



**The Institute of Chartered
Accountants of India**

(Setup by an Act of Parliament)

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Chennai & Bengaluru

Recent Changes in ISD

&

Issues in ITC

Budget 2024 - ISD

Section 2 (61) & 20 of CGST Act, 2017 Amended

Impact Multi Registration tax-payers fully impacted

Number of ISD registrations to be ascertained (Zone, Branch...)

Common Expenses with ITC to be identified

Budget 2024 - ISD

Section 2 (61) & 20 of CGST Act, 2017 Amended

Impact Obtain Registration

Intimate Suppliers

Get Ready for another Return & Audit

Budget 2024 - ISD

Section 2 (61) & 20 of CGST Act, 2017 Amended

Impact RCM also to be distributed

Distribution method ?
Rules to be notified

Issues in Input Tax Credit

Section 39 – ISD ITC Distribution Time Limit

Section 16 (4) – Time Limit Normal vs RCM

Input Reconciliations

GSTR-2A



GSTR-2B



**Ineligibility
should also
accounted**

**Auto-
populated
ITC**

**Input
Reconciliati
ons**

**As at Snap-
shot date**

Input Reconciliations

Food purchased for employees for Rs. 10,000 plus GST @ 5%

Staff Welfare A/c	10,500	
To Bank		10,500

Food purchased for employees for Rs. 10,000 plus GST @ 5%

Staff Welfare A/c	10,000	
GST Expense (blocked credit) A/c	500	
To Bank		10,500

Input Reconciliations

Food purchased for employees for Rs. 10,000 plus GST @ 5%

Staff Welfare A/c	10,500	
To Bank		10,500
GST Expense (blocked credit) A/c	500	
GST Expense (blocked credit) A/c		500

Table 4 - Eligible ITC

Details	IGST	CGST	SGST	Cess
(A) ITC Available (whether in full or part)				
(1) Import of goods	0.00	0.00	0.00	0.00
(2) Import of services	0.00	0.00	0.00	0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	0.00	0.00	0.00	0.00
(4) Inward supplies from ISD	0.00	0.00	0.00	0.00
(5) All other ITC	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
(B) ITC Reversed				
(1) As per rules 42 & 43 of CGST Rules				
(1) As per rules 38, 42 and 43 of CGST Rules and sub-section (5) of section 17		Permanent Difference	0.00	0.00
(2) Others		Timing + Permanent Difference		0.00
Total	0.00	0.00	0.00	0.00
(C) Net ITC Available (A) – (B)	0.00	0.00	0.00	0.00

Table 4 - Eligible ITC

Details	IGST	CGST	SGST	Cess
(D) Ineligible ITC - Other Details				
(1) As per section 17(5)				
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period	0.00	0.00	0.00	0.00
(2) Others				
(2) Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions	0.00	0.00	0.00	0.00

GSTR-2B ITC --> ITC in GSTR-3B

Circular 170 dated 6th July 2022 contd...

- When the above ITC is re-claimed in subsequent period in that month
 - **ADD** such ITC to Table 4 A (5) i.e. Already there will be Auto Populated ITC add such re-claimed ITC
 - **REPORT** such ITC re-claimed in Table 4 D (1) - *ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period*

Table 4 - Eligible ITC

Details	IGST	CGST	SGST	Cess
(A) ITC Available (whether in full or part)				
(1) Import of goods	0.00	0.00	0.00	0.00
(2) Import of services	0.00	0.00	0.00	0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	0.00	0.00	0.00	0.00
(4) Inward supplies from ISD	0.00	0.00	0.00	0.00
(5) All other ITC	Earlier month ITC availed now			0.00
Total	0.00	0.00	0.00	0.00

Table 4 - Eligible ITC

Details	IGST	CGST	SGST	Cess
(D) Ineligible ITC-Other Details				
(1) As per section 17(5)				
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period	Earlier months ITC availed now			0.00

Summary – GSTR-3B-Table 4

4A5

This month
2B (Auto
populated)

