

Everything you must know about disclosure in New GSTR-3B

360 degree analysis covering 65 Practical Scenarios of reporting with spillover transactions



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The GST council in its 47th meeting on 28th, 29th June 2022 recommended to clarify on mandatory furnishing of correct and proper information of inter-state supplies and amount of ineligible / blocked input tax credit and reversal thereof in return in Form GSTR-3B. Changes were notified in Form GSTR-3B vide Notification no. 14/2022-CT dated 5th July 2022 with a clarification on changed disclosures in circular no. 170/02/2022-GST dated 6th July 2022.

The changes notified have **now been incorporated by GSTN** and would be available in GSTR-3B of August 2022 onwards. **The taxpayers are now required to report their ITC availment, reversal of ITC and ineligible ITC correctly as per new format of Table 4 of GSTR-3B at GST portal for the GSTR-3B of August 2022 onwards.**

Revised ITC Table 4 of GSTR 3B for quick reference.

| Table no | As per Old Form GSTR-3B | As per Amended Form GSTR-3B |
|--|---|--|
| 4A. ITC available (whether in part or full) | | |
| 4A(1) | Import of goods | Import of goods |
| 4A(2) | Import of services | Import of services |
| 4A(3) | Inward supplies liable to reverse charge (other than 1 & 2 above) | Inward supplies liable to reverse charge (other than 1 & 2 above) |
| 4A(4) | Inward supplies from ISD | Inward supplies from ISD |
| 4A(5) | All other ITC | All other ITC |
| 4B. ITC Reversed | | |
| 4B(1) | As per rules 42 & 43 of CGST Rules | As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17 |
| 4B(2) | Others | Others |
| 4D. Ineligible ITC Other Details | | |
| 4D(1) | Ineligible ITC: As per section 17(5) | Other Details: ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period |
| 4D(2) | Ineligible ITC: Others | Other Details: Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions |

For detailed understanding on Table wise disclosure changes, refer article penned by CA Akshay Hiregange & CA Nikita Maheshwari at - https://hiregange.com/assets/articles/c1b6f-gstr-3b-new-disclosures-issues-suggestions_h-a-1-.pdf

With many confusions with respect to this new format for disclosure of ITC, we hereby summarize the disclosures for various transactions in the month of August 2022 and for subsequent period thereon.

