

Clause by clause analysis of Input Tax Credit disclosures in Annual Returns - GST Audit Series (Part 5)



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Introduction:

The key foundation based on which the GST law is structured is that the tax is to be levied and collected only on the value-added portion. In India, we have a method by which the tax suffered at an earlier point of time is allowed to be reduced from the tax payable on the subsequent supplies made. This avoids tax on tax at each stage of the supply chain. The statement of objectives at the time of GST bill being introduced in 2014 clearly provided that the intention was to remove cascading effect of tax. Since, input tax credit is of paramount importance in the entire GST framework, therefore in this article we shall discuss key aspects relating to input tax credit that needs to be taken care while filing Annual returns under GST. Below is the table-wise disclosure requirement and its detailed explanation.

Table 6 - Reporting of gross input tax credit (ITC) availed by the registered person during the financial year:

This table must be filled in based on the ITC availed in GSTR-3B filed for the financial year. Before filling the table, it is important to ensure that basic conditions for taking the input tax credits are fulfilled. The registered person needs to ascertain the following:

1. Assessee is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other taxpaying document(s) as prescribed in Rule 36.
2. Assessee has received the goods and/or services. Where the goods or services are delivered/provided by the supplier to a recipient or any other person on the direction of such registered person, it is deemed that the registered person has received the goods.
3. The supplier should have paid the tax and details of the same are reflected in GSTR 2B.
4. The recipient has furnished the return under Sec 39 i.e., he has filed Form GSTR-3B.

Tab Ref.	Description	Reference to fill information	Instruction provided in form
6A	Total amount of input tax credit availed through Form GSTR-3B (sum total of Table 4A of Form GSTR-3B)	<i>Auto-Populated from Form GSTR-3B</i>	<i>Total input tax credit availed in Table 4A of Form GSTR-3B for the taxpayer would be auto-populated here.</i>
6B	Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	<ul style="list-style-type: none"> Sum of ITC availed on all intra-State and inter-State (within India) procurements, where the tax has been charged by the supplier. Bifurcation of credits availed on inputs, input service and capital goods shall be provided. From FY 2019-20 onwards, capital goods to be disclosed separately. Since this bifurcation is not being provided in present GSTR-3B return format. This adds extra burden to return filers from FY 2019-20 onwards if relaxation not provided for breakup. This Table should contain data which has been disclosed in GSTR 3B for the period April 2021 to March 2022. Therefore, there is no scope for revision/addition of data which is available in books of accounts but not disclosed in GSTR 3B. There could be difference between ITC availed in GSTR-3B and ITC as per books of account. Such difference would form part of reconciliation statement in GSTR-9C. If a Registered Person has 	<p><i>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 shall be declared here. It may be noted that the total ITC availed is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(5) of Form GSTR-3B may be used for filling up these details.</i></p> <p><i>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) below.</i></p>

Tab Ref.	Description	Reference to fill information	Instruction provided in form
		<p>disclosed gross ITC (excluding reversals) in Table 4A of GSTR 3B, then such person should disclose the gross ITC here and the reversals must be disclosed in Table 7 of Form GSTR 9.</p> <ul style="list-style-type: none"> • However, in case a registered person has not done any such bifurcation and has disclosed only the Net ITC (including reversals) in Table 4A of GSTR 3B, then such person can directly disclose the Net ITC here. • Following nature of ITC not to be covered in this column: <ul style="list-style-type: none"> (i) ITC availed on tax paid under RCM. (ii) Import of goods and services (iii) ISD Credit (iv) ITC reclaimed which was reversed on account of non-payment to the vendor within 180 days as per section 16(2) read with Rule 37. (v) ITC pertaining to financial period but availed in the GSTR-3B after end of financial year (i.e. 2021-22 invoices on which ITC availed in 2022-23). 	
6C	Inward supplies received from unregistered persons liable to reverse charge (other than B above) on which tax is paid & ITC	<ul style="list-style-type: none"> • Refer GSTR-3B Table 4A(3) • Bifurcation to be made between inputs, input services and capital goods which could be challenging as such information is presently not being captured in GSTR-3B return. The relaxation for the same has been provided for the FY 2018-19 from providing breakup. From FY 2019-20 onwards, capital 	<i>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 is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(3) of Form GSTR-3B</i>