4B1

Permanent
Reversals –
No Reclaim

4B2

Temporary
Reversals –
Reclaim
Eligible

4D1

Earlier
months 2B –
Reversed
earlier in 4B2
– Availed this
month

HSN Connection

Inward RCM

2B Recon

PnL Recon

Unregistered Inward RCM Expense wise

Debit Notes



Credit Notes – Purchases

ITC Reversal or Outward Supply

Last year ITC – availed in
this Year

This year ITC availed in
next Year
Category I & II

E-Way Bill Reconciliation

180 non-payment Reversal

ITC Matching

ITC Legal Scenario

2017-18 &
2018-19

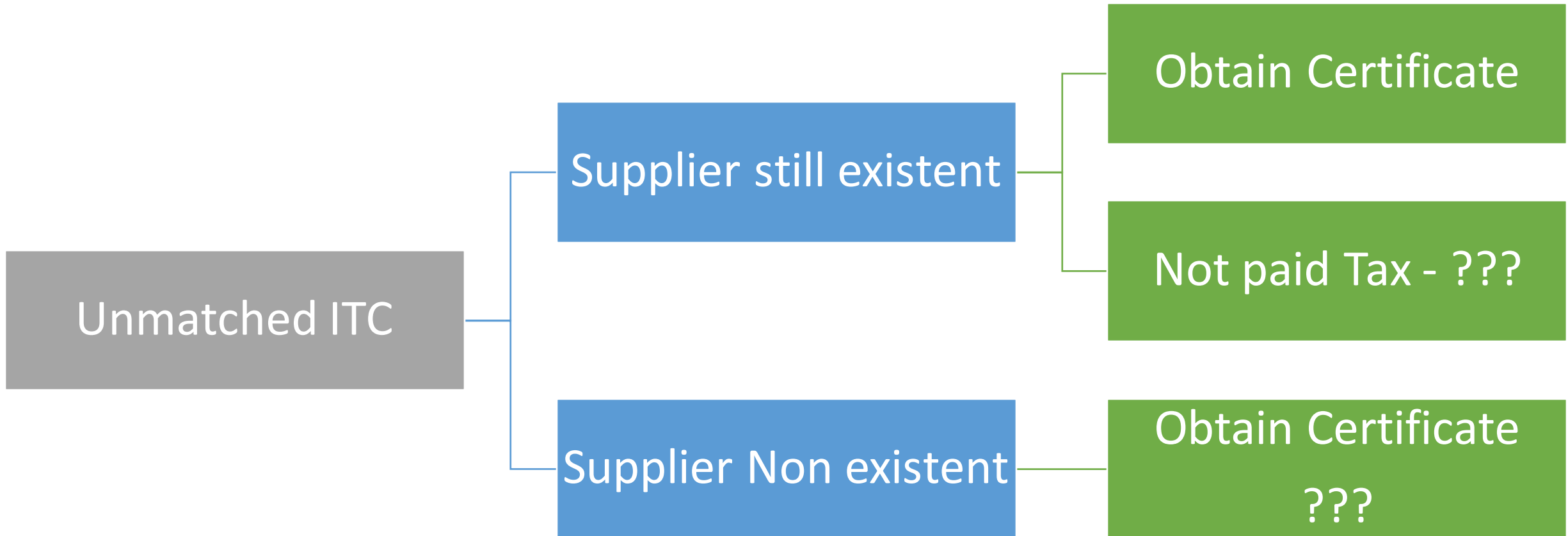
Circular
No. 183

2019-20 upto
Dec 2021

Circular
193

Jan-2022
onwards

Matching



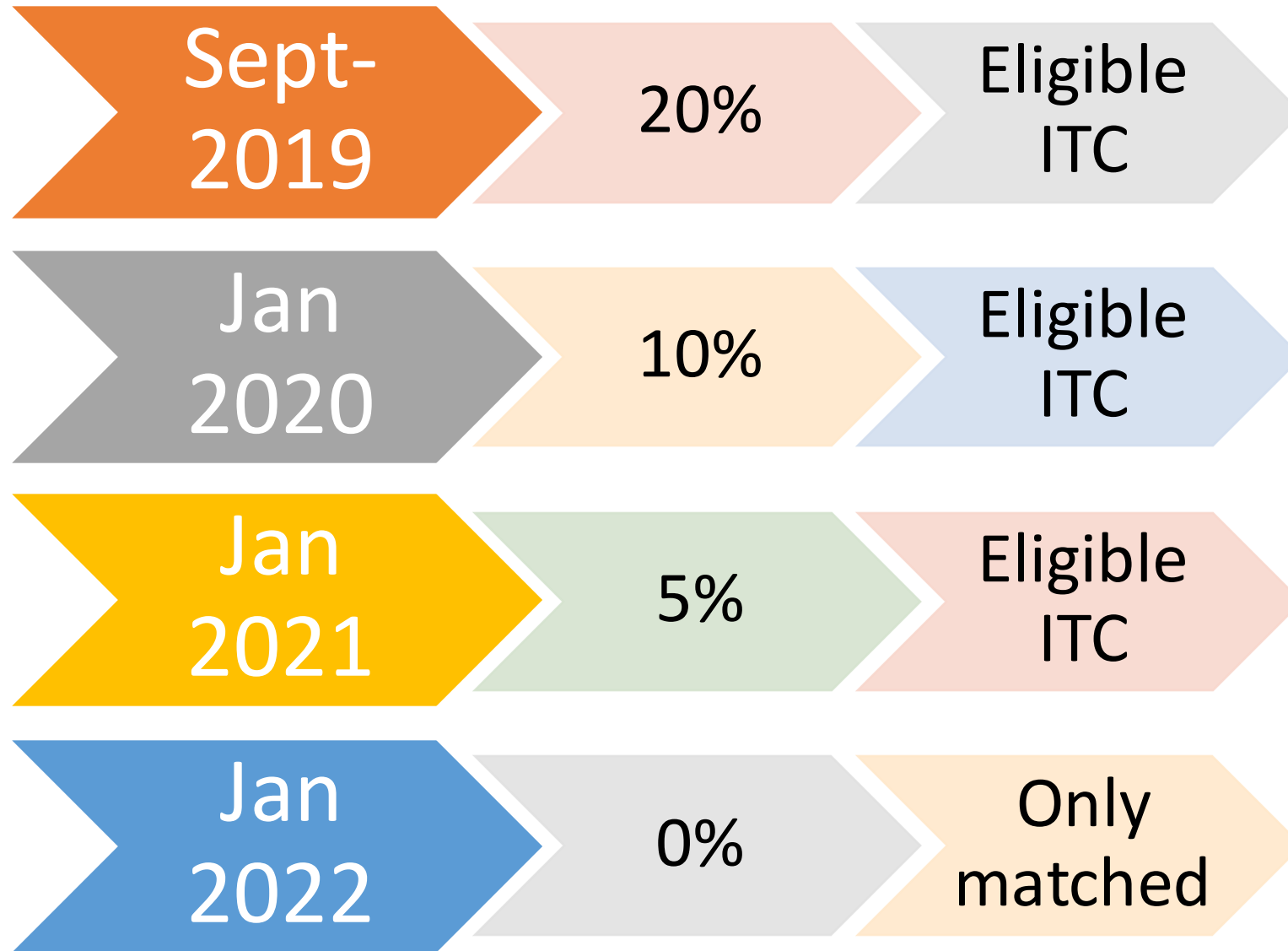
Circular No. 183 - Effect

- Not filed GSTR-1 but filed GSTR-3B
- In GSTR-1
 - Not Reported
 - Wrongly Reported
 - To Other GSTIN
 - B2C

