



**THE INSTITUTE OF CHARTERED  
ACCOUNTANTS OF INDIA**

# **SUGGESTIONS ON DRAFT FORM GSTR-3B**



**GST & Indirect Taxes Committee**



## **PREFACE**

The Institute of Chartered Accountants of India (ICAI) considers it a privilege to submit the suggestions on draft Form GSTR-3B to the Central Board of Indirect Taxes and Customs (CBIC).

The GST & Indirect Taxes Committee of ICAI developed an online utility for seeking suggestions from members and other stakeholders on draft Form GSTR-3B. Above 550 suggestions were received from all over India, which were then examined and discussed threadbare by the members of the Committee and experts with a view to submit relevant and useful suggestions to the CBIC. We place on record our gratitude to CA. Shaikh Abdul Samad A, CA. Shankara Narayanan V and CA. Ganesh Prabhu for assisting the Committee in finalizing the proposals.

In case any further clarifications or data is considered necessary, we shall be pleased to furnish the same. The contact details are:

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*The Institute of Chartered Accountants of India  
Suggestions on Draft Form GSTR-3B*

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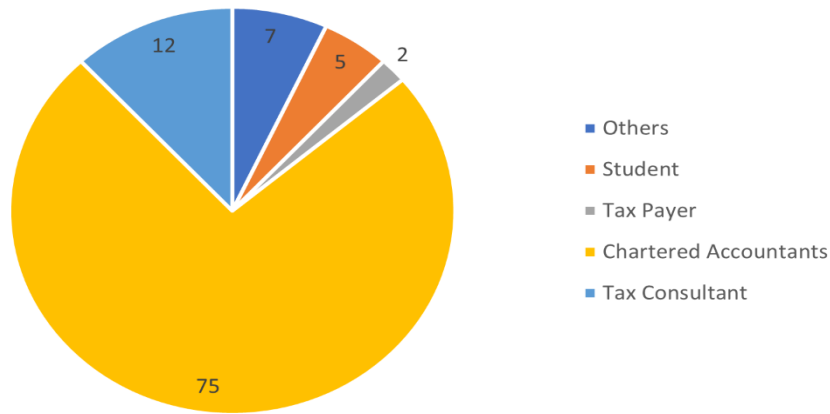


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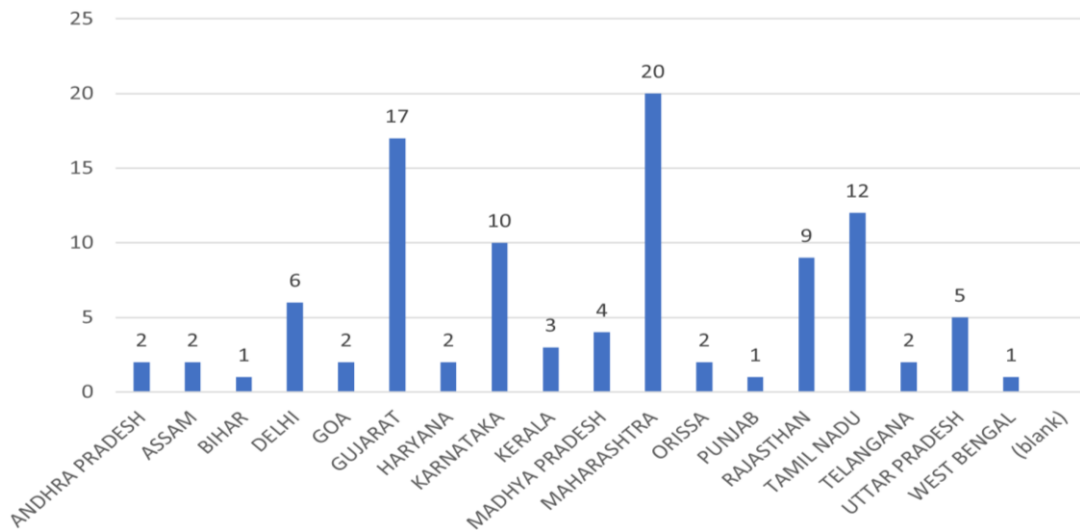
## A. OVERVIEW OF SUGGESTIONS RECEIVED

Suggestions were solicited from all over India. More than 100 stakeholders shared their suggestions.



*Suggestions received from various stakeholders*

Suggestions have been received from 18 States of India with Maharashtra, Gujarat and Tamil Nadu providing maximum no. of suggestions.



*Suggestions received from various States*



Out of total suggestions received, maximum (167 suggestions) pertain to Table 3 Part A.

