

Deepak ThakkarRonak Deepak Thakkar

Every Registered Person (RP) is entitled to take Input Tax Credit (ITC) of the GST charged on any supply of goods and/ or services, which are used or intended to be used in the course or furtherance of his business. ITC is available on inputs, capital goods and input-services, as provided u/s 16 to 21 of the CGST Act read with rule 36 to 45 made thereunder, when used or intended to be used for business purposes. ITC is to be claimed State-wise so record & books of account shall be kept accordingly. ITC is available fully when outward supply is taxable and not available at all when outward supply is wholly exempt from GST. Where common inputs, input services & capital goods are used for taxable as well as wholly exempt supply, then ITC attributable to exempt supply is not available. However, if wholly exempt goods/ services are exported as provided under IGST Act i.e. zero rated supply, then ITC is available fully, including refund of unutilised ITC. The formulas for same are.....