Table 1: Disclosures in GSTR-3B for transactions of August 2022 & beyond

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|----------------------------------|---------------------------|------------------------|---|--|
| 1 | ITC on inward supplies (invoice) | Aug-22 | Aug-22 | Claim in GSTR-3B Table 4A(5) | Not applicable |
| 2 | ITC on inward supplies (invoice) | Aug-22 | Sept-22 or next period | No action and keep track of the same for next months | Claim in GSTR-3B Table 4A(5) |
| 3 | ITC on inward supplies (invoice) | Aug-22 | Not available | ITC cannot be availed till the time the same is available in GSTR-2B and keep track of the same for next months | ITC cannot be availed till the time the same is available in GSTR-2B. The invoice wise details needs to be kept a track of as "books only- eligible ITC" in books/ workings |
| 4 | ITC on inward supplies (invoice) | Sep-22 | Aug-22 | 1. Claim in GSTR-3B Table 4A(5) 2. Reverse in 4B(2) - temporary reversal | 1. Claim in GSTR-3B Table 4A(5) 2. Disclose in Table 4D(1). |
| 5 | ITC on inward supplies (invoice) | Not available | Aug-22 | 1. Claim in GSTR-3B Table 4A(5) 2. Reverse in 4B(2) - temporary reversal | After annual reconciliation also if the ITC is not belonging to the taxpayer then, the following shall be disclosure:- 1. Claim in GSTR-3B Table 4A(5) 2. Reverse amount in Table 4B(1) - permanent reversal 3. Disclose in Table 4D(1). If recorded in books in |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|---|---------------------------|------------------------|--|--|
| | | | | | later period, same as case 4 |
| 6 | Reversal of ITC on inward supplies (credit notes) | Aug-22 | Aug-22 | CN would auto-populate in 4B(2). however, It is not a reversal under rule 38,42,43 or section 17(5) and neither a temporary reversal. Ideally to consider as net off in Table 4A(5). | Not applicable |
| 7 | Reversal of ITC on inward supplies (credit notes) | Aug-22 | Sept-22 or next period | Reverse in Table 4A(5) - net off from all other ITC | Amount which would be auto populated in table 4B(2) is required to be removed, as the ITC is already reversed in Aug 2022 |
| 8 | Reversal of ITC on inward supplies (credit notes) | Sept-22 or next period | Aug-22 | Amount which would be auto populated in GSTR-3B - table 4A(5) or table 4B(2) is required to be removed. Suggested to keep a track of the same and seek vendor clarifications of the same | CN would auto-populate in 4B(2). however, It is not a reversal under rule 38,42,43 or section 17(5) and neither a temporary reversal. Ideally to consider as net off in Table 4A(5). |
| 9 | Reversal of ITC on inward supplies (credit notes) | Aug-22 | Not available | CN would auto-populate in 4B(2). however, It is not a reversal under rule 38,42,43 or section 17(5) and neither a temporary reversal. Ideally to consider as net off in Table 4A(5). | Not applicable |
| 10 | Reversal of ITC on inward supplies (credit notes) | Not available | Aug-22 or next period | Amount which would be auto populated in GSTR-3B table 4B(2) is required to be removed. Suggested to keep a track of the same and seek vendor clarifications of the same | Not applicable |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|--|----------------------------------|----------------------|--|---|
| 11 | Invoice in dated Aug 2022 and stock not received in Aug 2022 but received in a Sept 2022 or later period. Accounted for in Aug-22 itself | Aug-22 | Aug-22 | 1. Claim in GSTR-3B Table 4A(5) 2. Reverse in 4B(2) - temporary reversal | 1. Claim the amount in Table 4A(5) 2. Disclose in Table 4D(1) Claim shall be in Sept 2022 or in a later period based on the month in which stock is received |
| 12 | Reversal of ITC due to payment not made within 180 days and reclaim in a later period u/r 37 | Reversal accounted for in Aug-22 | Any month | Reverse amount in Table 4B(2) - temporary reversal | To reclaim ITC in 3B upon payment to vendor - 1. Claim the amount in Table 4A(5) 2. Disclose in Table 4D(1) |
