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Subject: Very Important Information on ITC declaration in Form GSTR-3B Returns.

Dear Taxpayers,

We hope this email finds you well. We are writing to inform you about some crucial updates regarding the declaration of Input Tax Credit (ITC) in your GSTR-3B returns. It has come to our attention that certain taxable persons have been directly declaring the net ITC in Table 4(A) without declaring the Gross ITC and without making the necessary reversals, as mandated by the provisions of the CGST/KGST Act.

1. **Mandatory Declaration of Gross ITC and Reversals**: As per the CGST/KGST Act, it is imperative that taxpayers shall declare Gross ITC and then make necessary reversals wherever applicable under the appropriate head. Non-declaration or incorrect declaration of Gross ITC and Non-reversals of ITC can result in a loss of revenue to the state.

2. **Amendments to GSTR-3B Format**: Furthermore, through CBIC Notification number 14/2022, dated July 5, 2022, amendments were introduced to the GSTR-3B return format. Notable changes have been made to Table 4, as outlined below:

Table 4 – Eligible ITC

Details	Integrated Tax	Central Tax	State/UT Tax	Cess
1	2	3	4	5
(A) ITC Available (whether in full or part)				
(1) Import of goods				
(2) Import of services				
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)				
(4) Inward supplies from ISD				
(5) All other ITC				
(B) ITC Reversed				
(1) As per rules 38, 42 and 43 of CGST Rules and Section 17(5)				
(2) Others				
(C) Net ITC Available (A) – (B)				
(D) Other Details				
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period				
(2) Ineligible ITC under section 16(4) and ITC restricted due to PoS provisions				

3. **CBIC Circular Instructions**: In response to these changes, the Central Board of Indirect Taxes and Customs (CBIC) issued Circular No. 170/02/2022-GST on July 6, 2022. This circular provides comprehensive instructions on the proper declaration of ITC in GSTR-3B returns.

4. **Correct Accountability and Settlement of Fund**: The modification in the reporting of ITC claims aims to ensure accurate and accountable settlement of funds between the Central and State Governments. IGST settlement is now based on the declarations made by taxpayers in columns 4(B)(1), 4(B)(2) and 4(D)(2) of Form GSTR-3B.

5. **Key Changes for Taxpayers**: We would like to draw your attention to the following important points:

- Taxpayers are expected to declare the IGST ITC Reversed/Reduced in the appropriate fields in Form GSTR-3B.
- Declarations related to Section 17(5) and Rule 38 have now been moved to Table 4(B)(1).

Please refer the IGST claimed in FORM GSTR-3B and IGST auto populated in FORM GSTR-2B for the year 2024-25 and Short claimed if any shall be claimed in table No. 4(A)(5) and reversed in 4(B)(1). The last date to claim & revers in GSTR-3B is 30-11-2025. Therefore, it is informed to make the necessary reversal in FORM GSTR-3B for the month of October 2025.

Please claim and reverse above ITC in FORM GSTR-3B for the month of October 2025 if it is not eligible to avail.

6. **Action Required:** Therefore, we kindly request all taxpayers to take note of these amendments in Form GSTR-3B and carefully review the contents of **Circular No. 170/02/2022**-GST while filing the return for the month of **October 2025**

This will help in ensure compliance with the latest regulations and facilitate accurate financial settlements.

7. **Contact Information:** Should you require any further clarification or have questions regarding these changes, please do not hesitate to reach out to us.

We appreciate your cooperation in adhering to these updated requirements, which are essential to maintain a fair and equitable taxation system. Your support in this matter is vital for the effective functioning of the GST regime.

Thank you for your attention to this important matter.

D.P HALESH,
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Asst. Commissioner of Comml. Taxes
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