Tab Ref.	Description	Reference to fill information	Instruction provided in form
	availed	<p>goods to be disclosed separately.</p> <ul style="list-style-type: none"> Self invoice issued in respect of supplies received from unregistered persons could be referred to make this bifurcation. This could cover liability discharged under Section 9(3) and Section 9(4). Supplies on which ITC is availed in FY 2022-23, will be reported in Part V. Import of services, although leviable to reverse charge, will be reported in Table 6F. 	<i>may be used for filling up these details.</i>
6D	Inward supplies received from registered persons liable to reverse charge (other than B above) on which tax is paid and ITC availed	<ul style="list-style-type: none"> Sum of ITC availed on tax paid under reverse charge for supplies received from registered persons. Refer GSTR-3B Table 4A(3) Bifurcation to be made between inputs, input services and capital goods which could be challenging as such information is presently not being captured in GSTR-3B return. The relaxation of for the same has been provided for the FY 2018-19 from providing breakup. From FY 2019-20 onwards, capital goods to be disclosed separately. Supplies on which ITC is availed in FY 2021-22, will be reported in Part V. Supplies only from registered person will be disclosed here i.e., inward supplies on which tax is paid u/s 9(3) will only get covered. 	<p><i>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 is to be classified as ITC on inputs, capital goods and input services. Table 4(A)(3) of Form GSTR-3B may be used for filling up these details.</i></p> <p><i>For FY 2017-18 and 2018-19, the registered person shall have an option to either report the breakup of input tax credit as inputs, capital goods and input services or report the entire input tax credit under the 'inputs' row only.</i></p>
6E	Import of goods (including supplies from SEZs)	<ul style="list-style-type: none"> Sum of IGST credit availed on import of goods and procurements from SEZ on which IGST paid. Bifurcation to be made between inputs and capital 	<i>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</i>

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		<p>goods. Relaxation for 2018-19 has been provided from providing breakup. From FY 2019-20 onwards, capital goods to be disclosed separately.</p> <ul style="list-style-type: none"> Refer GSTR-3B Table 4A(1) + ITC on SEZ. ITC availed in 2022-23 in respect of bill of entry pertaining to FY 2021-22 will be reported in Part V. 	<p><i>availed is to be classified as ITC on inputs and capital goods. Table 4(A)(1) of Form GSTR-3B may be used for filling up these details.</i></p>
6F	Import of services (excluding inward supplies from SEZs)	<ul style="list-style-type: none"> Sum of IGST paid credit availed on import of services. Refer GSTR-3B Table 4A(2). Import of service has been defined in IGST Act to mean where: <ul style="list-style-type: none"> (i) Supplier is outside India (ii) Recipient is in India (iii) Place of supply is in India. 	<p><i>Details of input tax credit availed on import of services (excluding inward supplies from SEZs) shall be declared here. Table 4(A)(2) of Form GSTR-3B may be used for filling up these details.</i></p>
6G	Input Tax credit received from ISD	<ul style="list-style-type: none"> Sum of credit availed based on ISD Invoice (credit distribution). Refer GSTR-3B Table 4A(4). GSTR 2A could be a useful to obtain such information. 	<p><i>Aggregate value of input tax credit received from input service distributor shall be declared here. Table 4(A)(4) of Form GSTR-3B may be used for filling up these details.</i></p>
6H	Amount of ITC reclaimed (other than B above) under the provisions of the Act	<ul style="list-style-type: none"> Sum of ITC reclaimed (which was availed and subsequently reversed). Section B of this table requires reporting of ITC availed originally. Credits which are reversed and subsequently reclaimed within the same financial year, shall be reported under this section. For ex: ITC availed on invoice dated 02nd July 2021, since payment has not been made the ITC been reversed with interest in the GST return for the period January 2022 and payment made to vendor on 12th 	<p><i>Aggregate value of input tax credit availed, reversed and reclaimed under the provisions of the Act shall be declared here.</i></p>

