

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

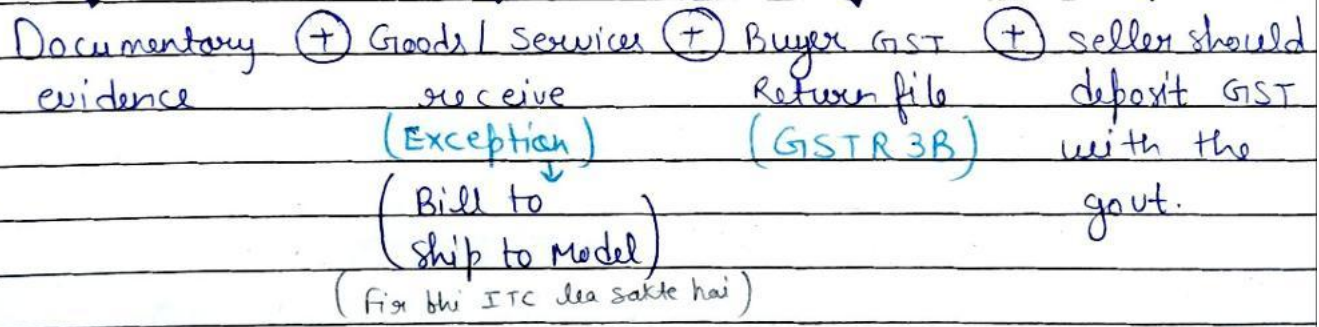
4 Conditions

(1) Documentary Evidence

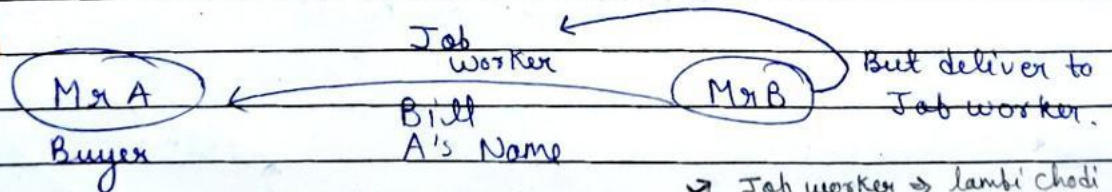
(If any then ITC le sakte hai)

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

4 Conditions



Eg



ITC ??  
↳ Mr A

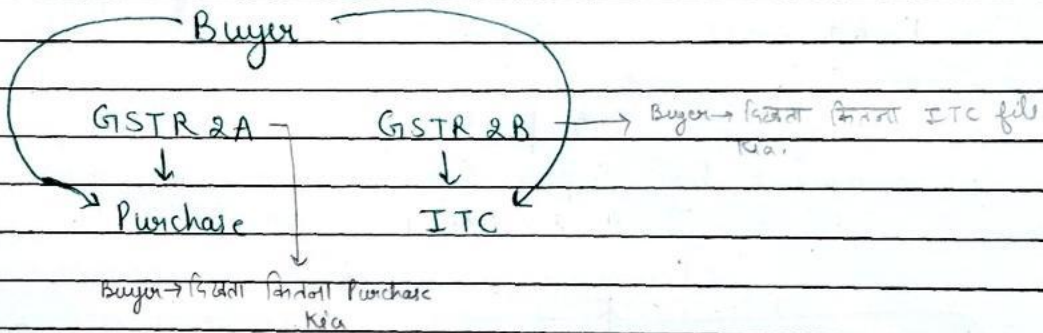
→ Job worker → lambi chodi  
Process kit chota sa work  
outsorce karke hai

- Shirt business → collar pattern (Job worker)

