

ITC Disclosure Rules & GSTR-9 Table 9 Auto-Population Error Creating Major Reconciliation Challenges for FY 2024-25:

As annual return preparation progresses, taxpayers are facing dual compliance pressure - first, the mandated **detailed ITC disclosure framework** and second, the **incorrect auto-population of "Tax Payable" in GSTR-9 Table 9**. Together, these changes are creating widespread reconciliation gaps and triggering avoidable differences, especially for businesses with temporary ITC reversals and reclaim cycles.

The updated ITC reporting requirement now captures the complete life cycle of credit - **ITC claimed, temporarily reversed, permanently reversed, and reclaimed** - and every movement must be reflected in the correct table of GSTR-9. This is part of GSTN's new transparency-based monitoring, ensuring authorities can track origin, reversal, and re-availment of ITC in detail.

(IA) Correct Table Mapping for ITC - Current FY (Claim, Temporary Reversal and Reclaim) -

Transaction Type	Correct Table in GSTR 9
First-time ITC claim	Table 6B
Temporary reversal	Table 7 (7A - Rule 37 / 7A1 - Rule 37A / 7H - other temporary reversals)
Reclaim of temporary reversal	Table 6H

(IB) ITC of Previous FY Claimed / Reclaimed in Current FY -

Transaction Type	Correct Table
First-time claim of earlier FY ITC	Table 6A1
Reclaim - Rule 37 / 37A	Table 6H
Reclaim - other temporary reversals	Table 6A1

(IC) ITC of Current FY Reclaimed in Next FY -

Transaction Type	Correct Table	Not to be reported in
First-time claim	Table 13 & 8C	-
Reclaim due to temporary reversal	Table 13 only	Not to be included in 8C
Other temporary reversals	Table 13 only	Not in 8C

(II) While businesses adapt to this granular ITC reporting, a major system-driven complication is arising in **GSTR-9 Table 9** - the auto-population mechanism is **mistakenly merging ITC reversal into "Tax Payable."** The system pulls liability from GSTR-3B, where temporary ITC reversal is added to output tax, inflating "tax payable" in Table 9 Point No. 2. As a result, Table 9 is showing false excess/short tax paid or even negative differences, although the books reflect accurate liability.

This incorrect inflation in GSTR-9 spills over to GSTR-9C Table 9, which requires rate-wise reconciliation of actual outward and reverse-charge tax only, with no separate reporting field for ITC reversal. Hence, professionals are forced to insert reconciliation notes or working papers to justify variances that are purely system-generated, not actual compliance gaps.

With FY 2024-25 filings, precision in ITC lifecycle mapping and GSTR-9 vs GSTR-9C reconciliation has become indispensable. Businesses must closely monitor:

- Eligible vs. availed ITC
- Temporary vs. permanent reversals
- Timing of reclaim across years
- Mismatches caused by incorrect system auto-population

Until the portal corrects its logic, taxpayers should report factually correct liability and preserve robust workings distinguishing outward tax liability from ITC reversal. A disciplined approach now will prevent differential reporting, departmental scrutiny, and audit challenges later.