



# MUKESH MANISH & KALPESH

## Chartered Accountants



## Recent GST Advisory on Reclaim of credit

The Government had amended CGST Rules vide notification no 14/2022 dt. 05.07.2022 by which certain changes were made in Form GSTR 3B so as to enable the taxpayers in reporting correct information regarding ITC availed, ITC reversal, ITC re-claimed and ineligible ITC.

Currently, in FORM GSTR 3B, the input tax credit is availed in column 4(A)5 as per GSTR 2B and the invoices not meeting the necessary conditions for availing the credit shall be reversed in column 4(B)2. The same is reclaimed subsequently on fulfillment of the necessary conditions. Such ITC reclaimed is supposed to be reported in column 4(D)1 for disclosure purpose and 4(A)1 for availing ITC in Form GSTR 3B.

For tracking of accurate reporting of ITC reversal and reclaim, a new ledger namely **Electronic Credit and Re-claimed Statement** is being introduced on the GST portal. This statement intends to track ITC reversed and reclaimed in GSTR 3B and the said statement will start for return period starting from August 2023.

# ITC reversal Opening balance

Taxpayers are to report cumulative amount of ITC reversal i.e. ITC that has been reversed earlier, as credit appearing in GSTR 2B but not availed in GSTR 3B, and has not yet been reclaimed as “opening balance” for “Electronic Credit Reversal and Re-claimed Statement

- The cut off date for reporting Opening Balance is as follows:
  - Monthly Filers - Considering the ITC Reversal done till the return period of July 2023
  - Quarterly filers - Considering the ITC reversal made till April- June 23 return period..
- Due date for declaring the ITC reversal opening balance is 30th November 2023.
- Amendment up to three times is allowed till 31st December 2023. Post 31<sup>st</sup> December 2023, the value shall be frozen with no further attempts to amend their ITC reversal value.
- The value will be sent to the Jurisdictional Tax officer for review.
- This statement will be used to validate the taxpayer’s ITC reclaimed amount in Table 4A(5) & 4D(1). A validation mechanism will be incorporated to check excess ITC claim than what is available in e-credit reversal and re-claimed statement.



## Procedure for reporting opening balance:

Login to portal >> Dashboard >> Report ITC reversal opening balance (at end of dashboard) >> Enter Amount.

(Or)

Login to portal >> Dashboard >> Services >> Ledgers >> e-credit reversal and reclaim statement >> Report ITC reversal opening balance >> Enter Amount.

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Thank You

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