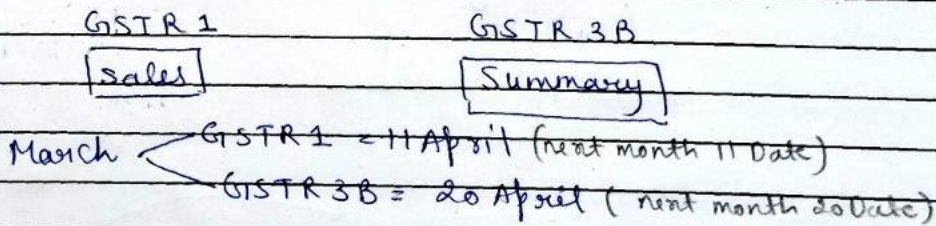
\* GST Return

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

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

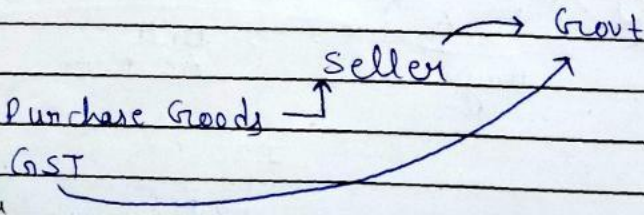


(Eg) Buyer GST Return



(Eg) Buyer Seller Govt

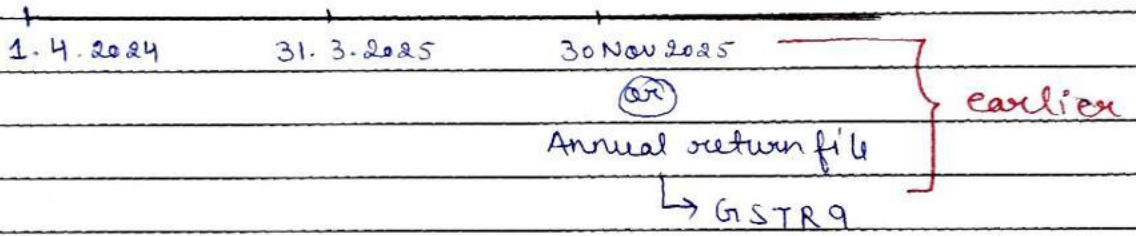
ITC Buyer ko lena hai,  
Buyer ITC kab lega?  
Jab seller ne GST Amt Govt ko dia  
If seller ne nai ki'a toh Buyer ka  
Kam atak jayga.



\* Time limit to claim ITC

FY 24-25

output tax	4 lakh	output	4l
Input tax	490,000	Input	(4l) (set off)
			0 Pay
		Income tax balance	
		↳ ∴ 90,000	



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

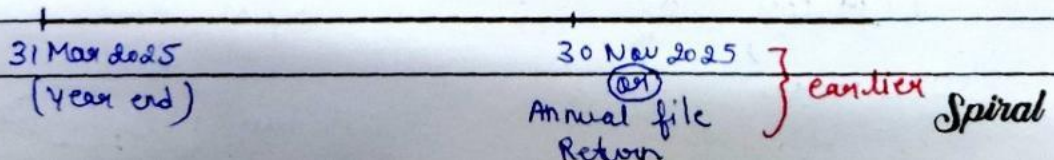
\* Invoice & Debit note are independent for claiming ITC :-

- 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 ₹ aaega to debit Note.  
⇒ Jab kam aaega ₹ 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

