

Decoding Complexities in Reporting Input Tax Credit in GSTR 9 & 9C

Gurugram Branch of NICASA

Friday, 8th December 2023



Table - 4 - GSTR 3B

Details	Integrated Tax(₹)	Central Tax(₹)	State/UT Tax(₹)	Cess(₹)	Table Reference
(A) ITC Available (Whether in Full or Part)					4(A)
(1) Import of Goods					4(A)(1)
(2) Import of Services					4(A)(2)
(3) Inward Supplies liable to reverse charge (other than 1&2 above)					4(A)(3)
(4) Inward Supplies from ISD					4(A)(4)
(5) All Other ITC					4(A)(5)
(B) ITC Reversed					
(1) As per rules 42 & 43 of CGST Rules (up to 07/2022)/ As per rules 38,42 & 43 of CGST Rules and section 17(5) (Permanent Reversal from 08/2022)*					4(B)(1)
(2) Others (Temporary Reversal from 08/2022)*					4(B)(2)
(C) Net ITC Available (A-B)					4(C)
(D) Ineligible ITC (up to 07/2022)/ Other Details (from 08/2022)					
(1) As per section 17(5) (up to 07/2022)/ ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period (from 08/2022) *					4(D)(1)
(2) Others (up to 07/2022)/ Ineligible ITC under section 16(4) & ITC restricted due to PoS rules (from 08/2022) *					4(D)(2)

*Circular No. 170/02/2022-GST dated 06-07-2022

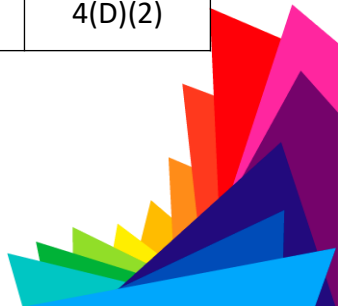


Table - 6 - Details of ITC Available During FY

Description		Type	(Amount in ₹ in all tables)				Reference from GSTR 3B
			Central Tax	State Tax / UT Tax	Integrated Tax	Cess	
6	Details of ITC availed during the financial year						
A	Total amount of input tax credit availed through FORM GSTR-3B (Sum total of table 4A of FORM GSTR-3B)			<Auto>			Total of Table 4(A)
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	Option to report Input or Input Services separately or jointly as inputs				6B= Table 4(A)(5)
		Capital Goods	Mandatory				
		Input Services					
C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	Inputs	<ul style="list-style-type: none">Mandatory to report values of input tax credit as capital goodsOption either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the "inputs" onlyOption to report RCM received from registered and unregistered supplies separately in Table 6C and 6D or report total value in Table 6D				6C+6D= Table 4(A)(3)
		Capital Goods					
		Input Services					
D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	Inputs					
		Capital Goods					
		Input Services					
E	Import of goods (including supplies from SEZ)	Inputs			Mandatory	6E = Table 4(A)(1)	
		Capital Goods			Mandatory		
F	Import of services (excluding inward supplies from SEZs)				Mandatory	6F = Table 4(A)(2)	
G	Input Tax credit received from ISD		Mandatory				6G =Table 4(A)(4)
H	Amount of ITC reclaimed (other than B above) under the provisions of the Act						
I	Sub-total (B to H above)		0.00	0.00	0.00	0.00	
J	Difference (I - A) above		0.00	0.00	0.00	0.00	
K	Transition Credit through TRAN-1 (including revisions if any)						
L	Transition Credit through TRAN-2						
M	Any other ITC availed but not specified above						
N	Sub-total (K to M above)		0.00	0.00	0.00	0.00	
O	Total ITC availed (I + N) above		0.00	0.00	0.00	0.00	

