

From	Karvy Data Management Services Ltd.
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Subject	Key GST points to be considered at the end FY 17-18
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As the industry approaches towards freezing books of accounts for the financial year 2017-2018 and GST law being 9 months old, it is important for the taxpayers to evaluate the transactions parked in the books as per the GST law. Taxpayers might need to make necessary amendments in the GST Returns to be filed for March'18. This will ensure hassle free transition of businesses to the new financial year 2018-2019 as far as GST compliance is concerned.

We have come up with a checklist that may be evaluated by the taxpayers before closure of FY 2017-2018:

Sl. No.	Particulars	Actions to be taken
1	Reversal of Input tax credit (ITC)	i) In case the registered recipient has failed to make payment (full or part) to the registered supplier within a period of 180 days from the date of invoice, proportionate input tax credit to the extent of such non-payment has to be reversed by the registered recipient - Sec. 16(2) of CGST Act read with Rule 37(1) of CGST Rules 2017
		ii) Where the inputs / input services / capital goods were used partly for effecting exempt supplies and partly for taxable supplies or where such inputs / input services / capital goods were used partly for business purpose and partly for non-business purpose, the attributable amount of ITC used for exempt supplies + non-business purpose shall be reversed by the recipient in the manner laid down in Rule 42(1) & 43(1) of CGST Rules 2017 - Sec. 17(2) of CGST Act 2017 read with Rule 42(2) & 43(2) of CGST Rules 2017
		iii) Identify the inward supply transactions falling within the ambit of blocked input tax credit - Sec. 17(5) of CGST Act 2017
2	Reconciliation of Books Vs. GST Returns	Transaction wise reconciliation of outward and inward supply data pushed in the GST Returns with the actual financials should be done. The activity will help in identifying the variance (if any) and to incorporate necessary amendments in the returns to be filed for March'2018
3	Matching of ITC : Books Vs. GSTR 3B	Month wise reconciliation of ITC availed in the Books vs. GSTR 3B should be done. (Timing difference and value difference) should be identified and appropriate action to be taken
4	Matching of ITC : GSTR 3B Vs. GSTR 2A	Month wise reconciliation of ITC (B2B) availed in GSTR 3B Vs. ITC auto-populated in Form GSTR 2A should be done. Any variance should be adjusted in Form GSTR 3B for March'2018
5	Input Service Distributor (ISD)	<ul style="list-style-type: none"> An ISD should ensure that ITC is distributed to the recipients in the same month it is available for distribution - Rule 39 of CGST Rules 2017 An ISD should ensure that ITC is correctly distributed to the recipients in the manner and procedure laid down in Sec. 20 of CGST Act 2017 read with Rule 39 of CGST Rules 2017 Reconciliation of ITC (B2B) auto-populated in Form GSTR 6A Vs. Books should be done An ISD should ensure that no such invoices are accepted on which tax is to be discharged under reverse charge mechanism
6	Transitional Credit	Taxpayers should review the transitional credit carried forward to the GST regime from the existing regime using Form GST TRAN-1 in accordance with the provision laid down in Sec. 141 - 143 of CGST Act 2017.

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7	HSN Code in the Invoice	<p>HSN code would be required to be mentioned in the Tax Invoices to be issued in the new financial year 2018-2019 in the manner stated below - Refer notification no. 12/2017-CT dated 28.06.2017</p> <ul style="list-style-type: none"> • Taxpayers with turnover of upto Rs.1.5 crore may not mention HSN Code in the tax invoices • Taxpayers with turnover of more than Rs.1.5 crore but upto Rs.5 crore shall mention 2 digit HSN code in the tax invoices • The taxpayers with turnover of more than Rs.5 crore shall use 4-digit HSN code in the tax invoices
8	Tax Invoicing series unique for the FY	With the beginning of financial year 2018-2019, maintaining invoicing series unique for the financial year becomes essential for taxpayers registered under GST regime - Rule 46(b) of CGST Rules 2017 narrates such provision related to the issuance of Tax Invoice under GST law
9	Return filing due date	Below mentioned is the chart on the due date for filing of returns under GST regime pertaining to the FY 17-18:
		i) Form GSTR 3B for March'18 - Last date for filing the return is 20th April 2018
		ii) Form GSTR 1 for Feb'18 - Last date for submitting the details is 10th April 2018
		iii) Form GSTR 1 for Mar'18 - Last date for submitting the details is 10th May 2018
		iv) Form GSTR 6 (July'17 - Mar'18) - Last date for filing the return is 31st May 2018
		v) Form GSTR 4 (Jan'18-Mar'18) - Last date for filing the return is 18th April 2018
10	Selection of return filing cycle	<p>Taxpayers should check with the aggregate turnover for the FY 2017-2018 and the projected aggregate turnover for the FY 2018-2019 in order to determine the return filing cycle for the FY 2018-2019:</p> <ul style="list-style-type: none"> • If the aggregate turnover is above Rs.1.5 crore then the taxpayers have to file monthly return. • If the aggregate turnover is upto Rs.1.5 Crore then the taxpayers have an option to file the quarterly return. • Taxpayer can choose any of the option, but once selected the option cannot be changed for the financial year.
11	Form GST TRAN 2	The taxpayers who have filed Form GST TRAN 1 and have disclosed the closing stock held as on the appointed day in table 7(a) (7B) and in table 7(d) of Form GST TRAN-1 for which the taxpayer is not in possession of an invoice or any document evidencing payment of duty are required to file the details of outward supplies for six months (July'17-Dec'17) in Form GST TRAN 2 before 30th June 2018 for availing ITC in the manner prescribed in Rule 117(4) of CGST Rules 2017 - Refer Order No. 01/2018-CT dated 28.03.2018
12	Amendment of Tax Invoice, Credit Note & Debit Note	If particulars were wrongly mentioned in any of the documents (Tax Invoice, Credit Note & Debit Note) in any of the previous months should be amended in the return to be filed for March'2018.

