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Latest update as on 3rd April 2020 Te(B10
has notified that taxpayers can claim input
tax credit i.e. the GSTR 3B return from Feb
2020 to August 2020, without applying
the rule of capping provisional ITC
claims at 10% of the eligible ITC
as per GSTR-2A

Conditions to claim - A registered person will
be eligible to claim ITC on the fulfilment of following
conditions: (Sec 16(2))

- 1- Possession of a tax invoice or debit note
or document evidencing payment
- 2- Receipt of goods and/or services
- 3- Goods delivered by supplier to other
person on the direction of a registered person
against a document of transfer of title of
goods.
4. Furnishing of a return.
5. Where goods are received in lots or
instalments ITC will be allowed to be
availed when the last lot or instalment
is received
6. Failure of Supplier to timely supply of
goods and services within 180 days from
the date of invoice, ITC already claimed
by recipient will be added to output
tax liability and interest to paid on such tax

involved. On payment to supplier, ITC will be again allowed to be claimed.

7. NO ITC will be allowed if depreciation has been claimed on the capital good.

8. Time limit to claim ITC against an invoice or Debit note is earlier of below date

- due date of filing GST in Sep OR

- Date of filing AR relevant for that financial year

✓ 9. Common credit of ITC used commonly for
- Effectively exempt and taxable supplies.
- Business and non-business activity

10. Since 9 Oct 2019, a regular taxpayer can claim provisional ITC in GSTR-3B to the extent of 20% of the ITC available in GSTR-2A.

Elegibility & Condition for Input ITC

Sec 16(1) states every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both to him, which are used or intended to be used in the course of business or for furtherance of business.

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Such ITC shall be allowed in the manner in Sec 17 of CGST Act. The said ITC shall be credited to the Electronic Credit Ledger (ECL) of such person.

1. Registered person shall be entitled to ITC charged on inward supply of good and/or service.

• Inward Supply means receipt of goods or service by any means without consideration

• Registered person means who is registered u/s 22 or 24 but does not include a person having a UIN (Sec 2(94))

2. Input / Input - service / Capital goods received or intended to be used by the supplier

3. The use of inputs / Capital goods must be for Business use.

4. ITC availment only through ECL

BLOCKED ITC (Sec 17)

In some case, full ITC on inward supply cannot be availed - because if supply may be partly for business and partly for another purpose. and so, supplies are partly used for taxable purposes & partly for non-taxable purposes -

In such case, Proportionate ITC shall be available.

Input Credit Eligibility

See 17(5) of CGST act, The

Credit of Input tax may be availed for making zero rated supplies but no ITC is available for exempt supplies

A registered taxable person zero rated supply shall be eligible to claim refund.

Export is zero rated sale.

Ex

Manish of Delhi purchases goods worth ₹ 2 lac pay GST @ 28% of Turnover, and exports those goods.

$$\text{Input tax} = 200000 \times 28\%$$

$$= 56000$$

$$\text{Output tax} = \text{Zero}$$

$$\text{So refund} = 56000$$