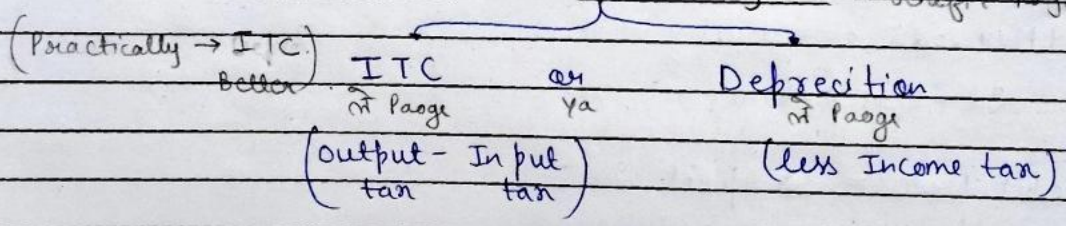
1st lot = 5 sept 20 boxes

2nd lot = 11 Nov 30 boxes

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

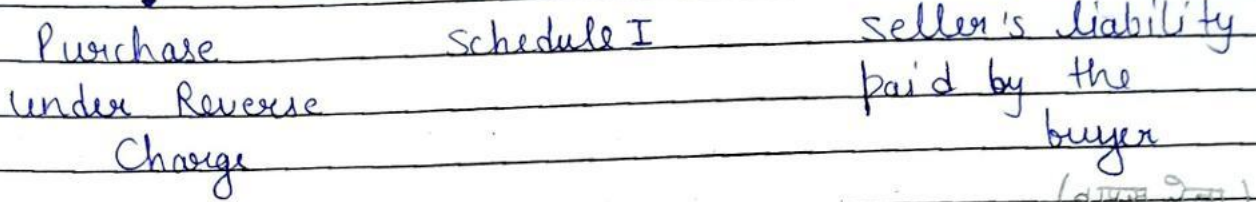
[Eg] Now Assume in Oct output tax 80,000  
Assume in Oct Input tax 50,000

5,000 ITC Reverse

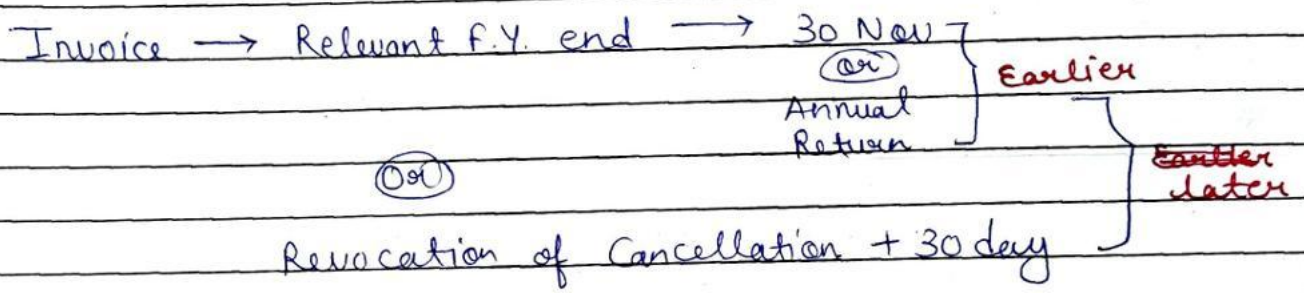
Option (2)  $80,000 + 5,000 = 85,000$   
(50,000)  
Pay = 35,000

Int Pay on ₹ 5,000 @ 18% p.a.

