



Knowledge Enhancement Committee

Technical Session

Goods & Services Tax

ITC- Apportionment & Blocked Credits

Credit Flow under Pre GST



Excise Duty/Service Tax

MANUFACTURERS
& Service Providers



Only for ST with Excise
Duty and Vice Versa

Traders and Dealers



CST

VAT



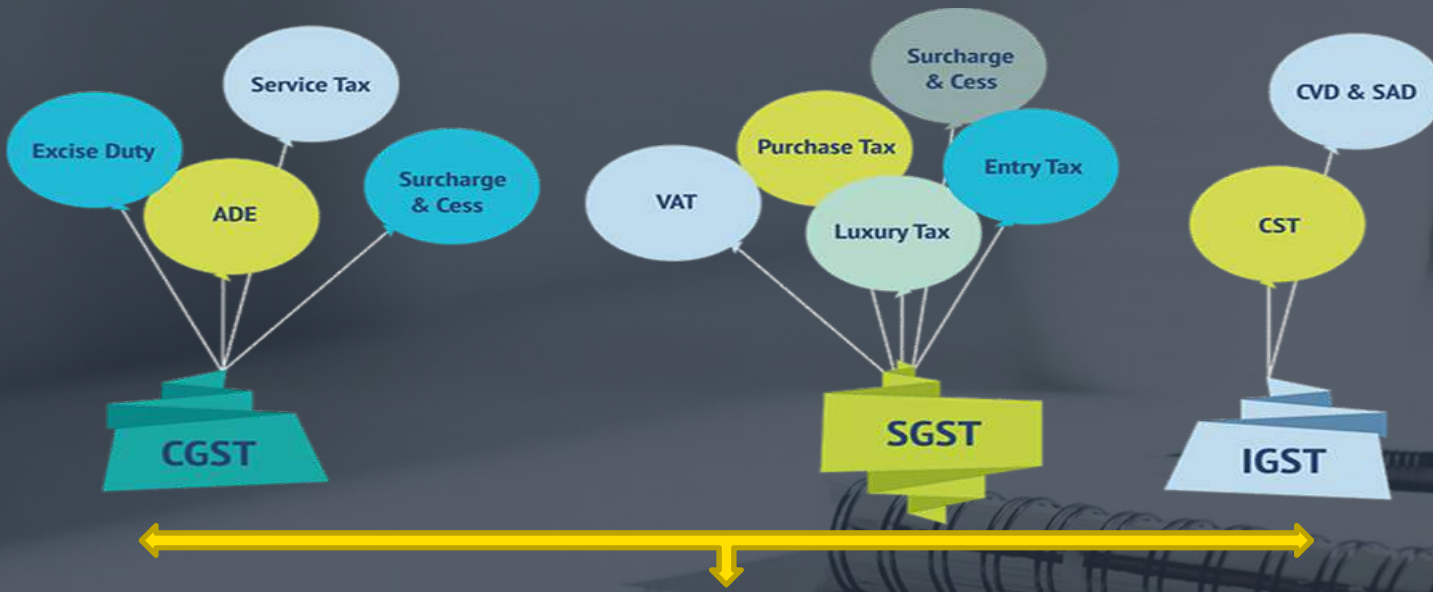
Excise
Duty

Service
tax



No Cross
Utilization
VAT & CST

Credit Flow under Post GST



SEAMLESS FLOW OF CREDIT*

Statutory Provisions

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- Definitions under Sec 2(59) to 2(62) and 2(67)
- CHAPTER V of CGST Act,2017 [Sec 16 to 21]
- CHAPTER V of CGST Rules,2017 [Rule 36 to 45]
- Latest Changes Sec 49A, 49B, Rule 36(4) and Rule 88A