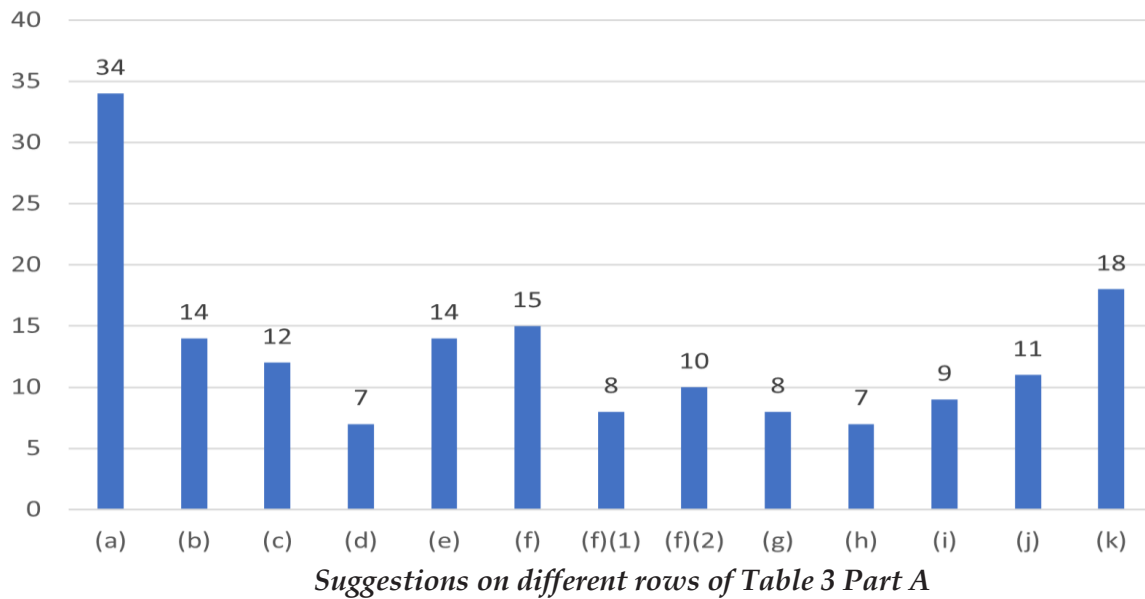
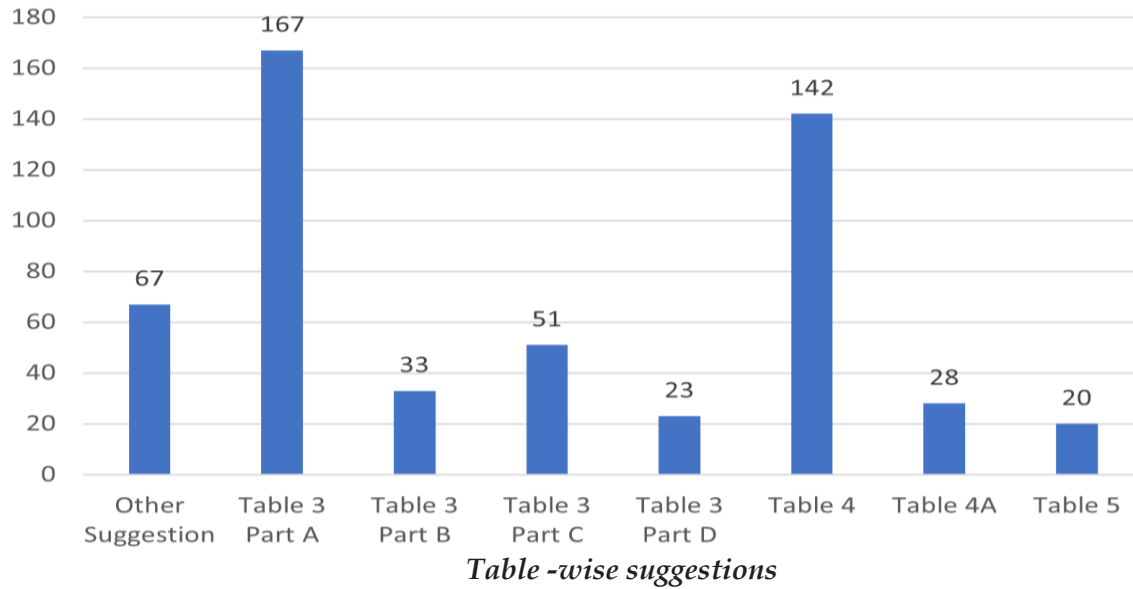
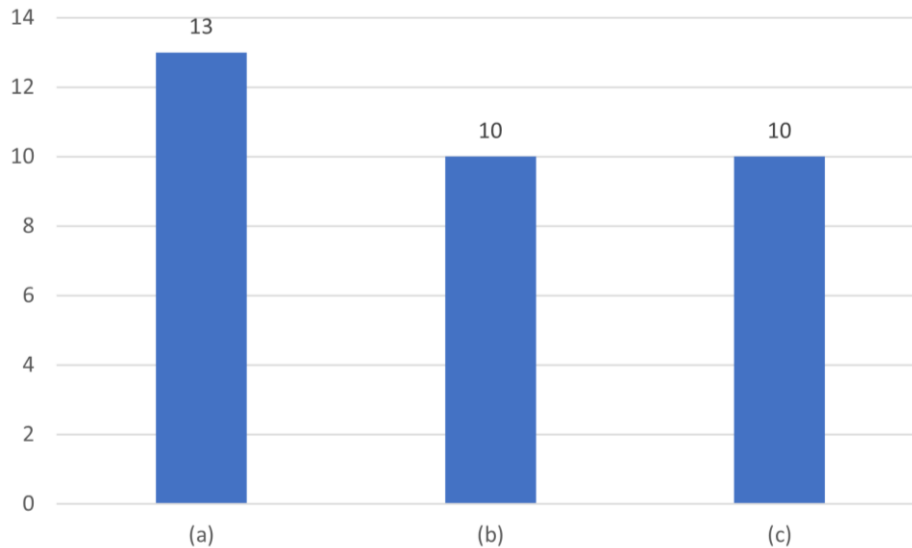




