



Important Points for closing F.Y. 2024-25 and upcoming New F.Y. 2025-26

GST

1. Invoicing series:

- ❖ A Tax invoice and delivery challan needs to be issued by every registered taxpayer under the GST Law & Income tax law. Every firm will require to reset the invoice series as well as credit notes, debit notes, delivery challan, etc for new F.Y.

2. E- Invoicing Applicability:

- ❖ Businesses having turnover above Rs. 5 crores in any of the previous year are required to generate e-invoicing. It is hereby requested to check if turnover of previous years as to whether same has exceeded Rs. 5 Crore.

3. HSN:

- ❖ W.e.f 01.04.2021, tax-payers have to furnish HSN/SAC on their invoices as under:

Aggregate T/o in preceding F.Y.	HSN	Applicable to
> 5 Crore	6 digit	All transactions
< 5 Crore	4 digit	Only B2B transactions
*Select chemicals	8 digit	Few chemicals from Chapter 28,29, 38 & 39- NN90/2020 dt 01.12.20

4. Exports & LUT:

- ❖ A taxpayer who intends to undertake exports or SEZ supply without payment of IGST, needs to apply for Letter of Undertaking (LUT) for new F.Y. Such application is to be made through Form GST RFD-11 on GST Portal.

5. GTA under Forward Charge:

- ❖ Goods Transport Agency who are desirous of paying GST under forward charge are required to file declaration in Annexure V by 15th March.

6. Composition Scheme:

- ❖ Taxpayers who wish to opt for a Composition scheme for new F.Y. and are currently registered as regular taxpayers, must file form GST CMP-02 by 31st March. Such taxpayers must also file Form ITC-03 for reversal of ITC availed on stocks of inputs, semi-finished goods and finished goods as on 31st March.

7. Refund application:

- ❖ The time limit for making a refund application is 2 years from the relevant date of export. Accordingly, last date to apply for a refund of GST for March 2023 will be time barred on 31.03.2025.

8. Input Service Distribution (ISD):

- ❖ Taxpayers having multiple GSTIN and receiving common services are mandatorily required to obtain separate ISD number and distribute such common ITC to all its branches.
- ❖ ISD compliance are mandatorily required to be followed from 01/04/2025.

9. Checking of issuance of notices & demands of GST portal

- ❖ As per latest changes in law, serving of notice of government portal is legally permissible. Accordingly, it would be advisable to check GST portal to check for any probable issuance of notice or tax demands.

10. GST Credit note confirmations

- ❖ In cases where discounts are offered by the suppliers through credit notes, the claim of credit note i.e. reduction of output liability, is allowed only if corresponding ITC is reversed by the by the recipient.
- ❖ Vide Circular No .212/06/2024, the supplier has to procure a certificate from the recipient, certifying that the recipient has reversed proportionate ITC at his end in respect of credit note issued by the supplier.
- ❖ In cases, where the amount of tax involved is exceeds Rs 5 Lakhs, such undertaking/ certificate by is to be issued by CA/ CMA.

11. Year end GST Reconciliations:

- ❖ ITC reconciliation with books and returns;
- ❖ ITC reversal on account of failure to pay beyond 180 days;
- ❖ ITC reversal in terms of Rule 42 in case of supply of taxable as well as exempted goods/services;
- ❖ Cash/Credit/Liability ledger as per GSTN with books of accounts;
- ❖ Sales as per GSTR-1 vs sales as per GSTR-3B vs sales as per books;
- ❖ Sales as per E-way bill vs sales as per books;
- ❖ GSTR-2B with purchase/expense register;
- ❖ Inward data as per E-way bill system vs ITC as per books of accounts;
- ❖ GST TDS reflecting on GST portal vs GST TDS deducted by government companies;
- ❖ GST TCS reflecting on GST portal vs GST TCS deducted by E- commerce companies.



