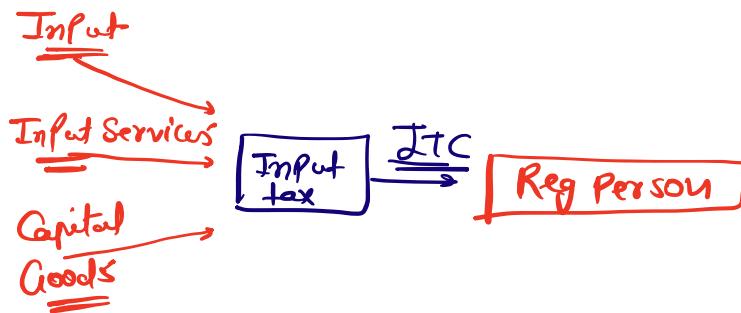


## Input tax credit

sec 16 → Conditions of availment of ITC

sec 17 → Restriction on ITC



① Input → Any goods other than Capital Goods used for furtherance of business.

② Capital Goods - Any goods which are Capitalized in books of accounts and are used for furtherance of business.

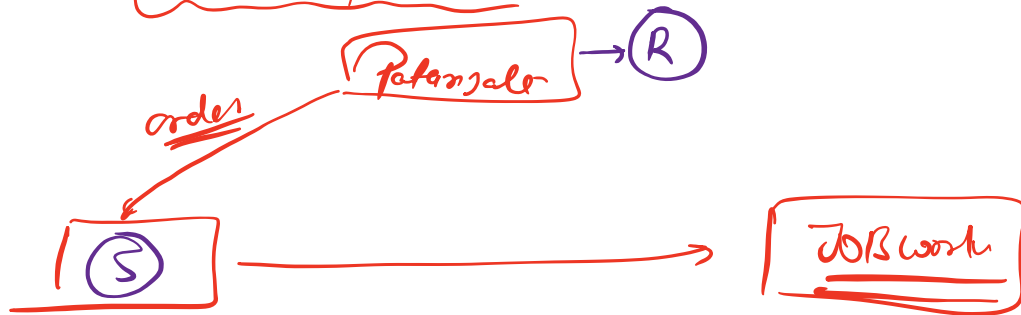
③ Input service - Any services which are used for furtherance of business.

### Sec 16 Conditions of availment of Input tax credit

- ① Person availing Credit should be registered under GST.
- ② Person availing credit should have possession of "tax paying documents"
- ③ Goods or Services should be received

\* Dispatch in lots → ITC Can be claimed only on receipts of last Installment

\* Bill to ship needed



Receiver Can avail Credit when goods are Received at Premises of Third Person.

④ Tax on such Supply should be Paid to Govt.

⑤ Return for claim of ITC should be filed by Receiver → GSTR-3B

⑥ Capital Goods → No ITC if depreciation claimed on tax component of Capital Goods under

Income tax.

Machene .....

