

Section 16 (ITC lewa hai toh ye sab hona chahie)

↳ Registered Business use

\* 2 Basic Condition to Claim ITC

Buyer should be registered

Goods / services should be bought in the course or furtherance of business

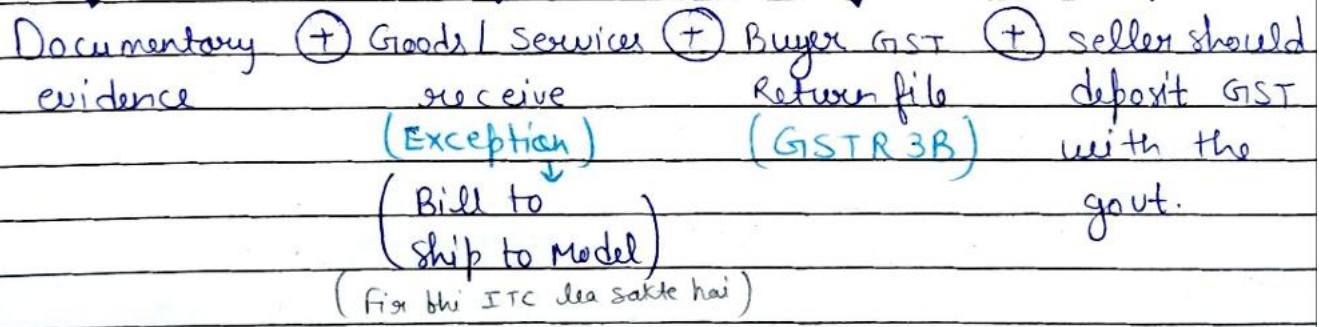
4 Conditions

(1) Documentary Evidence

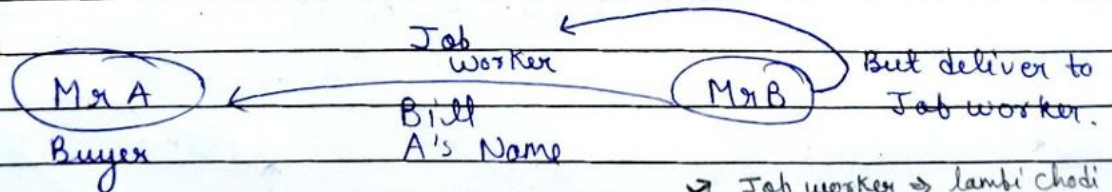
(If any then ITC le sakte hai)

- Invoice
- Debit Note
- Revised invoice
- Bill of Entry (Imports)
- Document by Input service distributor

4 Conditions



Eg



ITC ??  
↳ Mr A

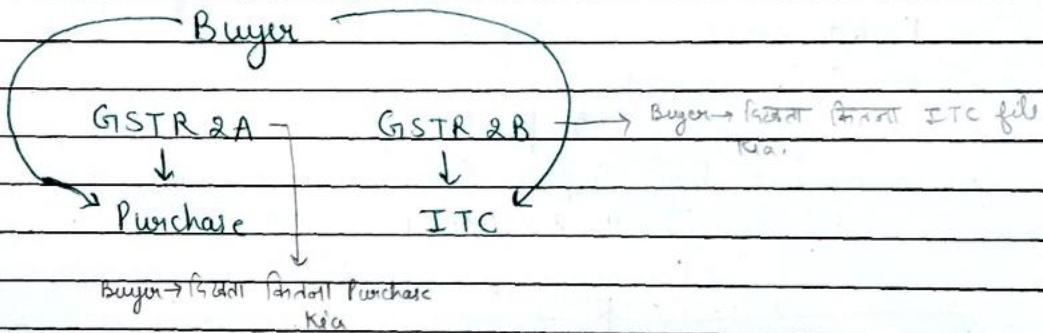
Job worker → lambi chodi  
Process kit chota sa work  
outsorce karate hai

• Shirt business → collar pattern (Job worker)