Income Tax

1. Income Tax TDS :

- ❖ Any buyer, whose total sales, gross receipts or turnover from the business exceeds INR 10 crore during the previous financial year, shall deduct TDS of 0.1% in case of purchase of any goods of the value exceeding INR 50 lakhs.
- ❖ The provision of TCS under section 206C(1H) has been amended and is no longer in force with effect from 01st April 2025. Therefore, seller is no longer liable to collect TCS on of sale of goods with effect from 01st April 2025.
- ❖ It is proposed in Finance Bill, 2025 to insert new TDS section 194T to bring payments such as salary, remuneration, commission, bonus and interest to any account (including capital account) of the partner of the firm under the purview of TDS. The threshold limit for such transactions is Rs 20,000 and rate of TDS shall be 10%. The provisions are applicable from April 1, 2025. Partnership deed is to be modified w.e.f. 01/04/2025 to provide credit of salary, interest as on year end, so that TDS is applicable at year end.
- ❖ An Individual and HUF are liable to comply with the TDS provisions if business turnover including speculative turnover and F&O turnover exceeds Rs. 1 Crore. In case of Profession, if the turnover exceeds Rs. 50 Lakhs.

2. Micro & Small Enterprise Payments [S. 43B(h)]:

- ❖ In order to promote timely payments to micro and small enterprises, Budget 2023 has introduced provisions wherein amount payable to micro and small enterprises beyond the time limit prescribed under MSMED Act will be allowed only on actual payment.
- ❖ Accordingly, in order to avoid disallowance under IT Act, outstanding balances of micro and small enterprises as on 31.03.2025 needs to be identified from whom goods / services were received in last 15 / 45 days and which have become due and are outstanding as on 31.03.2025 and payment to such creditors should be made by 31.03.2025.

3. Form 15G/15H Forms:

- ❖ Form 15G/15H for the new financial year will have to be applied for cases where TDS is not to be deducted by banks or any other institution.
- ❖ The said forms have to be filed by 30.04.2025 for quarter ended March 31, 2025 and by 15.07.2025 for the first quarter April to June 2025.
- ❖ Failure to submit Form 15G/15H will lead to deduction of TDS inspite of non taxable income.

4. Income Tax reconciliations:

- ❖ Income Tax TDS/ TCS reconciliation with Form 26AS
- ❖ Income Tax Annual Information Statement ('AIS') with books of accounts
- ❖ Review of Advance Tax. If 90% tax is paid by 31st March, interest u/s 234B can be avoided.

5. Increase in limit of remuneration to working partners of firm:

- ❖ Section 40(b)(v) of the Act provides for disallowance of remuneration paid to working partners of the firm exceeding the limits specified thereunder.
- ❖ The limits mentioned in the aforesaid section have been proposed to be revised as under:

(a)	on the first Rs. 6,00,000 of the book profit or in case of a loss	Rs. 3,00,000 or 90% of the book profit, whichever is more
(b)	on the balance of the book profit	At the rate of 60%

- ❖ This amendment is proposed to come into effect from April 1, 2025 and accordingly, would apply in relation to A.Y. 2025-26 and thereafter.

Others

6. Increase in Turnover & Investment limit to classify an entity under Micro, Small & Medium under MSME:

❖ The **turnover** limits under MSME have been revised as under:

Particulars	Old Limit	New Limit
Micro	Rs. 5 Crore	Rs. 10 Crore
Small	Rs. 50 Crore	Rs. 100 Crore
Medium	Rs. 250 Crore	Rs. 500 Crore

❖ The **Investment** limits have been enhanced as under:

Particulars	Old Limit	New Limit
Micro	Rs. 1 Crore	Rs. 2.5 Crore
Small	Rs. 10 Crore	Rs. 25 Crore
Medium	Rs. 50 Crore	Rs. 125 Crore

1. Obtaining & providing of declaration:

❖ From Vendors:

- To confirm issuance of E-invoices if their turnover has crossed Rs. 5 Crore in any of the previous financial year.
- To confirm status of Micro, Small or Medium Enterprises for various purpose.

❖ From Transporters:

- Non-deduction of TDS under section 194C.
- Declaration in Annexure V for payment of GST under forward charge.

❖ From Customer:

- Declaration is required from the customer stating that the ITC is reversed of the credit note issued.
- If credit note issued to customer during the year, is less than Rs. 5Lakhs self declaration is required & if it exceeds Rs. 5Lakhs then CA Certificate is required.

2. Other year end activities:

- ❖ Make year end provisions for recurring expense.
- ❖ Verify closing stock, cash balance, bank balance, inter branch balance.
- ❖ Collect FD statements from bank and account interest income.
- ❖ Account for foreign exchange fluctuations
- ❖ Balance Confirmation with debtors, creditors and third parties.

THANK YOU



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