

# INLIGHT OF

**Compliances Before 31<sup>st</sup> March 2021  
and Changes w.e.f 1<sup>st</sup> April 2021**



**N**ow, we are into the last week of the financial year ending 31st March 2021, there are various tasks which we need to complete before 31st March 2021 as well as various tasks we need to start with effect from 1st April 2021. Some important GST compliances which we must need to be adhered to:

## **Compliances Before 31st March 2021**

Topic	Compliance Requirement
<b>File GSTR 9 &amp; 9C for F.Y. 2019-20</b>	The due date file GSTR-9 (for taxpayers having aggregate turnover of more than 2 crs.) and GSTR-9C (for taxpayers having aggregate turnover of more than 5 crs.) has been further <b>extended from 28th February 2021 to 31st March 2021 by CGST Notification No. 04/2021 dated 28.02.201</b>
<b>Renewal of LUT for zero-rated supplies for F.Y. 2021-22</b>	Taxpayers are required to submit a <b>Letter of Undertaking (LUT)</b> for zero-rated supplies i.e. export of goods or services or supply to SEZ Unit/Developers without payment of IGST every Financial Year. For F.Y. 2021-22, LUT is due to be filed latest by 31st March 2021.  <b>Note: ARN generated vide LUT filed should be mentioned in Tax Invoice raised for Export/SEZ Supplies</b>
<b>Opt-in for GST Composition Scheme for F.Y. 2021-22</b>	If you want to opt for the Composition Scheme subject to the fulfilment of criteria and conditions for F.Y. 2021-22, the CMP-02 should be filed before 31st March 2021.  <b>Note: In case of the switch from Normal to Composition Scheme, ITC claimed on inputs lying in form of Inputs, WIP, finished goods stock as of 31.03.2021 and capital goods (on a reduced percentage basis) is required to be reversed by filing ITC-03 by 30th May 2021.</b>

	<p>The following links will help you to filing CMP 02</p> <p><a href="https://icmai.in/upload/Taxation/GST-Opting_2403_21.pdf">https://icmai.in/upload/Taxation/GST-Opting_2403_21.pdf</a></p> <p><a href="https://icmai.in/upload/Taxation/Manual Online 2403_21.pdf">https://icmai.in/upload/Taxation/Manual Online 2403_21.pdf</a></p> <p><a href="https://icmai.in/upload/Taxation/FAQ_2403_21.pdf">https://icmai.in/upload/Taxation/FAQ_2403_21.pdf</a></p>
<p><b>Calculation of Aggregate Turnover as per F.Y. 2020-21 for taking various decision in F.Y. 2021-22</b></p>	<p>Aggregate turnover helps to determine the following decisions :</p> <ul style="list-style-type: none"> <li>☞ GST registration</li> <li>☞ Whether to file GSTR 1 in the year 2021-22 on quarterly QRMP scheme or on monthly basis</li> <li>☞ Whether to mention HSN codes or how many digits to be mentioned; for more details: <a href="https://icmai.in/upload/Taxation/Mandatory mention HSN.pdf">https://icmai.in/upload/Taxation/Mandatory mention HSN.pdf</a></li> <li>☞ Whether to opt for composition scheme dependent on turnover For more details: <a href="https://icmai.in/upload/Taxation/QRMP_2812_2020.pdf">https://icmai.in/upload/Taxation/QRMP_2812_2020.pdf</a> <a href="https://icmai.in/upload/Taxation/faq_on_qrmp_iff.pdf">https://icmai.in/upload/Taxation/faq_on_qrmp_iff.pdf</a></li> <li>☞ Rule 86B (Restriction on ITC Utilisation in Electronic Credit Ledger) : This rule is applicable to registered persons having taxable value of supply (other than exempt supply and zero-rated supply) in a month which is more than Rs.50 lakh.</li> <li>☞ E invoice : Entity having aggregate turnover exceeding Rs 50 crores</li> </ul>
<p><b>Reconciliation of Outward Supplies and Inward Supplies in Year-end</b></p>	<p>In Income tax and ROC point of view to ensure that Turnover reported is duly reconciled for all statutory reports and financial statements. Any additional liability (claim or reversals), if missed should be reported in GST return of March 2021.</p> <p>We also give a focus on the following reconciliation statements:</p> <ul style="list-style-type: none"> <li>☞ Reconciliation of GSTR 1 with GSTR 3B</li> <li>☞ Reconciliation of GSTR 3B with the ITC on purchases</li> <li>☞ GSTR 3B/GSTR 1 entries VS Accounting entries</li> <li>☞ Reconciliation of E Way Bills with GSTR 1 and further with GSTR 3B</li> <li>☞ Reconciliation of GSTR 1/3B Sales with balance sheet sales</li> <li>☞ Reconciliation of ITC ledgers:</li> <li>☞ Reconciliation of GSTR 2A with the purchase invoices</li> <li>☞ B2C Reconciliations</li> <li>☞ Reconciliation of Invoice/Debit Notes/Credit Notes issued</li> </ul>
<p><b>Apply for Refund on ITC for F.Y. 2018-19</b></p>	<p>The last date to apply for a refund of GST related to FY 2018-19 is 31.03.2021.</p>
<p><b>Check requirement for any</b></p>	<ul style="list-style-type: none"> <li>☞ Rule 37 – Any ITC reversal required on account of non-payment</li> </ul>