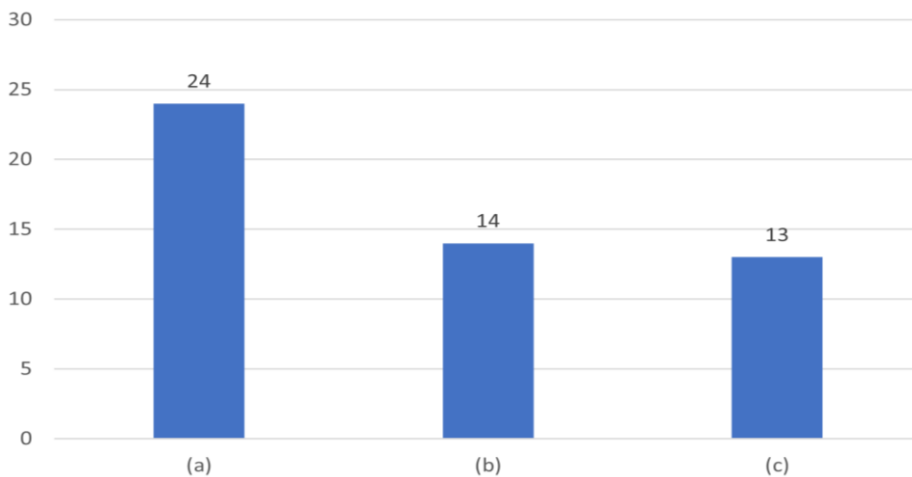


Table 3 Part B requires reporting of “Out of the supplies shown in Part-A above, details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders”.



*Suggestions on Table 3 Part B*

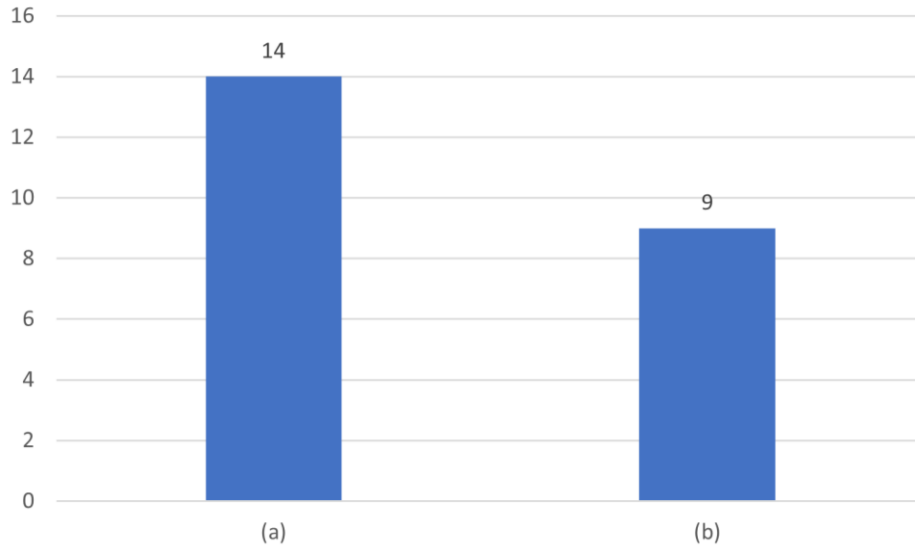
A new table [Table 3 Part C- Amendment Table] is proposed to be included in Form GSTR-3B which deals with amendments. Here, 24 suggestions have been received on row(a) which pertains to amendments made in the statement of outward supplies relating to details furnished in Part-A in earlier tax period.



*Suggestions on Table 3 Part C*

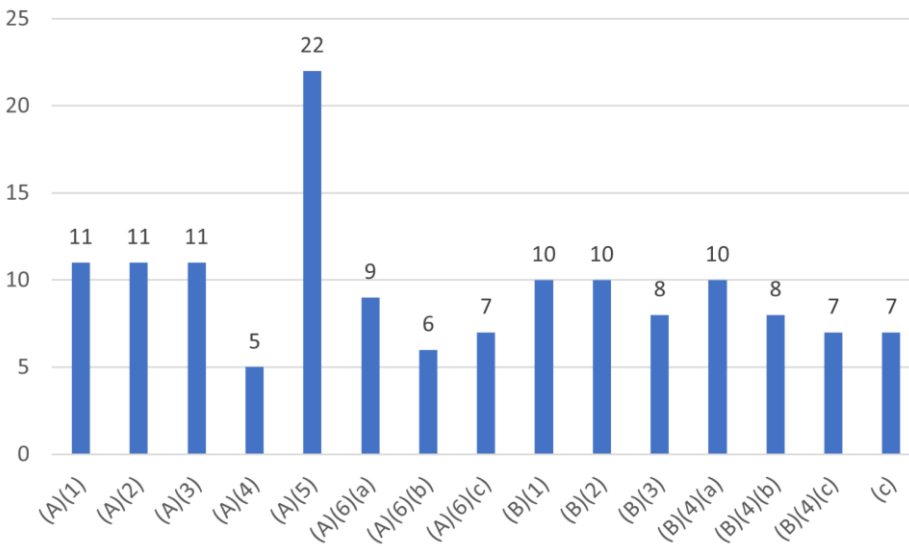


Table 3 Part D relates to negative value carried forward from previous tax period. This is also a new table proposed to be inserted in Form GSTR-3B. There are two sub-parts namely (a) and (b) in this table.



*Suggestions on Table 3 Part D*

Table 4 relates to Eligible and ineligible ITC. 22 suggestions have been received on row A(5) which pertains to ITC on domestic inward supplies excluding 1 to 4.



