

GST ki गणित



GST RULES

Rule 37A

Rule 37A deals with reversal of ITC in case of non-payment of tax by the supplier & re-availment thereof. Let's understand it with the help of Abhi's story.

Rule 37A – CGST Rules, 2017 – Reversal of ITC in case of non-payment of tax by the supplier & Re-availment thereof



- Where the assessee has claimed ITC, but the **supplier has not furnished GSTR-3B in respect of those invoices till 30th September** following the end of financial year, the said amount of **ITC shall be reversed** by assessee **on or before 30th November**.
- If **assessee fails to do so**, then the amount of ITC shall be **payable along with interest** under section 50.
- Where the supplier subsequently furnishes the return, the assessee may **re-avail** the amount of the said ITC.

Abhi is a registered taxable person under the GST regime. He has claimed ITC of some invoices issued by one of his suppliers.

He read an article on **Rule 37A** of the CGST Rules, 2017. He wasn't able to understand what the rule said and thus, he approached his CA for advise.



Hii, sir! How are you doing? I had a doubt regarding the applicability of Rule 37A on my business. Can you please elaborate it for me?

Abhi, I am great! Hope, you are also well. Regarding, Rule 37A, it deals with reversal of ITC on non-payment of tax by supplier to the Govt. This rule is applicable for F.Y. 2022-23. Do you have any supplier who has not yet paid tax for F.Y. 2022-23 in GSTR-3B?





Ummmm.... Let me confirm from my GST team. Oh yes! I remember, there was one supplier wasn't able to file his GSTR-3B due to some difficulties.



In that case, if your supplier hasn't filed his GSTR-3B till 30th September, 2023, then you will have to reverse the ITC claimed in respect of those supplies by 30th November, 2023. If you are not able to reverse the this ITC by 30th November, 2023, then you will have to pay such ITC along with interest u/s 50.



You can re-avail that ITC once your supplier duly files his GSTR-3B and deposits the due tax.



That's a relief! So, I would reverse that ITC before 30th November, 2023 so as to avoid any interest. Thank you for your advice. It helped me save my interest.



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