



Karneeti Part 535

10 Things to Remember before 31st March 2024.

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Arjuna (Fictional Character): Krishna, As we approach the close of the Financial Year 2023-24, numerous taxpayers are diligently working to complete their accounting tasks and finalize their books of accounts. Amidst this busy period, how should taxpayers navigate the complexities of tax compliance?

Krishna (Fictional Character): Arjuna, March end has always been a busy period for taxpayers as the focus is on accounting for all unrecorded transactions before the year end. The introduction of mandatory Audit Trail from this financial year has now discouraged the taxpayers to make previous dated entries and hence finalization of books before 31st March 2024 has gained utmost importance. Amidst these the taxpayers should not forget various important tax compliances before the beginning of new financial year.

Arjuna (Fictional Character): Krishna, What are things taxpayers shall remember from Income Tax perspective before 31st March 2024?

Krishna (Fictional Character): Arjuna, following things shall be kept in mind by taxpayers before 31st March 2024 from Income Tax Perspective:

1. **Tentative Financials:** Taxpayers shall prepare their tentative annual profit & loss statements and balance sheet before 31st March 2024 and shall compare the same with the figures of previous year and the budgeted figures of this year so that they can plan properly.
2. **Advance Tax:** If Taxpayers have not paid Advance tax before 15th March, then it shall be paid before 31st March so that less interest will be levied.
3. **Review of AIS/26AS:** Reconciliation of TDS shall be made through review of Form 26AS or Annual Information Statement(AIS), and follow up shall be taken from parties who have deducted TDS but have failed to report the same in their TDS Return. Also verify if the SFT transactions such purchase or sale of immovable property above Rs. 30 Lakhs are reflected in the AIS or not.
4. **Investment for Deduction:** The taxpayers who wish to opt for old tax regime and avail deductions shall invest(80C, 80D etc.)/donate(80G) their money before 31st March 2024 to avail deductions in their ITR for AY 2024-25.
5. **Aadhar/Pan Link Status:** The Tax deductors shall confirm the Aadhar/Pan Link status for all their existing vendors and shall also check the same before registering new vendors from new financial year. If Aadhar & PAN is not linked then TDS shall be deducted at higher rate of 20%.

Arjuna (Fictional Character): Krishna, What are things taxpayers shall remember from GST perspective before 31st March 2024?

Krishna (Fictional Character): Arjuna, The following are the important points from GST perspective that the taxpayers shall keep in mind before 31st March 2024:

1. **Letter of Undertaking (LUT):** All the exporters or who supplies goods or services to SEZ without payment of GST should apply for LUT in form GST RFD 11 for FY 2024-25.
2. **Reconciliation of Outward Liability:** The taxpayers shall reconcile their outward tax liability between GSTR 1, GSTR 3B & Books and shall account for any differences or amendments in the March 2024 return.
3. **Reconciliation of Input Tax Credit:** Taxpayers should reconcile the ITC claimed in GSTR 3B with GSTR 2B and their books, identifying any parties who have not filed their GSTR 1 or reported transactions during the FY. They should follow up with these parties to ensure ITC appears in March 2024's GSTR 2B. Additionally, calculate and reverse any ITC due to Rule 42, 43 (Blocked Credit, Exempt Supplies), or payments to suppliers not made within 180 days, including any applicable interest.
4. **Payment of RCM:** Taxpayers shall recalculate their total RCM liability for the year and shall discharge the same along with interest in their March GSTR 3B return to avoid tax recovery notices in future.
5. **Composition Scheme, QRMP(Scheme) & E-invoicing:** The taxpayers shall assess their turnover and input tax credit for the year, and shall decide as to if they want to opt for Composition Scheme(Turnover Limit 1.5 Crore) or Quarterly Return Monthly Payment Scheme (Turnover Limit 5 Crore) for the next financial year. If the turnover of any taxpayer has for the first time exceeded Rs. 5 Crore in the Financial Year 23-24 then he shall generate e-invoices for all his B2B and export supplies from 1st April 2024.

Arjuna (Fictional Character): Krishna, what should one learn from this?

Krishna (Fictional Character): Arjuna, the month of March is very important from review perspective as every taxpayer shall review the state of their financial statements and tax compliances/reporting during the year and shall work diligently to record all unrecorded transactions during the year whilst also reviewing their GST tax returns during the year and making the necessary corrections in the March Return.

