L&S UPDATE

An e-update to clients from Lakshmikumaran & Sridharan

22 MARCH 2021

GST

GST Action Points for March 2021

UPDATE NO. 5 OF 2021

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exceeding expectations
SINCE 1985

A. Renewal of LUT

- Exporters who wish to continue to export in the next financial year (FY) without payment of IGST shall apply for renewal of the Letter of Undertaking (LUT) for the next FY.
- Application in the Form RFD-11 can be filed online for renewal of LUT.

B. Reversal of ITC (Rule 42/43)

- ITC attributable to supply of exempted goods or services reversed on a monthly basis during the period April 2020 to March 2021 needs to be finalized before the due date of furnishing return for September 2021
- If there is shortfall of reversal of ITC during FY 20-21, then interest liability arises from 1 April 2021 till the date of payment of credit.
- It is advised to finalize the reversal amount in the month of March 2021 itself so as to avoid additional interest burden.

C. Invoice - HSN Requirement w.e.f. 1 April 2021

- W.e.f. 1 April 2021, requirement of disclosure of HSN Code on the invoice is as follows:

Particulars	HSN requirement
A. Person having aggregate turnover in the preceding FY	
• Up to 5 crore INR	
• B2C Supplies	Not required
• B2B Supplies	4 digit
• More than 5 crore INR	6 digit
B. Specified Chemicals	8 digit

[NN 12/2017-CT dated 28 June 2017 as amended by NN 78/2020 and NN 90/2020]

D. E-Invoicing limit exceeding INR 50 crores w.e.f. 1 April 2021

- A registered person (except specified person) having an aggregate turnover in a financial year exceeding **INR 50 crores** in any preceding financial year from 2017-18 onwards will be required to comply with Rule 48(4) of the CGST Rules with effect from 1 April 2021.

- Earlier the limit was INR 100 crores.
  [NN 13/2020-CT dated 21 March 2020 as amended by NN 5/2021-CT dated 8 March 2021]

E. Dynamic QR code

- Invoice issued by a registered person, whose aggregate turnover in any preceding F.Y. from 2017-18 onwards exceeds INR 500 crore, (except specified person) to an unregistered person (B2C invoice), shall have Dynamic QR code w.e.f. 1 December 2020.
  [NN 14/2020-CT dt 21 March 2020 read with Rule 46 of the CGST Rules]

- However, penalty was waived for non-compliance of the Dynamic QR Code provisions for the period from 1 December 2020 to 31 March 2021, subject to the condition that the said person complies from 1 April 2021.
  [NN 89/2020- CT, dated 29 November 2020]

- In nutshell, Dynamic QR Code required to be complied w.e.f. 1 April 2021 to avoid penalty.

- Circular No. 146/02/2021-GST, dated 23 February 2021 issued by CBIC has clarified aspects on compliance of Dynamic QR Code.

F. Due date for filing GSTR-9/9C for FY 19-20

- Date of furnishing of GSTR-9/9C for the FY 2019-2020 extended from from 28 February 2021 to 31 March 2021.
  [NN 95/2020-CT dated 30 December 2020 has been amended by NN 04/2021 dated 28 February 2021]

G. 80% of inputs and input services from Registered Persons (for Real Estate Industry)

- 80% of value of inputs and input services (except specified supplies) shall be received from registered person in a financial year project wise. In case of any shortfall, GST has to be discharged at 18% under reverse charge for the shortfall.

- Taxpayers shall verify whether the above condition is fulfilled or not. If there is any shortfall, GST under reverse charge shall be discharged. Further, CA Certificate may be obtained in this regard project wise.
  [Fifth proviso to S. No. 3(i) to 3(id) of NN 11/2017-CTR read with S. No. 1 of the NN 07/2019-CTR dated 29 March 2019]

H. Unique series for a Financial Year

- As per Rule 46(b), an invoice shall contain a consecutive serial number not exceeding 16 characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as "-" and "/" respectively, and any combination thereof, unique for a financial year.

- Similar provisions exits for Bill of Supply (Rule 49), Receipt Voucher (Rule 50), Refund Voucher (Rule 51), Payment Voucher (Rule 52), Credit / Debit Note (Rule 53), ISD Invoice (Rule 54), etc.

- Taxpayers shall revise services for next financial year for the said documents.

I. Other

- Finalization of cross charge to distinct person for the FY 2020-21

- Annual Reconciliation of GSTR-1, GSTR-2A/2B, GSTR-3B, IRP Data (if any) and Books of Accounts.

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