

Update Category	How to deal with difference in ITC (GSTR 2A Vs. GSTR 3B) for FY 2017-18 and 2018-19
Update Source	Circulars issued by CBIC on 27th December 2022
Release No.	TM/GST/179 dated 4th January 2023

Subject – Difference in GST ITC availed in FORM GSTR-3B Vs. FORM GSTR-2A for FY 2017-18 and 2018-19 – Clarification thereof

Circular No 183/15/2022-GST dated 27th December 2022

Background – During the initial period of implementation of GST, during the financial years 2017-18 and 2018-19, in many cases, the suppliers have failed to furnish the correct details in GSTR-1, which has led to certain deficiencies or discrepancies in FORM GSTR-2A of their recipients.

However, the concerned recipients may have availed input tax credit on the said supplies in their returns in FORM GSTR-3B.

Such discrepancies are considered by the tax officers as representing ineligible ITC availed by the registered persons, and are being flagged seeking explanation from the registered persons for such discrepancies and/or for reversal of such ineligible ITC.

Restrictions regarding availment of ITC upto certain specified limit beyond the ITC available as per FORM GSTR-2A (as per rule 36(4) of CGST Rules, 2017 was only with effect from 9th October 2019.

Scenarios Covered –

GSTR 1	GSTR 3B	Reporting of Invoice
Not Filed	Filed	No
Filed	Filed	Not Reported
Filed	Filed	Reported in B2C
Filed	Filed	Reported in Some other GSTIN

Verification by Tax Authorities –

- a. Details of all invoices on which ITC has been availed in FORM GSTR 3B but which are not reflecting in his FORM GSTR 2A
- b. Check fulfilment of conditions of Sec 16 –
 - i) Possession of Tax Invoice or DN
 - ii) Receipt of Goods or Service
 - iii) Payment of value of supply along with tax to supplier
 - iv) Reversal of ITC, if any, u/s 17 or 18 and ITC availed within specified time limit

Value of Mismatch and remedy thereof -

Mismatch Value above Rs 5 lakhs	Mismatch Value below Rs 5 lakhs
Certificate from CA or CMA certifying that supplies have actually been made by the supplier to the said registered person and the tax in FORM GSTR 3B. Generation of UDIN is mandatory by CA/CMA	Produce a certificate from the concerned supplier that said supplies have actually been made by him to the said registered person and the tax has been paid in FORM GSTR 3B

Time limit for claiming ITC –

Financial Year 2017-18 – ITC to be claimed in Form 3B till the month of March 2019

Financial Year 2018-19 – ITC to be claimed in Form 3B till the month of September 2019

Applicability of Instructions –

- Shall apply to ongoing proceedings in scrutiny/audit/ investigation, etc. for FY 2017-18 and 2018-19 and also in case of pending adjudication or appeal proceedings
- Shall **not apply to completed proceedings**

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