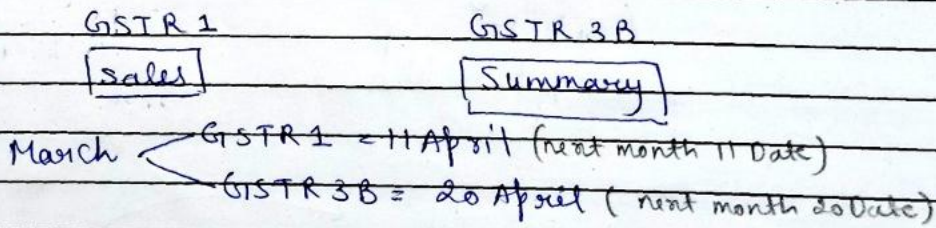
\* GST Return

GSTR 1 → Sales → Due Date: 11<sup>th</sup> of the next month. Aggregate ITC up to 5 crore: 13<sup>th</sup> of the next month. (Statement)

GSTR 3B → Summary → Due Date: 20<sup>th</sup> of the next month. Quarterly: 22<sup>nd</sup> / 24<sup>th</sup> of the next month. (Return) (of Purchase & Sales)

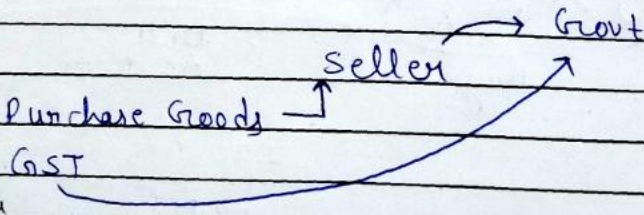


(Eg) Buyer GST Return



(Eg) Buyer Seller Govt

ITC Buyer ko lena hai, Buyer ITC kab lega? Jab seller ne GST Amt Govt ko dia. If seller ne nai ki'a toh Buyer ka karm atak jayga.



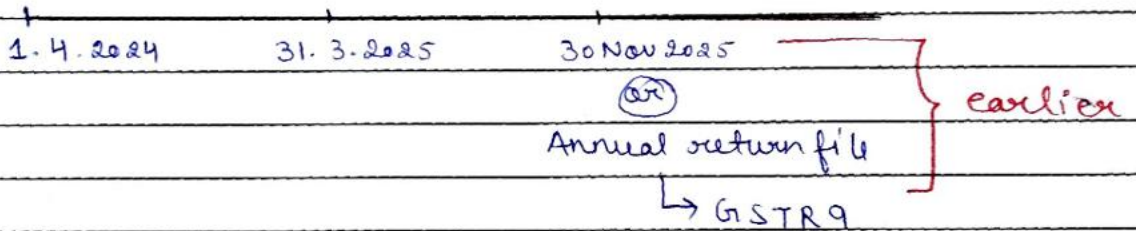
\* Time limit to claim ITC

FY 24-25

output tax 4 lakh  
Input tax 490,000

output 4l  
Input (4l) (set off)  
0 pay

Income tax balance  
↳ ∴ 90,000



\* GSTR9 → due date → 31 Dec  
(March → end year then Dec comes)

\* Invoice & Debit note are independent for claiming ITC :-

• 29 Mar 2025 ← Bill बनाया  
2l + GST 20,000

• Debit Note = 3 April 2025  
↳ 40,000 + GST 4000

Buyer ITC

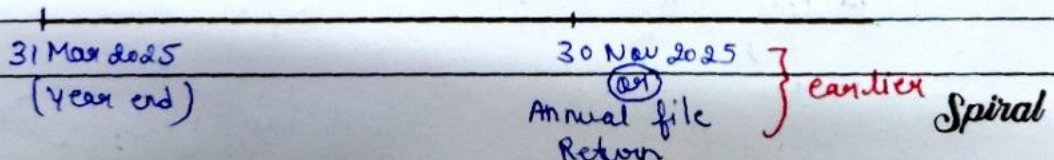
↳ Debit Note kab banta??

⇒ Jab Buyer se jyada ₹ aagega to debit Note.

⇒ Jab kam aagega ₹ to Credit Note

∴ Ye Note seller → Buyer ko banake dega

(1) Bill 29 Mar 2025



(2) Debit Note 3 April 2025

31.3.2026  
(Year end)

30 Nov 2026  
or  
Annual return  
file

} earlier.