Eligibility for ITC



**Registered
Person**



Taxes Paid



**Conditions
Fulfilled**



Conditions as per Section 16



**Possess tax
invoice**



**Received Goods or
services**



**Return should have
been filed**



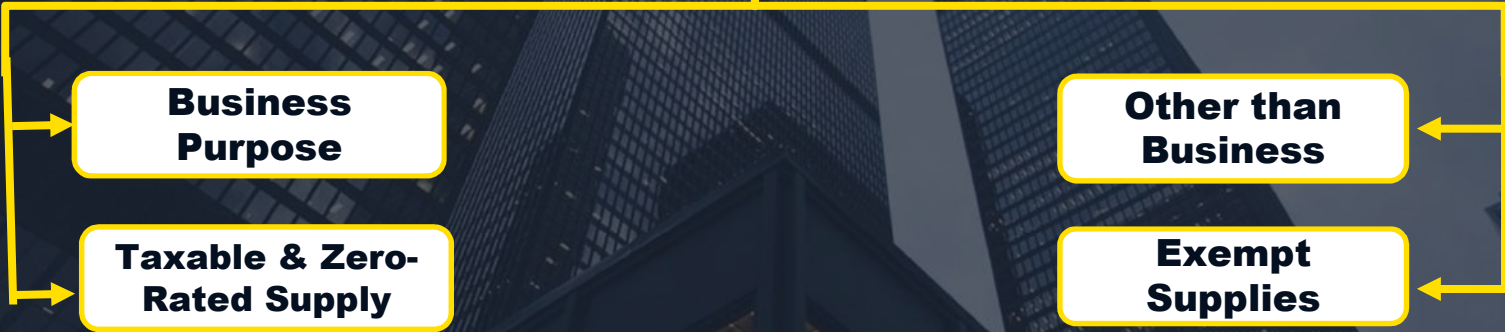
**Tax should have
been paid by
supplier**



Apportionment of Credit

Goods /Services →

ITC Aailed



ITC Eligibility





Apportionment of Credit for Banks & NBFC's

**Option 1:
Avail ITC as
per 17(1) &
17(2)**

**Banks & NBFC's can
avail either of the
options**

**Option 2
Avail 50% of the
total ITC as per
17(4)**

- 1. Option once exercised cannot be withdrawn**
- 2. Remaining 50% shall lapse**
- 3. Restriction of 50% shall not apply to the supplies between distinct entities**

Blocked credit



1. Credit on Motor Vehicles
is not eligible as ITC

Exceptions

- A. Further Supply of MV
- B. Transportation of Passengers
- c. Imparting training on driving such MV



ITC Allowed



2. Credit on Vessels & Aircraft is not eligible as ITC



Exceptions

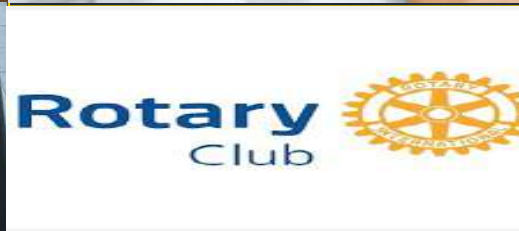
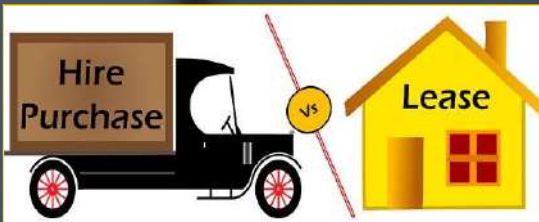
- A. Further Supply of such vessels or aircrafts
- B. Transportation of Passengers or Goods
- C. Imparting training on navigating & flying such vessels or aircrafts



ITC Allowed



3. Other Supplies on which Credit is Blocked as per 17(5)





WCS of Immovable Property, **Inward supplies** received by taxable person for **construction of immovable property** on his own account is **ineligible for credit**

Exceptions

1. WCS/ construction of P&M
2. WCS availed for further supply of WCS
3. Construction of immovable Property for others
4. Value of WCS/ construction is not capitalized



ITC Allowed

ITC claim, Eligibility and ineligibility in GST Portal

(A) ITC Available (whether in full or part)				
(1) Import of goods	₹0.00			₹0.00
(2) Import of services	₹0.00			₹0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	₹0.00	₹0.00	₹0.00	₹0.00
(4) Inward supplies from ISD	₹0.00	₹0.00	₹0.00	₹0.00
(5) All other ITC	₹0.00	₹0.00	₹0.00	₹0.00
(B) ITC Reversed				
(1) As per Rule 42 & 43 of CGST/SGST rules	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00
(C) Net ITC Available (A) - (B)	₹0.00	₹0.00	₹0.00	₹0.00
(D) Ineligible ITC				
(1) As per section 17(5)	₹0.00	₹0.00	₹0.00	₹0.00
(2) Others	₹0.00	₹0.00	₹0.00	₹0.00

For Queries, Suggestions and Feedback



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**** **THANK YOU** ****