Tab Ref.	Description	Reference to fill information	Instruction provided in form
		March 2022 and reclaimed the credit in March 2022 GSTR-3B.	
6I	Sub-Total (B to H above)	<i>Auto-Populated</i>	
6J	Difference (I - A above)	<i>Auto-Populated</i> Ideally there should not be difference considering the fact that the total of 'I' above is break up of credits as per column 'A' which is auto populated from GSTR form 3B	<i>The difference between the total amount of input tax credit availed through Form GSTR-3B and input tax credit declared in row B to H shall be declared here. Ideally, this amount should be zero.</i>
6K	Transition Credit through TRAN-I (including revisions if any)	<ul style="list-style-type: none"> Transitional credits received in Electronic Credit Ledger from Form GST TRAN-I must be reported here. Refer Electronic Credit Ledger. In case the TRAN-1 was not filled in FY 17-18 due to technical glitches, and has been filled in FY 18-19, 19-20 in pursuance of Rule 117(1A), then such credit would not be reported in 2017-18 but would be disclosed in FY 18-19 or FY 2019-20 when the ITC is reflecting in the electronic credit ledger. 	<i>Details of transition credit received in the electronic credit ledger on filing of Form GST TRAN-I including revision of TRAN-I (whether upwards or downwards), if any shall be declared here.</i>
6L	Transition Credit through TRAN-II	<ul style="list-style-type: none"> Transitional credits received in Electronic Credit Ledger from Form GST TRAN-II. Refer Electronic Credit Ledger. In case the TRAN -2 credit is reflected in Electronic credit ledger in 2018-19 or up to April 30, 2019, pursuant to rule 117(4), then it would be reported here in the annual returns of FY 2018-19. 	<i>Details of transition credit received in the electronic credit ledger after filing of Form GST TRAN-II shall be declared here.</i>
6M	Any other ITC availed but not specified	This table should not be construed as residuary table wherein any non-reconciled/unexplainable ITC could be	<i>Details of ITC availed but not covered in any of heads specified under 6B to 6L above shall be declared</i>

Tab Ref.	Description	Reference to fill information	Instruction provided in form
	above	added. It should be on account of specific reasons as indicated above. For ex: Details of ITC availed through Form ITC-01 (conversion from composition to regular) or ITC through Form ITC-02 (Transfer of credit due to sale, merger, amalgamation, transfer of asset etc.)	<i>here. Details of ITC availed through Form ITC-01 and Form ITC-02 in the financial year shall be declared here.</i>
6N	Sub-total (K to M above)	<i>Auto-Populated</i>	
6O	Total ITC availed (I + N above)	<i>Auto-Populated</i>	

Additional points for Table 6 disclosures:

1. The registered person has to go through the workings of FY 2020-21 to ascertain if the details of RCM liability disclosed in FY 2020-21 annual return already. If yes, then again disclosure would not be required in FY 2021-22. If the details are not disclosed in terms of press release, then such details to be shown in FY 2021-22.
2. The registered person may get to identify if expenses which are liable for GST under RCM. If yes, then the liability may be discharged. Such details would be disclosed in the FY in which tax would be paid.
3. A question could arise on the eligibility of credit of GST paid under RCM after October of subsequent year as the time limit is due date of filing return for October. It may be noted that the credit may be possible only in cases where self-invoice is required to be raised. It can be argued that the date of self-invoice to be considered for ascertaining the time limit. However, this view is not free from litigation. In case of RCM payments on procurements from registered persons such argument would not be possible as there would be no need to raise self-invoice.
4. For the purpose of table 6E, it has been clarified in the press release of June 2019 that the credits claimed on import of goods in subsequent year April to October can also be added here. This would lead to difference in table 6J which results from comparison of total credit actually taken for the financial year with the breakup.
5. In our view, to address the issue arising in table 6J, the alternative method can be to take only credit availed during the financial year. This requires adjustment in Table 8 which is discussed after Table 8 below.
6. For the purpose of row 6M, following details can be considered where ITC-01 is to be filed:

Table 7 - Reporting of ITC reversed by the registered person and Ineligible credits for financial year:

Tab Ref.	Description	Reference to fill information	Instruction provided in form
7A	As per Rule 37	<ul style="list-style-type: none"> Sum of ITC reversed on account of non-payment to vendor within 180 days in terms of Section 16(2) read with Rule 37 of CGST Rules to be reported here. This restriction would not be applicable for transactions of Schedule I and no reporting is needed to that extent. Even the amount added in terms of Section 15(2) for valuation of supply is also deemed to be paid for this purpose. Refer GSTR-3B Table 4(B)(2) + Workings. <p>The disclosure of ITC of the previous period reversed or availed in subsequent periods has been made optional for the FY 2021-22.</p> <p>Further, it was clarified that any ITC that was reversed for non-payment within 180 days to the vendor for the inward supplies & re-claimed in the subsequent FY is to be disclosed in such FY i.e., if the ITC pertaining to FY 2021-22 reversed by March 2022 and availed in Oct 2022, it would be disclosed in FY 2022-23.</p>	<p><i>Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under Form GST TRAN-I or Form GST TRAN-II and then subsequently reversed. Table 4(B) of Form GSTR-3B may be used for filling up these details. Any ITC reversed through Form ITC-03 shall be declared in Table 7H.</i></p>
7B	As per Rule 39	<ul style="list-style-type: none"> Sum of ITC reversed on account of ISD Credit notes needs to be reported here. Refer GSTR-3B Table 4(B)(2) + Workings. GSTR 2B may be useful to obtain such information. 	<p><i>Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under Form GST TRAN-I or Form GST TRAN-II and then subsequently reversed. Table 4(B) of Form</i></p>

Tab Ref.	Description	Reference to fill information	Instruction provided in form
			<i>GSTR-3B may be used for filling up these details. Any ITC reversed through Form ITC -03 shall be declared in Table 7H.</i>
7C	As per Rule 42	<ul style="list-style-type: none"> Sum of ITC reversed on common input and input services (used for exempt supplies) to be disclosed here. Refer GSTR-3B Table 4(B)(1) + Workings. In case of Rule 42, there is requirement of reversal of ITC on monthly as well as on annual basis. This column should contain only such ITC which has been reversed in the monthly return. In case a registered person has done a reversal/additional claim on annual turnover in the subsequent financial year, then it needs to be disclosed in separate table in Part V There could be instances where the ITC reversed under these provisions is less than ITC required to be reversed or some ineligible ITC has been availed based on the invoice issued by ISD. Such excess credit can be reversed here. The differential credit may be paid through DRC-03 in cash. 	<i>Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under Form GST TRAN-I or Form GST TRAN-II and then subsequently reversed. Table 4(B) of Form GSTR-3B may be used for filling up these details. Any ITC reversed through Form ITC -03 shall be declared in Table 7H.</i>
7D	As per Rule 43	<ul style="list-style-type: none"> Sum of ITC reversed on capital goods (used partially for exempt supplies) to be disclosed here. Also, re-computation of reversal based on annual basis/completion of projects (for real estate sectors) are to be considered. Refer GSTR-3B Table 4(B)(1) + Workings. 	<i>Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under Form GST TRAN-I or Form GST TRAN-II and then subsequently reversed. Table 4(B) of Form GSTR-3B may be used for filling up these details. Any</i>

