



Changes Proposed to the GSTR3B

Summary

Format of the GSTR3B has been amended to make certain changes to the disclosures. The list of changes proposed is given below:

- Separate disclosure provided for supplies made through electronic commerce operator
- Changes made to the disclosure of ITC availed and reversed
- Changes made to Table 4 (D) disclosure



Changes to Table 3 – For supplies made through e-commerce operator

Table 3.1.1 inserted to declare the following details:

Details of supplies notified under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and corresponding provisions in Integrated Goods and Services Tax/Union Territory Goods and Services Tax/State Goods and Services Tax Acts.

Nature of Supplies

(i) Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of section 9

[to be furnished by the electronic commerce operator]

(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under sub-section (5) of section 9

[to be furnished by the registered person making supplies through electronic commerce operator]

Taxable value	IGST	CGST	SGST	Cess
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Changes made to Table 4

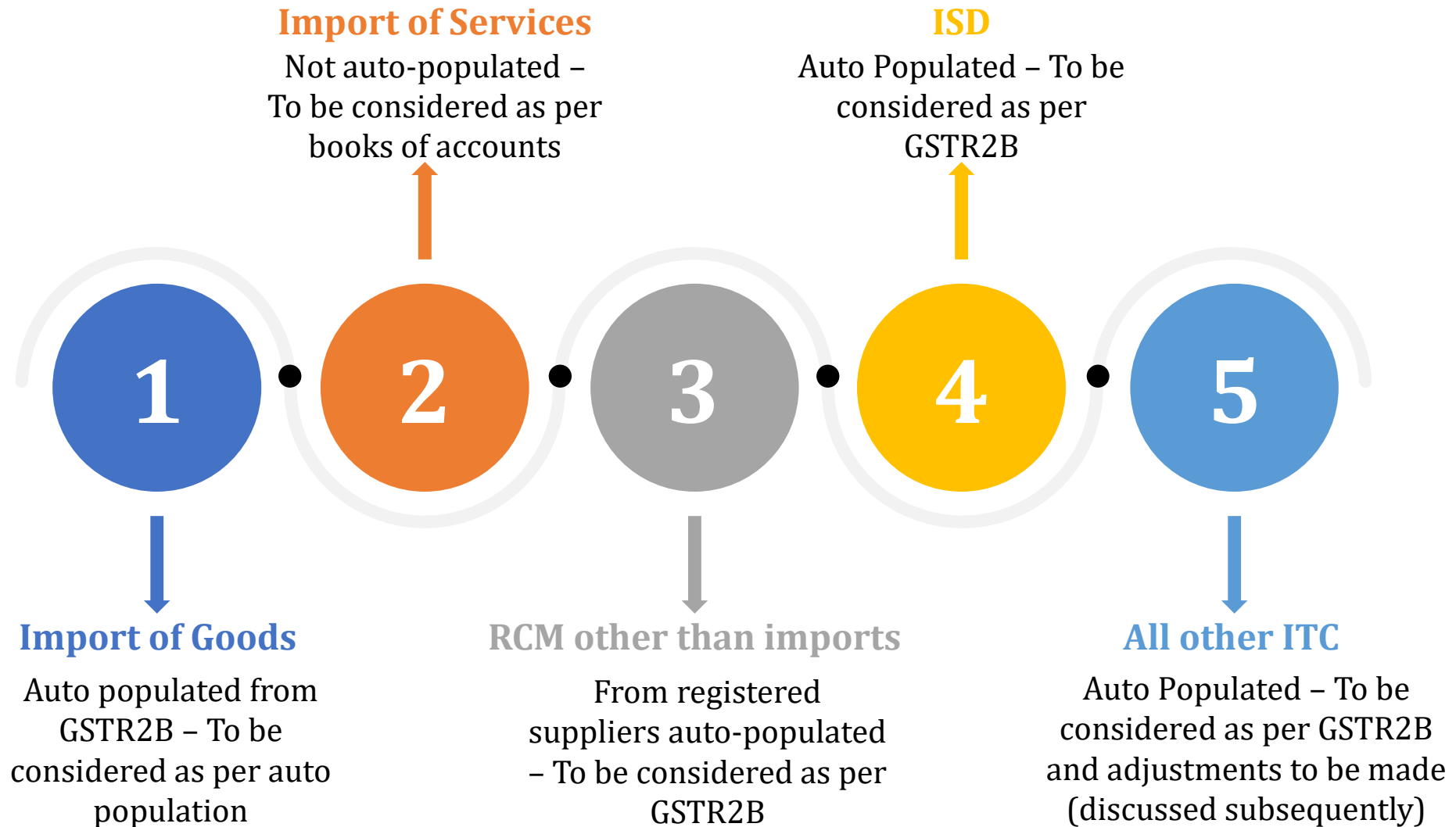
Eligible ITC

Details	IGST	CGST	SGST	Cess
(A) ITC Available (whether in full or part)				
1) Import of goods	-	-	-	-
2) Import of services	-	-	-	-
3) Inward supplies liable to reverse charge (other than 1 & 2 above)	-	-	-	-
4) Inward supplies from ISD	-	-	-	-
5) All other ITC	-	-	-	-
Total	-	-	-	-
(B) ITC Reversed				
(1) As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17	-	-	-	-
(2) Others	-	-	-	-
Total	-	-	-	-
(C) Net ITC Available (A) - (B)	-	-	-	-
(D) Other Details				
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period	-	-	-	-
(2) Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions	-	-	-	-
Total	-	-	-	-

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(A) ITC Available (whether in full or part)				
(1) Import of goods	0.00			0.00
(2) Import of services	0.00			0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	0.00	0.00	0.00	0.00
(4) Inward supplies from ISD	0.00	0.00	0.00	0.00
(5) All other ITC	0.00	0.00	0.00	0.00
(B) ITC Reversed				
