GST Insights-

- **Compliances before 31st March 21**
- **Changes w.e.f. 1st April 2021**
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I. Compliances before 31st March 2021

A. File GSTR 9 & 9C for F.Y. 2019-20

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 extended from 28th February 2021 to 31st March 2021 by CGST Notification No. 04/2021 dated 28.02.201 which can be accessed here 2019-20

B. File LUT for zero-rated supplies for F.Y .2021-22

Taxpayers are required to be submit Letter of Undertaking for undertaking 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 if you are engaged in zero-rated supplies or planning to do it:

Note: ARN generated vide LUT filed should be mentioned in Tax Invoice raised for Export/ SEZ Supplies

C. Opt-in for GST Composition Scheme for F.Y. 2021-22

If you wish to opt for Composition Scheme subject to the fulfilment of criteria and conditions for F.Y. 2012-22, last date to file CMP-2 is 31st March 2021.

Note: In case of switch from Normal to Composition Scheme, ITC claimed on inputs lying in form of Inputs, WIP, finished goods stock as on 31.03.2021 and capital goods (on reduced percentage basis) is required to be reversed by filing ITC-03 by 30th May 2021.

If you wish to know all about Composition Scheme, please read our Presentation @ All about Composition Scheme

D. Re-calculation of Aggregate Turnover as per F.Y. 2020-21 for criteria for F.Y. 2021-22

Various decision making and compliances in GST are dependent upon threshold as per Aggregate Turnover like GST registration, Composition Scheme, QRMP Scheme, E-Invoicing, Rule 86B etc. For F.Y. 2021-22, please make sure that recalculation is done for each of relevant compliances as per aggregate turnover in F.Y. 2020-21 wherever applicable.

E. Year-end reconciliation of Outward Supplies and Inward Supplies

It is right time to do stock taking of what your earned from books of accounts, GST, 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, if missed should be reported in GST return of March 2021.

Similarly, you should undertake detailed reco of Input tax credit as per books of accounts vs. GSTR-3B vs. GSTR-2A vs. GSTR-2B vs. Rule 36(4). In case of hits and misses, all adjustments (claim or reversals) should be reported in GST return of March 2021.

Note: In case of RCM liability, it is suggested to also look for entries appearing in GSTR-2A ticked as 'RCM' by Suppliers and ensure that RCM liability has been paid. Further, please report exempted supplies like interest income in GST returns as well.

F. Yearly calculation of reversal of ITC as per Rule 42

In case of any reversal of common Input Tax Credit on account of exempted supplies as per Rule 42, after having undertaken monthly reversal, the annual calculation is required to be done and any excess reversal or short reversal should be duly accounted for in GST returns for March 2021. In case of delay in reporting of additional reversal, if any, Interest would apply from 1st April 2021 onward for common ITC reversals to be done in F.Y. 2020-21

Note: The value of exempted supplies for the purpose of reversal includes value of sale of immovable property, transaction in securities, outward supplies subject to RCM, Restaurant services/ outdoor catering services taxable @5%

II. Changes effective from 1st April 2021

G. Applicability of E-Invoicing in case of B2C supplies from 1st April 2021

The Government has notified by Notification No. 14/2020– Central Tax dated 21.03.2020 that an invoice issued by a registered person, whose aggregate turnover in any preceding financial year from F.Y. 2017-18 onwards exceeds

INR 500 crs. to an unregistered person **('B2C invoice')**, shall have Dynamic Quick Response (QR) code w.e.f. 1st December 2020.

It was further provided that that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code.

However, vide Notification No. 89/2020–CGST dated 29.11.2020 Government has waived off the amount of penalty payable by any registered person under section 125 of the said Act for non-compliance of the afore mentioned provision, for the period between 1st December 2020 to 31st March 2021, subject to the condition that the said person complies with the provisions of the said notification from 1st April, 2021.