*Suggestions on Table 4*



## B. SUGGESTIONS IN DETAIL

### I. TABLE-3: PART-A

#### EXTRACT

Nature of Supplies	Total Taxable Value	Integrated Tax	Central Tax	State/UT Tax	Cess	Suggestion
1	2	3	4	5	6	
(a) Taxable outward supplies (other than zero-rated, deemed export, reverse charge, nil rated, exempted)	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	
(b) Exports	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	03
(c) Supplies made to SEZ unit or SEZ Developer	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	03
(d) Deemed exports	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	
(e) Outward supplies attracting reverse Charge	<Auto>	<NIL>	<NIL>	<NIL>	<NIL>	
(f) Inward supplies (liable to reverse charge)						
(1) Import of services	<Manual>	<Manual>	<Manual>	<Manual>	<Manual>	04
(2) Others:						
- Registered Supplier	Manual	Manual	Manual	Manual	Manual	06
- Supplies specified u/s 9(3) by Unregistered Supplier	Manual	Manual	Manual	Manual	Manual	05
- Notified Supplies specified u/s 9(4) by Unregistered Supplier	Manual	Manual	Manual	Manual	Manual	05
(g) Supplies on which ECO is required to pay tax u/s 9(5) [To be furnished by	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	



ECO]						
(h) Supplies made through ECO on which ECO is required to pay tax u/s 9(5) [To be furnished by the supplier]	<Auto>	<NIL>	<NIL>	<NIL>	<NIL>	
(i) Other outward supplies (Nil rated, exempted)	<Auto>	<NIL>	<NIL>	<NIL>	<NIL>	
(j) Non-GST outward supplies	<Auto>	<NIL>	<NIL>	<NIL>	<NIL>	
(k1) Advances received in the current tax period	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	08
(k2) Advances adjusted in the current tax period	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	08
(l) Debit Note	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	07
(m) Credit Note	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	
Remark (if any)						09

## INSTRUCTIONS

Part-A will contain details of outward supplies, inward supplies liable to reverse charge, supplies under section 9(5) and advances received/adjusted. Any debit/credit notes issued in the current tax period will not be declared here. Further, any amendment to an invoice, including amendment to debit/credit note, pertaining to earlier tax periods will not be reported here. Part-A will be auto populated from Tables 4, 6, 8, 11 and proposed Table 14 of FORM GSTR-1 other than row (f) which will be partly auto-populated from FORM GSTR-2B and partly user entry.

## SUGGESTIONS

### 01. Details connecting to proposed Table 14 of Form GSTR-1 are not available for comment

Para 2 (a) of the instructions contained in Annexure-B of the concept paper mentions that figures will be auto-populated from Table - 4, 6, 8, 11 and proposed Table 14 of FORM GSTR-1 other than row (f) which will be partly auto-populated from GSTR-2B and partly user entry. However, in respect of the proposed Table-14 of GSTR-1, no details have been released in the public domain till date. **Therefore, clarification is required on the same.**



**02. Turnover & taxes of B2C supplies are not brought in Table 3 Part A: Instructions for Part A & B require amendment**

As per para 2a. of instruction in Annexure-B of concept paper, only figures from Table 4, 6, 8, 11 and proposed Table 14 of GSTR-1 will auto-populated in Table 3 Part-A.

As per para 2b. of instruction in Annexure-B of concept paper, Part B of Form GSTR - 3B would get auto-populated from relevant entries of Table 4, 5 & 7 of GSTR-1. Part-B contains details of inter-State Outward Supplies made to unregistered persons, composition taxable persons and UIN Holders out of the supplies declared in Part-A.

Currently, Table 3.2 of existing Form GSTR-3B is only for the purpose of presentation not for addition of tax liability and entries in this table are auto populated from Table 3.1. Table 3 Part B may be considered similar to Table 3.2 of existing Form GSTR-3B. Table 3 Part B does not even contain Central Tax and State Tax column, therefore, it is necessary to include the details from **Table No. 5 & 7** of Form GSTR-1 in Table 3 Part-A. Hence, **instructions as provided in para 2a and 2b need to be amended accordingly.**

Instruction given in para 2a may be changed in a way to include the details being auto-populated from Table No. 7 & Table No. 5 of Form GSTR-1, otherwise the liability of B2C transaction will not be added in Part A and instruction given in para 2b may be changed so that details showing in para B should be auto populated from Table 3 Part A

**03. Exports & SEZ are inter-State supply**

CGST & SGST column may be disabled for Rows (b) & (c) of Table-3 Part A as exports are treated as inter-State supply and IGST is applicable in case of export as well as supplies made to SEZ unit or SEZ developer.

**04. Import of services is inter-State supply**

CGST, SGST & CESS column may be disabled for Rows (f) (1) of Table-3 Part A as imports are treated as inter-State supply.

**05. Dedicated row for reporting the particulars of procurement from unregistered persons liable for RCM**

As per the draft Form GSTR - 3B, inward supplies (liable to reverse charge) other than the import of services are required to be reported in row (f) (2) - Others. However, the



person supplying services can be registered as well as unregistered. Therefore, this field may be divided into following fields:

- Registered Supplier
- Supplies specified u/s 9(3) by Unregistered Supplier
- Notified Supplies specified u/s 9(4) by Unregistered Supplier

The details of the procurement from the unregistered suppliers, which are liable for RCM may be allowed to be entered **manually**, as the same cannot be captured from GSTR-2B.

**Example** - Unregistered Supplier –supplies specified u/s 9(3):

Services of Goods Transport Agency supplied by an unregistered person to the specified person comes under reverse charge mechanism. This procurement will not get auto populated in Form GSTR 2B, since the supplier is not registered under GST. Hence, registered person should be allowed to fill these particulars separately in his returns and also prepare the self-invoice as obligated in section 31 of the CGST Act, 2017.

**Example** - Unregistered Supplier – notified supplies u/s 9(4):

As per Notification No. 07/2019 C.T. (Rate) dated 29.03.2019 tax on the supplies of goods or services or both from an unregistered supplier is payable on a reverse charge basis by a promoter for the construction of project as per section 9 (4) of the CGST Act, 2017.

This procurement will not get auto populated in Form GSTR 2B, since the suppliers are not registered and have not filed Form GSTR 1. Hence registered person should be allowed to fill these particulars separately in his returns and also prepare the self-invoice as obligated in section 31 of the CGST Act, 2017.