Up to Rs. 5 lakhs
(per Supplier per Year)
Certificate from Supplier

More than Rs. 5 lakhs
(per Supplier per Year)
Certificate from CA / CMA

ITC – Matching - Limits

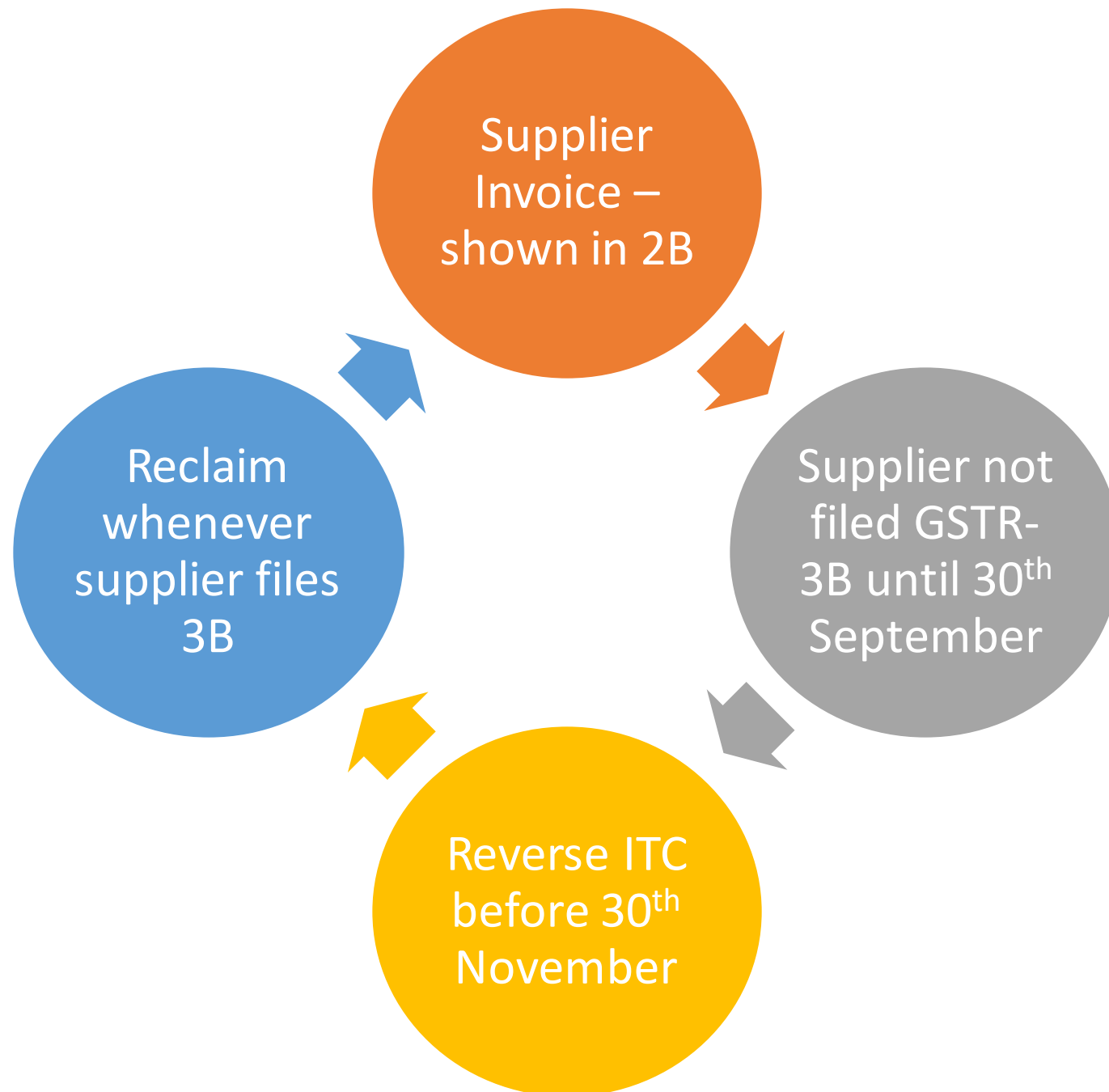


Exempt vs Non-GST Rule 42 & 43 Reversal

Refund – ‘Net ITC’

Rule 37A - Reversal

Rule – 37A



Keyman Insurance – Life or Medical ??

Travel ITC - Documentation

Retrospective Amendments - Interest

1. CGST & SGST availed as IGST
2. IGST availed as CGST & SGST



Thank
you



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