| 13 | Reversal of ITC due to payment not made within 180 days and reclaim in a later period u/r 37 | Reversal accounted for in Aug-22 | Not available | Reverse amount in Table 4B(2) - temporary reversal | Where ITC was otherwise eligible (covered in buffer of 105% of ITC claim) - 1. Claim the amount in Table 4A(5) 2. Disclose in Table 4D(1) Where ITC was otherwise not eligible (may not be covered in buffer of 105% claim), ITC may not be claimed again. |
| 14 | Reversal of ineligible ITC under rule 42/43 and mechanism to reavail incorrect reversal (if any) | Aug-22 | Aug-22 | 1. Claim full amount in Table 4A(5) 2. Reverse in 4B(1) - permanent reversal (Reverse proportionate amount) | This method is only for rectification of excess reversal of ITC and track of the same needs to be maintained 1. Claim proportionate amount in Table 4A(5) 2. Disclose in Table 4D(1) |
| 15 | Reversal of ineligible ITC under rule | Sep-22 | Aug-22 | 1. Claim full amount in GSTR-3B Table 4A(5) | 1. Claim full amount in Table 4A(5) |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|--|---------------------------|------------------------|---|--|
| | 42/43 and mechanism to reavail incorrect reversal (if any) | | | 2. Reverse in 4B(2) - temporary reversal (Reverse entire amount) | 2. Reverse in 4B(1) - permanent reversal (Reverse proportionate amount) 3. Disclose in Table 4D(1) |
| 16 | Reversal of ineligible ITC under rule 42/43 and mechanism to reavail incorrect reversal (if any) | Aug-22 | Not available | ITC of proportionate amount also cannot be availed till the time the same is available in GSTR-2B. | ITC cannot be availed till the time the same is available in GSTR-2B. The invoice wise details needs to be a kept a track of as "books only- eligible ITC" in books/ workings |
| 17 | Reversal of ineligible ITC under rule 42/43 and mechanism to reavail incorrect reversal (if any) | Aug-22 | Sept-22 or next period | No action and keep track of the same for next months | 1. Claim full amount in Table 4A(5) 2. Reverse in 4B(1) - permanent reversal (Reverse proportionate amount) |
| 18 | Reversal of ineligible ITC u/s 17(5) and mechanism to reavail incorrect reversal (if any) | Aug-22 | Aug-22 | 1. Claim full amount in Table 4A(5) 2. Reverse in 4B(1) - permanent reversal full amount | Not applicable |
| 19 | Reversal of ineligible ITC u/s 17(5) and mechanism to reavail incorrect reversal (if any) | Sep-22 | Aug-22 | 1. Claim full amount in GSTR-3B Table 4A(5) 2. Reverse in 4B(2) - temporary reversal (Reverse entire amount) | 1. Claim full amount in Table 4A(5) 2. Reverse in 4B(1) - permanent reversal full amount 3. Disclose in Table 4D(1) |
| 20 | Reversal of ineligible ITC u/s 17(5) and mechanism to reavail incorrect reversal (if any) | Aug-22 | Not available | No action and keep track of the same for next months | ITC cannot be availed/reversed till the time the same is available in GSTR-2B. The invoice wise details needs to be a kept a track of as "books only- ineligible ITC" in books/ workings |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|---|---------------------------|----------------------------------|--|---|
| 21 | Reversal of ineligible ITC u/s 17(5) and mechanism to reavail incorrect reversal (if any) | Aug-22 | Sept-22 or next period | No action and keep track of the same for next months | 1. Claim full amount in Table 4A(5) 2. Reverse in 4B(1) - permanent reversal full amount |
| 22 | ITC on Import of services | Aug-22 | Not available and not applicable | Claim full amount in Table 4A(2) | Not applicable |
| 23 | ITC on Import of goods | Aug-22 | Aug-22 | Claim full amount in Table 4A(1) | Not applicable |
| 24 | ITC on Import of goods | Aug-22 | Not available | Claim full amount in Table 4A(1). Suggested to keep track of the same | Not applicable |
| 25 | ITC on Import of goods | Not available | Aug-22 | Remove this amount from 4A(1) | Claim in GSTR-3B Table 4A(1) |
| 26 | ITC on domestic RCM supplies | Aug-22 | Aug-22 | Claim in GSTR-3B Table 4A(3) | Not applicable |