Table - 6 - Instructions

6A. Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	<p>1. Total input tax credit availed in Table 4A of FORM GSTR-3B by the taxpayer would be auto-populated here.</p> <p>2. This field is Non-editable. Taxpayer shall import the JSON file in to offline tool to check the total amount of input tax credit availed through Form GSTR 3B.</p> <p>3. Taxpayer shall import the JSON file to check the auto filled details in table no 6A.</p> <p>4.Added functionality to autopopulate CGST and SGST fields interchangeably</p>
6B. Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	<p>1. Aggregate value of ITC availed on all inward supplies except those on which tax is payable on reverse charge basis but includes supply of services received from SEZs shall be declared here. It may be noted that the total ITC availed may be classified as ITC on inputs, capital goods and input services.</p> <p>2. Table 4(A)(5) of FORM GSTR-3B may be used for filling up these details. This shall not include ITC which was availed, reversed and then reclaimed in the ITC ledger. This is to be declared separately under 6(H).</p>
6C. Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC availed	<p>1. Aggregate value of input tax credit availed on all inward supplies received from unregistered persons (other than import of services) on which tax is payable on reverse charge basis shall be declared here. It may be noted that the total ITC availed may be classified as ITC on inputs, capital goods and input services.</p> <p>2. Table 4(A)(3) of FORM GSTR-3B may be used for filling up these details</p>
6D. Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	<p>1. Aggregate value of input tax credit availed on all inward supplies received from registered persons on which tax is payable on reverse charge basis shall be declared here. It may be noted that the total ITC availed may be classified as ITC on inputs, capital goods and input services.</p> <p>2. Table 4(A)(3) of FORM GSTR-3B may be used for filling up these details.</p>

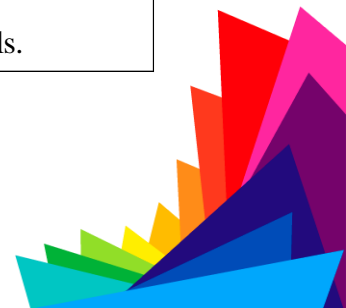


Table - 6 - Instructions (contd...)

6E. Import of goods (including supplies from SEZs)	1. Details of input tax credit availed on import of goods including supply of goods received from SEZs shall be declared here. It may be noted that the total ITC availed may be classified as ITC on inputs and capital goods. 2. Table 4(A)(1) of FORM GSTR-3B may be used for filling up these details
6F. Import of services (excluding inward supplies from SEZs)	1. Details of input tax credit availed on import of services (excluding inward supplies from SEZs) shall be declared here. 2. Table 4(A)(2) of FORM GSTR3B may be used for filling up these details
6G. Input Tax credit received from ISD	1. Aggregate value of input tax credit received from input service distributor shall be declared here. 2. Table 4(A)(4) of FORM GSTR-3B may be used for filling up these details.
6H. Amount of ITC reclaimed (other than B above) under the provisions of the Act	1. Aggregate value of input tax credit availed, reversed and reclaimed under the provisions of the Act shall be declared here
6I. Sub-total (B to H above) 6J. Difference (I - A above)	These fields shall be auto calculated.
6K. Transition Credit through TRAN-I (including revisions if any)	Details of transition credit received in the electronic credit ledger on filing of FORM GST TRAN-I including revision of thereof (whether upwards or downwards), if any shall be declared here. This field shall be auto filled based on the credit availed through Tran 1. However this field is allowed for edit.
6L. Transition Credit through TRAN-II	Details of transition credit received in the electronic credit ledger after filing of FORM GST TRAN-2 shall be declared here. This field shall be auto filled based on the credit availed through Tran 2. However this field is allowed for edit.
6M. Any other ITC availed but not specified above	Details of ITC availed but not covered in any of heads specified under 6B to 6L above shall be declared here. Details of ITC availed through FORM ITC-01 and FORM ITC-02 in the financial year shall be declared here.
6N. Sub-total (K to M above) 6O. Total ITC availed (I + N above)	These fields shall be auto calculated.

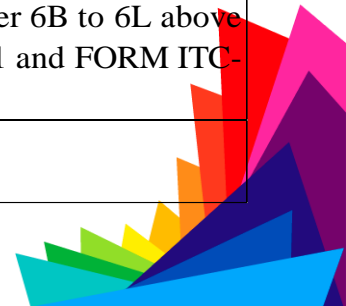


Table - 7 - Details of ITC Reversed and Ineligible ITC

Details	(Amount in ₹ in all tables)			
	Central Tax	State Tax / UT Tax	Integrated Tax	Cess
7	Details of ITC Reversed and Ineligible ITC for the financial year			
A	As per Rule 37 (180 days reversal)			
B	As per Rule 39 (ISD credit reversal)			
C	As per Rule 42 (exempt supply reversal relating to Input Services and Inputs)			
D	As per Rule 43 (exempt supply reversal relating to capital goods)			
E	As per section 17(5)			
F	Reversal of TRAN-I credit			
G	Reversal of TRAN-II credit			
H1	Other reversals(specify)			
I	Total ITC Reversed (Sum of A to H above)	0.00	0.00	0.00
J	Net ITC Available for Utilization (6O - 7I)	0.00	0.00	0.00

