

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**LOK SABHA**  
**UNSTARRED QUESTION No. 3164**

TO BE ANSWERED ON MONDAY, MARCH 20, 2023/PHALGUNA 29, 1944 (SAKA)

**SIMPLIFICATION OF GST INPUT TAX CREDIT**

3164. Dr. Chandra Sen Jadon:

Shri Vinayak Raut:

Shri Sanjay Jadhav:

Will the Minister of FINANCE be pleased to state:-

(a) whether the Government proposes to simplify and streamline GST input tax credit paid on purchases in the GST law;

(b) if so, the details the modalities thereof and if not, the reasons therefor;

(c) whether many merchant establishments were unable to give details of their sales in the years 2017-18 and 2018-19 due to ignorance of GST law, lack of information and technical glitches in the portal and if so, the details thereof and the reaction of the Government thereto;

(d) whether the Government has taken any immediate steps for the convenience of the said establishments and dealers who claimed Input Tax Credit (ITC) on the basis of their own accounts and bills and if so, the details thereof;

(e) whether sustained pressure is being allegedly created on the taxpayers by giving online ITC mismatch information and if so, the details thereof and the reaction of the Government thereto; and

(f) the reasons for not giving ITC on the basis of the ledger accounts and bills and the steps taken by the Government to rectify aforesaid petty omissions and errors?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b) Government has, as per recommendations of GST Council, taken a number of measures to simplify and streamline availment of input tax credit by the registered persons under GST.

These measures, *inter alia*, include:

- (i) auto drafted Input Tax Credit statement in FORM GSTR-2B is made available to the registered persons,
- (ii) details of input tax credit and outward supplies are auto-populated in the return in FORM GSTR-3B on the basis of FORM GSTR-2B and FORM GSTR-1,
- (iii) to facilitate timely availment of input tax credit by recipients and to nudge suppliers to report details of supplies in timely manner, the CGST Act has been amended to provide for sequential filing of details of outward supplies in FORM GSTR-1 and to provide for furnishing of details of outward supplies of a tax period under sub-section (1) of section 37 in FORM GSTR-1 as a condition for furnishing the return under section 39 for the said tax period in FORM GSTR-3B.

(c) & (d) It has been reported that during the initial period of implementation of GST in the financial years 2017-18 and 2018-19, in many cases, the suppliers failed to furnish correct details of outward supplies in their FORM GSTR-1, which led to certain deficiencies or discrepancies in FORM GSTR-2A of their recipients. Where the concerned recipients availed input tax credit on the said supplies, discrepancies arose between the amount of ITC availed by such persons in their returns in FORM GSTR-3B and the amount as available in their FORM GSTR-2A.

To facilitate the taxpayers in availment of due input tax credit in such cases, for FY 2017-18 and 2018-19, a detailed mechanism has been prescribed vide Circular no. 183/15/2022-GST dated 27.12.2022, based on the recommendations of the GST Council.

(e) & (f) As per provisions of the CGST Act, 2017, a registered person can avail input tax credit not simply on the basis of ledger accounts or bills but also subject to the conditions and restrictions as specified in section 16 and section 17 of CGST Act, 2017, read with Rules made thereunder, *inter alia*, including the furnishing of details of the invoice or debit note by the concerned supplier in the statement of outward supplies and communication of such details to the recipient. To facilitate registered persons in availment of correct input tax credit and to help them ascertain discrepancies, if any, between input tax credit available as per FORM GSTR 2B and that availed in FORM GSTR 3B, a comparison report is made available on the common portal.

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