| 27 | ITC on domestic RCM supplies | Aug-22 | Not available | Claim in GSTR-3B Table 4A(3) | Not applicable |
| 28 | ITC on domestic RCM supplies | Aug-22 | Sept-22 or next period | Claim in GSTR-3B Table 4A(3) | Remove the said amount which shall be auto populated in Table 4A(3) and keep track of the same |
| 29 | ITC on domestic RCM supplies | Not available | Aug-22 | No action in GSTR 3B. Check the receipt of the invoice and consider the same for booking and entry for reverse charge in books of accounts | Claim in GSTR-3B Table 4A(3). Upon receipt of invoice from vendor, the said tax under RCM shall be paid and ITC shall be availed in 3B. If the said invoice is not acceptable or not related to registered vendor then, intimate vendor to correct the transaction on portal. |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|--|---------------------------|----------------------|--|--|
| 30 | ITC on inward supplier which is having place of supply (PoS) of other state than the state of registered person and is actually ineligible ITC | Aug-22 | Aug-22 | Auto populating in 4D(2) - Other Details i. e. Ineligible ITC restricted due to PoS provisions | Not applicable |
| 31 | ITC on inward supplies having place of supply (PoS) of other state than the state of registered person but is actually eligible ITC | Aug-22 | Aug-22 | 1. Remove the said amount from auto populating in 4D(2) 2. Seek from vendor, a rectification of the same and keep a track of the same | Claim in GSTR-3B Table 4A(5). Upon rectification the same by vendor, consider for availment in 3B in the month of amendment by vendor |
| 32 | ITC on inward supplies having incorrect type of tax in comparison to books of accounts. (IGST in BoA and CGST/SGST on portal) - amount in BoA is incorrect | Aug-22 | Aug-22 | 1. Claim in GSTR-3B Table 4A(5) 2. Reverse in 4B(2) - temporary reversal (ITC shall be CGST/SGST) | 1. Claim in GSTR-3B Table 4A(5) 2. Disclose in Table 4D(1). (Rectify books of accounts to CGST/SGST avail ITC in GSTR 3B in the month of rectification) |
| 33 | ITC on inward supplies having incorrect type of tax in comparison to books of accounts. (IGST in BoA and | Aug-22 | Aug-22 | 1. Claim in GSTR-3B Table 4A(5) 2. Reverse in 4B(2) - temporary reversal (ITC shall be CGST/SGST) | For IGST (amended tax) 1. Claim CGST/SGST in GSTR-3B Table 4A(5) (Rectification by vendor on portal to IGST, thus the same is now matched to Books and ITC can be availed in GSTR 3B in the month of rectification) |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|---|---------------------------|----------------------|--|--|
| | CGST/SGST on portal) - vendor has incorrectly shown amount and amends it in later period | | | | <p>For CGST / SGST (original head)</p> <p>1. amount in 4A(5) would be reduced due to invoice amendment by vendor</p> <p>2. Increase amount in 4A(5) to that extent</p> <p>3. May disclose in Table 4D(1)*</p> <p><i>*disclosure in 4D(1) may not be in accordance with circular. however, disclosure may be made for the purpose of matching auto population with 4A(5) claim and 4D(1) disclosure</i></p> |
| 34 | Ineligible ITC due to expiry of time limit i. e. limitation u/s 16(4). Invoice dated FY 20-21 and earlier to the same | Aug-22 | Aug-22 | Auto populating in 4D(2) - Other Details i. e. Ineligible ITC restricted u/s 16(4). ITC Entry to be expensed out in books of accounts | Not applicable |
| 35 | Ineligible ITC due to expiry of time limit i. e. limitation u/s 16(4). Invoice dated FY 20-21 and earlier to the same | Aug-22 | Not available | ITC cannot be reversed as permanent reversal till the time the same is available in GSTR-2B. The invoice wise details needs to be a kept a track of as "books only-ineligible ITC" in books/workings | ITC cannot be reversed as permanent reversal till the time the same is available in GSTR-2B. The invoice wise details needs to be a kept a track of as "books only-ineligible ITC" in books/workings |