Instructions

1. Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39, 42 and 43 of the CGST/SGST Rules, 2017 shall be declared here.
2. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST/SGST Act, 2017 and details of ineligible transition credit claimed through FORM GST TRAN-1 or FORM GST TRAN-2 and then subsequently reversed.
3. Table 4(B) of FORM GSTR-3B may be used for filling up these details. Any ITC reversed through FORM GST ITC -03 shall be declared in 7H. If taxpayer wants to specify more reversals then he can click on '+' symbol to add more rows.
4. If the amount stated in Table 4D of FORM GSTR-3B was not included in table 4A of FORM GSTR-3B, then no entry should be made in table 7E of FORM GSTR-9. However, if amount mentioned in table 4D of FORM GSTR-3B was included in table 4A of FORM GSTR-3B, then entry will come in 7E of FORM GSTR-9.

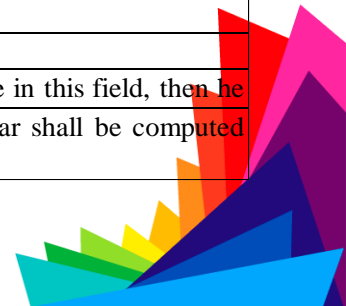
Table - 8 - Other ITC Related Information

Details		(Amount in ₹ in all tables)			
		Central Tax	State Tax / UT Tax	Integrated Tax	Cess
8	Other ITC related information				
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<Auto>			
B	ITC as per sum total 6(B) and 6(H) above	0.00	0.00	0.00	0.00
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year upto specified period				
D	Difference [A-(B+C)]	0.00	0.00	0.00	0.00
E	ITC available but not availed				
F	ITC available but ineligible				
G	IGST paid on import of goods (including supplies from SEZ)				
H	IGST credit availed on import of goods (as per 6(E) above)	0.00	0.00	0.00	0.00
I	Difference (G-H)	0.00	0.00	0.00	0.00
J	ITC available but not availed on import of goods (Equal to I)	0.00	0.00	0.00	0.00
K	Total ITC to be lapsed in current financial year (E + F + J)	0.00	0.00	0.00	0.00



Table - 8 - Instructions

8A. ITC as per GSTR-2A (Table 3 & 5 thereof)	<p>1. The total credit available for inwards supplies (other than imports and inwards supplies liable to reverse charge but includes services received from SEZs) received during the relevant Financial Year and reflected in FORM GSTR-2A (table 3 & 5 only) shall be auto-populated in this table.</p> <p>2. This would be the aggregate of all the input tax credit that has been declared by the corresponding suppliers in their FORM GSTR-1</p> <p>3. This field shall be auto-filled based on your GSTR-2A and the same is not allowed for Edit.</p> <p>4. Taxpayer shall import the JSON file to check the auto filled details in table no 6A.</p>
8B. ITC as per sum total of 6(B) and 6(H) above	The input tax credit as declared in Table 6B and 6H shall be auto-populated here and the same shall not be allowed to be edited.. If you want to make any changes then you need to do it in table no. 6B and 6H
8C. ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year upto specified period	<p>1. Aggregate value of input tax credit availed on all inward supplies (except those on which tax is payable on reverse charge basis but includes supply of services received from SEZs) received during the Financial Year but credit on which was availed in the next financial year upto specified period..</p> <p>2. Table 4(A)(5) of FORM GSTR-3B may be used for filling up these details.</p>
8D. Difference [A-(B+C)]	This field shall be auto calculated
8E. ITC available but not availed 8F. ITC available but ineligible	1. The credit which was available and not availed in FORM GSTR-3B and the credit was not availed in FORM GSTR-3B as the same was ineligible shall be declared here. Ideally, if 8D is positive, the sum of 8E and 8F shall be equal to 8D.
8G. IGST paid on import of goods (including supplies from SEZ)	1. Aggregate value of IGST paid at the time of imports (including imports from SEZs) during the financial year shall be declared here
8H. IGST credit availed on import of goods (as per 6(E) above)	The input tax credit as declared in Table 6E shall be auto-populated here and the same is not allowed for edit. If taxpayer wants to change the credit availed on import of goods, then he shall make changes in table no 6E.
8I. Difference (G-H)	This field shall be auto calculated
8J. ITC available but not availed on import of goods (Equal to I)	This field shall be auto calculated. If taxpayer wants to make any change in this field, then he
8K. Total ITC to be lapsed in current financial year (E + F + J)	The total input tax credit which shall lapse for the current financial year shall be computed (auto filled) in this row