<b>ITC reversal or ITC to be reclaimed</b>	<p>within 180 days or reclaim of any ITC in respect of supplies for which payment has been made.</p> <ul style="list-style-type: none"> <li>☞ Rule 42 or 43 – Impact of annualized ITC reversal in case of exempted as well as taxable supplies to be considered.</li> <li>☞ Check if any reversal required against purchased goods rejected and/or returned. (ensure the impact of the same has been considered in GST returns)</li> </ul>
<b>Validation of Reverse Charge Mechanism (RCM) liability</b>	<ul style="list-style-type: none"> <li>☞ Ensure if the liability is being paid in respect of all input supplies notified for reverse charge and all the amendments have been taken care of.</li> <li>☞ Check if the tax paid under RCM matches with ITC under RCM.</li> <li>☞ Ensure timely payment of RCM liability, liability of interest need to be discharged in respect of any delay in tax payment.</li> </ul>
<b>Physical Stock Check</b>	<p>The physical stock needs to be reconciled with the stock according to books of account. This would be useful for income tax and GST audit. In case of any discrepancies, the possibility of reversing ITC or lost sales data may be checked.</p>

## Changes with effect from 1<sup>st</sup> April 2021

<b>Topic</b>	<b>Compliance Requirement</b>
<b>Fresh Invoice/Document Series</b>	<p>New/unique series of invoices to be raised for FY 2021-22 as per Rule 46(b) of the CGST Rules, so that there is no duplication or repetition of invoices with the preceding financial year.</p>
<b>Applicability of QR code</b>	<p>The Central Board of Indirect Taxes and Customs (CBIC) notified the <b><i>waiver of penalty for non-compliance of capturing dynamic QR code in GST Invoice from December 2020 to June 30, 2021</i></b>, fixed deadline of compliance to July 1, 2021.</p> <p>Hence, <b><i>companies having turnover above 500 Cr. can initiate adding dynamic QR Code on B2C invoices from 1st July 2021.</i></b> In any case if the taxpayers fail to comply with dynamic QR Code requirements from 1st July</p>

	2021, <b>penalty will be levied from 1st December 2020.</b>
<b>Opt-in or Opt-out from Quarterly Return Monthly Payment Scheme for F.Y. 2021-22</b>	<p>The window to opt-in or opt- out of the QRMP Scheme for the first quarter of FY 2021-22 i.e., From April 1, 2021 to June 30, 2021 is open now at GST Portal.</p> <p>For more details :  <a href="https://icmai.in/upload/Taxation/QRMP_2812_2020.pdf">https://icmai.in/upload/Taxation/QRMP_2812_2020.pdf</a>  <a href="https://icmai.in/upload/Taxation/faq_on_qrmp_iff.pdf">https://icmai.in/upload/Taxation/faq_on_qrmp_iff.pdf</a></p>
<b>Change in HSN requirement from 2/4 digit to 4/6 digits</b>	<p>W.e.f. 1st April 2021 vide Notification No. 78/2020 – Central Tax, dated 15th October 2020, it is mandatory to put 4 digit HSN code in case turnover is less than Rs 5 Crore for B2B invoices and 6 digit in case turnover is more than Rs 5 Crore in all invoice i.e. B2B and B2C.</p> <p>For more details:  <a href="https://icmai.in/upload/Taxation/Mandatory_mention_HSN.pdf">https://icmai.in/upload/Taxation/Mandatory_mention_HSN.pdf</a></p>
<b>Applicability of E-invoice</b>	<p>E-Invoicing has been made applicable from 1st October 2020 to all businesses whose aggregate turnover has exceeded Rs.500 crore limit in any of the preceding financial years from 2017-18 to 2019-20.</p> <p>Further, from 1st January 2021, E-Invoicing will be applicable to businesses whose aggregate turnover exceeding Rs.100 crore in any of the financial years between 2017-18 to 2019-20, as intimated in Notification No.88/2020 – Central Tax.</p> <p>On 8th March 2021, The Central Board of Indirect Taxes and Customs (CBIC) notified that e-Invoicing will be applicable from 1st April 2021 for businesses with a turnover more than Rs.50 crores (in any financial year from FY 2017-18 onwards, as intimated in Notification No. 5/2021 – Central Tax.)</p>