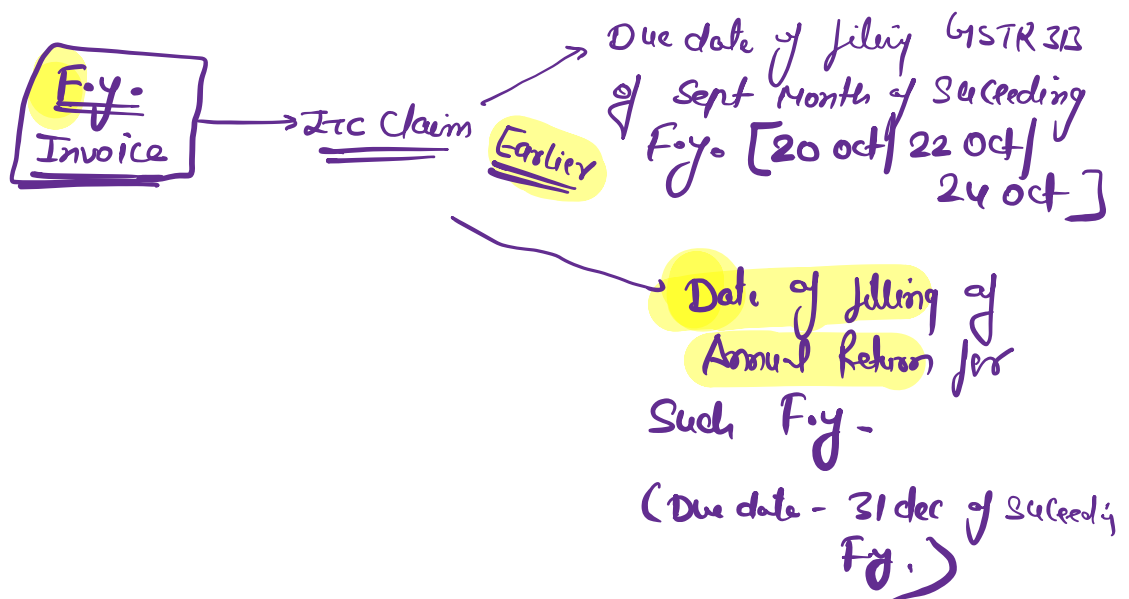
GST | ITC

$$\begin{array}{r}
 100000 \\
 + \text{Cost } 180000 \\
 \hline
 1180000
 \end{array}$$

I.T.C 180000

$$\begin{array}{r}
 \text{Cost } 1180000 \\
 \text{Dep } 15\% \\
 \hline
 \text{Cost } 100000 \checkmark \\
 \text{Dep } 15\% \\
 \hline
 \text{Sec 32}
 \end{array}$$

## ⑦ Time limit to claim ITC



<u>Gx</u> <u>DOI</u>	Date of Annual Return	Date of ITC Claim	<u>Last date</u>	I.T.C. Claim
1-5-21	15 Nov 22	10 Nov 22	20 Oct 22	X
30-03-22	7 Aug 22	10 Sept 22	7 Aug 22	X
1-02-22	10 Nov 22	15 Sept 22	20 Oct 22	✓

15-05-22

15 Aug 23

15-12-22

15 Aug 23



### ⑧ Payment of Consideration for Supply

↳ within 180 days to the Supplier Other-  
wise Claimed Credit is required to be  
Reversed.

## Sec 17(5) Blocked Credit

### (A) Motorvehicle Related

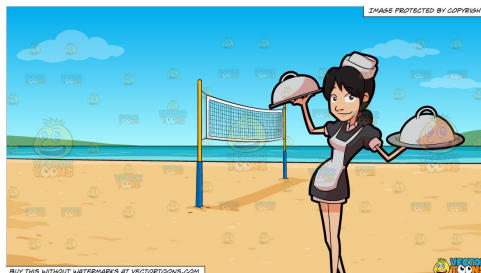
- ① Motorvehicle used to carry not more than 13 passengers
- ② Passenger Aircraft or Vessels

### ③ Insurance and Maintenance of MV.

### Exceptions

- ① Who further supply MV
- ② Transportation of Passengers Services
- ③ Driving skills

- ① If such MV is eligible for claiming ITC
- ② Manufacturer of MV
- ③ General Insurance Co.



### (B) Employees Related

- ① Food & Beverages
- ② Catering
- ③ Beauty treatment
- ④ Cosmetic & Plastic Surgery
- ⑤ Renting of MV
- ⑥ Health Insurance / Life Insurance
- ⑦ Membership of Gym & fitness centres
- ⑧ Employees vacation, leave travel concession

① Such services are used for further providing same category of output services

or such supply is an element of composite and mixed supply -

② Statutory Obligations

### ③ Construction Related Business

Work Contract  
Services

Construction Material  
(Cement, Iron)

Construction related services  
(Architect, Designing)

used

Construction of any immovable  
property other than plant & machinery

Exception

- ① Who is further providing construction services
- ② Who is further providing work contract services

Construction → Addition, Modification, Alteration which are Capitalized in books of Accounts.

