



GST Year-End Compliance  
Checklist: March 31, 2026

13 Days Left. Every  
GST-Registered  
Business Must Act  
Now.

GST

FY 2025-26

COMPLIANCE DEADLINE

CGST RULES

# Year-End GST Compliance: What Is At Stake?

## Hard Deadline

March 31, 2026 is a hard deadline for **6 critical GST compliance actions**. Missing even one can trigger penalties, ITC loss, or export disruption.

## Who Is Affected

- Exporters & SEZ Suppliers
- Manufacturers
- Service Providers
- Mixed Supply Businesses

 **⚠ Critical ITC Warning:** ITC once lapsed cannot be recovered after the September 2027 GSTR-3B return (for FY 2025-26 credits).

Compliance Area	Who Is Affected
LUT Filing (Form RFD-11)	Exporters, SEZ Suppliers
Composition Scheme (CMP-02)	Businesses under Rs. 1.5 Cr turnover
ITC Reversal – Rule 37	All regular taxpayers with unpaid invoices
ITC Reversal – Rule 42	Mixed supply businesses
Invoice Series Reset	All GST-registered businesses
E-Invoice Registration	Turnover above Rs. 5 Crore

📅 DEADLINE: MARCH 31, 2026

# LUT Renewal: Form GST RFD-11

Exporters must file a fresh **Letter of Undertaking** for FY 2026-27 to continue zero-rated exports without upfront IGST payment.



## What to Do

File fresh Letter of Undertaking for FY 2026-27 on the GST Portal



## Why It Matters

Enables zero-rated exports **WITHOUT** upfront IGST payment — protecting your cash flow



## Where to File

GST Portal → Services → User Services → Furnish Letter of Undertaking



## Risk of Missing

Pay IGST upfront on ALL exports, then claim refunds — a significant cash flow hit

📌 **Eligibility Note:** LUT is not available if the taxpayer has been prosecuted for tax evasion exceeding Rs. 250 lakhs.



# Composition Scheme: Form CMP-02

📅 DEADLINE: MARCH 31, 2026

Eligible businesses with aggregate turnover up to **Rs. 1.5 crore** (Rs. 75 lakhs for special category states) can opt into the Composition Scheme for FY 2026-27.

## 1%

### Manufacturers

Flat composition tax rate

## 5%

### Restaurants

Flat composition tax rate

## 6%

### Service Providers

Flat composition tax rate

#### ✓ Benefits

- Lower flat tax rates
- Simplified compliance
- Quarterly return filing
- Reduced administrative burden

#### ⊖ Restrictions

- Cannot collect GST from customers
- Cannot claim Input Tax Credit (ITC)
- Must reverse existing ITC on inputs, WIP, and stock via **Form ITC-03** by May 30, 2026
- File Form CMP-04 to exit the scheme

# ITC Reversal: Two Critical Rules to Check Before March 31

## Rule 37 — Unpaid Invoices

- **Trigger:** Vendor invoices unpaid beyond 180 days
- **Action:** Reverse ITC + pay interest from date originally claimed
- **Recovery:** Reclaim ITC once vendor payment is made
- **Applies to:** ALL regular taxpayers

## Rule 42 — Exempt Supplies

- **Trigger:** Business making BOTH taxable and exempt supplies
- **Action:** Reverse ITC proportionate to exempt supplies
- **Reconciliation:** Complete year-end reconciliation for FY 2025-26
- **Applies to:** Mixed supply businesses

- 📄 📋 **Action Required:** Conduct aging analysis of ALL outstanding invoices as of March 31, 2026. Identify every invoice exceeding the 180-day payment threshold and initiate reversal immediately.



# GSTR-2B Reconciliation: Protect Your ITC

Systematic reconciliation of your Input Tax Credit is essential before the financial year closes. Follow these steps to ensure no credit is left on the table.

01

## Match ITC Per Books vs. GSTR-2B

Reconcile ITC per books against ITC per GSTR-2B for each month from **April 2025 to February 2026**

02

## Identify Unclaimed Credits

Identify all unclaimed credits and file amendments if eligible before the deadline

03


## File All Pending Returns

Ensure ALL pending **GSTR-1** and **GSTR-3B** returns are filed — a single unfiled return blocks your ITC for that entire month

04

## Reconcile Auto-Populated Data

Reconcile auto-populated GSTR-2B data with books of accounts and resolve all discrepancies

 **Critical Deadline:** ITC for FY 2025-26 can only be claimed until the **September 2027 GSTR-3B return**. After that, credits are **permanently and irrecoverably lost**.

# Two More Actions: Invoice Series Reset & E-Invoice Readiness

## Invoice Numbering Reset

*Rule 49, CGST Rules 2017*

- Start a **new invoice series** for FY 2026-27
- Configure billing software **before April 1, 2026**
- Failure risk: Complications in e-way bill generation and GSTR-1 filing

## E-Invoicing Registration

- **Threshold:** PAN turnover exceeding Rs. 5 crore in FY 2025-26
- Register on e-invoice portal by **March 31, 2026**
- Mandatory e-invoice generation begins **April 1, 2026**
- Test billing integration before the deadline

## Additional Year-End Checklist

→ GTA forward charge declarations obtained from transporters

→ Authorized signatory Aadhaar authentication is current and valid

→ Bank accounts verified on GST portal for refund processing

→ QRMP scheme opt-in/exit decision made (by April 30, 2026 for turnover up to Rs. 5 crore)

# Your 13-Day GST Compliance Action Plan

1

## Week 1

March 18–22

- Rule 37 aging analysis
- Rule 42 proportionate reversal
- GSTR-2B matching (Apr 2025–Feb 2026)

2

## Week 2

March 23–28

- File LUT (RFD-11)
- Composition opt-in (CMP-02)
- E-invoice portal registration
- Invoice series configuration

3

## Final Days

March 29–31

- Final GSTR-2B reconciliation check
- Bank account & signatory verification
- Verify all pending returns filed

  **13 DAYS REMAINING** — March 31, 2026 is a **HARD** deadline. No extensions. No exceptions.

## Need Help With Your GST Year-End Compliance?

Book a quick call with **A S Banka Advisors Private Limited** and get expert guidance before the deadline.

[Book a Compliance Call Now](#)