



V K DINESH & SENTHILRAJA
CHARTERED ACCOUNTANTS

YEAR END COMPLIANCE



FINANCIAL YEAR

2024-25



B-1, First Floor,
Shanthi Apartment
18, T.T.K Road 1st
Cross Street
Alwarpet, Chennai
600 018



+91 44 - 2435 0011 / 7960 4043



www.vkds.in



Year End Compliance to be Take Care Before 31st March 2025

GST

	Points to be taken care under GST before 31 st March 2024	To Do	If Not
1	GST Supplier payment outstanding more than 180 days.	Payment to be Settled to all GST suppliers whose invoice outstanding more than 180 days from the date of Invoice.	ITC on such supply should be reversed along with interest @ 18% p.a and the same can be claimed again only on payment to the supplier.
2	Sale of Vehicles or Other Asset	GST needs to be paid at applicable rate on the profit of sale of vehicles / Asset.	In addition to the GST Interest at the 18% p.a needs to be paid from the due date of payment to actual date of payment.
3	Reversal of Input Tax credit – Rule 42 & 43 of CGST rules.	ITC needs to be reversed on or before the end of financial year for the common ITC used for taxable and exempted supplies to extent used for exempted supplies.	Interest at the 18% needs to be paid from the 1 st day after financial year to the actual reversal date.
4	Reversal of ITC on Ineligible Fixed Assets (Eg- ITC on Building and related work contract Exp, False ceiling, Vehicles (except few)	ITC should not be claimed on ineligible Fixed assets. If any ITC claimed, then the same should be reversed.	Otherwise, Pay the ineligible ITC with interest at the rate of 18% Pa.
5	Reversal of Ineligible ITC (Eg- ITC on Food & Beverage, Staff related Exp, Rent-a-Cab, Life, Health & Vehicle Insurance, goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples, personal use, CSR expenditure	ITC should not be claimed on ineligible Inputs and input services. If any ITC claimed then the same should be reversed.	Otherwise, Pay the ineligible ITC with interest at the rate of 18% Pa.

Year End Compliance to be Take Care Before 31st March 2025

6	Maintenance of Stock Ledgers/ Register	All stock statements at the end of period should match with physical stock by doing physical verification at regular intervals.	There is a possibility that in case of GST Inspection or audit the department may raise demand for the difference in stock.
7	Properly disclose the missed-out Sales Invoice in upcoming GSTR-1 before end of this financial year (Eg-Export Sales/SEZ Sales/ Rental Income/Other Income charges Collected)	Ensure Sales figure match between Books of Accounts, GSTR-1 and GSTR-3B and make sure no Reconciliation Item in GSTR 9/9C filing.	Mismatch between GSTR-1 /GSTR-3B / GSTR-9 will have chance to select your case for Audit / Inspection under GST
8	Properly disclose the missed-out Sales Return (Credit Note) in upcoming GSTR-1 before end of this financial year	Ensure Sales Return figure match between Books of Accounts, GSTR-1 and GSTR-3B and make sure no Reconciliation Item in GSTR 9/9C filing.	Mismatch between GSTR-1 /GSTR-3B / GSTR-9 will have change to select your case for Audit / Inspection under GST
9	Taxability of corporate guarantee provided for related persons (sub-rule (2) of Rule 28)	For inter corporate guarantee provided without consideration between Group company, as recommended to charges at least 1% of guarantee value and collect and pay 18% GST on the guarantee amount. This GST is eligible to take as Input Tax credit.	If not collected and pay the GST for corporate guarantee, in the time of audit department may charge the GST for the same, with interest and penalty, in that time you are not allowed to take an input tax credit.
10	Matching of ITC & Cash Ledger with Books of Accounts	Take care that your GSTR filed return and your books of accounts and match with each other.	If not matching, you may incur a penalty for non-maintenance of books of accounts.

