



ITC REVERSAL ON ACCOUNT OF RULE 37(A)

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RULE 37A OF CGST RULES, 2017

- ❖ Vide Rule 37A of CGST Rules, 2017 the taxpayers have to reverse the Input Tax Credit (ITC) availed on such invoice or debit note, the details of which have been furnished by their supplier in their GSTR-1/IFF but the return in FORM GSTR-3B for the said period has not been furnished by their supplier till the 30th day of September following the end of financial year in which the Input Tax Credit in respect of such invoice or debit note had been availed.
- ❖ The said amount of ITC is required to be reversed by such taxpayers, while furnishing a return in FORM GSTR-3B on or before the 30th day of November following the end of such financial year, as part of this legal obligation.

FACILITY TO TAX-PAYERS

- ❖ Currently GSTN provides no facility to check if tax has been paid by supplier on invoice or debit note reflecting in GSTR-2B for which ITC has been claimed.
- ❖ To facilitate the taxpayers, such amount of ITC required to be reversed on account of Rule 37A of CGST Rules for the financial year 2022-23 has been computed from system and has been communicated to the concerned recipient. The email communication to this effect has been sent on the registered email id of the taxpayer.

The taxpayers are advised to take note of it and to ensure that such ITC, if availed by them, is reversed as per rule 37A of CGST Rules before 30th of November, 2023 in Table 4(B)(2) of GSTR-3B while filing the concerned GSTR-3B.

FAILURE TO COMPLY WITH RULE 37A OF GST

- ❖ Where the said amount of ITC is not reversed by the registered person in a return in FORM GSTR-3B on or before the 30th day of November following the end of such financial year during which such input tax credit has been availed, **such amount shall be payable by the said person along with interest @ 24% thereon under section 50.**

RE-CLAIMING ITC REVERSED

- ❖ Where the supplier subsequently furnishes the return in FORM GSTR-3B for the said tax period, the said registered person may re-avail the amount of such credit in the return in FORM GSTR-3B for a tax period thereafter.

Invoice Reported in GSTR-3B by Supplier	ITC Reversal by Recipient	Interest Applicable
Invoice, reported on or before 30th September 2023	Not Required	No
Invoice, not reported on or before 30th September 2023	Yes, Required and ITC is reversed on or before 30th November	No
Invoice, not reported on or before 30th September 2023	Yes, Required and ITC is not reversed on or before 30th November	Yes

- ❖ The recipient in case of ITC reversal are required to ensure that such ITC, if availed by them, is reversed as per rule 37A of CGST Rules in Table 4(B)(2) of GSTR-3B while filing the concerned GSTR-3B.
- ❖ The recipient can re-claim or re-avail the ITC in Table 4(D)(1) of Form GSTR-3B of any subsequent return periods. Note that such re-claims are allowed despite the restriction put under Section 16(4) of the CGST Act.

4. Eligible ITC

Help ?

Details	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(A) ITC Available (whether in full or part)				
(1) Import of goods	0.00			0.00
(2) Import of services	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
(B) ITC Reversed				
(1) As per rules 38,42 & 43 of CGST Rules and section 17(5) ⓘ	0.00	0.00	0.00	0.00
(2) Others ⓘ	0.00	0.00	0.00	0.00
(C) Net ITC Available (A) - (B)				
	0.00	0.00	0.00	0.00
(D) Other Details				
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period	0.00	0.00	0.00	0.00
(2) Ineligible ITC under section 16(4) & ITC restricted due to PoS rules	0.00	0.00	0.00	0.00

ITC Reversed: Table 4(B)(2)

ITC Reversed Reclaimed:
Table 4(D)(1)

For Reporting Purpose

CANCEL

CONFIRM