

**GOVERNMENT OF WEST BENGAL
DIRECTORATE OF COMMERCIAL TAXES
14, BELIAGHATA ROAD, KOLKATA-700015**

TRADE CIRCULAR No. 41/2018 (*Circular No. 58/32/2018-GST*)

DATED: 17.09.2018

Subject: Recovery of arrears of wrongly availed input tax credit under the existing law and inadmissible transitional credit

Various representations have been received seeking clarification on the process of recovery of arrears of wrongly availed input tax credit under the existing law and input tax credit wrongly carried forward as transitional credit in the GST regime. In order to ensure uniformity in the implementation of the provisions of the law across the field formations (i.e., jurisdictional officers), the Commissioner, in exercise of its powers conferred under section 168 (1) of the West Bengal Goods and Services Tax Act, 2017 (hereinafter referred to as the 'WBGST Act'), hereby specifies the process of recovery of the said arrears and inadmissible transitional credit in the succeeding paragraphs.

2. The Commissioner vide Circular No. 09/2018 dated 16th April, 2018, has clarified that the recovery of arrears arising under the existing law shall be made as State tax liability to be paid through the utilization of the amount available in the electronic credit ledger or electronic cash ledger of the registered person, and the same shall be recorded in Part II of the Electronic Liability Register (**FORM GST PMT-01**).

3. Currently, the functionality to record this liability in the electronic liability register is not available on the common portal. Therefore, it is clarified that as an alternative method, taxpayers may reverse the wrongly availed input tax credit under the existing law and inadmissible transitional credit through Table 4(B)(2) of **FORM GSTR-3B**. The applicable interest and penalty shall apply on all such reversals which shall be paid through entry in column 9 of Table 6.1 of **FORM GSTR-3B**.

4. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Commissioner.

5. This circular shall be deemed to have come into force with effect from 04.09.2018.

Sd/-
(Smaraki Mahapatra)
Commissioner, State Tax,
West Bengal

Memo. 401 CT/PRO
3C/PRO/2018

Date: 18.09.2018

Copy forwarded to the Additional CST/ISD for information and for uploading it on the official website of the Directorate for information of all concerned.

Sd/-
(Adesh Kumar)
Special CST & PRO