Year End Compliance to be Take Care Before 31st March 2025

11	RCM (Service received from Advocate, Security Services from other than company, renting of motor vehicle, from other than company, renting of immovable property, Import of Services from Non-resident also refer RCM notifications - IGST - Notification No. 10/2017- Integrated Tax (Rate) and CGST - Notification No. 13/2017- Central Tax (Rate).	Take care of any unpaid RCM liability and discharge the liability before the end of the financial year	Otherwise, interest liability will arise @18% p.a.
12	Amnesty Scheme for Waiver of Interest and Penalty as per Sec-128A of CGST Act, Applicable for FY 2017-18 to FY 2019-20	If any demand is raised w.r.t any of FY 2017-18, 18-19 & 19-20 and if tax portion is fully discharged then we can avail the benefit of scheme for waiver of interest & penalty applicable on such tax portion. Demand should be paid within 31-03-2025 and also if any appeal or writ petition is filed then that also to be withdrawn by 31-03-2025.	If not paid or withdrawn within the specified date then the waiver benefit is not eligible
13	GSTR-4 for Composition Scheme Holders for FY 2024-25	For Composition scheme holders GSTR-4 annual return is to be filed and due date of filing is 30 th June 2025	Liable to pay late fees 1. ₹50 per day for other than Nil return (maximum Rs.2,000) 2. ₹20 per day for nil returns (i.e., no transactions for the period) (Maximum of Rs. 500).
14	Availing the option of Converting from Regular	Evaluate which scheme is beneficial to your business	If wishes to opt for composition scheme &

Year End Compliance to be Take Care Before 31st March 2025

	taxpayer to composition scheme and vice versa. Have to opt before start of next FY i.e for FY 2025-26 we have to file the application form by 31-03-2025	and file the application by 31-03-2025 for conversion.	not done that by due date then you will be liable to pay at applicable rate of tax instead of concessional rates under composition scheme. If vice versa then ITC claim will be ineligible.
15	LUT/Bond Renewal for Exporters	If you are an exporter availing GST exemption, renew the Letter of Undertaking (LUT) before the next financial year starts.	If not filed then Export Without Payment of IGST Is Not Allowed
16	E-Invoicing applicability in case the turnover for FY 2024-25 exceeds Rs. 5 crore	If in case your turnover is exceeding Rs.5 crore in FY 2024-25 then from 01-04-2025 e-invoicing is mandatory for all invoices for Fy 2024-25	If not done, then the issued invoice is said to be "shall not be treated as an invoice" and liable to a penalty 100% of tax
17	Input service Distributor (ISD) Mandatory registration from FY 2025-26 in case of distinct persons	In case there are multiple GST registrations under same PAN then they are said to distinct persons and it is mandatory to register as ISD and distribute the ITC on common expenses incurred for all branches	If registration not taken, then Rs.20,000 or 10% of Tax penalty will be levied

Year End Compliance to be Take Care Before 31st March 2025

INCOME TAX

	Points to be taken care under GST before 31 st March 2024	To Do	If Not
1	TDS deduction and Payment	TDS to be deducted and paid for all TDS applicable Expenses on or before the end of financial year.	<ul style="list-style-type: none"> ○ 30% of the Expenditure will be disallowed (i.e., Added back to Profit) for Income Tax computation. ○ In case of Non-resident 100% of the expenditure will be disallowed (i.e., Added back to profit) for Income Tax computation. ○ This is in addition to interest for non-deduction.
2	TCS Collection and Payment	TCS needs to be Collected and paid on all transaction for which TCS is applicable on or before the end of financial year.	Interest will be levied for non-collection at 1% P.M.
3	<p>MSME Payment</p> <p>(Note : May also refer our email (team@vkds.in) dated 4th Feb 2023 with sub-Important about the MSME Vendors and Related Compliance (updated till Union Budget 2023-24) for detail subject matter)</p>	The buyer who bought goods from Micro or Small enterprises (who is a manufacturer or Service provider) shall make payment on or before 45 days (if having the agreement)/ 15 Days (if having no agreement).	<p>a) Buyer did not pay the amount within the mentioned time limit mentioned then he is liable to pay interest at 3 times the bank rate notified by the RBI.</p> <p>b) Disallowance of Expenditure:</p> <p>i) Interest liability paid as mentioned in point (a) will not be allowed as deduction for income computation (i.e., Added back to profit) under income tax act.</p> <p>ii) Expenditure relating to MSME allowed only on payment basis (i.e., Added back to profit) – section 43B of income tax act (WEF 01.04.23)</p>

