

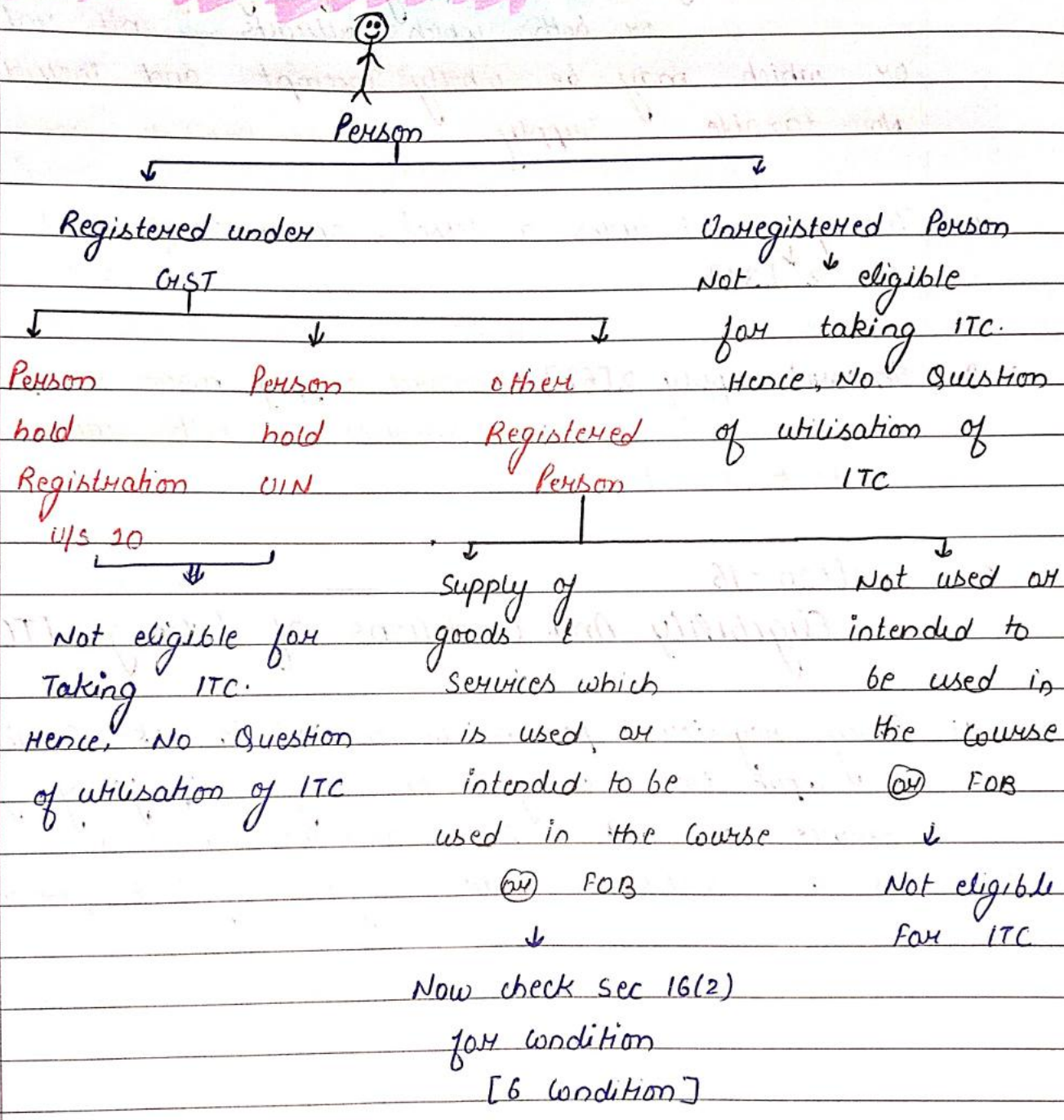
without consideration

o Section - 16

Eligibility And Conditions of taking ITC

- (1) Every registered person be entitled to take credit of input tax charged on any supply of goods or services or both said amount shall be credited to the electronic credit ledger of such person.

CRUX OF 16(1) and 16(2)



- (c) Debit Note issued by Supplier
- (d) Bill of Entry under Custom law
- (e) ISD (Input Service distributor) Invoice.