Lec 2 17 Mar

\* Goods Received in lots

ITC ?? कब ले पाएंगे → when last lot is received

Eg 100 boxes order

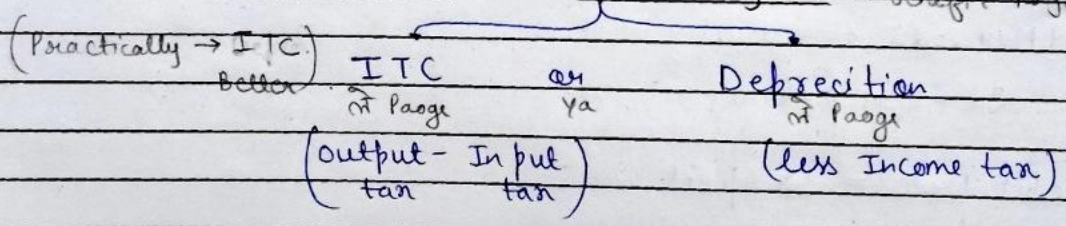
1st lot = 5 sept 20 box

2nd lot = 11 Nov 30 box

3rd lot = 14 Dec 50 boxes

ITC ?? → Dec Month

\* Asset Purchase → GST Pay ?? Any one because do benefit to judge



Eg May 2024

P&M Cost 50 lakh  
GST 8 lakh

May  
output tax = 20 l

option 1 ITC claim

P&M Cost 50 l  
Income tax  
depr. claim on

output 20 l  
(8 l)

Gross Pay 12 lakh Spiral

option 2

Cost P&M = 500 + 80 → ~~580~~  
580

output 200  
(-) Input tax (X)  
Pay 200

Depreciation claim →

Amendment

Time limit to Avail I.T.C. in Case Bill is issued by the Receiver  
sometimes.

RC → Invoice is to be issued by the Receiver

ITC claim last date??

Year → Actual Bill → FY end  
Raise

Earlier

30 Nov  
or  
Amt. rec.

Bill Raised

- 31.3.2025
- 1.4.2025

30 Nov 2025 or Annual Return

Year end  
31.3.2026

30 Nov 2026 or  
Annual return

Buyer  $\xrightarrow[180 \text{ days}]{\text{Pay}}$  Seller

Date.....

\* Buyer to pay to the seller within 180 days from seller date of Invoice

A seller 1 May (Credit Purchase)  $\rightarrow$  Buyer

Sell 1 lakh  
5000 GST

May - Purchase

$\rightarrow$  Assume output tax 30,000  
(5,000)  
Pay 25,000

New Buyer to pay within 180 days

Pay (X)

28 Oct.

Oct  $\rightarrow$  Buyer

output tax  $\rightarrow$  Assume  
80,000

$\frac{80,000}{+ 5,000}$  ITC Reverse  
85,000 Pay

[Eg] Now Assume in Oct output tax 80,000  
Assume in Oct Input tax 50,000

5,000 ITC Reverse

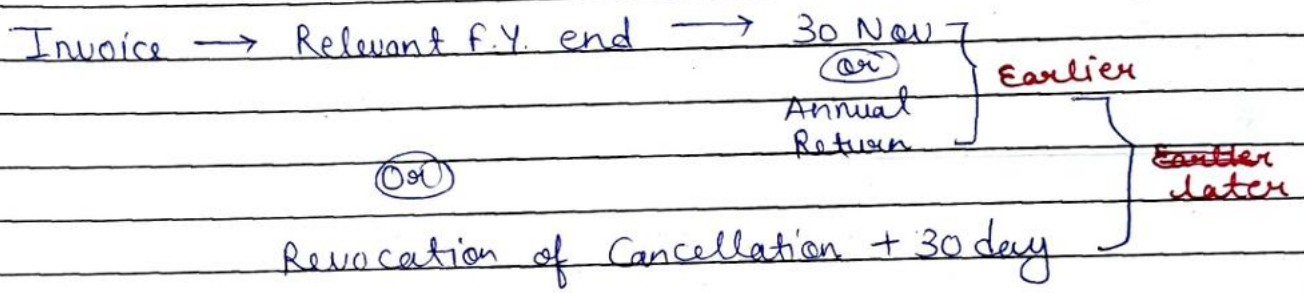
Option (2)  $80,000 + 5,000 = 85,000$   
(50,000)  
Pay = 35,000

Int Pay on ₹ 5,000 @ 18% p.a.