#### **06. Permit alteration of auto populated values for the procurements, which are liable for RCM, from registered supplier**

The details relating to the registered supplier may be auto-populated from GSTR - 2B. The registered suppliers who provide taxable services or goods or both, which are liable to RCM, are supposed to report these transactions in Table 4B of Form GSTR-1. However, it is generally seen that some of the suppliers either do not report their



outward invoices in Form GSTR - 1 under "Reverse Charge Applicable" or they report it under the tax rate of 0%. This results in no tax pay-out as the tax liability does not appear in Form GSTR 2B of the recipient.

Currently, figures are auto-populated from Form GSTR - 2B, and Form GSTR - 3B is system generated. Hence to comply with the provisions of the law the recipient is forced to change the auto-populated values. These changes are highlighted by marking the row with red colour and a warning message is displayed for the difference in data. Moreover, it can also be a parameter for scrutiny proceedings.

Hence, the registered recipient should be permitted to report the values without any warning message.

#### **07. Debit note & Credit note be shown in Part-A**

Instruction contained in Annexure - B of the concept paper at Para No. 2 (a) mentions that any Debit/ Credit Note issued in the current tax period will not be considered in Table 3 Part-A. Para No. 2 (c) (i) proposes to include the same at Table 3 Part-C row (a) of draft Form GSTR-3B which includes amendment made in the Statement of Outward Supplies relating to details furnished in Part-A in earlier tax period.

However, the **same appears to be an incorrect position** for the reason that Credit or Debit Notes issued in accordance with the provisions of *section 34 of CGST Act, 2017* are not an amendment made in the outward supplies but the same are either an **addition to tax payout** or **reduction in tax payout** on account of the reasons as specified in *section 34(3)* and *section 34 (1)* respectively of CGST Act, 2017 and accordingly it should form part of Part-A only.

Therefore, separate row may be added in Part A for debit note and credit note which will capture debit note and credit note relating to taxable supply/ exempted supply/ nil-rated supply/ non- taxable supply.

#### **08. Break up of advances received vis-à-vis advances adjusted to be provided**

The Advances received/ Advances adjusted in the current tax period may be split into 2 rows:

- Advance Received
- Advance Adjustment



The reason for the same is advances received and advances adjusted should not be mixed-up as both are different nature of transaction. These are also reflected separately [Table 11A- Advance Received & Table 11B- Advance Adjustment] in Form GSTR -1. It should also be dealt separately in GSTR-3B. However, as per draft Form GSTR-3B, these are required to be shown in one row by netting off.

#### 09. Remark (If any)

Earlier under central excise, where the registered person wanted to communicate any transaction relating to the returns filed by him to the jurisdictional officer, central excise returns used to have a separate row at the end for registering the same. This row was used during the EA 2000 audit by both the registered person to recall the event which warranted him to put the comment and Audit Party to appreciate any findings during his audit.

#### Example:

M/s. Khanna & Khan a partnership firm is in the business of dealing in electronic goods. In the month of March, they did the following business transactions:

PARTICULARS	RATE	VALUE	CGST	SGST	IGST
Sales of Goods	18%	13,25,000.00	81,000.00	81,000.00	76,500.00
	12%	9,35,000.00	56,100.00	56,100.00	-
Gross Sale of Goods ( A )		22,60,000.00	1,37,100.00	1,37,100.00	76,500.00
Sales Return	18%	4,25,000.00	0	0	76,500.00
	12%	0	0	0	0
Value of Sale Return ( B )		4,25,000.00	0	0	76,500.00
Net Sales ( A - B )		18,35,000.00	1,37,100.00	1,37,100.00	-

At the time of preparing Form GSTR 1 they inadvertently missed to report the particulars of Credit Notes issued against the sales return. This was observed at the time of filing Form GSTR 3B, since the transaction were auto populated from Form GSTR 1. Now, they have to pay the IGST of Rs. 76,500.00; since the data was auto populated. However, by doing this they are paying more tax which is not due to them, and the books of account will also not get reconciled.

Hence, the form should permit the human intervention wherever there is a requirement, and the registered person should be instructed to give a reason for the





changes in the value. This will help the jurisdictional officer in completing the assessments.

## 10. Miscellaneous

Inward supply (liable to reverse charge) section, currently required to be reported under Table - 3 (Part A) (Row f), may be repositioned after reporting Debit/Credit Note (as per the concept paper - after Advances received/Advances adjusted in the current tax period). The reason is Table-3 Part A deals with outward supplies and row (f) deals with inward supply, therefore, it may be shown separately.

## II. TABLE-3: PART-B

### EXTRACT

Nature of Supplies	Place of Supply (State/UT)	Total Taxable value	Amount of Integrated Tax	Cess
1	2	3	4	5
(a)Supplies made to unregistered persons	<Auto>	<Auto>	<Auto>	<Auto>
(b) Supplies made to composition taxable persons	<Auto>	<Auto>	<Auto>	<Auto>
(c) Supplies made to UIN holders	<Auto>	<Auto>	<Auto>	<Auto>

### INSTRUCTIONS

**Part-B** will contain details of inter-state outward supplies made to unregistered persons, composition taxable persons and UIN holders out of the supplies declared in Part-A. It will be auto-populated from relevant entries of Table 4, 5 and 7 of **FORM GSTR-1**.

### SUGGESTION

11. Details in Part-B will contain details of inter-state outward supply out of the supplies declared in Part-A and Cess column has been given in Part-A. Therefore, a **new column** may be added for the amount of **Cess** in Table: 3 (Part-B) as there may be instances where cess is applicable.



