



भारत सरकार
वित्त मंत्रालय, राजस्व विभाग
कार्यालय आयुक्त

केन्द्रीय वस्तु व सेवा कर एवं केन्द्रीय उत्पाद शुल्क आयुक्तालय, उदयपुर
142-बी हिरण मगरी सेक्टर -11, उदयपुर (राजस्थान)

व्यापार सूचना सं. 01/2019

दिनांक.: 24.04.2019

Subject: Clarification in respect of utilization of input tax credit under GST -reg.

कृपया इस पत्र के साथ Commissioner (GST), Government of India, Ministry of Finance, Department of Revenue, CBIC, द्वारा जारी निम्नलिखित परिपत्र की प्रति संलग्न पावें :-

(1) Circular No. 98/17/2019-GST Dated 23.04.2019

सभी व्यापार संघ, व्यापार व उद्योग मण्डलों से निवेदन है कि उक्त पत्र की विषय सामग्री से अपने सभी सदस्यों को अवगत कराने की कृपा करें ।

संलग्न: उपरोक्तानुसार

फा.मं.V(GST)30/Tech/Trade Notice/UDR/11/18

3355

डाक सूची के अनुसार प्रति सभी को प्रेषित है ।

—
(के.सी.शर्मा)
अपर आयुक्त

दिनांक: 25/4.2019

सहायक आयुक्त (तक.)
24/4/19

डाक सूची-निम्नानुसार प्रति सभी को प्रेषित है :-

1. मुख्य आयुक्त, (जे.जेड.), केन्द्रीय वस्तु एवं सेवाकर, जयपुर जो, जयपुर |
2. आयुक्त, केन्द्रीय वस्तु एवं सेवाकर, जयपुर/जोधपुर/अलवर |
3. आयुक्त, केन्द्रीय वस्तु एवं सेवाकर अंकेक्षण, जयपुर/जोधपुर |
4. आयुक्त, सीमा शुल्क, जयपुर |
5. आयुक्त (अपील्स), केन्द्रीय वस्तु एवं सेवाकर, जयपुर/जोधपुर |
6. वेब मास्टर/अपर आयुक्त, केन्द्रीय वस्तु एवं सेवाकर आयुक्तालय, जयपुर, विभागीय वेबसाइट पर अपलोड करने हेतु |
7. उप/सहायक आयुक्त,
केन्द्रीय वस्तु एवं सेवाकर संभाग. (A/B/C/D/E/F/G/H/I)
उदयपुर/कांकरोली/भीलवाडा/चित्तोरगढ़/कोटा
8. उप/सहायक आयुक्त (कर अपवंचना/का. एवं.सत./अंकेक्षण/विधि/पुनरवलोकन/तक./न्याय-
निर्णय)उदयपुर
9. श्री वी.वी.नंदावत उदयपुर चैम्बर ऑफ़ कॉमर्स एंड इंडस्ट्रीज ,एमआईए, उदयपुर |
10. श्री मुकेश मोदी, उदयपुर मार्बल प्रोसेसर एसोसिएशन, मार्बल भवन, चित्रकूट नगर, भुवाना, उदयपुर।
11. श्री मनोज माथुर एसोसिएशन ऑफ़ स्माल इंडस्ट्रीज कोटा पुरुषार्थी भवन, रोड न. 5ए, इन्द्रप्रस्थ
औद्योगिक क्षेत्र,कोटा |
12. श्री अनिल अग्रवाल, सदस्य एसोसिएशन ऑफ़ स्माल इंडस्ट्रीज कोटा पुरुषार्थी भवन, रोड न. 5ए,
इन्द्रप्रस्थ औद्योगिक क्षेत्र,कोटा
13. श्री जे.पी. बाबेल, मेवाड़ चैम्बर ऑफ़ कॉमर्स एंड इंडस्ट्रीज, भीलवाडा, मेवाड़ चैम्बर भवन, नागोरी
गार्डन, भीलवाडा
14. गार्ड फाइल

F. No. CBEC – 20/16/04/2018 – GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, Dated the 23rd April 2019

To,

The Principal Chief Commissioners / Chief Commissioners / Principal Commissioners /
Commissioners of Central Tax (All)

The Principal Director Generals / Director Generals (All)

Madam/Sir,

Subject: Clarification in respect of utilization of input tax credit under GST – Reg.