\* Concept of 180 days not applicable

Purchase under Reverse Charge      Schedule I      Seller's liability paid by the buyer  
 (व्यापक लेखा)

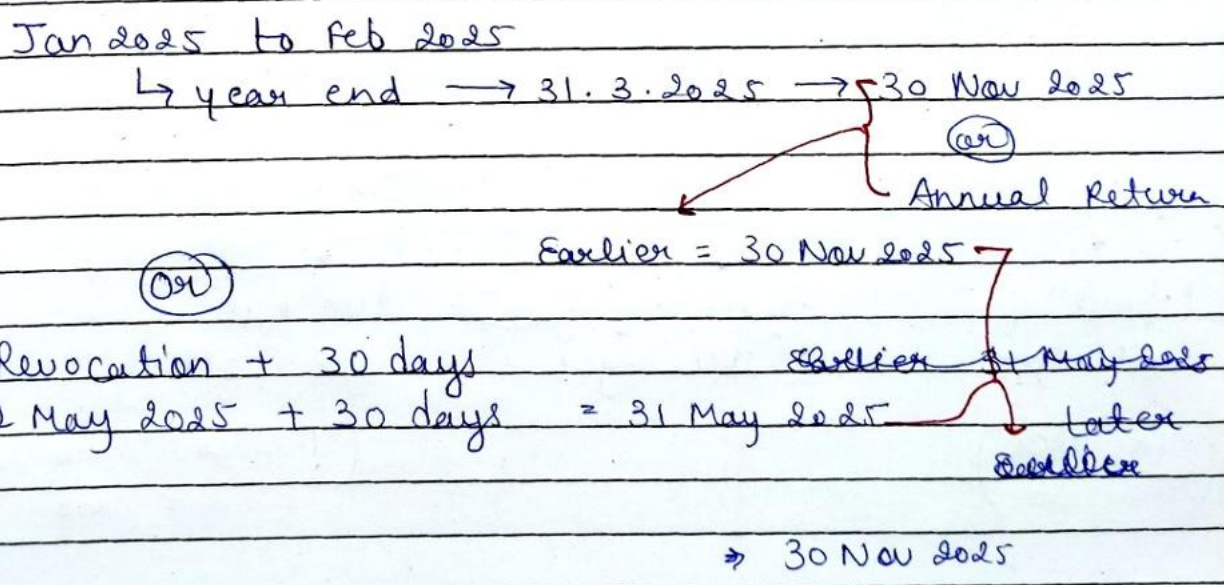
\* Last Date to claim ITC in Case of Revocation of Cancellation of Registration (Cancel Reg को वापस लेना)



Eg ①

- Cancellation
- Jan 25 to Feb 25
  - Case 1 → Cancellation Revoke on 31st May 2025

Last date to Avail to ITC??



② Revocation, 17 Nov 2025

30 Nov 2025 or Annual return

Earlier = 30 Nov 2025

17 Nov 2025 + 30 days = 17 Dec 2025

} Later

Later = 17 Dec 2025

\* Section 17(5) Blocked Credits

(Pg 68)

①

Motor Car

Goods

ITC



Transport of Passenger  
ation

Seating Capacity upto 13 person (including driver)

> 13 persons

ITC (✓)

ITC (X)

Exception ITC available (✓)

T. part<sup>n</sup> of Passenger

Training (driving)

Purchased for selling

(Ola, uber, Taxi etc)

(Dealer / showroom, 2nd hand)

② Ships / Aircrafts

ITC → Generally block



3 exceptions

T. port<sup>n</sup> of Passengers

Training Provide

Purchased for selling

③ Insurance / Repairing / Servicing of Vehicles / ships / Aircrafts



GST Pay ITC??

M.V upto 13

ITC Block then

ITC Block (L)

motor vehicle / ships / aircrafts.

If ITC is allowed then misc.

& ITC also allowed

(Food & Beverages)

- ④ • F & B
- Catering
- Beauty Treatment
- Cosmetic & plastic surgery
- Life & Health ins.
- Health & Fitness
- Taking on rent the Vehicles on which ITC is blocked

Generally ITC block

Exception

outward supply

State - taxy obligat - ion

(Law ne bolke rakh hai)

ye kaano kaano hai

- ⑤ Membership of club / fitness Centre etc.
  - ⑥ Travel benefits to Employees
- } Generally ITC blocked
- ↓ Exception
- ↓ statutory obligations

Lec 3    18 Mar

⑦ Works Contract Services / Construction Services  
(Immovable prop)

Repairs / Renovation → Exp ← Revenue ITC (✓)  
← Capital ITC (X)

**CASE** (i) Contractor ← +GST    Mr. A

• Home / office Building ITC (X NO)

(ii) MR. P 1 Cr. GST Pay ✓ Paying to Mr. A 60L Paying to Mr. B  
Sub Contractors

00  
00  
Building (Mr. P)

ITC    Mr. P (X)    1 Cr. (60L)  
          Mr. A (✓)    40L Pay

~~4/2/21/11/11/11~~

Date.....