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The last date to avail ITC on an invoice is upto the due date of filing of GSTR-3B for month of September of next FY or date of filing of annual return, whichever is earlier, as per section 16(4) of the CGST Act.

Accordingly, there could be certain invoices of prior tax periods, i.e., FY 2021-22 or from April 2022 to July 2022, on which ITC is being availed in GSTR-3B of August 2022 or any subsequent periods. ITC on such invoices could be availed in Table 4 of GSTR-3B in the manner discussed in table below.

Table 2: Transitional issues

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | ITC availed in GSTR-3B of | Treatment in GSTR 3B of August 2022 or subsequent periods |
|-------|----------------------------------|---------------------------|----------------------|----------------------------|---|
| 1 | ITC on inward supplies (invoice) | Prior periods | Prior periods | Prior periods | Not applicable |
| 2 | ITC on inward supplies (invoice) | Prior periods | Prior periods | Not yet availed in GSTR-3B | 1.Claim ITC in GSTR-3B Table 4A(5) 2. Disclose in Table 4(D)(1). ITC availed in Aug 2022/ any month later being entry wise reconciliation is done <i>*for invoices of FY 21-22, can be claimed latest by Sep22 return</i> |
| 3 | ITC on inward supplies (invoice) | Prior periods | Aug-22 | Not yet availed in GSTR-3B | Auto-populate in GSTR-3B Table 4A(5) and claim ITC in Aug GSTR 3B |
| 4 | ITC on inward supplies (invoice) | Prior periods | Not in GSTR-2B | Not yet availed in GSTR-3B | Not applicable as ITC can not be availed till the same is available in GSTR 2B |
| 5 | ITC on inward supplies (invoice) | Aug-22 | Prior periods | Not yet availed in GSTR-3B | 1. Claim ITC in GSTR-3B Table 4A(5) 2. May disclose in Table 4D(1)* <i>*disclosure in 4D(1) may not be in accordance with circular. however, disclosure</i> |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | ITC availed in GSTR-3B of | Treatment in GSTR 3B of August 2022 or subsequent periods |
|-------|----------------------------------|-----------------------------------|-------------------------------|--|---|
| | | | | | <i>may be made for the purpose of matching auto population with 4A(5) claim and 4D(1) disclosure</i> |
| 6 | ITC on inward supplies (invoice) | Aug-22 | Prior periods | Prior periods | Not applicable |
| 8 | ITC on inward supplies (invoice) | FY 21-22 (April 2021 to Dec 2021) | Aug 2022 or subsequent period | Prior periods (ITC availed within the ad-hoc limit of 5% rule 36(4)) | 1.Claim full amount in Table 4A(5) 2.Reverse in 4B(1) - permanent reversal full amount (This needs to be done as ITC is already availed in earlier period) |
| 9 | ITC on inward supplies (invoice) | FY 21-22 (April 2021 to Dec 2021) | Not in GSTR-2B | Prior periods (ITC availed within the ad-hoc limit of 5% rule 36(4)) | Not applicable |
| 10 | ITC on inward supplies (invoice) | Jan 2022 till July 2022 | Aug 2022 or subsequent period | Not yet availed in GSTR-3B | 1.Claim full amount in Table 4A(5) |
| 11 | ITC on inward supplies (invoice) | Jan 2022 till July 2022 | Not in GSTR-2B | Not yet availed in GSTR-3B | ITC cannot be availed till the time the same is available in GSTR-2B. The invoice wise details needs to be a kept a track of as "books only- ineligible ITC" in books/ workings |
| 12 | ITC on inward supplies (invoice) | Jan 2022 till March 2022 | Not in GSTR-2B | Not yet availed in GSTR-3B | ITC cannot be availed till the time the same is available in GSTR-2B. But the time limit for availment is Sept 2022 and if the invoice is not available in GSTR 2B till Sept 2022, |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | ITC availed in GSTR-3B of | Treatment in GSTR 3B of August 2022 or subsequent periods |
|-------|---|---------------------------|----------------------|---------------------------------|---|
| | | | | | then expense out in books of accounts also |
| 13 | Reversal of ITC on inward supplies (credit notes) | Prior periods | Prior periods | Prior periods | Not applicable |
| 14 | Reversal of ITC on inward supplies (credit notes) | Prior periods | Prior periods | ITC not yet reversed in GSTR-3B | Reverse in Table 4A(5) - net off from all other ITC |
| 15 | Reversal of ITC on inward supplies (credit notes) | Prior periods | Aug-22 | ITC not yet reversed in GSTR-3B | CN would auto-populate in 4B(2). However, it is not a reversal under rule 38,42,43 or section 17(5) and neither a temporary reversal. Ideally to consider as net off in Table 4A(5). Remove amount auto-populating in Table 4B(2) |
| 16 | Reversal of ITC on inward supplies (credit notes) | Prior periods | Aug-22 | Prior periods | Reduce from amount auto-populated as reversal in Table 4B(2) – temporary reversal, since already reversed in previous period GSTR-3B returns. |
| 17 | Reversal of ITC on inward supplies (credit notes) | Aug-22 | Prior periods | ITC not yet reversed in GSTR-3B | Reverse in Table 4A(5) - net off from all other ITC |
| 18 | Reversal of ITC on inward supplies (credit notes) | Aug-22 | Prior periods | Prior periods | Not applicable |

| Sl no | Type of transactions | Recorded in Books of A/Cs | Available in GSTR 2B | ITC availed in GSTR-3B of | Treatment in GSTR 3B of August 2022 or subsequent periods |
|-------|--|---------------------------|----------------------|---|--|
| 19 | Stock received in Aug-22 for invoice dated in previous months | Aug-22 | Prior periods | Not yet availed in GSTR-3B | 1. Claim ITC in GSTR-3B Table 4A(5) 2. May disclose in Table 4D(1)* *disclosure in 4D(1) may not be in accordance with circular. however, disclosure may be made for the purpose of matching auto population with 4A(5) claim and 4D(1) disclosure |
| 20 | Reclaim of ITC after payment, which was earlier reversed due to non-payment to vendor within 180 days, rule 37 | Prior periods | Prior periods | ITC was earlier reversed due to non-payment within 180 days | 1.Claim ITC in Table 4A(5) 2.Disclose in Table 4D(1) |

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While reconciling the books of accounts with invoices appearing in GSTR-2B, one may find certain differences in the amount of ITC reported by the supplier against an invoice, vis-à-vis what is accounted in the books of buyer. The manner of availing ITC on such invoices in GSTR-3B of August 2022 and subsequent months is discussed in table below.

