

10 things to consider before filing March 2021 GST Return

Arjuna (Fictional Character): Krishna, which things should a businessman consider before filling March 2021 GST return?

Krishna, (Fictional Character): Arjuna, below are the 10 things a businessman should consider before filling GST Return for the month of March 2021:

- File GSTR-3B i.e., GST Return before 20 April or 22nd April as the case may be. To avoid late fees and penalties.
- ITC reflected in GSTR-2A should be reconciled with books before filling GSTR-3b. If there is a difference between ITC in books and ITC reflected in GSTR-2A then the effect of such difference may be taken in March 2021 return.
- If on a cumulative basis ITC, as per Rule 36 (4) if ITC exceeds 5% then it may be adjusted in March return.
- As per Rule 42 and 43 if there is a difference between a taxable, exempt sale in FY 20-21 it may be adjusted in March return.
- For financial year 20-21 the GSTR-3B, GSTR-1, and books should be Reconciled for the whole year and if there is a difference it may be adjusted in March 2021 Return.
- Those who have opted for the QRMP scheme should file a return for the quarter of March after considering January and February months adjustments.
- The best option to correct mistakes of purchases and sales of FY 20-21 is March 2021 return. Otherwise, the difference between GST and Income tax would be troublesome in near future.
- Income other than sales, such as other income, interest income commission should be checked and should be shown at least in March 2021 return.
- For the sale of movable and Immovable Property for e.g., Plant & machinery, furniture & fixture, etc. correct reconciliation should be done. If there is any difference it should be adjusted in March 21 return.
- The ledgers of creditors and debtors should be reconciled till March 2021. Debit note, credit note, discount received, rate differences should be identified and if possible, may be considered in the GST Return of March 2021.

Arjuna: Krishna, what taxpayer should learn from this?

Krishna: Arjuna, the adjustment of FY 20-21 in GST can be done till September 2021, but one must try to do all adjustment in March 2021 return, so that there will be no difference in Turnover of GST as reported in 26AS and Income tax returns, thus taxpayer will not face any inquiries from both departments.

Source : CAclubindia