### III. TABLE-3: PART-C

#### EXTRACT

Nature of Supplies	Tax Period to which it pertains	Differential taxable value	Differential Integrated Tax	Differential Central Tax	Differential State/UT Tax	Differential Cess	Place of Supply
1	2	3	4	5	6	7	8
(a) Amendment made in the statement of outward supplies relating to details furnished in Part-A in earlier tax period	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	
(b) Amendment to inward supplies attracting reverse charge i.e., row (f) of Part-A furnished in earlier tax period	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	<Auto>	
(c) Amendments made in the statement of outward supplies relating to details furnished in Part-B in earlier tax period [This being subset of (a), not to be added in tax liability; only required for settlement purpose]	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>

#### INSTRUCTIONS

Part-C will contain amendment made to statement of outward supplies relating to details furnished in Part-A and Part-B in earlier tax period and amendment to inward supplies attracting reverse charge furnished in Part-A of earlier tax period.

i. Row (a) will contain amendment made in the statement of outward supplies relating to details furnished in rows (a), (b), (c), (d), (e), (g), (h) and (k) of Part-A furnished in earlier tax period. It will be auto-populated from Tables 9, 10 & 11 of GSTR-1 and will be non-editable. This row will be displayed to the taxpayer only if he shows any amendment/debit note/credit note in FORM GSTR-1. PoS column of this row will be masked i.e no value will be entered in the PoS column of this row.



ii. Row (b) will contain amendment made to inward supplies attracting reverse charge i.e. row (f) of Part-A furnished in earlier tax period. It will be auto-populated from FORM GSTR-2B. However, it can be edited by the taxpayer. Further, taxpayer can select the time period to which such amendment pertains. This table will be activated either on selection by taxpayers or if the debit note, amendment to invoice or amendment to debit note is done by the supplier. PoS column of this row will be masked i.e no value will be entered in the PoS column of this row.

iii. Row (c) will contain amendment made in the statement of outward supplies relating to details furnished in Part-B furnished in earlier tax period. It will be auto-populated from Tables 9 & 10 of GSTR-1 and will be non-editable. Further, row (c) being a sub-set of row (a), it will not to be added in tax liability. This row will be displayed to the taxpayer only if he shows any amendment/debit note/credit note in FORM GSTR-1. Column of Place of Supply of this row will be auto-populated from GSTR-1 and will be non-editable.

## **SUGGESTIONS**

12. Amendments are of various types. In this part, there may be separate fields for those amendments which have impact on tax and for those amendments which does not have impact on tax. These details may be auto-populated from GSTR-1.
13. Debit Note and Credit Note should not form part of this table as already proposed to include in Table 3 Part A via suggestion 07.
14. This table should also have a row where particulars of Form GST DRC 03 can be given in case of outward supplies, which will not result in duplication of the tax liability.

### **Example:**

M/s. RRR while filing the Filing GSTR 1 inadvertently reported the Assessable Value of one tax invoice as Rs. 10,000.00 instead of Rs. 10,00,000.00 and consequently the tax pay-out was Rs. 1,800.00 instead of Rs. 1,80,000.00. They filed Form GSTR 3B based on the auto-populated values.

During the Internal Audit, this lapse was highlighted, and the registered person paid the same through Form GST DRC 03 and amended the said invoice in Form GSTR 1 of the next month. This had triggered Table 3 - Part C and the liability is auto-populated.



The row for incorporating the Form GST DRC 03 particulars, where the payment details are auto populated will resolve the duplication of liability.

15. As discussed in point 6 to Table 3 - Part A the registered person should be permitted to **manually** enter his liabilities (reason explained in the aforesaid point) i.e should not be non-editable field. If the supplier carries out an amendment and corrects the particulars of the invoice for which the registered person had already made the payment then this will also result in duplication.

#### IV. TABLE-3: PART-D

##### EXTRACT

Nature of Supplies	Total Taxable value	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5	6
(a) Negative value carried forward other than (b)	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>
(b) Negative value carried forward in respect of RCM supplies	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>

##### INSTRUCTIONS

**Part-D** will contain negative value carried forward from previous tax period. It will contain negative value carried forward from previous tax period in respect of RCM supplies and negative value carried forward from previous tax period in respect of non-RCM supplies. It will be non-editable.

##### SUGGESTIONS

16. As per the instruction 2(d), Part-D will contain negative value carried forward from previous tax period. Therefore, for more clarity, break-up of point no.1 may be provided and the registered person to be permitted to hard punch the values.
17. As we have proposed to hard punch (i) the values of inward supply liable to reverse charge either from registered person or from unregistered person in Table 3 Part A via suggestion 05 or 06, and (ii) ITC from inward supply liable to reverse charge in Table 4 via suggestion 06, therefore registered person to be permitted to hard punch the values as required in Point (2) of Table 4 Part D.



The format of Table 3 Part D may be as follows:

Nature of Supplies	Total Taxable Value	Integrated Tax	Central Tax	State/ UT Tax	Cess
1. Negative value carried forward other than (2)	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>	<Auto, NE>
<b>Break-up of Point 1</b>	<Manual >	<Manual>	<Manual>	<Manual>	<Manual>
a. Previous Financial Year Less: Adjustment made during current financial year Balance Available for Refund					
b. Current Financial Year Balance to be carried forward					
2. Negative value carried forward in respect of RCM supplies	<Manual >	<Manual>	<Manual>	<Manual>	<Manual>

*Note: As per section 16(4) of the CGST Act, a registered person can claim ITC in respect of any invoice /debit note relating to previous financial year till 30<sup>th</sup> November following the end of financial year to which such invoice or debit note pertains or furnishing of relevant annual return, whichever is earlier.*

### Example:

M/s. Brahmastra, registered in the State of Maharashtra, is in the business of providing work contract. They successfully bid tender for a project of supply, erection, installation and commissioning an electrical tower in the State of Tamil Nadu. The tenure of the project was one year hence they took a separate registration in the state of Tamil Nadu.

