
GST - YEAR END ACTION POINTS



With Financial Year 2017-18 coming to an end, it becomes important to reflect back on one of the most dynamic years for the indirect tax system of the country.

The frequent amendments taking place in the indirect tax realm of the country requires tax payers to look at certain important aspects of GST to ensure adherence with the provisions of the law and reflection of true and fair view of the financial position of the business entity.

As the financial year comes to an end, some aspects to be paid attention to are as listed under:

▸ **Procurement of Letter Of Undertaking (LUT)**

LUT is a document that facilitates the registered persons to export goods or services without payment of integrated tax. A fresh LUT to be procured for the year 2018-19

▸ **Reconciliation**

The cash ledger, credit ledger and liability ledger reflected on the GST Portal must be in step with books of accounts. All the reconciliation entries should be passed in the books of accounts before the year end.

▸ Reversal of Input tax credit - Non payment of consideration



As per the rules of Input tax credit, where the payment is not made to supplier within 180 days, then the input tax credit taken on that invoice is to be reversed. The Credit of GST paid on such invoices may be claimed again once the amount has been remitted to the supplier. Therefore the aging analysis of creditors is to be done.

▸ Reversal of input tax credit on supplies used for exempted sales

The law provides for reversal of Common credit used for both taxable turnover and exempted turnover. The reversal of credit should be carried out finally for the period July'17 to March'18 and any credit to be reversed/ added back to be carried out before filing of annual return.



▸ Input reconciliation

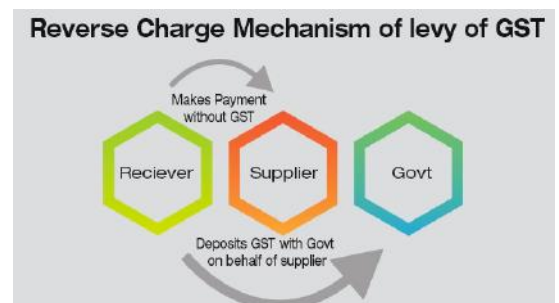
As the filing of GSTR-1 has been made mandatory for all assesseees, the supplier can check the details of purchases reflecting in GSTR-2A on the GST Common portal and reconcile the same with input tax credit ledger.

▸ Filing of Job work returns

As per the GST Act, job work means any treatment or process undertaken by a person on goods belonging to another registered person. The person doing the job work is called job worker. Every registered manufacturer sending goods to a job worker must submit the prescribed details in Form ITC-04 for the quarter January 2018- March 2018 by 25th April 2018.

▸ Reverse Charge Mechanism

Generally, the supplier of goods or services is liable to pay GST. However, in specified cases like import of goods and other notified supplies, GST is to be discharged to the Government by the recipient. Further, RCM was applicable on all taxable supplies received from unregistered suppliers for a value exceeding Rs.5,000/- on a daily basis until 13th October 2017. The Taxpayers should check whether the RCM payments for the respective tax periods have been made and eligible input



tax credit on the same is availed in the subsequent tax period.

▸ Check on year end Depreciation on capital assets

As per provisions of the GST Law, it must be ensured that depreciation is not claimed on input tax paid on the purchase of fixed assets.

▸ Check on Anti-profiteering

A check to be done to determine if Company has made any undue profits post implementation of GST and whether such benefit has been passed on to customers.



▸ Application for refund

As per the provisions of the GST Law, refund can be claimed by a tax payer in case of exports, wrong availment of Input Tax Credit, payment of GST under incorrect heads of tax or if rate of input is higher than output tax. It must be ensured that all the stated scenarios are checked and refund application wherever necessary are filed within the due date.



▸ Input Service distributor

Input service distributor has to file GST return in Form GSTR 6 by 31st March 2018 for the period July 2017 to February 2018.

▸ Transition

Registered persons who have filled TRAN 1 and claimed credit of excise duty paid, without any documents have to file the details of outward supplies for six months on TRAN-2 before 31st March 2018 for availing 40% / 60% credit.

