

FY 2021-22 – GST returns adjustments – time bound!

The following are the **key points that need to be considered w.r.t FY 2021-22** while filing September & October 2022 GST returns (considering CBIC extension upto 30th November 2022, practically we may consider 20th November 2022 to avoid late fee and interest implication)

1. Reconciliation of GST liabilities (outward & RCM) and Input tax credit between books of accounts & GSTR 3B. Any corrections can be considered in upcoming returns.
2. Invoices not reported or amendment of outward invoices especially GSTINs of customers, invoice number, and other details(under reporting /over reporting) - to enable ITC for customers and ensure payment receipts.
3. Final disclosure of B2B or B2CS amendment for any month of FY'21-22
4. Disclosure of debit and credit notes pertaining to the FY'21-22 in GSTR 1 as well as adjusted in GSTR 3B. (*debit note - no time limit; credit note - 30th Nov*)
5. ITC availment pertaining to the invoices/debit notes/bill of entry/RCM paid eligible inputs of FY'21-22 to avoid loss of ITC benefit.
6. Reversal of ineligible ITC availed in FY'21-22 to avoid separate payments through DRC-03 and additional interest implications.
7. ITC reversed on monthly basis under Rule 42 & 43 - verify accuracy for FY'21-22
8. Reconciliation with Bill of entries and ICEGATE portal in order to effectively avail the IGST inputs on imports
9. Eligible ITC availment paid w.r.t. the RCM liability paid under RCM if missed earlier
10. GST payment under RCM if missed earlier
11. Reconciliation of tax liability w.r.t. the advances paid & advance adjustments made for the invoices raised
12. Annual ITC reversal re-computation under Rule 42 to avoid higher interest which is applicable from 1st April'22.
13. Rule 36(4) - Reconciliation of ITC availed from April'21 to December'21 (not crossing 110%/105%) with details as per GSTR 2A. ITC claimed beyond GSTR 2A

reflection can be disputed as rule did not have an enforcing Section in the GST Act as yet.

14. Section 16(2)(aa) - Reconciliation of ITC availed from January to March 2022 with details as per GSTR 2A/2B. (from 1st April 2022 onwards GSTR 2B reconciliation mandated)
15. Action points in case of ITC non-availment due to below scenario:
 - a. ITC accounted not reflecting in GSTR-2B- Follow-up with vendor for invoice upload & avail once the ITC reflected before 30th of November. If not filed by vendor tax portion to be recovered/withheld
 - b. ITC reflected in GSTR-2B not there in BOA- Verify whether invoice missed to account & effectively avail all the eligible ITC after accounting in BOA
 - c. Accounted in BOA, value miss-match as per GSTR-2B - Suggest the vendor to amend the invoice before October '22 returns (over reported/under-reported)
 - d. Reflected in GSTR-2B, value miss-match as per BOA- Suggested to rectify in BOA(short/excess accounted)
 - e. Reversal of ITC based on vendor credit notes reflecting in GSTR-2B (if not reversed earlier)
16. Cross charge for support services or stock transfer of goods not subject to tax provided between GSTINs having same PAN
17. ISD GSTR 6 filing in appropriate manner to transfer credits in manner provided between GSTINs having same PAN
18. Identification of services between related parties (or to employees) for NIL consideration which could be liable to GST
19. RCM liability on NIL valued transactions from related parties (associated enterprises - Outside India)
20. Reconciliation of goods lying at job worker premises not returned within time limits prescribed which may be liable to tax.
21. Ensure e-invoice applicability for vendors. Those not raising e-invoices, may ensure self-declaration or declaration on invoice as per law for those exempted from e-invoicing procedure. (E-INV applicable for persons having t/o > Rs. 10 crore w.e.f 1st October 2022)

22. GST payment reversals notice period recoveries or other employee related liabilities considering the circular 178/2022 (breach of contract or liquidated liabilities/recoveries from employees are not liable under GST explained)
23. Reversal of ITC along with interest if the payments not made within 180days. Can be re-claimed upon payment to vendors. This arrests the interest applicable under section 50(1). (applicable upto 30th September 2022).

Though there is an extension of time limit upto 30th November'22 for the adjustments to be made w.r.t. FY 21-22, effectively it is only for one month as all the actions need to be taken before filing October's GSTR-1 & 3B.

- Ensure GSTR 1 matches to GSTR 3B during these corrections, if not option of payment through GSTR 3B can be considered if there is no impact for the vendor/customer.
- Readiness for GSTR 9 & 9C for FY 2021-22 due on 31st December 2022

TRAN window re-opened: Further, based on Supreme Court order GST portal would enable the taxpayers to file the TRAN-1/2/3 for 2 months from 1st October'22 onwards. If the taxpayer had not availed, shortly availed/ excess availed any transitional credit (either through TRAN or GSTR 3B) due to the technical glitch/interpretational ambiguity/negligence/other reasons - the option to redress the errors and claim TRAN credit through appropriate channels is being provided up to November 2022.

Therefore, considering the opportunity, suggested to re-look at the transitional credits and re-assess requirement to make application in limited time period provided.

Hope this helps!

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