Table 3: Disclosures for amount differences

| SI no | Amount diff. in GSTR-2B and Books | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|--|---------------------------|-----------------------|--|---|
| 1 | BoA > 2B <i>Where vendor has disclosed incorrect amount</i> | Aug-22 Rs. 90,000 | Aug-22 Rs. 75,000 | <p>Option 1: Not to avail as the amount is mismatched and follow-up with vendor for providing correct invoice or correction in GSTR 2B.</p> <p>Thus, in GSTR 3B of Aug 2022:</p> <p>a. Claim in GSTR-3B Table 4A(5)- Rs.75,000</p> <p>b. Reverse in 4B(2) - temporary reversal, Rs.75,000</p> <p>Option 2: ITC to be availed to the extent the amount is matched to GSTR 2B. Thus GSTR 3B of Aug 2022:</p> <p>Table 4A(5): Rs.75,000</p> | <p>Corresponding to Option 1:</p> <p>Period in which books and portal are matched(vendor rectification in portal to Rs.90,000). Thus in GSTR-3B :</p> <p>a. Claim in GSTR-3B Table 4A(5), Rs.90,000 (Rs 15,000 would be auto populated)</p> <p>b. Disclose in Table 4D(1). Rs.75,000</p> <p>Corresponding to Option 2: ITC to be availed to the extent the amount is matched to GSTR 2B. Thus GSTR 3B :</p> <p>Table 4A(5): Rs.15,000(Auto-populated)</p> |
| 2 | BoA > 2B <i>Where vendor has disclosed incorrect amount</i> | Aug-22 Rs. 90,000 | Sept-22 Rs. 75,000 | No action in Aug-22 as no amount populated in GSTR-2B | Follow treatment as mentioned in SI no. 1 above |

| Sl no | Amount diff. in GSTR-2B and Books | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|--|---------------------------|-----------------------|---|---|
| 3 | BoA > 2B <i>Where accounting in books is improper</i> | Aug-22 Rs. 90,000 | Aug-22 Rs. 75,000 | <p>Option 1: Not to avail as the amount is mismatched and follow-up with vendor for providing correct invoice or correction in GSTR 2B.</p> <p>Thus, in GSTR 3B of Aug 2022:</p> <p>a. Claim in GSTR-3B Table 4A(5), Rs.75,000</p> <p>b. Reverse in 4B(2) - temporary reversal, Rs.75,000</p> <p>Option 2: ITC to be availed to the extent the amount is matched to GSTR 2B. Thus GSTR 3B of Aug 2022: Table 4A(5): Rs.75,000</p> | <p>Corresponding to Option 1: Period in which books and portal are matched (Books of accounts rectification to Rs.75,000).</p> <p>Thus, in GSTR 3B :</p> <p>a. Claim in GSTR-3B Table 4A(5), Rs.75,000</p> <p>b. Disclose in Table 4D(1). Rs.75,000</p> <p>Corresponding to Option 2: ITC availed the previous month to the extent the amount is matched to GSTR 2B, thus no action in GSTR 3B but rectification in BoA, Rs. 15,000</p> |
| 4 | BoA > 2B <i>Where accounting in books is improper</i> | Aug-22 Rs. 90,000 | Sept-22 Rs. 75,000 | No action in Aug-22 as no amount populated in GSTR-2B | Follow treatment as mentioned in SI no. 3 above |
| 5 | BoA > 2B | Sept-22 Rs. 90,000 | Aug-22 Rs. 75,000 | <p>1. Claim in GSTR-3B Table 4A(5)</p> <p>2. Reverse in 4B(2) - temporary reversal</p> | Follow the treatment as mentioned in SI no. 1 or 3 based on the scenario |
| 6 | BoA < 2B <i>Where vendor has disclosed incorrect amount</i> | Aug-22 Rs. 75,000 | Aug-22 Rs. 90,000 | <p>Option 1: Not to avail as the amount is mismatched and follow-up with vendor for providing correct invoice or correction in GSTR 2B.</p> <p>Thus in GSTR 3B of Aug 2022:</p> | <p>Corresponding to Option 1: Period in which books and portal are matched (vendor rectification in portal to Rs.75,000). Thus in GSTR 3B :</p> |