\* Concept of 180 days not applicable



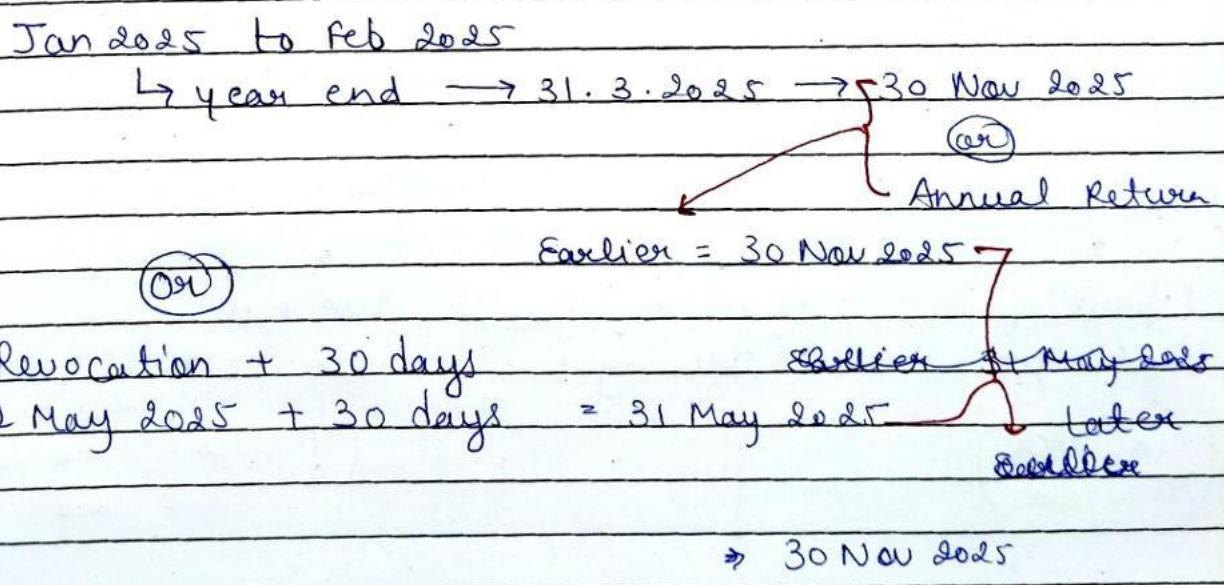
\* Last Date to claim ITC in Case of Revocation of Cancellation of Registration (Cancel Reg को वापस लेना)



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

(Ola, uber, Taxi etc)

Training (driving)

Purchased for selling

(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 kaam  
karna hai

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

Lec 3    18 Mar

(F) 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

(iii) Builder → Building for own or others

100/100

ITC Blocked

(iv) P & M → Construct

GST Pay →

ITC →



Exception → Blocked (circled)

Civil Structure Building

Mobile Tower

Pipelines outside the factory

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

9) NRTP Non-Resident Taxable person

ITC (L) outside Import & sell

India purchase & sell ITC (X)

10) Expenses for CSR (Corporate social Responsibility)

Eg 22 Blankets + 24000 GST ITC Block. ITan (X) ITC (X)

11) Goods/ Services purchased for personal Consumption

(12) Goods lost / stolen / Destroy / written off /  
 Dispose / free Sample  
 Gift → Exemption Schedule I

(13) Paid tax in accordance with Section 74 (Tax की  
 चर्चा)  
 → (Proportionate वित्त)

\* Apportionment of Credit

(i) Raw Material Purchase -----> Finished Goods supply  
 GST Pay 30,000 GST Collect 80,000

∴ ITC (✓)

(ii) R.M. Pur. -----> F. Goods Sell  
 GST Pay 30,000 GST Exempt (✓)

∴ ITC (X)

(iii) R.M. Pur.  
 GST Pay 30,000

F. Goods

'A' SV = 1,00,000  
 GST = 12,000

'B' SV = 9,00,000  
 GST = Exempt

Taxable goods Sale = 1 l

Exempt goods Sale = 9 l

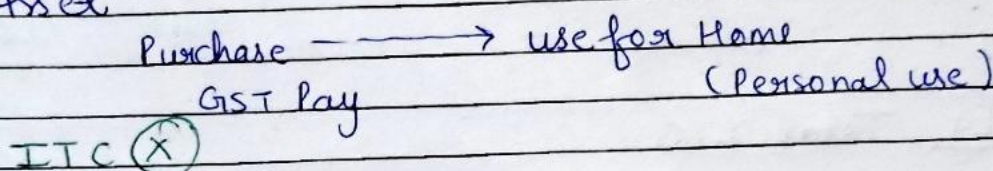
10 l

• ITC eligible =  $30,000 \times \frac{11}{101} = 3,000$  ✓

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

Remaining 27,000  
↳ lapsed

(iv) Asset



(v) RM purchase / services available → Finished Goods

GST Pay

• sell — Reverse Charge

ITC ✗

• Zero Rated supply (zero)

Exception

yes

• Schedule III

Eg Funeral services

land & Building.