Section 49 was amended and Section 49A and Section 49B were inserted vide Central Goods and Services Tax (Amendment) Act, 2018 [hereinafter referred to as the CGST (Amendment) Act]. The amended provisions came into effect from 1st February 2019.

2. Various representations have been received from the trade and industry regarding challenges being faced by taxpayers due to bringing into force of section 49A of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act). The issue has arisen on account of order of utilization of input tax credit of integrated tax in a particular order, resulting in accumulation of input tax credit for one kind of tax (say State tax) in electronic credit ledger and discharge of liability for the other kind of tax (say Central tax) through electronic cash ledger in certain scenarios. Accordingly, rule 88A was inserted in the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the CGST Rules) in exercise of the powers under Section 49B of the CGST Act vide notification No. 16/2019-Central Tax, dated 29th March, 2019. In order to ensure uniformity in the implementation of the provisions of the law, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, hereby clarifies the issues raised as below.

3. The newly inserted Section 49A of the CGST Act provides that the input tax credit of Integrated tax has to be utilized completely before input tax credit of Central tax / State tax can be utilized for discharge of any tax liability. Further, as per the provisions of section 49 of the CGST Act, credit of Integrated tax has to be utilized first for payment of Integrated tax,

Circular No. 98/17/2019-GST

then Central tax and then State tax in that order mandatorily. This led to a situation, in certain cases, where a taxpayer has to discharge his tax liability on account of one type of tax (say State tax) through electronic cash ledger, while the input tax credit on account of other type of tax (say Central tax) remains un-utilized in electronic credit ledger.

4. The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized. It is clarified that after the insertion of the said rule, the order of utilization of input tax credit will be as per the order (of numerals) given below:

Input tax Credit on account of	Output liability on account of Integrated tax	Output liability on account of Central tax	Output liability on account of State tax / Union Territory tax
Integrated tax	(I)	(II) – In any order and in any proportion	
<i>(III) Input tax Credit on account of Integrated tax to be completely exhausted mandatorily</i>			
Central tax	(V)	(IV)	Not permitted
State tax / Union Territory tax	(VII)	Not permitted	(VI)

5. The following illustration would further amplify the impact of newly inserted rule 88A of the CGST Rules:

Illustration:

Amount of Input tax Credit available and output liability under different tax heads

Head	Output Liability	Input tax Credit
Integrated tax	1000	1300
Central tax	300	200
State tax / Union Territory tax	300	200
Total	1600	1700

Option 1:

Input tax Credit on account of	Discharge of output liability on account of Integrated tax	Discharge of output liability on account of Central tax	Discharge of output liability on account of State tax / Union Territory tax	Balance of Input Tax Credit
Integrated tax	1000	200	100	0
<i>Input tax Credit on account of Integrated tax has been completely exhausted</i>				
Central tax	0	100	-	100
State tax / Union territory tax	0	-	200	0
Total	1000	300	300	100

Option 2:

Input tax Credit on account of	Discharge of output liability on account of Integrated tax	Discharge of output liability on account of Central tax	Discharge of output liability on account of State tax / Union Territory tax	Balance of Input Tax Credit
Integrated tax	1000	100	200	0
<i>Input tax Credit on account of Integrated tax has been completely exhausted</i>				
Central tax	0	200	-	0
State tax / Union territory tax	0	-	100	100
Total	1000	300	300	100

6. Presently, the common portal supports the order of utilization of input tax credit in accordance with the provisions before implementation of the provisions of the CGST (Amendment) Act i.e. pre-insertion of Section 49A and Section 49B of the CGST Act. Therefore, till the new order of utilization as per newly inserted Rule 88A of the CGST Rules is implemented on the common portal, taxpayers may continue to utilize their input tax credit as per the functionality available on the common portal.

Circular No. 98/17/2019-GST

7. It is requested that suitable trade notices may be issued to publicize the contents of this circular.
8. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board. Hindi version would follow.

(Upender Gupta)
Principal Commissioner (GST)