

CHANGES IN GSTR 3B RETURN



CA SWAPNIL MUNOT

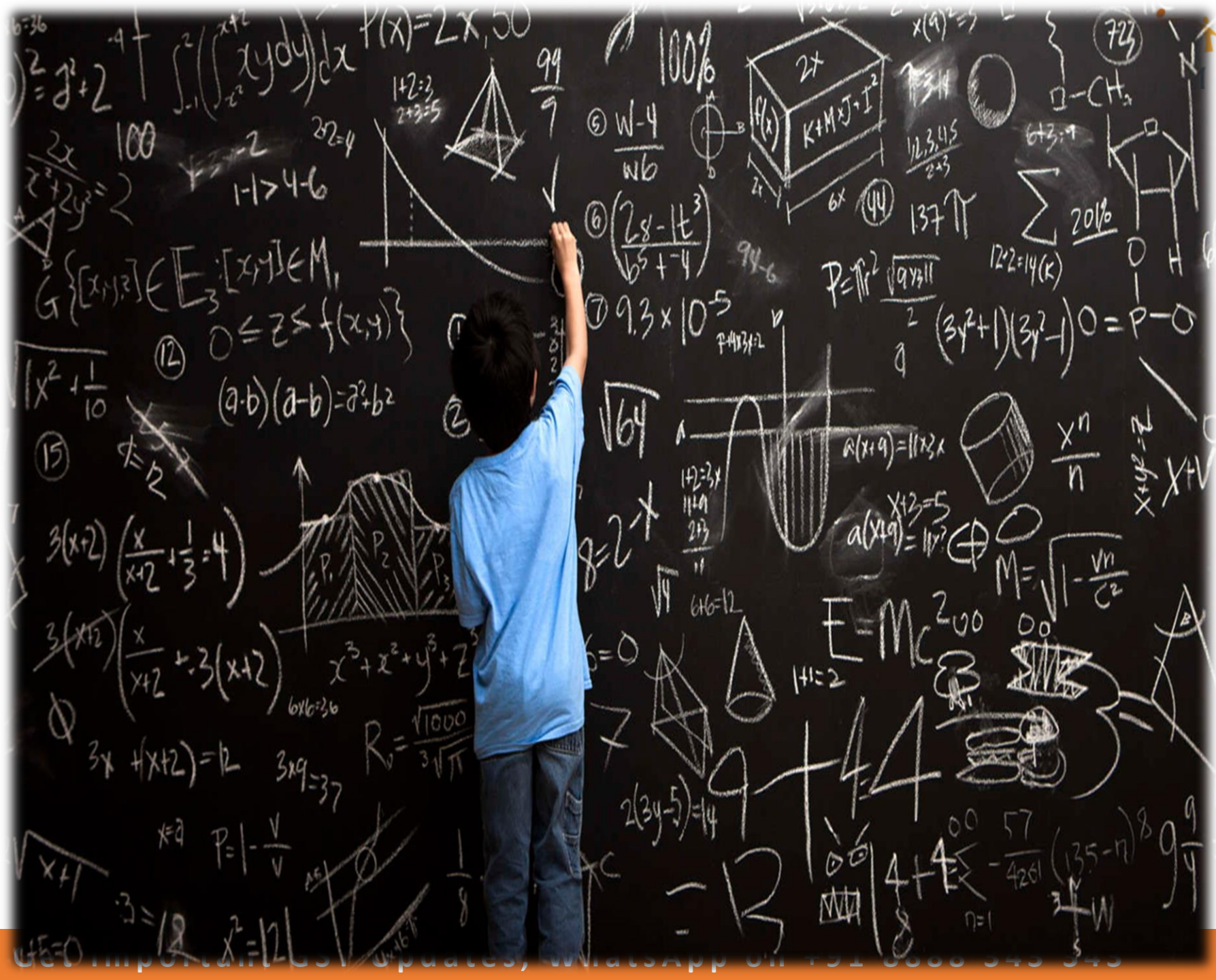
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CHANGES

IN

GSTR 3B

DISCLOSURE



CHANGES IN GSTR 3B DISCLOSURE

**Notification
No 14/2022**
CT dated 5th
July 2022

**Circular No
170/02/2022**
GST dated 6th
July 2022

WHY CHANGES IN GSTR 3B DISCLOSURE ??