Part V - Transactions for FY Declared in Next FY

Particulars of the transactions for the financial year declared in returns of the next financial year till the specified period

Description		Taxable Value (₹)	(Amount in ₹ in all tables)			
			Central Tax	State Tax / UT Tax	Integrated Tax	Cess
10	Supplies / tax declared through Amendments (+) (net of debit notes)					
11	Supplies / tax reduced through Amendments (-) (net of credit notes)					
12	Reversal of ITC availed during previous financial year					
13	ITC availed for the previous financial year					
Total turnover (5N +10-11)		0.00	0.00	0.00	0.00	0.00

Instructions

12. Reversal of ITC availed during previous financial year	1. Aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed in the current financial year upto the specified period shall be declared here. 2. Table 4(B) of FORM GSTR-3B may be used for filling up these details.
13. ITC availed for the previous financial year	1. Details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed in the current financial year upto the specified period shall be declared here. 2. Table 4(A) of FORM GSTR-3B may be used for filling up these details



Part V - Transactions for FY Declared in Next FY

Table 13 – ITC availed for the previous financial year

ITC pertaining to FY 2022-23 , booked during FY 2022-23 and availed in FY 2023-24

(+)

ITC pertaining to FY 2022-23, booked during FY 2023-24 and availed in FY 2023-24



Table - 12 (GSTR-9C) - Reconciliation of Net ITC

12	Reconciliation of Net Input Tax Credit (ITC)	
S.No	Description	Amount (₹)
A	ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN, this should be derived from books of accounts)	
B	ITC booked in earlier Financial Years claimed in current Financial Year	
C	ITC booked in current Financial Year to be claimed in subsequent Financial Years*	
D	ITC availed as per audited financial statements or books of accounts (A + B - C)	0.00
E	ITC claimed in Annual Return (GSTR9)	
F	Un-reconciled ITC (E-D)	0.00

*ITC pertaining to FY 2022-23 , booked during FY 2022-23 and availed in FY 2023-24

What about ITC pertaining to FY 2022-23, booked during FY 2023-24 and availed in FY 2023-24

?



Table - 12 (GSTR-9C) - Instructions

12A. ITC availed as per audited Annual Financial Statement for the State/ UT (For multi-GSTIN units under same PAN this should be derived from books of accounts)	ITC availed (after reversals) as per the audited Annual Financial Statement shall be declared here. There may be cases where multiple GSTINs (State-wise) registrations exist on the same PAN. This is common for persons / entities with presence over multiple States. Such persons / entities, will have to internally derive their ITC for each individual GSTIN and declare the same here. It may be noted that reference to audited Annual Financial Statement includes reference to books of accounts in case of persons / entities having presence over multiple States. Positive or negative values are allowed in this field.
12B. ITC booked in earlier Financial Years claimed in current Financial Year	Any ITC which was booked in the audited Annual Financial Statement of earlier financial year(s) but availed in the ITC ledger in the financial year for which the reconciliation statement is being filed for shall be declared here. This shall include transitional credit which was booked in earlier years but availed during Financial Year 2020-21.. Positive or negative values are allowed in this field.
12C. ITC booked in current Financial Year to be claimed in subsequent Financial Years	Any ITC which has been booked in the audited Annual Financial Statement of the current financial year but the same has not been credited to the ITC ledger for the said financial year shall be declared here. Positive or negative values are allowed in this field. If positive values are entered in this field, then while calculating 12D this shall be considered as negative. If negative values are entered in this field, then while calculating 12D this shall be considered as positive
12D. ITC availed as per audited financial statements or books of account	ITC availed as per audited Annual Financial Statement or books of accounts as derived from values declared in Table 12A, 12B and 12C above will be autopopulated here. This field is non-editable
12E. ITC claimed in Annual Return (GSTR9)	Net ITC available for utilization as declared in Table 7J of Annual Return (GSTR9) shall be declared here. Taxpayer can use the 'system generated summary based on GSTR 9' PDF to fill this field.
12F. Un-reconciled ITC	This shall be the difference between table no. 12E and 12D. This field is auto filled and non-editable