Tab Ref.	Description	Reference to fill information	Instruction provided in form
			<i>ITC reversed through Form ITC -03 shall be declared in Table 7H.</i>
7E	As per section 17(5)	<ul style="list-style-type: none"> Sum of ineligible credits under section 17(5) which have been reversed. The said amount shall be disclosed only when credit has been availed and reversed in Form GSTR-3B. Mere reporting of values in GSTR-3B Table 4(D)(1) shall not be reported in this section, as it would be adjusted against total ITC availed as reported in Table 6. Credits which are availed and subsequently identified as restricted under Section 17(5) should also be added here. <p>The relaxation has been provided to club all the reversals made under Table 7A to 7E which includes ITC reversals under various GST provisions (Rule 37, 39, 42, 43 & section 17(5)). This option is available for FY 2021-22.</p>	<i>Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under Form GST TRAN-I or Form GST TRAN-II and then subsequently reversed. Table 4(B) of Form GSTR-3B may be used for filling up these details. Any ITC reversed through Form ITC -03 shall be declared in Table 7H.</i>
7F	Reversal of TRAN-I credit	<ul style="list-style-type: none"> Reversal of TRAN-I credits Refer Electronic Credit Ledger This could include Education Cess, SHE Cess, KKC credit which could have been reversed by the registered persons by the end of March. Any reversals made in the subsequent financial year, then the details of it must be disclosed in part V of the annual return and also in GSTR-9 to be filed for such subsequent financial year. 	<i>Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under Form GST TRAN-I or Form GST TRAN-II and then subsequently reversed. Table 4(B) of Form GSTR-3B may be used for filling up these details. Any ITC reversed through Form ITC -03 shall be declared in Table 7H.</i>
7G	Reversal of TRAN-II	<ul style="list-style-type: none"> Reversal of TRAN-II credits. Refer Electronic Credit Ledger. 	<i>Details of input tax credit reversed due to ineligibility or reversals required under</i>

Tab Ref.	Description	Reference to fill information	Instruction provided in form
	credit		rule 37, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under Form GST TRAN-I or Form GST TRAN-II and then subsequently reversed. Table 4(B) of Form GSTR-3B may be used for filling up these details. Any ITC reversed through Form ITC-03 shall be declared in Table 7H.
7H	Other reversals (pl. specify)	Any other reversals –ITC reversed on account of ITC-03 (regular scheme to composition scheme). This includes credit reversed as per Rule 44 in case of special circumstances such as conversion to exempted supply.	Details of input tax credit reversed due to ineligibility or reversals required under rule 37, 39, 42 and 43 of the CGST Rules, 2017 shall be declared here. This column should also contain details of any input tax credit reversed under section 17(5) of the CGST Act, 2017 and details of ineligible transition credit claimed under Form GST TRAN-I or Form GST TRAN-II and then subsequently reversed. Table 4(B) of Form GSTR-3B may be used for filling up these details. Any ITC reversed through Form ITC-03 shall be declared in Table 7H.
7I	Total ITC Reversed (A to H above)	<i>Auto-Populated</i>	-
7J	Net ITC Available for Utilization (6O-7I)	<i>Auto-Populated</i>	-

Additional points for Table 7:

1. In terms of press release issued by CBIC dated 03rd July 2019:
 - No input tax credit can be reversed or availed through the annual return.
 - If taxpayers find themselves liable for reversing any input tax credit, they may do it through Form GST DRC-03 separately.

According to our view, there would not be any revenue implications due to disclosure of amount of ITC to be reversed in Table 7 of GSTR-9 as it ultimately results in payment through DRC-03, therefore factually the reversal of credit takes place once it is voluntarily reversed by way of DRC - 03 and mere disclosure of it is made in the Annual returns. One may prefer to reverse the same in GSTR 3B and provide appropriate disclosure for the same in table 12 or 13 of the Annual Returns.

2. For the purpose of claiming back the credit reversed in terms of Rule 37, there is no time limit. The credit can be claimed as soon as consideration is paid to supplier.
3. If any ITC availed for FY 2021-22 is reversed in FY 2022-23, then the details should be disclosed in Table 12 and not in Table 7.