(1) As per rules 38,42 & 43 of CGST Rules and section 17(5)	0.00	0.00	0.00	0.00
(2) Others	0.00	0.00	0.00	0.00
(C) Net ITC Available (A) - (B)	0.00	0.00	0.00	0.00
(D) Other Details				
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period	0.00	0.00	0.00	0.00
(2) Ineligible ITC under section 16(4) & ITC restricted due to PoS rules	0.00	0.00	0.00	0.00

Revised format enabled in the GST portal for August month GSTR3B

Disclosure of ITC availed – Table 4(A)



Disclosure of ITC Reversal – Table 4(B)

B (1) – As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17

Reversals which are absolute in nature and not reclaimable

Reversals under Rule 38, Rule 42, Rule 43, and Ineligible under section 17 (5)

B (2) – Others

Reversals which are not permanent in nature and reclaimable

Reversals under Rule 37, and availed on fulfilling conditions of section 16(2)(b) and section 16(2)(c)

Other details – Table 4(D)

01

ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period

To be filled manually based on the books of accounts – Details of ITC which was reversed in earlier periods in Table 4(B) (2) for not fulfilling the conditions but re-availed on fulfilling the conditions to be declared here.

02

Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions

Auto-populated from GSTR2B:

- Ineligible ITC on account POS being other than the registered state.
- Ineligible due to vendors uploading after the lapse of time limit for availing ITC.



Comparison

Comparison b/w previous format and revised format for ITC reporting

Table 4(A) (1): Import of Goods

Previous Reporting Process

IGST availed on import of goods declared in this table irrespective in which month such transaction is reported in GSTR2B.

Even if the transactions are not appearing in GSTR2B, ITC availed and declared in this table.



Revised Reporting Process

Considering that several imports do not auto populate, continue to declare the IGST availed on imports based on the books of accounts.

Remove the amount not accounted in books from the auto populated data

Issues

Import of goods through Courier mode does not auto populate in GSTR3B due to ICEGATE facility not enabled for such issues. Reporting of such ITC not clarified.