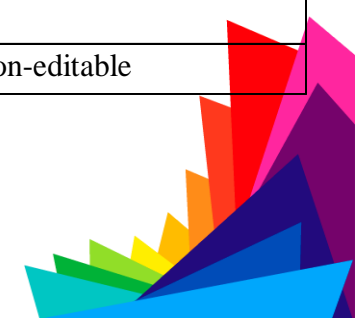


Table - 14 (GSTR-9C) - Expense-wise Detail of ITC

14	Reconciliation of ITC declared in Annual Return (GSTR9) with ITC availed on expenses as per audited Annual Financial Statement or books of account			
S.No	Description	Value (₹)	Amount of Total ITC (₹)	Amount of eligible ITC availed (₹)
A	Purchases			
B	Freight / Carriage			
C	Power and Fuel Costs			
D	Imported goods (Including received from SEZ)			
E	Rent and Insurance Expense			
F	Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples		Optional	
G	Royalties			
H	Employee's Cost (Salaries, Wages, Bonus etc .)			
I	Conveyance charges			
J	Bank Charges			
K	Entertainment charges			
L	Stationery Expenses (including postage etc.)			
M	Repair and Maintenance			
N	Other Miscellaneous expenses			
O	Capital goods			
P	Any other expense 1			
Q	Any other expense 2			
R	Total amount of eligible ITC availed (A to Qn)*			0.00
S	ITC claimed in Annual Return (GSTR9)			
T	Un-reconciled ITC (S-R)*			0.00

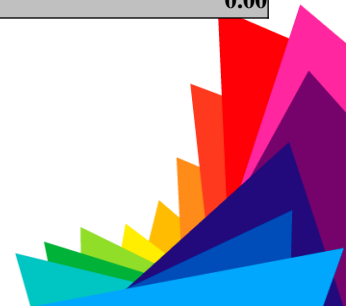


Table - 14 (GSTR-9C) - Instructions

14A to 14Qn	<p>This table is for reconciliation of ITC declared in the Annual Return (GSTR9) against the expenses booked in the audited Annual Financial Statement or books of account. The various sub-heads specified under this table are general expenses in the audited Annual Financial Statement or books of account on which ITC may or may not be available. Further, this is only an indicative list of heads under which expenses are generally booked. Taxpayers may add or delete any of these heads but all heads of expenses on which GST has been paid / was payable are to be declared here.</p> <p>Any other expenses which are not specifically covered under table no 14A to 14Qn then you can click on 'Add' button to add new rows to provide the expense details, Maximum 8 new rows can be added in any other expenses details.</p>
14R. Total amount of eligible ITC availed	Total ITC declared in Table 14A to 14Qn above shall be auto populated here and non-editable
14S. ITC claimed in Annual Return (GSTR9)	Net ITC availed as declared in the Annual Return (GSTR9) shall be declared here. Table 7J of the Annual Return (GSTR9) may be used for filing this Table. Taxpayer can use the 'system generated summary based on GSTR 9' PDF to fill this field.
14T. Unreconciled ITC	This shall be difference between 14S and 14R



Points to be taken care

- GSTR 9 & 9C is taken as basis for assessments, audits undertaken by the GST authorities. Ensure that correct numbers are reported with proper back up
- No ITC can be availed in GSTR 9. It can be availed only through GSTR 3B. (As per Second press release dated 03 July 2019)
- ITC cannot be reversed through GSTR 9. (As per Second press release dated 03 July 2019)
- No need to report ITC on reverse charge whose liability and credit is reported in in next financial year. (As per Second press release dated 03 July 2019)



Case Study - 1

Particulars	Amount	Correct or not
ITC taken in monthly returns	100	✗ <input type="checkbox"/>
Correct ITC in Books	90	✓ <input type="checkbox"/>

Impact on GSTR 9

Table 6B – Rs. 90

Table 6A –Rs.100

Difference of Rs.10?



