



## Advisory in respect of introduction of Compliance Pertaining to DRC-01C (Difference in Input Tax Credit (ITC) available in GSTR-2B & ITC claimed in the GSTR-R3B)

06/10/2023

Dear Taxpayers,

1. The Government vide Notification No. 38/2023 – Central Tax dated 04th Aug, 2023 inserted the Rule 88D in CGST Rule, 2017 dealing with difference in input tax credit available in GSTR-2B and ITC availed in GSTR-3B. **This functionality vis a vis this rule has now started operating on the GST portal.**

2. The **system now** compares the ITC available as per GSTR-2B/2BQ with the ITC claimed as per GSTR-3B/3BQ for each return period. If the claimed ITC exceeds the ITC available as per GSTR-2B by **predefined limits, as directed by competent authority**, the taxpayer shall receive an intimation in the form of Form DRC-01C.

3. Upon receiving **the** intimation, the taxpayer must file a response using Form DRC-01C Part B. The taxpayer has the option to either provide details of the payment made to settle the difference using Form DRC-03 or provide an explanation for the difference **out of the options provided in the form** or even choose a combination of both options **and file it**.

4. In case, no response is filed by the impacted taxpayers in Form DRC-01C Part B, such taxpayers will not be able to file their subsequent period GSTR-1/IFF.

5. To further help taxpayers with the process, a detailed manual containing the navigation details is available on the GST portal. It offers step-by-step instructions and addresses various scenarios related to the functionality. The link is stated below:

[https://tutorial.gst.gov.in/downloads/news/return\\_compliance\\_itc\\_mismatch\\_intimation\\_in\\_form\\_gst\\_drc\\_01c](https://tutorial.gst.gov.in/downloads/news/return_compliance_itc_mismatch_intimation_in_form_gst_drc_01c)

Thanking you,  
Team GSTN

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