- From December 2020, FORM GSTR-3B is getting auto-generated on the portal by way of auto-population of ITC from FORM GSTR-2B and auto-population of liabilities from FORM GSTR-1, with an editing facility to the registered person.
- However, it has been observed that there still are **some infirmities in information being furnished by the registered person in relation to**
 - ✓ Inter-State supplies effected to unregistered person, registered person paying tax under section 10 of the Central Goods and Services Tax Act, 2017 (composition taxable persons) and UIN holders.
 - ✓ Also, there appears to be lack of clarity regarding reporting of information about reversal of Input Tax Credit (hereinafter referred to as the “ITC”) as well as ineligible ITC in Table 4 of FORM GSTR-3B.
- It has been observed that different practices are being followed to report ineligible ITC as well as various reversals of ITC in FORM GSTR-3B.

Table 3.1 - Detail of Outward Supplies and Inward supplies liable to reverse charges

Table 3.1.1 - Details of supplies notified under Sec 9(5)

Table 3.2 - Details of inter-State supplies made to unregistered persons, Composition Details and UIN Holder

Table 4A – ITC Available

Table 4B – ITC Reversed

Table 4C – Net ITC

Table 4D – Other Details

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO SUPPLY

- Table 3.1.1 => Details of supplies notified under Sec 9(5) of the Central Goods and Services Tax Act, 2017

Nature of Supplies	Total Taxable value	Integrated Tax	Central Tax	State/UT Tax	Cess
(i) Taxable supplies on which electronic commerce operator pays tax under sub-section (5) of section 9 [to be furnished by the electronic commerce operator]					

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO SUPPLY

- Table 3.1.1 => Details of supplies notified under Sec 9(5) of the Central Goods and Services Tax Act, 2017

Nature of Supplies	Total Taxable value	Integrated Tax	Central Tax	State/UT Tax	Cess
<p>(ii) Taxable supplies made by the registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax under sub-section (5) of section 9</p> <p>[to be furnished by the registered person making supplies through electronic commerce operator]</p>					

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO SUPPLY

- **Instruction added in GSTR 3B for Table 3.1.1** = > Details of supplies notified under Sec 9(5) of the Central Goods and Services Tax Act, 2017
 - ✓ (4) An Electronic Commerce Operator (ECO) shall not include in 3.1(a) above, the supplies on which the ECO is required to pay tax under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and shall report such supplies in 3.1.1(i) above
 - ✓ (5) A registered person making supplies through an Electronic Commerce Operator (ECO) shall not include in 3.1(a) above, the supplies on which the ECO is required to pay tax under sub-section (5) of section 9 of the Central Goods and Services Tax Act, 2017 and shall report such supplies in 3.1.1(ii) above

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO SUPPLY

- **Table 3.1.1** = > Details of supplies notified under Sec 9(5) of the Central Goods and Services Tax Act, 2017
- **As per Sec 9(5) of CGST Act 2017, read with Notification No 17/2017 Central Tax (Rate) dated 28th June 2017, on below services Electronic Commerce Operator is required to pay GST under RCM u/s 9(5):**
 - Services by way of **Transportation of Passengers** by a radio-taxi, motorcab, maxicab, motor cycle, omnibus or any other motor vehicle
 - Services by way of **Providing Accommodation in Hotels**, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes, except where the person supplying such service through electronic commerce operator is liable for registration under Sec 22(1).
 - Services by way of **House-keeping**, such as plumbing, carpentering etc, except where the person supplying such service through electronic commerce operator is liable for registration under under Sec 22(1)
 - supply of **Restaurant Service** other than the services supplied by restaurant, eating joints etc. located at specified premises.