Plant & Machinery → Any Machine plant attached to earth

Excluding ① Building

② Land

③ Telecommunication Tower

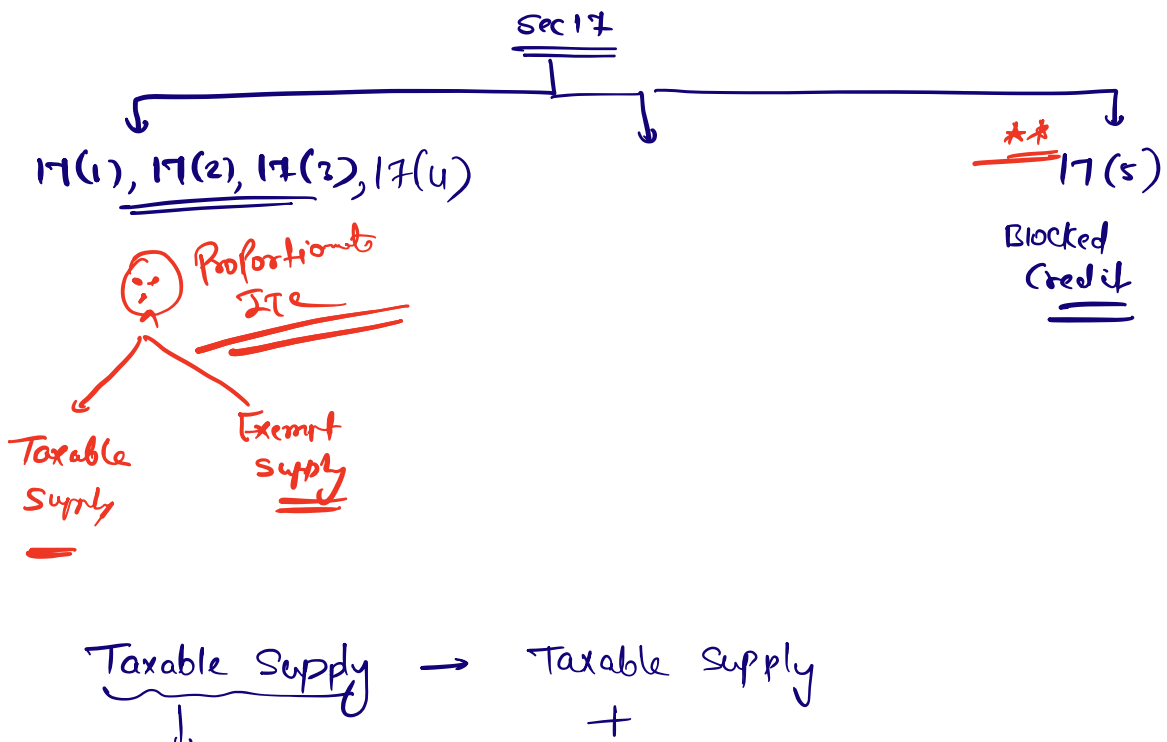
④ Pipeline fitted outside factory

Ex:	<u>Input</u>	<u>Capitalized/Per</u>	<u>Asset</u>	<u>ITC</u>
①	<u>Cement</u>	Per	<u>Office</u>	✓
②	Work Contract Services	Capitalize	Office	X
③	Iron	Capitalized	<u>Machine</u>	✓
④	Iron	Capitalized	Tele Communication Tower	X
⑤	Work Contract Services	Per	Tele Communication Tower	✓
⑥	Work Contract Services		Further Work Contract Services	✓



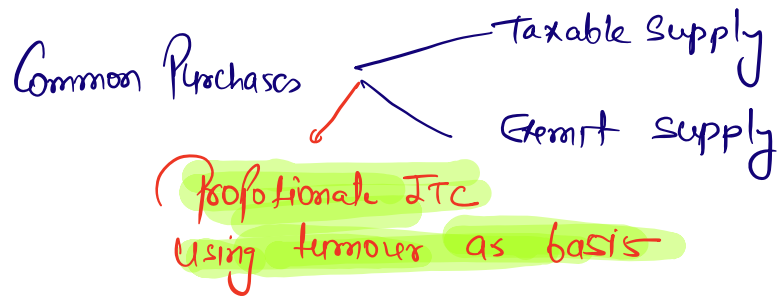
## ④ Miscellaneous

- ① Tax Paid u/s 10
- ② Goods lost, destroyed, writeoff before use.
- ③ Free Gifts, Free Samples
- ④ Tax Paid u/s 73, 74, 129, 130 (Tax evasion)
- ⑤ NO ITC to NRI except Goods Imported by him



It means  
ITC is available  
to Exporters

Exports (Zero Rated Supply)  
+  
Deemed Exports (Supply to SEZ)



Q.33, Q.34, Q.35, Q.129 to 135