(iii) Builder → Building for own or others

ITC

ITC Blocked

(iv) P & M → Construct

GST Pay →

ITC →



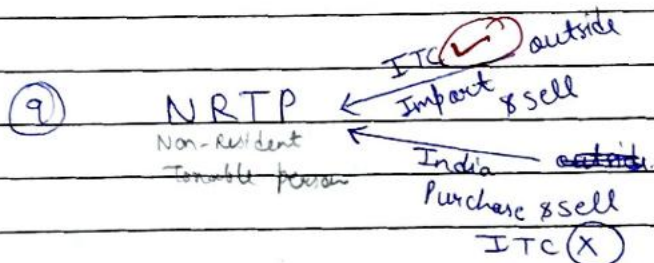
Exception → Blocked

Civil Structure Building

Mobile Tower

Pipelines outside the factory

⑧ Tax paid under Composition levy (Sec 10 CGST Act)



⑩ Expenses for CSR (Corporate Social Responsibility)

Eg 22 Blankets + 24000 ITC Block.

ITan (X) GST ITC (X)

⑪ Goods / Services purchased for personal Consumption

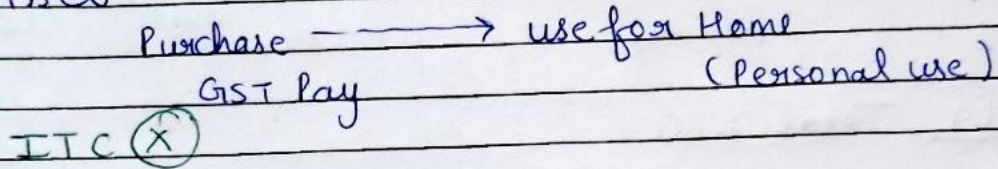


• ITC eligible =  $30,000 \times \frac{1}{101} = 3,000$  ✓

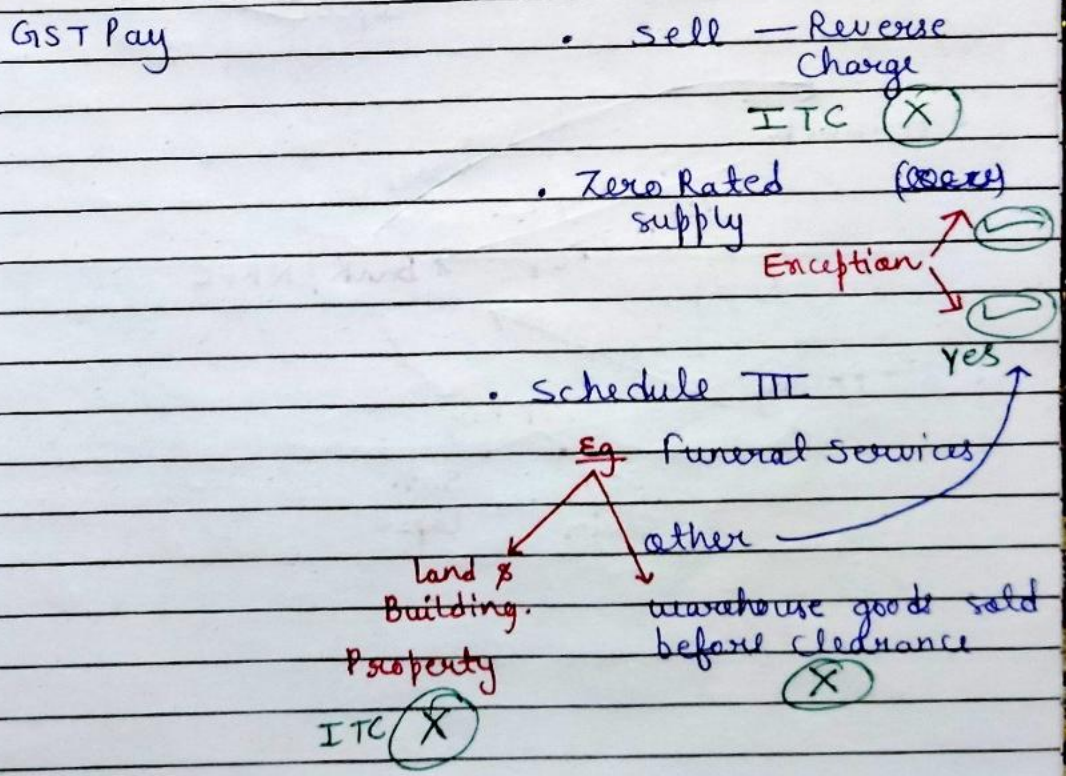
• ITC ineligible =  $30,000 \times \frac{91}{101} = 27,000$  ✗