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO SUPPLY

- Table 3.2 = > Of the supplies shown in 3.1 (a) and 3.1.1(i) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders

	Place of Supply (State/UT)	Total Taxable value	Amount of Integrated Tax
1	2	3	4
Supplies made to Unregistered Persons			
Supplies made to Composition Taxable Persons			
Supplies made to UIN holders			

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO SUPPLY

- **Table 3.2 = >** Of the supplies shown in 3.1 (a) and 3.1.1(i) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders
- **Circular No 170/02/2022 GST dated 6th July 2022:**
- It has been noticed that a number of registered persons are not reporting the correct details of inter-State supplies made to unregistered persons, to registered person paying tax under section 10 of the CGST Act (composition taxable persons) and to UIN holders, as required to be declared in Table 3.2 of FORM GSTR-3B, under the notion that the taxable value of the same along with tax payable has already been reported in Table 3.1 of the said FORM.
- In certain cases, it has also been noticed that the address of unregistered person are captured incorrectly by the supplier, especially those belonging to banking, insurance, finance, stock broking, telecom, digital payment facilitators, OTT platform services providers and E-commerce operators, leading to wrong declaration of Place of Supply (PoS) in both the invoices issued under section 31 of the CGST Act, as well as in Table 3.2 of FORM GSTR-3B.

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO SUPPLY

- **Table 3.2 = >** Of the supplies shown in 3.1 (a) and 3.1.1(i) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders
- **Circular No 170/02/2022 GST dated 6th July 2022:**
- In this context, it may be noted that the information sought in Table 3.2 of FORM GSTR-3B is required to be furnished, place of supply-wise, even though the details of said supplies are already part of the supplies declared in Table 3.1 of the said FORM. For assisting the registered persons, Table 3.2 of FORM GSTR-3B is being auto-populated on the portal based on the details furnished by them in their FORM GSTR-1.

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO SUPPLY

- **Table 3.2 = >** Of the supplies shown in 3.1 (a) and 3.1.1(i) above, details of inter-State supplies made to unregistered persons, composition taxable persons and UIN holders
- **Circular No 170/02/2022 GST dated 6th July 2022:**Accordingly, it is hereby advised that the registered persons making inter-State supplies –
 - (i) to the unregistered persons, shall also report the details of such supplies, place of supply-wise, in Table 3.2 of FORM GSTR-3B and Table 7B or Table 5 or Table 9/10 of FORM GSTR-1, as the case may be;
 - (ii) to the registered persons paying tax under section 10 of the SGST/CGST Act (composition taxable persons) and to UIN holders, shall also report the details of such supplies, place of supply-wise, in Table 3.2 of FORM GSTR-3B and Table 4A or 4C or 9 of FORM GSTR-1, as the case may be, as mandated by the law.
 - (iii) shall update their customer database properly with correct State name and ensure that correct PoS is declared in the tax invoice and in Table 3.2 of FORM GSTR-3B while filing their return, so that tax reaches the Consumption State as per the principles of destination-based taxation system.

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO ITC

❖ REPORTING OF ITC AT TABLE 4A:

- Total ITC (eligible as well as ineligible) is being auto-populated from statement in FORM GSTR-2B in different fields of Table 4A of FORM GSTR-3B.
- Entire set of data that is available in FORM GSTR-2B is carried to the table 4 in FORM GSTR-3B, **Except** for the details regarding ITC that is not available to the registered person
 - ✓ Either on account of limitation of time period as delineated in sub-section (4) of section 16 of the CGST Act or
 - ✓ where the recipient of an intra-State supply is located in a different State / UT than that of place of supply.
- All ITC including ineligible is to be reported and added here.

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO ITC



❖ REPORTING OF ITC AT TABLE 4(B)(1) => PERMANENT ITC REVERSAL CASES

- Registered person will report reversal of ITC in Table 4 (B) (1), which are absolute in nature and are not reclaimable, such as on account of
 - ✓ Rule 38 (reversal of credit by a banking company or a financial institution),
 - ✓ Rule 42 (reversal on input and input services on account of supply of exempted goods or services),
 - ✓ Rule 43 (reversal on capital goods on account of supply of exempted goods or services) of the CGST Rules and
 - ✓ For reporting ineligible ITC under section 17(5) of the CGST Act.
- As the details of ineligible ITC under section 17(5) are being provided in Table 4(B), **no further details of such ineligible ITC will be required to be provided in Table 4(D)(1).**

Reversal In
**“PERMANENT
NATURE”**
to be Reported
at
Table 4B (1)

- Rule 38
- Rule 42
- Rule 43
- Sec 17(5)

