file the return.
- Identify the supplier who has not paid tax / whose registration is cancelled and take appropriate steps for ITC safeguard
- Pending ITC of FY 2022-23 can be taken till 30th November 2023, but preferably take it in March 2023 to avoid any discrepancy
- Reverse the ITC of suppliers to whom payment is not made till 180 days and reclaim the ITC if paid later.
- Ensure that entries are properly accounted for in books and the same is matching with ECL

18

Inward Supply



- Check all the Bill of entry and compare with Books as well the imports taken in GSTR3B & ensure they are reflected in GSTR2B
- If any of Import ITC is not getting reflected, then details of the same can be pulled from below functionality:
Home Screen on GST Portal after login → Services → User Services → Search BOE
- Check the eligibility of all the ITC and whether appropriate reversal is done on the same relating to exempt supply or ineligible ITC.
- Check the RCM reflected in GSTR2B and whether the liability on the same has been discharged or not and ITC claimed of all the RCM paid during the year.
- Check for self invoicing in case of URD purchase/ expense where RCM is applicable.



Outward Supply



- Reconcile GSTR1 with GSTR3B. And steps needs to be taken if liability is paid short or in excess.
- Reconcile GSTR1 & GSTR3B with the Books of Account to identify differences and necessary steps of correction needs to be taken. For e.g. if any outward supply is not reported or if any credit note is still pending to be taken due to non acceptance of negative figure in GSTR3B, Rate of tax etc. then effect needs to be given.
- Check the liability paid in returns with the Liability in books of accounts and reconcile the same

E-Invoice- If turnover has crossed 10 Cr in FY 2022-23, then E-Invoice is applicable from 01/04/2023

- If E-Invoicing was applicable then Check whether E-Invoice is generated for all B to B supplies, Credit Notes, Exports & SEZ supplies
- LUT should be applied for FY 2023-24 for Exports & SEZ supplies.
- Check whether all the shipping bill details are filled for the entire year FY 2022-23 in GSTR1.
- If you have made supply to Merchant Exporter at concessional rate in FY 2022-23, then ensure that condition as per N.No 40/2017 CT Rate is complied with.



- Ensure that GST is paid on all 'other incomes' like Sale of Fixed Assets, which are taxable and the same is correctly displayed in returns.
- Supply of Services: Check whether GST is paid on all Advances received and whether invoice is raised for the same and reported in GSTR1 and there is no double taxation. Also whether advance adjustment is correctly displayed in GSTR1.
- New Invoice series to be created for FY 2023-24.
- Opting for Composition & QRMP Scheme if applicable.
- Submission of Annexure V in case of GTA opting for forward charge before 15.03.2023



Inward Supply



- Prepare ITC reconciliation of ITC availed in Books/GSTR 3B and GSTR 2B.
- Identify the suppliers not reflecting in GSTR2B and follow up with them to file the return.
- Identify the supplier who has not paid tax / whose registration is cancelled and take appropriate steps for ITC safeguard
- Pending ITC of FY 2022-23 can be taken till 30th November 2023, but preferably take it in March 2023 to avoid any discrepancy
- Reverse the ITC of suppliers to whom payment is not made till 180 days and reclaim the ITC if paid later.
- Ensure that entries are properly accounted for in books and the same is matching with ECL

Check all the Bill of entry and compare with Books as well the imports taken in GSTR3B & ensure they are reflected in GSTR2B

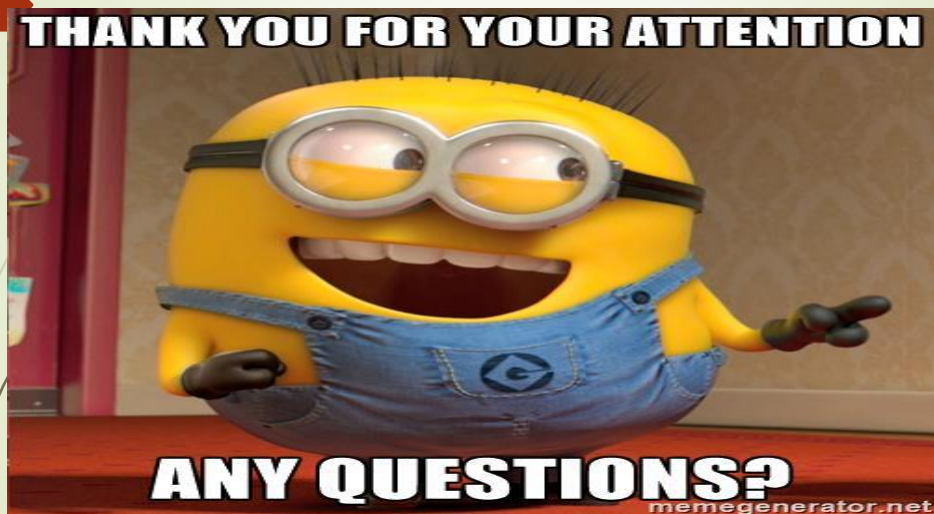
- If any of Import ITC is not getting reflected, then details of the same can be pulled from below functionality: Home Screen on GST Portal after login → Services → User Services → Search BOE
- Check the eligibility of all the ITC and whether appropriate reversal is done on the same relating to exempt supply or ineligible ITC.
- Check the RCM reflected in GSTR2B and whether the liability on the same has been discharged or not and ITC claimed of all the RCM paid during the year.
- Check for self invoicing in case of URD purchase/ expense where RCM is applicable.



- Check whether any modification / amendments needs to be done in registration certificate.
- HSN and the same has to be minimum 4 digits for Turnover up to INR 5Cr and 6 digits for others. For exports requirement is 8 digit HSN irrespective of turnover.



21



CA Deepali Mehta

22

Mehta & Shah

Chartered Accountants

Email: deepali@mehtanshah.com

For regular updates on GST, VAT and Service

Tax, at whatsapp, buzz us at

+91 98338 92635