START

THE TRANSITION

▸ Composition scheme

If any taxpayer wants to register under composition scheme (provided all prescribed conditions are met), an application needs to be filed in Form GST CMP – 02 before 31st March 2018. Similarly, those who want to cancel their registration under Composition Scheme, the same needs to be applied for in Form GST CMP – 04 before 7th April 2018. Effects of such registration/de-registration on available Input Tax Credit under the Composition Scheme need to be computed and given effect to in FY 2018-19.



GST HSN Code

▸ HSN Code on Tax Invoices

Suppliers whose turnover exceeds INR 1.5 crores and not INR 5 crores are to mention 2-digit HSN codes and suppliers whose turnover exceeds INR 5 crores must mention 4-digit HSN code on their invoices. Hence, the supplier's turnover must be finalized with utmost accuracy to abide with the prescribed rules.

▸ Updating of Masters

Updating of vendor and customer details as per the provisions of the GST Law must be ensured by the year end to ensure proper adherence with the Law



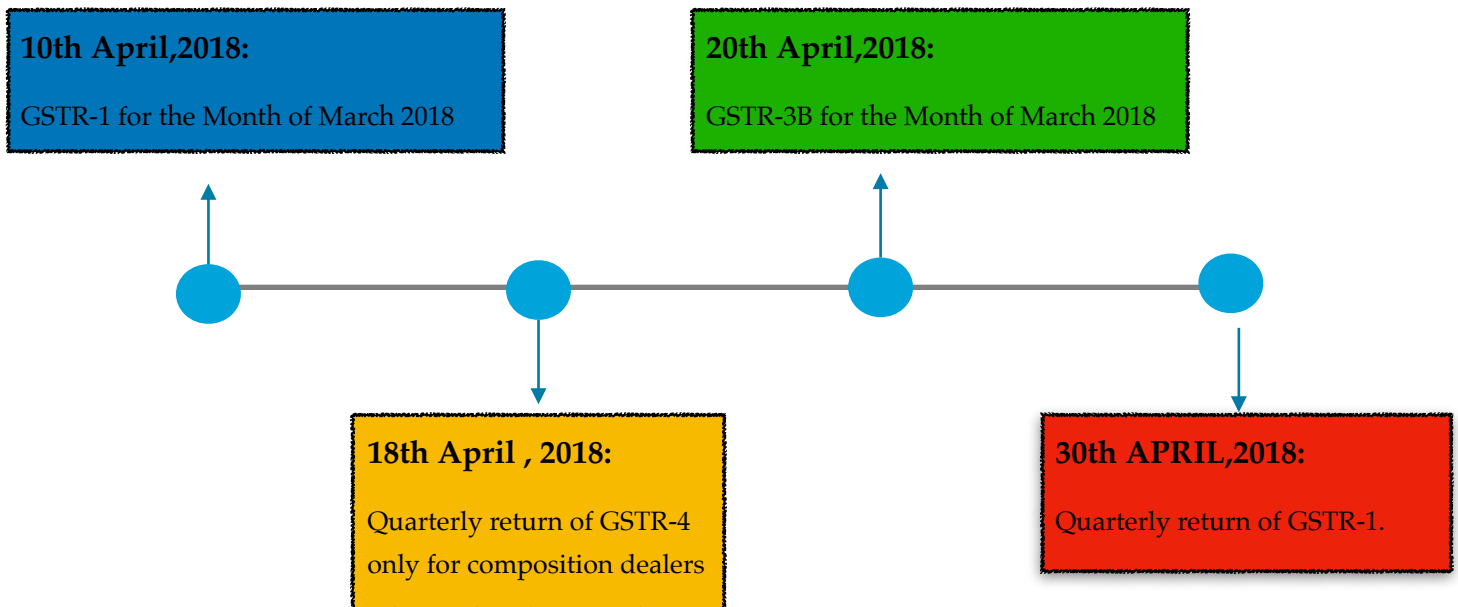
▸ E-Way Bill

TSMT

It is mandatory to issue E-Way bill from 1st April, 2018 for interstate movement of goods. Therefore it is necessary to take the registration under E-Way bill system before 31st March, 2018 to ensure timely adherence with the provisions of law.



Due Date Calendar for the month of April'18



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