Our comments: ITC on courier Bill of Entry and other imports which are not auto populating from GSTR2B to be reported as ITC availed on import of goods until the issue is clarified.

Comparison b/w previous format and revised format for ITC reporting

Table 4(A) (2): Import of Services

Previous Reporting Process

IGST availed on import of services reported based on the accounting in the books of accounts



Revised Reporting Process

Same process to be continued

Comparison b/w previous format and revised format for ITC reporting

Table 4(A) (3): Inward supplies liable to reverse charge (other than 1 & 2 above)

Previous Reporting Process

IGST availed on RCM declared in this table irrespective in which month such transaction is reported in GSTR2B and also included tax paid under RCM on unregistered suppliers.



Revised Reporting Process

Report the ITC appearing in GSTR2B for the relevant tax period in this table irrespective of whether the transactions are accounted in the books or not.

In other words, auto populated data to be reported as it is.

Unanswered questions

Whether ITC availed on the RCM paid on unregistered suppliers to be reported under this table or to be declared along with all other ITC to be clarified

Our comments: ITC availed on unregistered suppliers on which tax is paid under RCM to be included in Table 4(A)(3) until the issue is clarified

Comparison b/w previous format and revised format for ITC reporting

Table 4(A) (4): Inward supplies from ISD

Previous Reporting
Process

ITC availed on ISD declared as per books and it also gets auto populated



Revised Reporting
Process

Same process to be continued

Comparison b/w previous format and revised format for ITC reporting

Table 4(A) (5): All other ITC

Previous Reporting Process

ITC availed on domestic purchases declared after matching the ITC as per books with the GSTR2B.

Only those ITC which is appearing books and matching with the GSTR2B reported. ITC auto populated is edited.

Many taxpayers report reduce the ITC to the extent of credit notes received from the vendors.



Revised Reporting Process

Auto populated ITC to be declared as it is.

Add the ITC which was appearing the previous month's GSTR2B but to be availed in the current month.

Add any other re-availment of ITC like ITC reversed under Rule 37 and re-availed in the current tax period
[the amount added here needs to be declared in table 4(D) (1)]

Comparison b/w previous format and revised format for ITC reporting

Table 4(B) (1): As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17

Previous Reporting Process

Reversal under Rule 42 and 43 reported under this table



Revised Reporting Process

All permanent reversals including those under Rule 38, 42 & 43 to be reported under this table.

Even transactions on which ITC is blocked u/s 17 (5) is to be reported under this table (which is included in table 4 (A)).

Our comments: Reversal under Rule 42 & 43 may not be fully permanent. However, still have to be reported under this table.

Comparison b/w previous format and revised format for ITC reporting

Table 4(B) (2): Others

Previous Reporting Process

All ITC reversals other than reversals under rule 42 & 43 reported under this table.



Revised Reporting Process

Only those ITC, which are to be reclaimed on fulfilling the conditions to be reported as other reversals.

If any ITC is included in table 4(A) but not accounted in the books, such ITC also to be reported in this table.

Our comments: Vendors uploaded credit notes are auto populating under this table. It needs to be verified and the correct declaration to be made in this table.

Comparison b/w previous format and revised format for ITC reporting

Table 4(C): Net ITC

Previous Reporting Process

Net ITC which is eligible for utilization/refund is reported under this table.



Revised Reporting Process

Even after making changes in the reporting, the net ITC amount as per the previous and revised reporting shall remain same.

Comparison b/w previous format and revised format for ITC reporting

Table 4(D) (1): ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period

Previous Reporting Process



Revised Reporting Process

This table was used for reporting ineligible ITC

ITC reclaimed which was reversed under table 4 (B) (2) to be reported under this table. This represents the ITC appearing in previous month GSTR2B, but ITC is eligible to claim in the current month.

