

CA. PRADEEP JAIN

GST Update No 277 on recent changes in GSTR-3B w.e.f. Aug 2022

Recently, CBIC issued a **Notification No.14/2022-Central Tax dated 05.07.2022** regarding revised format of GSTR-3B so as to prescribe a particular manner for reflection of ineligible/blocked input tax credit, aligning with the clarification issued vide **Circular No. 170/02/2022-GST dated 06.07.2022**. The taxpayers are advised to report their ITC availment, reversal and ineligible input tax credit in accordance with the newly amended Table 4 for GSTR-3B which shall be filed for the period Aug 2022 onwards. The detailed discussion of these changes in the GSTR-3B return format are as follows: -

Table 4- Eligible Input Tax Credit

Category	Remarks
(A) ITC Available (whether in full or part)	
(1) Import of goods	No changes
(2) Import of service	No changes
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	No changes
(4) Inward supplies from ISD	No changes
(5) All other ITC	This will have figure auto-populated from GSTR-2B but there will be option for the assessee to edit the figure reflected therein. The credit reflected will comprise of goods in transit, ineligible credit of section 17(5). Furthermore, re-credit of input tax credit reversed earlier for non-payment of consideration to the supplier within a period of 180 days from the date of issuance of invoice will also be included here.
(B) ITC reversed	

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Although, CBIC has extensively clarified the various aspects of reflection of input tax credit but still clarification is needed for following points:-

1. ITC reversal under Rule 42/43 of the CGST Rules, 2017 is to be reported under serial no. 4(B)(1) as the credit which will not be reclaimed in future. However, the Government has failed to recognise the fact that it is possible that there is excess ITC reversed under Rule 42/43 of the CGST Rules, 2017 which needs to be re-claimed by the assessee. In this respect, there is no clarity as to the fact that whether the assessee can reflect the said reclaim of ITC under serial no. 4(D)(1) as this serial covers reversal made under serial no. 4(B)(2) only whereas reversal under Rule 42/43 is being done under serial no. 4(B)(1).
2. ITC blocked under section 17(5) and reversed in serial no. 4(B)(1), if subsequently found eligible will be re-claimed in serial no. 4A(5). However, it is doubtful whether such ITC could be reflected in serial no. 4D(1) because the reversal was first made in serial no. 4(B)(1) and not under serial no. 4(B)(2).

‘After analysing the above amendments, it is suggested that the Government should consider the option of keeping the auto-populated amount in serial no. 4(A)(5) as locked/frozen and instead insert a new serial no. 4(A)(6) to enable the assesseees to reflect the input tax credit availed on account of various reasons such as actual receipt of goods in transit, re-credit on payment of consideration to the supplier after expiry of 180 days. This will eliminate the need of separately reflecting such credit in serial no. 4(D)(1). Moreover, if the auto-populated amount in serial no. 4(A)(5) is being blocked, it will be comparatively easy for the assessee to re-concile the input tax credit availed and reversed by them.

The above amendment is complicated and will definitely add to the burden of compliance to the assesseees but they are required to adhere to the above changes so that proper details can be reflected in GSTR-3B. The figures are populated in the GSTR-2B on 14th of every month and GSTR-3B is to be filed by 20th of every month. Reconciling the same in short span of time of 6 days is very short. The Government is of the view that the reconciliations are being done by employees of the taxpayer but small taxpayers are dependent on consultant for such purpose. It will be big task for a consultant community.