On completion of the project, they raised a final invoice to the receipt with GST in the month of February and the said invoice was also reported in Form GSTR 1 and taxes was paid through Form GSTR 3B. However, the receipt reversed in the month of March stating that the project quoted on inclusive basis and hence the value of the final invoice is exceeding the quote and requested for Credit Note.

M/s. Brahmastra issues the Credit Note as per the section 34 of the CGST Act, 2017 and reports the same in Form GSTR 1. However, they did not have any new project in the State of Tamil Nadu and expect one in the month of November.

The New Form GSTR 3B (as proposed) will carry forward this tax credit from the Credit Note issued in the month of March. However, as per section 34 of the CGST Act, 2017



does not permit such carry forward after the filing of September month Form GSTR 3B. Hence, the previous FY's Tax Credit should be reported separately and **permitted as refund** under section 54 of the CGST Act, 2017 read with rule 89 of the CGST Rules, 2017 and **Circular No. 137/07/2020 - GST dated 13.04.2020.**

## V. TABLE-4

### EXTRACT

Description	Integrate d Tax	Central Tax	State/UT Tax	Cess	Suggestion
1	2	3	4	5	
<b>(A) ITC Available</b>					
(1) Import of goods	<Auto>	<Auto>	<Auto>	<Auto>	19, 22
(2) Import of services	<Manual >	<Manual >	<Manual >	<Manual>	19, 22
(3) <b>Inward supplies liable to reverse charge (other than 2 above)</b>	<Manual >	<Manual >	<Manual >	<Manual>	23
(4) Inward supplies from ISD	<Auto>	<Auto>	<Auto>	<Auto>	
(5) ITC on Domestic Inwards Supplies excluding 1 to 4	<Auto>	<Auto>	<Auto>	<Auto>	
(6) ITC reclaimed					
(a) ITC which was reversed in (B)(4)(a) in earlier tax period	<Manual >	<Manual >	<Manual >	<Manual>	
(b) ITC which was reversed in (B)(4)(b) in earlier tax period	<Manual >	<Manual >	<Manual >	<Manual>	
(c) ITC which was reversed in (B)(4)(c) in earlier tax period	<Manual >	<Manual >	<Manual >	<Manual>	
<b>(d) Others - (reclaim under rule 42(2) / courts order etc.)</b>					20
<b>(B) ITC Reversed</b>					
(1) As per rules 38, 42 and 43	<Manual >	<Manual >	<Manual >	<Manual>	
(2) As per section 17(5)	<Manual >	<Manual >	<Manual >	<Manual>	
(3) On account of credit notes in respect of inward supplies	<Auto>	<Auto>	<Auto>	<Auto>	
(4) Others					
(a) On account of section 16(2)(b) i.e., goods/services not received in the current tax period	<Manual >	<Manual >	<Manual >	<Manual>	



(b) On account of second proviso to section 16(2)	<Manual>	<Manual>	<Manual>	<Manual>	
(c) Others	<Manual>	<Manual>	<Manual>	<Manual>	
<b>(C) Net ITC Available [(A) - (B)]</b>	<Auto>	<Auto>	<Auto>	<Auto>	

## INSTRUCTION

Table 4 will capture information related to details of ITC. All availment/reclaim in ITC are to be reported in 4(A) and all reversals in ITC are to be reported in 4(B).

**4(A)** will contain ITC available on account of import of goods, import of services, inward supplies liable to reverse charge (other than import of services), inward supplies from ISD, any other ITC on domestic inwards supplies and any reclaim of ITC. It is to be noted that row (6) i.e. **“ITC reclaimed” will contain all reclaims other than the reclaims pertaining to rule 38, 42 & 43 and section 17(5).** Details in 4(A) will be auto-populated from **FORM GSTR-2B** other than ITC pertaining to import of services [4(A)(2)] and ITC reclaimed [4(A)(6)] which will both be entered manually by the taxpayer. Details in 4(A)(3) will be auto-populated from **FORM GSTR-2B** in respect of invoices pertaining to supplies received from registered person only and the taxpayer would be required to manually enter the ITC, if any, pertaining to tax paid on supplies received from unregistered person.

**4(B)** will contain ITC reversed on account of rule 38, 42 & 43, section 17(5), credit notes and other reversals. Other reversals will include such reversals which are not covered under section 17, viz where invoice is received but supply of corresponding goods/services is not yet received, where consideration has not been paid for the said supply within the time specified under second proviso to section 16(2), etc. Once the eligibility conditions for availing ITC are satisfied, the taxpayer can claim the ITC under “ITC reclaimed” category [Table 4(A)(6)]. Entries in 4(B) will be made manually by the user. However, ITC reversed on account of credit notes [4(B)(3)] will be auto-populated from **FORM GSTR-2B**.

**4(C)** i.e. “Net ITC Available” will be calculated as difference of values reported in 4(A) and 4(B).

## SUGGESTIONS

### 18. Automatic reversal of ITC for those who do not want/are not eligible to claim ITC

The recent Circular No. 170/02/2022 - GST dated July 6, 2022 has clarified the mode of claiming ITC in Form GSTR 3B. The clarification provides that auto-populated data from Form GSTR 2B has to be relied upon while filing Form GSTR 3B and any additional reversal of ITC which is disallowed due to the business activities of the taxpayer shall be arrived by the taxpayer and disclosed in the relevant fields of GSTR 3B for the purpose of reversal.