Effectively, the requirement to comply with the provision for mentioning Dynamic QR Code will apply w.e.f. 1st April 2021. The CBIC has also issued various clarifications vide Circular no. 146/02/2021-GST dated 23rd February 2021. You can access the copy of circular here

H. GST- E-Invoicing for taxpayers having AGT more than 50 Crs.

The Government of India has amended CGST Notification No. 13/2020 dated 21.03.2020 by CGST Notification No. 05/2021 to further reduce the threshold for E-Invoicing from INR 100 crores to INR 50 Crores w.e.f. 1st April 2021. Link to the Notification- E-Invoicing.

Note: It is imperative for all taxpayers as recipient of goods or services to seek a declaration from their vendors who fall under E-Invoicing and ensure that Valid Tax Invoices alongwith QR Code (embedded with IRN) are issued to enable availment of Input tax credit.

I. Change in HSN requirement from 2/4 digit to 4/6 digits

Vide CGST Notification No. 78/2020 dated 15.10.2020, Government has amended CGST Notification No. 12/2017 dated 28.06.2017 amending requirements for HSN to be mentioned on Tax Invoice applicable w.e.f. 1st April 2021. The new requirements are summarized below

Sr. No.	**Aggregate Turnover in the preceding Financial Year**	**Existing HSN requirement**	**HSN requirement w.ef. 1st April 2021**

1	Up to INR 1.5 Crs.	Nil	4*
2	1.5 Crs. to INR 5 Crs.	2	4*
3	More than INR 5 crs.	4	6

*HSN not required if supplies made to unregistered persons

J. Unique Invoice series for F.Y. 2021-22

CGST Rules, 2017 mandates that there should be a unique series of documents issued by the taxpayers for each Financial Year. With new Financial Year 2021-22 kicking in, the series of Invoice/Bill of Supply/Credit Note/Debit Note to be issued from 1st April 2021 onwards will have unique series i.e. it should not be same as earlier Financial years. For e.g. it can start with 2021-22/001..002…so on.

K. Opt-in or Opt-out from Quarterly Return Monthly Payment Scheme for F.Y. 2021-22

By now, all businesses have experienced the intricacies of QRMP Scheme and to opt-in or opt-out for first quarter of F.Y. 2021-22, April 2021 to June 2021, window is open between 1st February 2021 to 30th April 2021 at GST Portal. To understand more about the Scheme, you can access our Presentation from All about QRMP Scheme

Note: The scope of Aggregate Turnover is very wide which includes your PAN India Turnover including exempted, nil-rated, non-taxable and zero-rated supplies.

III. Other Compliance Points

- ✓ Review of Creditor's ageing to check if payment made to vendors within 180 days, otherwise, ITC reversal is required to be made
- ✓ Review Fixed Assets Register to check GST liability on account of any Sale of fixed assets
- ✓ Reversal of ITC has been done in case of Tax Credit Notes issued by Vendors
- ✓ GST liability on Interest received from customer on delayed payment of consideration

- ✓ Tracking return of material sent for job work within prescribed time limit
- ✓ Cross Charging in case of any inter-branch supplies/services
- ✓ Updation of GSTIN in case of any change in place of business or directors/authorized signatory
- ✓ Review of 'Notices/Orders' & 'Additional Notices & Orders' Section at GST Portal
- ✓ Reconciliation of E-Invoices reported at E-Invoice portal vis-à-vis Invoice/Debit Notes/Credit Notes issued
- ✓ Payment of Interest on delayed payment of GST on account of late filing of GSTR-3B or later reporting of Outward liability
- ✓ Filing of Refund claims in case of transactions pertaining to F.Y. 2018-19 within 2 years from relevant date (Expiring by 31st March 2021)
- ✓ Reporting of Exempted Supplies like Interest Income in GSR-3B and GSTR-1 to ensure complete matching of Turnover as per books vs. GST returns
- ✓ Stock taking of proper maintenance of accounts and records as per prescribed requirements

(CA Nikhil M. Jhanwar)

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