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13	Composition scheme	<ul style="list-style-type: none"> • Taxpayers willing to opt for the composition scheme can apply in Form GST CMP – 02 before 31st March 2018 • Taxpayers willing to opt out from composition scheme, can apply in Form GST CMP – 04 before 7th April 2018
14	Valuation of the closing stock	While doing the valuation of closing stock as on 31 st March 2018, the input tax credit taken on raw material, consumables, semi-finished goods is to be calculated
15	Depreciation on the capital goods	While calculating depreciation on the capital goods (other than building), if the ITC has been claimed, then the tax amount should to be ignored.
16	Anti-profiteering	An analysis of the gross profit booked for the FY 2016-2017 with that of the FY 2017-2018 should be done to check whether he is trapped in the Anti-profiteering or not.
17	Refund of excess ITC	Unlike the refund provision in the existing regime, a registered person making normal taxable supply cannot claim refund of unutilised ITC as on 31st March 2018. The same has to be compulsorily carried forward to the next tax period.
18	Refund of excess payment (unutilised amount in electronic cash ledger)	<ul style="list-style-type: none"> • Taxpayers having excess balance in electronic cash ledger which is not planned to be utilised in the near future may be claimed as refund • Further appropriate treatment in accounting records should be given
19	Issuance of Tax Invoice	Taxpayers should ensure that Tax Invoice and other documents are issued as per the provisions mentioned in Sec. 31 of CGST Act 2017
20	Time of supply	<ul style="list-style-type: none"> • Taxpayers should ensure that tax liability under GST regime has been discharged as per the Time of Supply provision laid down in Sec. 12 & 13 of CGST Act 2017 • Payment of interest on account of delay in payment of taxes should be computed in the manner prescribed in Sec. 50 of CGST Act 2017 and the rate notified in notification no. 13/2017-CT dated 28.06.2017
21	Submission of Form GST ITC-04	Taxpayers should ensure that the details of challans in respect of goods dispatched to a job worker or received from a job worker or sent from one job worker to another in the GST regime during a quarter shall be included in FORM GST ITC-04 furnished for that period on or before the twenty-fifth day of the month succeeding the said quarter - Rule 45(3) of CGST Rules 2017
22	Goods sent for job work activity before 01st July 2017	<ul style="list-style-type: none"> • Taxpayers should ensure that goods sent for job work activity in the existing regime before 1st July 2017 has been brought back to the place of business of the principal within 6 months from the appointed day – Sec. 141 of CGST Act 2017 • In case such goods are not brought back within the above mentioned prescribed timeline, the input tax credit availed by the taxpayer on such goods shall be recovered in accordance with the provision of clause (a) of sub-section (8) of section 142
23	Goods sent on approval basis before 01st July 2017	<ul style="list-style-type: none"> • Taxpayers should ensure that where the goods sent on approval basis not earlier than six months before the appointed day are rejected or not approved by the buyer are brought back to the place of business of the seller within 6 months from the appointed day – Sec. 142(12) of CGST Act 2017 • Tax shall be payable by the person returning the goods if such goods are liable to tax under GST regime, and are returned after a period specified above • Tax shall be payable by the person who has sent the goods on approval basis if such goods are liable to tax under GST regime, and are not returned within a period specified above

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Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi, Chennai, Pune and Kolkata. For more information about KDMSL service offerings, visit www.karvygst.com

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