Year End Compliance to be Take Care Before 31st March 2025

4	ESI & PF Payment (Employee)	a) PF payment needs to be done on or before 15 th of every month. b) ESI payment needs to be done on or before 15 th of every month.	PF and ESI payment not made within the due dates as applicable then the same will be disallowed under income tax (i.e., Added back to profits).
5	Bad Debts written-off	Before write-off Proper Mail communication should be there for justifying for collection effort.	If proper communication is not there the claimed Bad Debts may not be allowed by the department, it may add back to the profit for Income Tax Computation
6	Supplier / Customers Balance Confirmation	It is advisable to get the Major Supplier / Customers Ledger for Balance Confirmation before the year. (Also care should be taken for collecting/ paying the balances outstanding for more than a year)	In the time of Income Tax Scrutiny, assessee should establish their transaction with external balance Confirmation other wise expenses may be disallowed.
7.	March 15th is the last date for the final instalments of advance tax for the financial year 2024-25	Ensure that all outstanding advance tax is paid by this date to avoid interest penalties under Section 234B and Section 234C .	If not then interest penalties under Section 234B and Section 234C will be payable.
8	Updated Return under sec-139(8A)	If in case ITR for FY 2022-23 is not filed, then due date for filing the updated return is 31 st March 2025	Cannot file the ITR and may be selected by the department for income escaping assessment proceedings

Year End Compliance to be Take Care Before 31st March 2025

COMPANIES ACT 2013

	Points taken care Companies Act before 31 st March 2024	To Do	If Not
1	Edit Log Implementation (also ref. our team@vkds email dated 3 rd Apr 23 for more detail)	Every company needs to maintain accounting software that should has tracking of audit trail (Edit Log).	Penalty of minimum of Rs.50,000 and maximum of Rs.5,00,000 will be imposed.
2	CSR	Companies for which CSR provisions applicable needs to spend 2% of average 3 net profit of three immediately preceding Financial year. If CSR not spent with in the FY then if 1. <u>Ongoing project</u> - Transfer to CSR account (separate bank a/c) within 30 days from the end of FY and it should be spend within 3 FY from the date of transfer sec 135(6) 2. <u>Other than ongoing project</u> - Transfer to specified in Schedule VII within 6 month from the end of FY sec 135(6)	<ul style="list-style-type: none"> ○ Penalty of Rs. 1 Crore or twice the amount required to transferred by the company to CSR fund or Unspent CSR account whichever is less will be levied on the company. ○ Penalty of Rs.2 lakh or one-tenth of amount required to transferred by the company to CSR fund or Unspent CSR account whichever is less will be levied on the officers of the company
3	Corporate Guarantee or Loan to Other than Pvt Ltd	Companies should take steps while giving loans or guarantee to person other than private ltd companies that it is not in violation of Section 185 of companies act 2023.	Penalty of at least ₹5 lakh, with a maximum of ₹25 lakh, being imposed on the lending company . Any officer who is in arrears will be punished with either a period of imprisonment that may reach six months or a fine that must not

Year End Compliance to be Take Care Before 31st March 2025

			be less than ₹5 lakh but may reach up to ₹25 lakh
4	Charge Creation / Satisfaction	All companies which are required to create / Satisfy the charge needs to be registered with ROC within 30 days from creation / Satisfaction of charge.	The company shall be liable to a penalty of five lakh rupees Every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees.
5	Complying Accounting Standard	Financial Statement to be prepared based on the applicable Accounting Standard	Default in preparing proper financial statements Company -Penalty of Rs.3,00,000 Every officer of the company -Penalty of Rs.50,000/-
6	Non-disclosure of MSME	All the MSME and Non-MSME supplier to be Bifurcate and maintained in Books for proper disclosure in the Financial Statements	Default in preparing proper financial statements Company -Penalty of Rs.3,00,000 Every officer of the company -Penalty of Rs.50,000/-

For any clarification or support feel free to contact us ...

Thanking You.

Team  vkds

team@vkds.in / 01-03-2025