Ideally, it should represent the difference between the ITC auto populated from the GSTR2B in table 4 (A) (5) and the amount mentioned as ITC in the said table.

Comparison b/w previous format and revised format for ITC reporting

Table 4(D) (2): Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions

Previous Reporting Process



Revised Reporting Process

This table was used for reporting ineligible ITC

Ineligible ITC gets auto populated from the GSTR2B. It shall be reported as it is.



Illustrations



Illustration

Sl. No.	Nature of Transaction	ITC Amount	Remarks
1	Import of goods	1000	Appearing in GSTR2B but not accounted in books
2	Import of goods	500	Appearing in previous month GSTR2B accounted in now
3	Import of services	1250	Not appearing in GSTR2B
4	Input from ISD	100	Appearing in GSTR2B
5	Domestic purchase	5000	Matched with current month GSTR2B
6	Domestic purchase	2000	Matched with previous month GSTR2B
7	Domestic purchase	750	Accounted in books but not in GSTR2B
8	Domestic purchase	600	Appearing in GSTR2B but not accounted in books

Other Information

9	ITC Reversal under Rule 37	100	Payment not made to vendor within 180 days
10	ITC Reversal under Rule 42	25	
11	Ineligible ITC u/s 17 (5)	10	Appearing in GSTR2B
12	ITC Reversal towards vendor CN	50	Appearing in GSTR2B and books

Illustration

Eligible ITC		Remarks
Details	ITC Amount *	
(A) ITC Available (whether in full or part)		
1) Import of goods	500	As per books. Remove the amount auto populated but not a/cted
2) Import of services	1250	As per books
3) Inward supplies liable to reverse charge (other than 1 & 2 above)	-	As per books
4) Inward supplies from ISD	100	As per GSTR2B
5) All other ITC	7600	(Sl. No. 5+6+8) (5000+2000+600)
Total	9450	
(B) ITC Reversed		
(1) As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17	85	(Sl. No 10+11+12)(25+10+50)
(2) Others	700	Reversal under Rule 37 + Sl. No. 8
Total	785	
(C) Net ITC Available (A) - (B)	8665	Net eligible ITC credited to ECL
(D) Other Details		
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period	2000	(Sl. No. 6)
(2) Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions	-	
Total	2000	

* For convenience of presentation – ITC not segregated into IGST/CGST/SGST

Scenario Examples

Sl. No.	Nature of transaction	Remarks	Disclosure Table
1	Import of goods	Appearing in both books and GSTR2B	Table 4 (A) (1)
2	Import of goods	Appearing in GSTR2B but not books	Remove from GSTR3B
3	Import of goods	Appearing in books but not in GSTR2B	Add in Table 4 (A) (1)
4	RCM ITC from unregistered persons	Appearing in books but not in GSTR2B	Add in Table 4 (A) (3)
5	RCM ITC from registered persons	Appearing in both books and GSTR2B	Table 4 (A) (3)
6	RCM ITC from registered persons	Appearing in GSTR2B but not books	Remove from GSTR3B
7	RCM ITC from registered persons	Appearing in books but not in GSTR2B	Add in Table 4 (A) (3)

Scenario Examples

Sl. No.	Nature of transaction	Remarks	Disclosure Table in current month	Disclosure Table in subsequent month
8	All other ITC – eligible	Appearing in both books and GSTR2B	Table 4 (A) (5)	NA
9	All other ITC – eligible	Appearing in GSTR2B but not books	Table 4 (A) (5) and Table 4 (B) (2)	Add in Table 4 (A) (5) and Declare in Table 4 (D) (1)
10	All other ITC – eligible	Appearing in books but not in GSTR2B	Do not declare in GSTR3B	Table 4 (A) (5)
11	All other ITC – ineligible	Appearing in both books and GSTR2B	Table 4 (A) (5) and Table 4 (B) (1)	NA
12	All other ITC – ineligible	Appearing in GSTR2B but not books	Table 4 (A) (5) and Table 4 (B) (2).	Add in Table 4 (A) (5) and Table 4 (B) (1) Declare in Table 4 (D) (1)
13	All other ITC – ineligible	Appearing in books but not in GSTR2B	Do not declare in GSTR3B	Table 4 (A) (5) and Table 4 (B) (1)