Table 8 - Summary of ITC available as per GSTR-2A & IGST paid on import of goods and a comparison with ITC availed

Tab Ref.	Description	Reference to fill information	Instruction provided in form
8A	ITC as per GSTR-2A (Table 3 & 5 thereof)	<ul style="list-style-type: none"> • Auto-Populated from GSTR-2A. • Registered person should follow up with the vendors to file GSTR-1 pending if any before the due date of returns to be filed for the months of October of the subsequent financial year. Any amendment for entries of GSTR-1 of a particular financial year can be made by the due date of returns to be filed for the month of October of subsequent financial year. • GSTR-2A has various tables, Table 3 for normal inward supply where vendor has reported invoice in GSTR-1. Table 4 for supplier registered under GST Law but the supplies made by them is liable under RCM for the recipient of supply. Table 5 for Credit Note/Debit Note issued by the supplier 	<i>The total credit available for inwards supplies (other than imports and inwards supplies liable to reverse charge but includes services received from SEZs) pertaining to the financial year for which the return is being for and reflected in FORM GSTR-2A (table 3 & 5 only) shall be auto-populated in this table. This would be the aggregate of all the input tax credit that has been declared by the corresponding suppliers in their FORM GSTR-1</i>

Tab Ref.	Description	Reference to fill	Instruction provided in form
		<p>against original supply. Table 6 for Invoice issued by ISD based on which the ITC appears in GSTR-2A of the recipient entity.</p> <ul style="list-style-type: none"> • Out of above tables, only Table 3 and 5 (invoice issued by vendors and adjustment thereto on account of debit notes/credit notes issued) would only get reflected in this table. • ITC on import of services and on supplies under RCM is not considered here. • Table seeks at the comparison of ITC being reflected in GSTR 2A and the ITC availed in GSTR 3B. • There is no breakup available for the information auto populated in this table. The taxpayer is required to download GSTR-2A from common portal to examine the details as per Table 3 and 5 of GSTR-2A so that the break up can be compared with the ITC availed in GSTR-3B. There is an option to download an excel document containing Table 8A details. However, in few cases, it was noticed that there was variance between values reflected in Table 8A and the excel document. Instructions do not provide as on which date GSTR-2A values would be reflected in GSTR-9. In general, GSTR-2A as on 30th November of subsequent FY would be considered. • It is to be noted that one 	

Tab Ref.	Description	Reference information to fill	Instruction provided in form
		needs to consider the updated GSTR-2A while filing GSTR 9 as the same must have been updated as on Nov 30, 2022.	
8B	ITC as per sum total of 6(B) and 6(H) above	<i>Auto-Populated from Table 6</i> ITC as per GSTR-3B would be auto populated here.	<i>The input tax credit as declared in Table 6B and 6H shall be auto-populated here.</i>
8C	ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during 2021-22 but availed during April'22 to October'22	<ul style="list-style-type: none"> This section is provided to capture credits availed by the registered person in the subsequent financial year. For ex: For FY 21-22, invoices issued during the period April 2022 to Nov 30, 2022 needs to be reported here. Refer ITC ledger/ GSTR-3B workings for the period April 22 to Nov 22. Eligibility of such credits claimed in April 22 to October 22 can also be reviewed. Wrong credits, if any, can be paid back to save on interest cost though the adjustment is not required in annual return of FY 2021-22. 	<i>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 for which the annual return is being filed for but credit on which was availed in the next financial year within the period specified under Section 16(4) of the CGST Act, 2017. Table 4(A)(5) of FORM GSTR-3B may be used for filling up these details.</i>
8D	Difference [A-(B+C)]	<i>Auto-Populated</i> If values arrived is negative, it would mean that the total availment of credit is more than the credit reported by the vendor.	
8E	ITC available but not availed (out of D)	<ul style="list-style-type: none"> ITC reflected in Form GSTR-2A for FY 2021-22 which is eligible but not availed. ITC not reflected in Form GSTR-2A but not availed, would not be reported in this section If values in 8D are negative, 8E need not be filled.	<i>The aggregate value of the input tax credit which was available in FORM GSTR2A (table 3 & 5 only) but not availed in FORM GSTR-3B returns shall be declared here. The credit shall be classified as credit which was available and not availed or the credit was not availed as the same was ineligible. The sum total of both the rows should be equal to difference in 8D.</i>
8F	ITC available	<ul style="list-style-type: none"> Transactions reflected in 	