Case Study - 1

Case study 1

Impact on GSTR 9

6	Details of ITC availed during the financial year				
		CGST	SGST	IGST	Cess
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	-	-	100	-
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	-	90	-
		Capital Goods	-	-	-
		Input Services	-	-	-
J	Difference	.	.	-10	

What if already reversed in 23-24

Case Study - 2

ITC Figures of 21-22 reported in returns of 22-23

21-22

Particulars	Amount
ITC books	100
ITC returns (3B)	0

22-23

ITC of Rs. 100 taken in 3B of 22-23

S. No.	HEADING	Amount
13	ITC availed for the previous financial year	100

6A (Auto populate)	100 +
6B	100 +

8A (Auto populate)-
8B 100 +

Difference
100?

Case Study - 2

Case study 2

Impact on GSTR 9

Option 1 – Show in 6B

6	Details of ITC availed during the financial year				
		CGST	SGST	IGST	Cess
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	-	-	100	-
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	-	-	-
		Capital Goods	-	-	-
		Input Services	-	-	-
J	Difference	-	-	-	-

8	Other ITC related information				
		CGST	SGST	IGST	Cess
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	0	0	0	0
B	ITC as per sum total of 6(B) and 6(H) above	-	-	100	-
D	Difference	-	-	-100	0



Case Study - 2

Case study 2

Impact on GSTR 9

Option 2 – Don't Show in 6B

6	Details of ITC availed during the financial year				
		CGST	SGST	IGST	Cess
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)	-	-	100	-
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	-	0	-
		Capital Goods	-	-	-
		Input Services	-	-	-
J	Difference	-	-	-100	-

8	Other ITC related information				
		CGST	SGST	IGST	Cess
A	ITC as per GSTR-2A (Table 3 & 5 thereof)	0	0	0	0
B	ITC as per sum total of 6(B) and 6(H) above	-	-	0	-
D	Difference	-	-	0	0



Case Study - 3

Case study 3

Differences in Table 8A, GSTR 2A and Excel of 8A

Reasons for differences in	GSTR2A	Excel Table 8A	Form 9 Table 8A
Invoice where POS is different than registered place of recipient	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
RCM invoices where registered supplier declares those invoices in GSTR 1	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
Credit received from ISD	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
GSTR1 submitted by supplier but not filed	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
Return submitted after 30 Nov. 2023	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
Invoice relating to FY 2021-22	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
Credit note related to invoice of 22-23 issued in 23-24	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>



Case Study - 3

Case study 3

Differences in Table 8A, GSTR 2A and Excel of 8A

Reasons for differences in	GSTR2A	Excel Table 8A	Form 9 Table 8A
Invoice where POS is different than registered place of recipient	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
RCM invoices where registered supplier declares those invoices in GSTR 1	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
Credit received from ISD	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
GSTR1 submitted by supplier but not filed	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
Return submitted after 30 Nov. 2023	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>
Invoice relating to FY 2021-22	✓ <input type="checkbox"/>	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>
Credit note related to invoice of 22-23 issued in 23-24	✓ <input type="checkbox"/>	✗ <input type="checkbox"/>	✗ <input type="checkbox"/>

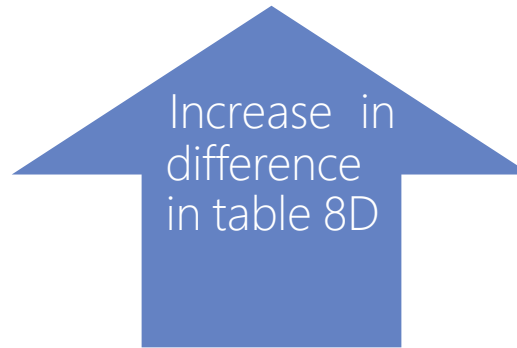


Case Study - 3

Case study 3

Differences in Table 8A, GSTR 2A and Excel of 8A

Continued.....



Challenges in reconciliation of ITC figures in GSTR 9

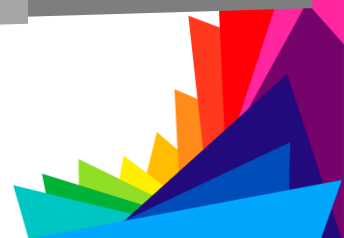
8A and 2A
difference

8A and Excel of 8A
difference

8A and 6B
difference

Impact of
credit of 21-
22 taken
in 22-23.
Reflected in 8A?

