



**Varaiya and Shah LLP**  
Chartered Accountants

**GST Alert**

At present we are filing your GST Returns i.e., GSTR 1 and GSTR 3B. We compute claim of Input Tax Credit (ITC) based on the data provided by you but restrict the same up to 105% of the ITC reflected in GSTR 2A/2B. Restriction of 105% is computed on aggregate basis and not on the invoice wise level. Now Finance Act 2021 has brought an amendment in the CGST Act, whereby ITC will be allowed on the basis of ITC Reflected in GSTR 2A/2B of the registered person and not 105% of the GSTR 21/2B. This will be applicable from the date to be notified by the Central Board of Indirect Tax and Custom (CBIC).

However, to move swiftly into the new regime, we would like you to provide us invoice wise details of ITC to be claimed and not the aggregate figures of the ITC to be claimed. So it will enable us to keep track of the invoices on which ITC was claimed and the invoices for which ITC is not claimed. In view of the same, we request you to provide details for GST Returns (GSTR 1 and GSTR 3B) as under:

**I. Requirement for GSTR 1 Return: -**

Provide details in existing Excel Template prepared for GSTR 1 Return attached herewith

OR

Provide duly filled GSTR 1 Return Template generated from Accounting software such as Tally.

You need to ensure following items while giving details in the Template.

- a) Invoice wise details of B2B and B2C (in case of B2C Invoice value more than Rs 2.5 Lacs), exports and supply to SEZ.
- b) Indicate SEZ supply separately and reflect the same as Inter-State supply.
- c) Indicate in each invoice whether sales are liable to Reverse charge or not.

- d) Rate wise and State wise aggregate details in case of B2C Invoices.
- e) Provide details of HSN Code for outward supply made during the period. HSN should be 6 digits (for Sales TO exceeding 5 crore) and 4 digits (Others).
- f) In case of exports of goods, Shipping bill details such as Shipping bill no, Shipping bill date and Port Code.
- g) In case of exports of goods, confirm that invoice details entered in the statement and invoice details stated in export invoice are matching.
- h) In case of Exempt supply/NIL Rate supply, provide aggregate figures. This figure is required to mandatorily for month wise reversal of ITC in respect of Exempt Supply/NIL Rated supply.
- i) Rate of tax and place of supply should be as indicated in the invoices issued.
- j) Debit note/Credit note details to be provided in the format and it should be on timely basis i.e. issued on or before September of next year. Note that Reduction in GST Liability will be allowed strictly on the basis of valid credit notes only.
- k) Include amendments to modify any wrong entries filled in GSTR 1 of earlier month/s.
- l) Indicate advance only in respect of services to be supplied and Do not include advance for goods to be supplied.
- m) Documents summary provided should match with the invoice wise details provided in GSTR 1. Include following documents details issued during the relevant period in documents summary sheets: -
  - Delivery challans issued for the transactions otherwise than sale.
  - Self-Generated invoices for RCM Payment
  - Debit/Credit notes issued
  - Receipt Vouchers for Advance Received
- n) It is necessary that the invoice number should be less than 16 digit and it is advisable that such invoice number should contain year of issue of the invoice.

## **II. Requirement of GSTR 3B Return:-**

Provide details in existing Excel Template prepared for GSTR 3B Return along with invoice wise details of Input Tax Credit to be claimed in the return as per Template attached.

OR

GSTR 3B generated from Accounting software such as Tally along with Invoice wise details of ITC to be claimed in the return in the format of GSTR 2 which is to be generated from accounting software such as Tally.

**You need to ensure following while giving details in the format: -**

### **a) In case of invoice wise details of ITC in the Template: -**

- Indicate Input, Input Services or Capital Goods and ineligible credit (i.e. Block credit or credit in respect of exempt supply) separately.
- Provide details of IGST Paid on import of Goods as per template attached.
- Do not include invoices on which no GST was paid
- Do not claim ITC of CGST and SGST for GSTTIN located outside the state.

### **b) In case of GSTR 3B Template in the Template: -**

- GST Liability will be computed on the basis of GSTR 1 filed by the registered person and if any modification requires, then it is to be communicated separately.
- Provide Details of amount of RCM Properly bifurcating the amount as intra-state and Inter-State.
- Indicate IGST Paid on Import of Goods and Import of Service separately and do not include with other ITC.

- In case of Purchase debit notes/credit notes, you need to enter the details of credit notes or debit notes issued by the supplier so that we can cross verify the same with GSTR 2A/2B.
- III. We will forward you copy of GSTR 1 and GSTR 3B filed on the GST Portal at the end of next month. We request you to verify the same with your books and records and inform us about the modifications required in the next return period.
- IV. GST Law has made it compulsory to authenticate the Aadhar number of all the proprietor/partners/directors/authorised signatories on the basis of verification code generated on the mobile attached with the Aadhar number. You need to provide data for Aadhar authentication in the enclosed format. On initiation of the authentication process of the Aadhar number, you need to communicate us the Verification code sent on the registered mobile number for its authentication.

In case of difficulty, please feel free to call us for any assistance.

Thanking You,

We, at Varaiya & Shah LLP

Date: 15<sup>th</sup> April, 2021

**Varaiya & Shah LLP**

315, "The Jewel", 3rd Floor,  
Next to Roxy Cinema,  
Mama Parmanand Marg,  
Opera House, Mumbai – 400 004.  
Tel No.: 022 4970 6690\91\92  
Email: admin@vnsca.co.in