Remaining 27,000  
↳ lapsed

(iv) Asset



(v) RM purchase / services available → Finished Goods

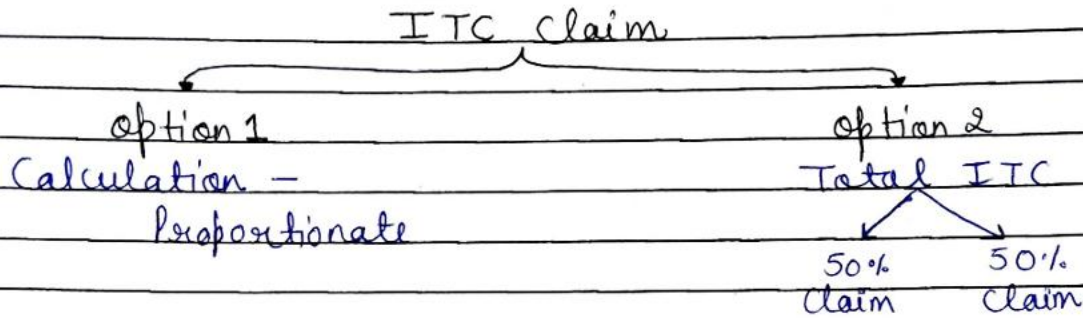


LEC-4

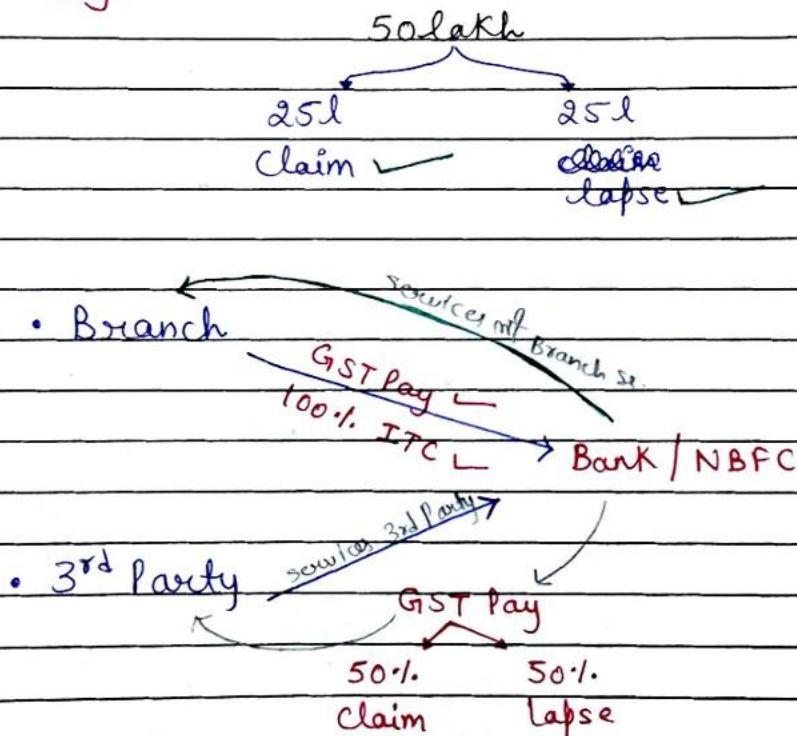
Lec-4 19 May

Date.....

## \* ITC for Banking Companies & NBFC'S



Eg Total ITC



Section 18

• ITC in special Circumstances :-

Registration

ATO  
Gross

10L / 20L / 40L



Apply within 30 days  
T/O ver Gross 10 July 2025



Case 1

Apply  
5 Aug 2025

Certificate  
Rec. 8 Aug 2025



- Within time ✓
- Registered → Liabl to Registered ✓

ie on 10 July 2025

ITC stock 9 July 2025

Case 2

Apply  
11 Aug 2025

Certificate rec.  
14 Aug 2025

late ✓



Registered → Certificate Rec.  
14 Aug 2025

ITC stock 13 Aug 2025

Voluntary  
Reg.