Tab Ref.	Description	Reference information to fill	Instruction provided in form
	but ineligible (out of D)	<p>Form GSTR-2A for FY 2021-22 which is available but not eligible.</p> <ul style="list-style-type: none"> Transactions not reflected in Form GSTR-2A, would not be reported in this section. <p>If values in 8D are negative, 8F need not be filled.</p>	
8G	IGST paid on import of goods (including supplies from SEZ)	<ul style="list-style-type: none"> Actual IGST paid on import of goods and procurements from SEZ shall be reported here. There is no cross referencing of the information from the GST portal. However, this information can be matched from the ICEGATE portal wherein details of all the bill of entries filed by the importers are available. Refer Bill of entries filed and duty payment challans. 	<i>Aggregate value of IGST paid at the time of imports (including imports from SEZs) during the financial year shall be declared here.</i>
8H	IGST credit availed on import of goods (as per 6(E) above)	<p><i>Auto-Populated</i></p> <ul style="list-style-type: none"> Represents the actual ITC availed on import of goods and procurements from SEZ from G above. Further, as per the press release issued by CBIC, ITC on imports made in 21-22, availed in 22-23 must also be reported here. 	<i>The input tax credit as declared in Table 6E shall be auto-populated here.</i>
8I	Difference (G-H)	<i>Auto-Populated</i>	-
8J	ITC available but not availed on import of goods (Equal to I)	<p><i>Auto-Populated</i></p> <ul style="list-style-type: none"> The form does not provide the option of reporting ITC availed on import of goods in 2022-23, on which IGST was paid in 2021-22. The change in the GSTR-9 to be made in order to incorporate it. Due to the above 	-

Tab Ref.	Description	Reference information to fill	Instruction provided in form
		inadequacy, any eligible amount of ITC could get disclosed as lapse credit in column K below. In order to address this issue, in the press release on annual return issued earlier on 4 th June 2019, it was clarified that all credit of IGST paid at the time of imports between July 2017 to March 2019 may be declared in Table 6E. If it is done properly by a taxpayer, then Table 8I and 8J shall contain information on credit which was available to the taxpayer and the taxpayer chose not to avail it. The deadline has already passed for FY 17-18 and the taxpayer cannot avail such credit now. However, the clarification for the FY 2018-19 onwards & the facilitation in the GSTR-9 form has not been provided for the same.	
8K	Total ITC to be lapsed in current financial year (E + F + J)	<i>Auto-Populated</i>	<i>The total input tax credit which shall lapse for the current financial year shall be computed in this row.</i>

Additional points for Table 8:

1. GSTR-2A statement is dynamic and the same changes as and when the information is uploaded by the vendors. It may also contain wrong entries for reasons such as wrong GSTIN used by vendors, wrong type of tax updated etc.
2. Absence of information about inward supply does not mean disallowance of credit if the conditions of section 16 are fulfilled.
3. Variation between Table 8A and Table 8B+Table 8C to be analysed. If the result in Table 8D is negative, then reasons to be ascertained. Rule 36(4) impact from Oct 19 onwards, until then eligibility based on Section 16 should suffice. Therefore, instead of above, can ensure eligibility, and availability of documents.
4. If table 8D is positive, reasons could be short claim of credit by assessee, entries not fed by the vendors, entries for restricted credits in 8A such as

section 17(5), used towards exempted supplies etc. Reasons to be ascertained to take appropriate action.

