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| Update Category | Changes in GST Portal: GSTN modifies Auto-population of ITC in GSTR-3B |
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Changes in Auto-population of ITC in GSTR 3B – Modifications made thereof

The Goods and Services Tax Network (GSTN) has given effect to some changes in the GST Portal. The auto-population of Input Tax Credit (ITC) in Form GSTR-3B has been modified. Post change, now auto-populate ITC in table 4 of GSTR-3B as the net of credit notes, instead of considering them as reversals as previously made.

This alteration in logic will ensure the amounts auto-populated in table 6A of GSTR-9, “Total amount of ITC availed through GSTR-3B,” match with the GSTR-3B returns.

Steps for implementation -

- Click the ‘4. Eligible ITC’ tile.
- The details of ITC claimed/ ITC reversed in table 4A(1,3,4 and 5) and 4B(2) are auto-drafted from relevant entries of FORM GSTR-2B. Other reversals would be required to be done by the taxpayer on his own.
- In case you want to add/ modify the auto-drafted details, you can add/ modify the details if required.
- Click the CONFIRM button.

The new changes now auto-populate ITC in table 4 of GSTR-3B as **the net of credit notes**, instead of considering them as reversals as previously done. ***Previously, the credit notes were considered as reversals in the calculation of Input Tax Credit (ITC) in table 4 of the Goods and Services Tax Return 3B (GSTR-3B).***

However, with the latest changes, the process has been automated and the ITC is now auto-populated based on the net of credit notes. This means that the calculation of ITC now takes into account the credit notes as and automatically updates the final value in table 4, eliminating the need for manual calculations. This change simplifies the process of calculating ITC and ensures more accurate results.

Previously, Form GSTR-2B was used to automatically complete GSTR-3B Table 4A (1, 2, 3, 4, and 5), when ITCs were available. Positive ITC values were to be reported in the appropriate tables, while negative values were to be deemed ITC reversals and were reported in Table 4B(2).

The auto-populated values from Form GSTR-2B were also taken into account in Table 4B(2) for reversed ITC as positive values for all credit notes for whom ITC was available. If the result was negative, the credit may be regained if it had been reversed on a previous occasion. Form GSTR-2B was also used to input the positive values of all credit notes for which ITC was not available.

When negative values were included in the ITC, Table 4A(1,3,4,5), they were previously inverted and taken into account in Table 4B(2).

According to the most recent amendments, Table 4A(1,3,4,5), the net ITC (Input Tax Credit) available, including amendments (Invoices + Debit Notes - Credit Notes), are to be reported in the respective tables and Negative values, if any, caused by credit notes and downward revisions are to be reported only in respected tables.

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Table 4D(2) [prohibited ITC under Section 16(4) & ITC restricted due to POS rules] are now auto-populated from Form GSTR-2B. ITC not available, along with the revisions (Invoices + Debit Notes) are to be reported in this table.

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