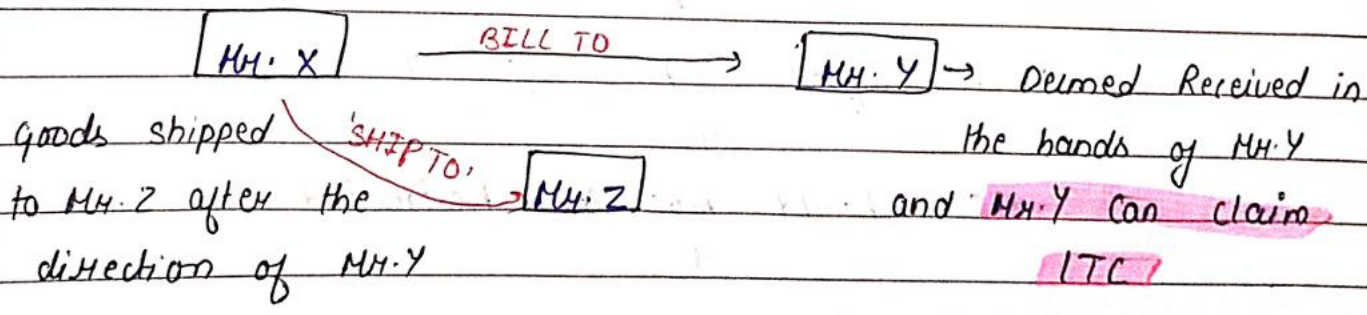
② Details of Invoice / debit Note uploaded by Supplier in his GSTR-1 or using IFF and details communicated in the Form GSTR-2B Invoice furnishing facilities

The above concept has been illustrated as follows

<ul style="list-style-type: none"> • ITC on Invoice / DN have been furnished by Supplier in GSTR-1 	<p>Full ITC can be claimed on such Invoice / DN.</p>
<ul style="list-style-type: none"> • If Invoice / DN have not been furnished and not reflected in GSTR-2B 	<p>No ITC can be claimed on such Invoice / DN</p>

③ Receipt of Goods (or) Services
 The R.P taking ITC must have been received the goods and/or Services

- "Bill to Ship TO" MODEL



4) Details of ITC in respect of the said supply communicated to the R.P u/s 38 NOT Restricted

(5) Tax leviable on Supply paid to govt

if FCM

then Supplier

if RCM

then Receiver

[6] The Registered Person taking ITC must have filed his Return GSTR-3B u/s 39.

Final CRUX OF Sec-16(2)

अगर ITC claim करना है तोनी गरी Person को तो नीचे दिए conditions follow Hani chahiye.

- 1) Person — R.P Except Sec-10. uIN +
- 2) Goods/ Services used (or) intend to use for B/P +
- 3) Tax Invoice (or) other tax paying doc in hands of Receiver +
- 4) Goods/ Service Received in Factory +
- 5) Supplier Invoice uploaded in GSTR-1 +
- 6) Tax paid to govt. +
- 7) Receiver filed GSTR-3B u/s 39 +
- 8) ITC should not be Restricted +

9) Cases Not Covered u/s 17(5)

o Important Note

1) where goods against an Invoice is received in lots @ installments, then the R.P shall be entitled to take credit upon the receipt of **Last lot @ installment**

2) Availability of ITC to recipient has been depended on the payment of tax by the Supplier.

If the Recipient fails to pay an amount of supply along with the tax payable within 180 days from the date of Invoice, the recipient will be liable to pay along with output Tax liability (i.e. Reversal of ITC) an amount equal to **ITC + Interest @ 18% p.a from the beginning upto the date of payment.**

3) when Receiver subsequently pays the amount then he can re-avail ITC.

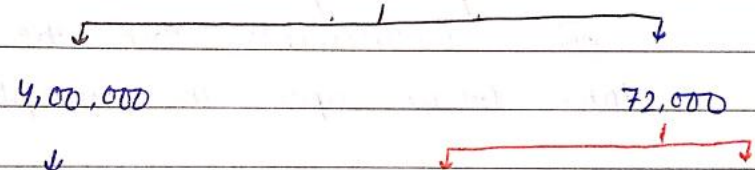
o Section - 16(3)

where Registered Person has been claimed Depreciation on the Tax Component (i.e. GST Portion) of the cost of capital goods @ P&M under Income Tax Act then, ITC on such tax component (i.e. GST) shall not be allowed.

Example:-

cost of capital goods = 4,00,000

GST @ 18% = 72,000
4,72,000



claim Dep u/s 32
of Income tax Act,
1962

claim Depreciation OR claim ITC

only one
Benefit can
avail

Most Beneficial = ITC