Scenario Examples

Sl. No.	Nature of transaction	Remarks	Disclosure Table in current month	Disclosure Table in subsequent month
14	All other ITC – eligible – Credit note	Appearing in both books and GSTR2B	Net off in Table 4 (A) (5) or Declare in Table 4 (B) (2)	NA
15	All other ITC – eligible – Credit note	Appearing in GSTR2B but not books	Remove from Table 4 (B) (2)	Net off in Table 4 (A) (5) or Declare in Table 4 (B) (2)
16	All other ITC – eligible – Credit note	Appearing in books but not in GSTR2B	Net off in Table 4 (A) (5) or Declare in Table 4 (B) (2)	Remove from Table 4 (B) (2)



Points to Note



Changes in Accounting/GST Workings to be done

- All purchases which are purchased from the registered suppliers should be routed through the purchase register.
- While reconciling the purchases as per books of accounts with the GSTR2B, the reconciliation should be done even for the purchases that are ineligible for availing the ITC (blocked credits).
- After the reconciliation, identification of the eligible, ineligible ITC shall be done.
- Tracking should be kept for the ITC accounted in the books but not appearing in GSTR2B. Similarly, tracking should be kept for the additional entries appearing in the GSTR2B but not availed in the books.



FAQs



FAQs

Whether all entries appearing in GSTR2B considered even if the vendors have uploaded wrongly?

Yes. All entries appearing in GSTR2B to be considered while declaring the amount against All Other ITC – table 4(A) (5). However, such amount, which is wrongly uploaded will not flow to Net ITC and ECL but will be reversed under ‘Others’ under table 4(B) (2).

Reversal under Rule 42/43 may not be permanent reversal and may undergo change after the year end in case of change in the ratio. Still it is to be declared under table 4(B) (1) as permanent reversals?

Irrespective of whether the reversal under Rule 42/43 is permanent or not, they should be declared under table 4(B) (1). If any re-credit is availed, proper reconciliation should be kept.

The revised return format is enabled in the GST portal for the month of August 2022. How the disclosure should be done for the transactions which pertains to the prior period?

Any ITC availed on the invoices that are appearing in the previous month GSTR2B to be availed under All Other ITC in table 4 (A) (5). Declare the same in Table 4 (D) (1) as well.



FAQs

In table 4(B) (2), credit notes raised by the vendors gets auto reflected. However, the taxpayer may not have accounted such credit notes and reversed the ITC in the current month. Even credit notes may have been issued for the supplies which are ineligible for availing ITC. How to disclose such credit notes?

Credit notes which are not accounted in the books or are issued in respect of the transactions which are not eligible for ITC to be removed from table 4 (B) (2). Otherwise, this will result in reversal of eligible credits.

In table 4 (A) (3) RCM transactions gets reflected automatically. However, the taxpayer may have additional ITC available for payment of tax under RCM made from unregistered vendors. Where to declare such credits?

ITC on RCM which is pertaining to the ITC availed on the vendors who are not registered under GST to be reported under table 4 (A) (3).



FAQs

The taxpayer has wrongly availed some credits twice, which he wants to reverse it in the current month GSTR3B. Where such reversals should be declared?

Such reversals, which are permanent in nature, to be declared against table 4 (B) (1).

Credit notes uploaded by the registered suppliers appear under table 4 (B) (2). Whether the same should be declared as it is?

Firstly, the matching of the credit notes uploaded by the registered suppliers should be done with the credit notes accounted in the books. Matching credit notes can be declared in Table 4 (B) (2) or can be netted off in the all other ITC in table 4 (A) (5).



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