

Re-opening of Reporting ITC Reversal Opening Balance

Sep 17th, 2024

1. Vide Notification No. 14/2022 – Central Tax dated 05th July, 2022 (read with circular 170/02/2022-GST, Dated 6th July,2022), the Government introduced certain changes in Table 4 of Form GSTR-3B regarding availment & reversal of ITC along-with reporting of re-claimed and ineligible ITC. Accordingly, the re-claimable ITC earlier reversed in Table 4(B)2 may be subsequently claimed in Table 4(A)5 on fulfilment of necessary conditions and such reclaimed ITC also needs to be reported in Table 4D(1).

2. To facilitate the taxpayers in correct and accurate reporting of ITC reversal and reclaim thereof and to avoid clerical mistakes, a new ledger namely ***Electronic Credit Reversal and Re-claimed Statement*** was introduced on the GST portal from *August 2023 return period for monthly taxpayers and from July-September 2023 quarter for quarterly taxpayers*. The taxpayers were also given an opportunity to report their cumulative ITC reversal as an opening balance in the newly introduced ***Electronic Credit Reversal and Re-claimed Statement***.

Extension of due dates for reporting opening balance:

3. Now, the Taxpayers are being provided with one final opportunity to report their cumulative ITC reversal (ITC that has been reversed earlier and has not yet been reclaimed) as opening balance for ***"Electronic Credit Reversal and Re-claimed Statement"***, if any, before hard locking the reversal and reclaim ledger. Please note the important dates to report opening balance are mentioned below.

(i) The functionality to reporting the opening balance will be available from **15th September 2024 to 31st October 2024**.

(ii) The amendments in declared opening balance will be available till **30th November, 2024**.

(iii) Taxpayers having monthly filing frequency are required to report their opening balance considering the ITC reversal done till the return period of **July 2023 only**. As after this period balance is already available in ledger.

(iv) Quarterly taxpayers shall report their opening balance up to Q1 of the financial year 2023-24, considering the ITC reversal made till the **April-June 2023** return period only. As after this period balance is already available in ledger.

4. It may be noted that soon system would not allow to re-claim of ITC in excess of the amount reversed earlier and the taxpayers will not be able to reclaim excess ITC compared to the balance available in their ***Electronic Credit Reversal and Re-claimed Statement***. Therefore, it is advised to make use of this extended period to ensure that all relevant information is reported accurately.

5. For further information please click below link for detailed advisory on ***Electronic Credit Reversal and Re-claimed Statement***: https://tutorial.gst.gov.in/downloads/news/itc_pending_ledger.pdf

Thanks,
Team GSTN