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO ITC



❖ REPORTING OF ITC AT TABLE 4(B)(2) => TEMPORARY ITC REVERSAL CASES

- Registered person will report reversal of ITC in Table 4 (B) (2), which are not permanent in nature and can be reclaimed in future subject to fulfilment of specific conditions, such as
 - ✓ on account of rule 37 of CGST Rules (non-payment of consideration to supplier within 180 days),
 - ✓ section 16(2)(b) and section 16(2)(c) of the CGST Act.
- Such ITC may be reclaimed in Table 4(A)(5) on fulfilment of necessary conditions.
- Further, all such reclaimed ITC shall also be shown in Table 4(D)(1).
- Table 4 (B) (2) may also be used by registered person for reversal of any ITC availed in Table 4(A) in previous tax periods because of some inadvertent mistake

Reversal In
**“TEMPORARY
NATURE”**
to be Reported
at
Table 4B (2)

- **Rule 37** [Non payment within 180 days]
- **Sec 16(2)(b)** [Non receipt of goods]
- **Sec 16(2)(c)** [tax not paid by supplier]
- Reversal of any incorrect ITC availed in Table 4(A) in previous tax periods

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO ITC

❖ REPORTING OF ITC AT TABLE 4 D(1):

- Here ITC reclaimed, which was reversed under Table 4(B)(2) in earlier tax period

❖ REPORTING OF ITC AT TABLE 4 D(2):

- ITC not available, on account of limitation of time period as delineated in Sec 16(4) of the CGST Act or where the recipient of an intra-State supply is located in a different State / UT than that of place of supply, may be reported by the registered person in Table 4D (2). Such details are available in Table 4 of FORM GSTR-2B.

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO ITC

- Table 4 of GSTR 3B – Eligible ITC

Table 4(A) – ITC Available

(In General, ITC Reported in this will match with total ITC as per GSTR 2B)

(+) ITC which is disallowable under Sec 17(5) is to be first added in → **Sr. No 4(A).**

(+) ITC which is auto populated in GSTR 2B but said goods are not yet received by company, is to added in → **Sr. No 4(A).**

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO ITC

<p>Table 4B (1) – ITC Reversed</p> <p>PERMANENT REVERSALS</p>	<p>(-) ITCC which is disallowable under Sec 17(5), Rule 38/42/43 is to be reduced from → Sr. No. 4(B)(1)</p>
<p>Table 4B (2) – ITC Reversed</p> <p>TEMPORARY AND OTHER REVERSALS</p>	<p>(-) ITC which is auto populated in GSTR 2B but said goods are not yet received by company, is to reduced from → Sr. No 4(B)(2). <i>[In future, it can be reclaimed at Sr. No. 4(A)(5)]</i></p> <p>(-) ITC Reversal, in case where payment is not made to supplier within 180 days, is to be reported at → Sr. No. 4(B)(2). <i>[In future, it can be reclaimed at Sr. No. 4(A)(5)]</i></p> <p>(-) Inadvertent ITC availed in earlier period, however observed in current month, is to reduced from → Sr. No 4(B)(2).</p>
<p>Table 4(C) – Net ITC</p>	<p>This will be credited to Electronic Credit Ledger [4A – 4B = 4C]</p>

CHANGES IN DISCLOSURE OF GSTR 3B - RELATING TO ITC

Table 4 of GSTR 3B – Eligible ITC

Table 4(D) – Other

(This Table 4(D) is just for disclosure purpose)

- ITC which Reversed in earlier month [At Sr. No. 4(B)(2)] due to non payment to supplier within 180 days OR due to non receipt of goods, now reclaimed in this current month in Sr. no. 4(A)(5), is to be separately again disclosed in → Table 4(D)(1).
- Time barred ITC as per Sec 16(4) and ITC Restricted due to POS provision (CGST+SGST of another state) is to be disclosed in → Table 4(D)(2).

WAY FORWARD



CONTACT US

✂ **GST UPDATES, E BOOK, ARTICLES** ✂

📞 **90212 65137**

✉ **info@gst-at.com**

✉ **munotswapnil@gmail.com**

📞 **8888 343 343**

Thank You.

PRESENTED BY

CA SWAPNIL MUNOT

📞 +91 90212 65137