

GST ACTION POINTS FOR NOV 2023 RETURNS

Intention: To give guidelines to Accountants on Important Compliance dates for Nov 2023

GSTR 1

1. Sec 37(3) permits to report/correct any error or omission by 30th Nov.
2. Recommended to keep the compliance date as 11th Nov and not 30th Nov since the values reported after 11th would get reflected in 2B of the Next period it would impact on the ITC availment of the recipient.

Credit Note reporting.

1. Sec 34(2) of the Act mandates the taxpayer to report the Credit notes not later than 30th Nov, hence the date of Credit note shall be on or before 31st Oct 2023 for the supplies pertaining to FY 22-23

ITC Related

1. **Availment** : Sec 16(4) of the Act require all the credit not availed in in FY 22-23 to be availed by 30th Nov 23
2. Check Books vs 2B and any credits not appearing still follow up with vendor asking them to report the suppliers in Oct GSTR 1 to be filed by 11th Nov 23.
3. **Reversal of Credit:** Credit Visible in 2B but supplier did not file his 3B by 30th Sept, such ITC to be reversed by 30th Nov 23. New Rule 37A, Non-compliance would attract interest u/s 50(3).
4. This reversal shall be reported in 4B2 of 3B.

ECRS Reporting

1. Any credit availed and reversed which needs to be carried forward to be reported in ECRS by 30th Nov.
2. If not filed by 30th Nov same cannot be reported later. Once reported the same can be amended 3 time by 31st Dec 23.
3. Value reported in Opening Balance cannot be higher than value reported in 4B as reversed.
4. Any credit visible in 2B but not availed in 3B cannot be part of ECRS. These needs to be reported in 4A5 and based on full fillment of other conditions decision to be taken to report in 4B2 or not.

Book Closure Entries & Balance Reconciliations

1. Basis GSTR 3B post journal from Input and Output ledgers to Electronic Credit and Liability ledger
2. Credit Not appearing in 2B to be parked separately.
3. Credits reversed temporarily should be accounted separately to match with ECRS Statement.
4. Offset the liability ledger along with cash payment and credit ledgers.
5. Balance if any in Input/ output ledgers to be matched with electronic ledgers and reconcile for differences beyond the above.

Correct Filing of GST Returns

1. Use Good Software to file GST Returns and timely reconciliation of Books for portal Data.
2. **Reconcile & File GST Returns**
 - a. Erroneous GSTR 1 higher than 3B Intimation under DRC 01B would be issued.
 - b. GSTR 3B credit availed > GSTR 2B Intimation under DRC 01C would be issued.
 - c. Replies to be sent within 7 days when received else Demand would be generated under sec 73/74.
3. eInvoice mandatory now for Turnover more than 5 crores.
4. eInvoice cannot be done beyond 30 days of Transaction date.
5. 2 Factor Authentication for away bill and invoice, adopt use of API for integration with NIC portal.