Property

ITC ✗

other

warehouse goods sold before clearance

✗

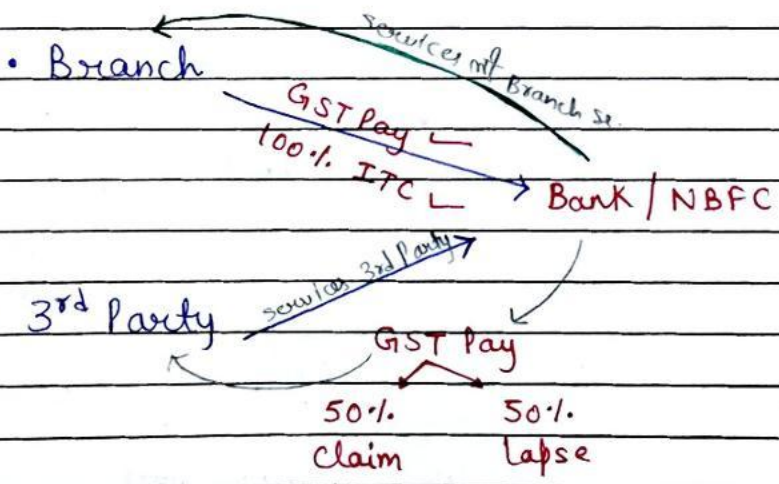
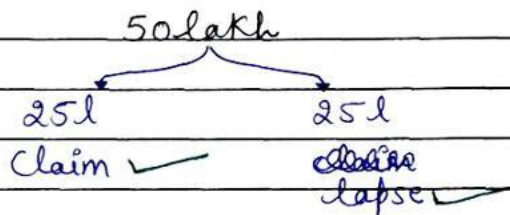
\* ITC for Banking Companies & NBFC'S

ITC claim

option 1  
Calculation -  
Proportionate

option 2  
Total ITC  
50% Claim    50% Claim

Eg Total ITC



Section 18

• ITC in special Circumstances :-

Registration

ATO  
Gross

10L / 20L / 40L



Apply within 30 days  
T/Gross 10 July 2025

Voluntary  
Reg.



Apply 16 Aug 2025

Certificate recorded  
24 Aug 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

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

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

GST = 14 lakh

- 50% (7L)

7L

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.

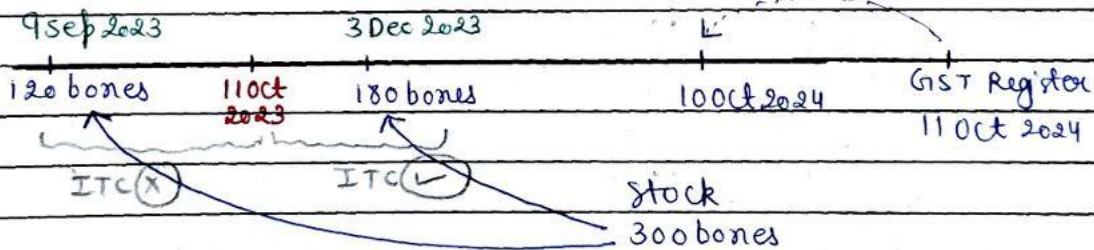
As per section 18 of the CGST Act in case exempted goods becomes taxable the Input Tax Credit of Capital Goods can be taken by reducing the amount of GST @ 5% per Quarter or for a part of the Quarter from date of invoice till the date of exempt goods becomes taxable.

### \* In special Cases

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



Maximum 1 year  
old can be taken



180 bones ITC  $\checkmark$

120 bones ITC  $\times$



Date.....

9 Quarter x 5%

Reverse 45%

GST 401 x 12%  
Purchase

480000  
(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