5. When 8D being positive due to credits missed out or due to ineligible credits in terms of section 17(5), then the details to be provided in Table 8E and 8F. Table 8D can be compared with total of 8E + 8F to ensure correctness.
6. In case of table 8A to 8D, the assessee has the option to provide details in separate file converted to PDF form in GSTR-9C. Such form need not have certification from the professional certifying. This option is not available from FY 2019-20 onwards.
7. In respect of table 6E, it has been clarified that the IGST paid on import for the entire financial year including for April to November of subsequent year can be included vide press release. This leads to reconciliation difference in table 6 as matching is done with actual credit claimed during the financial year without including details for April to November of subsequent year. This is done mainly to address the technical issue in the format wherein no provision made in table 8 to show and adjust details of IGST paid in financial year but claimed in subsequent financial year. This could lead disclosure of amount in table 8K as lapsed credit.
8. Therefore, in our view, the alternative method is to disclose details of IGST paid on import to the extent of ITC claimed for the financial year in table 8G and table 6E can contain only details of IGST paid during financial year. This would take care of technical issue arising in the form as well. Table 8G can also include the value of IGST paid during the financial year which is not eligible for credit as well which is meant to be lapsed. If this alternative method is being followed, then appropriate workings to be maintained to avoid future confusion, if any.
9. The IGST paid but not availed could be reviewed to understand the reasons. If not eligible, then it can be left to get lapsed. If missed out, then action to be taken to claim the credit. It is important to note that there is a view that the restriction specified in section 16(4) to claim the credit by November of next financial year is only for invoices and debit notes. The basis for taking the credit on import is bill of entry which is not restricted by the time limit.

Table 12 & 13 - Reporting of transactions pertaining to previous financial year which are reported by the registered person during the period April 2022 to October 2022 in the returns:

	Description	Reference to fill information	Instruction provided in form
12	Reversal of ITC availed during previous financial year	<ul style="list-style-type: none"> ITC availed in the PFY which has been reversed in the current FY (example: Ineligible credit availed in previous FY, reversed in current FY). This could also cover the amount of credits reversed under Rule 42 for the previous FY after 	<i>The aggregate value of reversal of ITC which was availed in the previous financial year but reversed in returns filed for the months of April 2022 to October 2022 shall be declared here. Table 4(B) of FORM GSTR-3B may be used for filling up these details.</i>

	Description	Reference to fill information	Instruction provided in form
		<p>ascertaining the actual taxable and exempted turnover.</p> <ul style="list-style-type: none"> One may refer the detailed workings and returns filed for the subsequent FY in order to arrive at the value of ITC of the current FY that is reversed in the subsequent FY. Further, this field is only for disclosure purpose, and it does not increase the tax liability. It is to be noted that this table is optional for FY 21-22. 	
13	ITC availed for the previous financial year	<ul style="list-style-type: none"> ITC availed in the current FY pertaining to supplies received in the previous FY. Reference should also be made to Table 8 of the Annual Return – Reporting of ITC availed in current FY till October month for supplies received in previous FY. However, there could be variance between Table 8C and Table 13 due to following reasons – Goods in Transit ITC, ITC on ISD invoices and invoices accounted in subsequent FY but it is reflected in previous FY. One may refer the detailed workings and returns filed for the subsequent FY in order to arrive at the value of ITC of the current FY that is availed in the subsequent FY. Further, this field is only for disclosure purpose, and it does not reduce the tax liability. It is to be noted that this table is optional for FY 21- 	<p><i>Details of ITC for goods or services received in the previous financial year but ITC for the same was availed in returns filed for the months of April to October of the current financial year or date of Annual Return for the previous financial year whichever is earlier shall be declared here. Table 4(A) of Form GSTR-3B may be used for filing up these details.</i></p>

	Description	Reference information to fill	Instruction provided in form
		22.	

Conclusion:

Proper disclosure of ITC details is important to avoid system-generated automated notices. This is more specifically seen in cases where the ITC disclosed does not match with the ITC as reflecting in GSTR 3B. Further, in case of table 8 where reconciliation is drawn between ITC as per GSTR 3B & GSTR 2A, if the ITC as reflected in GSTR 2A is not matching and is lesser than that which has been claimed in GSTR 3B, then it can lead to prolong litigation with explanation to be accorded for the reasons for such differences. Hence, it is of paramount importance that the details of credit are properly disclosed.

Views expressed are strictly personal and cannot be considered as a legal opinion in case of any query. For feedback or queries email us at mahadev@hiregange.com, ravikumar@hiregange.com or yash@hiregange.com.