| Sl no | Amount diff. in GSTR-2B and Books | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|--|---------------------------|-----------------------|--|---|
| | | | | <p>a. Claim in GSTR-3B Table 4A(5), Rs.90,000</p> <p>b. Reverse in 4B(2) – temporary reversal Rs.90,000</p> <p>Option 2: ITC to be availed to the extent the amount is matched to GSTR 2B. Thus GSTR 3B of Aug 2022:</p> <p>a. Table 4A(5): Rs.90,000</p> <p>b. Reverse in 4B(2) - temporary reversal, Rs.15,000</p> | <p>a. Claim in GSTR-3B Table 4A(5), Rs.75,000</p> <p>b. Disclose in Table 4D(1). Rs.75,000</p> <p>Corresponding to Option 2: ITC to be availed to the extent the amount is matched to GSTR 2B.</p> <p>Thus in GSTR 3B :</p> <p>a. Table 4A(5): Rs.-15,000(Auto-populate), remove negative amount (Rs. -15,000) manually</p> |
| 7 | BoA < 2B <i>Where vendor has disclosed incorrect amount</i> | Aug-22 Rs. 75,000 | Sept-22 Rs. 90,000 | No action in Aug-22 as no amount populated in GSTR-2B | Follow treatment as mentioned in SI no. 6 above |
| 8 | BoA < 2B <i>Where accounting in books is improper</i> | Aug-22 Rs. 75,000 | Aug-22 Rs. 90,000 | <p>Option 1: Not to avail as the amount is mismatched and follow-up with vendor for providing correct invoice or correction in GSTR 2B. Thus in GSTR 3B of Aug 2022:</p> <p>a. Claim in GSTR-3B Table 4A(5), Rs.90,000</p> <p>b. Reverse in 4B(2) - temporary reversal, Rs.90,000</p> <p>Option 2: ITC to be availed to the extent the amount is matched to GSTR 2B.</p> | <p>Corresponding to Option 1: Period in which books and portal are matched(Books of accounts rectification to Rs.90,000).</p> <p>Thus in GSTR 3B :</p> <p>a. Claim in GSTR-3B Table 4A(5), Rs.90,000</p> <p>b. Disclose in Table 4D(1). Rs.90,000</p> <p>Corresponding to Option 2: ITC to be availed to the extent the amount is</p> |

| Sl no | Amount diff. in GSTR-2B and Books | Recorded in Books of A/Cs | Available in GSTR 2B | Treatment in GSTR 3B of Aug 2022 (Availment or reversal) | GSTR 3B of Subsequent period (Availment or reversal) |
|-------|--|---------------------------|-----------------------|--|--|
| | | | | Thus GSTR 3B of Aug 2022: a. Table 4A(5): Rs.90,000 b. Reverse in 4B(2) - temporary reversal Rs.15,000 | matched to GSTR 2B. Thus GSTR 3B; a. Claim in GSTR-3B Table 4A(5), Rs.15,000 b. Disclose in Table 4D(1). Rs.15,000 |
| 9 | BoA < 2B <i>Where accounting in books is improper</i> | Aug-22 Rs. 75,000 | Sept-22 Rs. 90,000 | No action in Aug-22 as no amount populated in GSTR-2B | Follow treatment as mentioned in SI no. 8 above |
| 10 | BoA < 2B | Sept-22 Rs. 75,000 | Aug-22 Rs. 90,000 | 1. Claim in GSTR-3B Table 4A(5) Rs. 90,000 2. Reverse in 4B(2) - temporary reversal Rs. 90,000 | Follow the treatment as mentioned in SI no. 6 or 8 based on the scenario |

The disclosure methodology has been completely changed, burdening the taxpayer to not only reconcile books with GSTR-2B but also keeping track of permanent and temporary reversals, with the challenge of time gap between reflection of invoices in GSTR-2B viz a viz ITC recorded (or not yet recorded) in the books. Taxpayer to be updated with all types of eligible and ineligible credits impacting their business.

Medium and small-scale industries who may not presently have robust automated internal systems for accounting and reconciliation may face issues in appropriate disclosures in GSTR 3B, which may increase departmental interventions.

***Views expressed are strictly personal and cannot be considered as a legal opinion.
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