In cases where the taxpayers are purely supplying exempted goods or services or where the proportion of taxable supply is negligible, practically the taxpayers recognize gross value as expense i.e., they don't follow the practice of claiming and subsequent reversal thereof in the books of accounts as well as in Form GSTR-3B. However, in case invoice-wise mapping as per Form GSTR 2B is made compulsory for such taxpayers, it will lead to additional efforts and time being spent on the preparation and filing of Form GSTR 3B.

The requirement of mapping of the ITC as per Form GSTR 2B and reversal of ineligible credit in Form GSTR 3B may be done away with for the taxpayers who are not claiming any input tax credit in the returns. An option can be provided to the taxpayers to such effect while filing Form GSTR 3B so as to save time and efforts in reconciliation and matching of invoices in Form GSTR 2B with the accounting records.

**Example:**

Mr. A is a registered person who is running a restaurant. He is liable to pay tax at the rate of 5% without ITC, hence all his expenses are accounted with gross value (i.e., including the GST).

In the given situation, it is advisable to provide a radio button at the top of Table 4 for charging the entire auto-populated ITC under section 17(5), which is not claimable.

**19. ITC on import of goods be on self-assessment basis**

ITC on import of goods be claimed on self-assessment basis because of the following:

- a. It has been observed that often ITC of the IGST paid does not appear in Form GSTR 2B and the registered person is forced to pull the data by raising the query in GST Network using the utility called "Search BoE".
- b. The provisions of section 16(2)(aa) of the CGST Act, 2017 are not applicable for import of goods.
- c. IGST paid for non-compliance of Customs Law through Challan does not appear in Form GSTR 2B. Rule 36(d) of CGST Rules, 2017 includes a bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports. As per above mentioned rule, challan may be considered as prescribed document for claiming ITC.





## 20. Permit recredit of ITC reversed in rule 42

As per rule 42(2)(b), where the aggregate of the amounts determined under sub-rule (1) in respect of 'D1' and 'D2' **exceeds** the aggregate of the amounts calculated **finally** in respect of 'D1' and 'D2', such **excess** amount shall be **claimed as credit** by the registered person in his return for a month not later than the month of September following the end of the financial year to which such credit relates.

However, in draft Form GSTR-3B, Table 4(A)(6) does not have any field for “ITC reclaimed which was reversed as per rule 42 in earlier tax period”, though reversal under rule 42 is made in Table 4(B)(1). Therefore, as per the draft form, there is no place where ITC related to rule 42 can be re-claimed.

Besides the above, the instruction categorically states that ITC reclaimed will contain all reclaims other than the reclaims pertaining to rule 38, 42 & 43 and section 17(5).

Hence, it is suggested to **add new fields in Part A for reclaiming of ITC under rule 42.**

## 21. Clarification when ITC does not belong to registered person

It be clarified how to treat a credit appearing in Form GSTR 2B where the supplier has mentioned by mistake other person's GSTIN i.e., other than the recipient.

## 22. Import of goods and import of services are inter-State supply

CGST & SGST column may be disabled for Table 4 (a)(1) & (2) as the imports are treated as inter-State supply.

## 23. Permit alteration of auto populated values of ITC for the procurements, which are liable for RCM from the registered supplier as well as unregistered supplier

The registered person to be permitted to hard punch the values and the reason for the same has already explained in suggestion 05 & 06 of Table 3 Part A.

## VI. OTHER SUGGESTIONS

24. Due date of return and no. of days by which return is delayed may also be shown along with the date of filing as shown in row 2(d) of draft form GSTR-3B. It will enable the taxpayer to verify the late fee in case of late filing of return.



25. Currently, interest for delayed payment of output tax liability for a month is auto calculated by the system in Table 5.1 of Form GSTR 3B of the succeeding month. In cases, where the interest has already been paid by the taxpayer voluntarily in the respective month, the interest is still auto calculated by the system for the delayed period without considering the voluntarily payment. Therefore, either the interest on delayed payment be accommodated in the same return which is filed belatedly or a new column named "Amount paid as interest through Form GST DRC-03" may be added. So, if any registered person who has paid interest through Form GST DRC-03 in the same month then he has an option to show this payment in the next month Table 5.1 of Form GSTR-3B.
26. A separate table like Table 8A in Form GSTR-9, may be provided for the ITC reversed/claimed in the current financial year upto the specified date which belongs to the previous financial year. This will help the taxpayers while filing an annual return and replying to departmental inquiries and audits /inquiries/assessments.
27. A separate table like Table 8A in Form GSTR-9, may be provided for reporting of outward taxable supply / credit note / debit note / amendments pertaining to previous financial year. This will help the taxpayers to prepare Entry No. 10 & 11 of the Annual Return in Form GSTR 9 as well as the Reconciliation Statement in Form GSTR 9C.

TAXABLE OUTWARD SUPPLIES OF THE PREVIOUS FINANCIAL YEAR REPORTED IN TABLE 3 PART - A OF THIS RETURN					
Nature of Supplies	Total Taxable Value	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5	6
→ Tax Invoices					
→ Debit Notes					
→ Credit Notes					
→ Upward Amendments					
→ Downward Amendments					

28. Few registered taxpayers report exempted supply under the tax category of 0% in Form GSTR 1; this will result in the wrong classification. Hence, a clarification be



issued by CBIC categorically insisting that registered person report the exempted supply correctly in Form GSTR 1.

**29.** A statement containing the following particulars should be made available on annual / monthly basis

- Month,
- due date,
- filed date,
- Exempted Turnover,
- Taxable Turnover,
- Export Turnover,
- Tax due and Tax paid



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