8A figures
backup?



Case Study - 4

Case study 4

Negative outward supplies due to excess credit notes

Treatment in monthly returns

Adjusted with outward supply of next months

Increased ITC

Impact on GSTR 9

No Impact – Correct treatment

Excess ITC will appear table 6B

Treatment

If there was no outward supplies in subsequent months then take refund of excess credit notes

Reduce the ITC manually

Pay the amount of utilized ITC through DRC
-U3



Case Study - 4

Case study 4

Impact on GSTR 9 – In case ITC was increased

6	Details of ITC availed during the financial year				CGST	SGST	IGST	Cess
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)				-	-	100	-
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs			-	-	0	-
		Capital Goods			-	-	-	-
		Input Services			-	-	-	-
J	Difference				-	-	-100	-

Don't show in 6B and pay difference through DRC-03

Case Study - 5

Case Study 5

ITC reversed in Table 4(B)(2) and reclaimed next month

Example:

Particulars	July 2022	August 2022	Total
Table 4(A)(5) (Auto populated from GSTR 2B)	1,00,00,000	20,00,000	1,20,00,000
Table 4(B)(2) (Reversed on account of non receipt of stock)	20,00,000		20,00,000
Net ITC Available	80,00,000	20,00,000	1,00,00,000
Table 4(D)(1) – Reclaimed on account of receipt of stock in month of August 2022		20,00,000	20,00,000



Case Study - 5

Case Study 5

ITC reversed in Table 4(B)(2) and reclaimed next month

Impact on GSTR 9:

Pt. III	Details of ITC for the financial year					
	Description 1	Type 2	Central Tax 3	State Tax/UT Tax 4	Integrated Tax 5	Cess 6
6	Details of ITC availed during the financial year					
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)				1,20,00,000	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs			1,20,00,000	
		Capital Goods				
		Input Services				
J					Nil	
8	Other ITC related information					
A	ITC as per GSTR-2A (Table 3 & 5 thereof)				1,00,00,000	
B	ITC as per sum total of 6(B) and 6(H) above				1,20,00,000	
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to September, 2018					
D	Difference [A-(B+C)]				-20,00,000	

Amount which is
reversed and reclaimed
not be reported in
Table 6B



Case Study - 5

Case Study 5

ITC reversed in Table 4(B)(2) and reclaimed next month

Impact on GSTR 9:

Pt. III	Details of ITC for the financial year					
	Description	Type	Central Tax	State Tax/UT Tax	Integrated Tax	Cess
	1	2	3	4	5	6
6	Details of ITC availed during the financial year					
A	Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)				1,20,00,000	
B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs			1,00,00,000	
		Capital Goods				
		Input Services				
J					20,00,000	
M					20,00,000	
8	Other ITC related information					
A	ITC as per GSTR-2A (Table 3 & 5 thereof)				1,00,00,000	
B	ITC as per sum total of 6(B) and 6(H) above				1,00,00,000	
C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2017-18 but availed during April to September, 2018					
D	Difference [A-(B+C)]				Nil	



Legal Provisions to Check for ITC Verification

- Compliance of conditions of Section 16 like Proper Tax Invoice, etc.
- Eligible vs Non Eligible Credit (for furtherance of business or not)
- Compliance of Rule 42/43 mechanism – Annual true up
- Reversal of input tax credit due to non payment to vendors within 180 days or on receipt of credit note etc.
- Whether ITC is reversed on goods stolen/destroyed/samples/gift etc. u/s 17(5) of CGST Act.
- Specific sector wise compliances like Real estate, Banking etc.
- Time Barred Credit i.e. Section 16(4)
- Compliance of Circular No. 170/02/2022-GST dated 06-07-2022 regarding reversal and reclaim of ITC
- Interest on late payment of RCM beyond POS
- Check whether suppliers had filed GSTR 3B till 30th September of next year. If not, reversal requirement under Rule 37A
- Comparison of RCM Liability from Table 8A with RCM discharged during the year



ANY QUESTIONS?



THANK YOU

CA Atul Jindal
+91 9953495955