Apply 16 Aug 2025

Certificate recorded  
24 Aug 2025

Registered ??  
24 Aug 2025

stock = 23 Aug 2025  
ITC

Raw Material      Work In Progress      Finish Goods

• In the above case → for ITC of RM | WIP | FG

↳ Allowed

Capital Goods

↳ Not allowed



→ Calculation of no. of Quarters

5 June 2023 to 7 July 2025

2023 Apr to June } 3 Quarter

2024 → full } 4 Quarter

2025 7 July 2025 } 3 Quarter

(Jan Feb Mar  
Apr May June  
July Aug Sep)

10 Quarters

$$10 \times 5\% = 50\%$$

$$\text{GST} = 14 \text{ lakh}$$

$$- 50\% (7 \text{ lakh})$$

$$\underline{7 \text{ lakh}}$$

Eligible ITC

Que Exempt supply  
Capital goods purchase 11 Nov 2021  
GST ₹ 17 lakh  
Exempt supply became taxable on 5 Sep 2024

Find eligible ITC.

11 Nov 2021 to 5 Sep 2024

2021 1

2022 4

2023 4

2024 3

12 Quarters

$$12 \times 5\% = 60\%$$

$$172 - 60\% = 680000$$

10,20,000

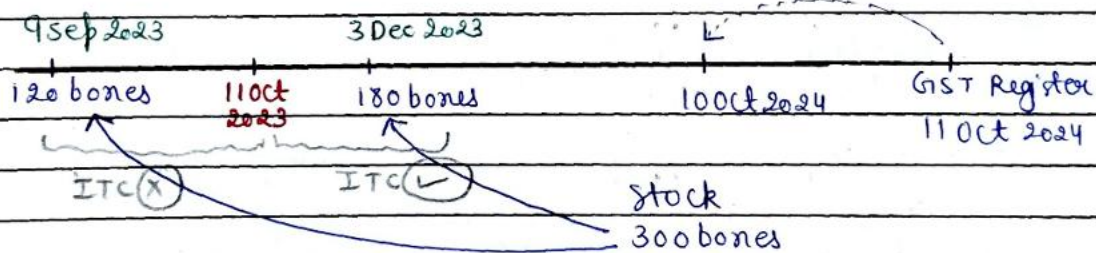
Eligible ITC.

As per section 18 of the CGST Act in case exempted goods becomes taxable the Input Tax Credit of Capital Goods can be taken by reducing the amount of GST @ 5% per Quarter or for a part of the Quarter from date of invoice till the date of exempt goods becomes taxable.

### \* In special Cases

old WIP / FG / RM  $\longrightarrow$  ITC  $\checkmark$

Maximum 1 year  
old can be taken



180 bones ITC (✓)

120 bones ITC (X)

Date.....  
\* New shifting from Taxable to Exempt supply:-

(104)

Normal Register to Composition levy :-

(I) RM / WIP / F.G.

Normal  $\xrightarrow{\text{shift}}$  Composition

$\xleftarrow{\text{12\%}}$

8 Dec 2024

कॉट ऑफ गूड्स सेल करिंग  
100 7 Dec 1000000000

7 Dec 2024

Stock ITC  $\rightarrow$  Reverse (✓)

(I) Capital goods

Que Non. register  
Cap. goods Purchase 40 lakh  
GST = 12%

Purchase on 5<sup>th</sup> Oct 2022

Now you shifted to Comp. levy on 7<sup>th</sup> Oct 2024

Find ITC to be Registered.

5 Oct 2022 to 7 Oct 2024

2022 Oct	1
2023	4
2024	4
	<u>9</u>
	<u>9 Quarters</u>

9 Quarters  $\times$  5%.

Reverse 45%.

GST 40L  $\times$  12%  
Purchase480000  
(216000)  
(45%)Taxable to Comp. wif ITC 264000  
Reverse\* Amount Payable on supply of Capital goods on P&M on which ITC has been availed.

Cap. Goods Purchase ✓

GST Pay ✓

ITC availed. ✓

GST to be paid to the govt on sale

GST Collected  
from the  
Customer

(or)

Input Tax remaining after  
reduction @ 5%.Per Quarter (or) part of  
the Quarter

Higher