



Lakshmikumaran
& Sridharan
attorneys

L&S Update

an e-update to clients from
Lakshmikumaran & Sridharan

L&S GST Update No. 20
24th April, 2019

- **Input Tax Credit – Order of utilization clarified**

Input Tax Credit - Clarification on order of utilization

- CBIC has issued Circular No. 98/17/2019-GST dated 23-4-2019 to clarify the order of utilization of ITC (priority rule) as per Sections 49A and 49B of CGST Act read with Rule 88A of CGST Rules.
- ITC of IGST to be utilized completely before ITC of CGST / SGST can be utilized to discharge any tax liability as per new Section 49A.
- IGST credit remaining in balance after utilization towards IGST liability can be utilized towards the payment of CGST and SGST/UTGST **in any order and in any proportion**.
- Thus, remaining IGST credit can be utilized partially towards payment of CGST and SGST/UTGST to avoid a situation where tax liability on account of one type of tax (say SGST) is discharged through electronic cash ledger while the ITC on account of other type of tax (say CGST) gets accumulated in electronic credit ledger.

Input Tax Credit - Clarification on order of utilization

- Presently, GST portal supports the order of utilization of ITC as per the provisions of CGST Act before implementation of the amendments to CGST Act.
- Taxpayers may continue to utilize their ITC as per the functionality available on the GST portal till the new order of utilization in accordance with Sections 49A and 49B of CGST Act read with Rule 88A of CGST Rules is implemented on the GST portal.

NEW DELHI

5 Link Road, Jangpura Extension,
Opp. Jangpura Metro Station,
New Delhi 110014

Phone : +91-11-4129 9800

B-6/10, Safdarjung Enclave
New Delhi - 110 029

Phone : +91-11-4129 9900

E-mail : lsdel@lakshmisri.com

MUMBAI

2nd floor, B&C Wing,
Energy IT Park,
Appa Saheb Marathe Marg, (Near
Century Bazar)

Prabhadevi, Mumbai - 400025.

Phone : +91-22-2439 2500

E-mail : lsbom@lakshmisri.com

CHENNAI

2, Wallace Garden, 2nd Street
Chennai - 600 006

Phone : +91-44-2833 4700

E-mail : lsmds@lakshmisri.com

BENGALURU

4th floor, World Trade Center
Brigade Gateway Campus
26/1, Dr. Rajkumar Road,
Malleswaram West,
Bangalore-560 055.

Ph: +91-80-4933 1800

E-mail : lsblr@lakshmisri.com

HYDERABAD

'Hastigiri', 5-9-163, Chapel Road
Opp. Methodist Church, Nampally
Hyderabad - 500 001

Phone : +91-40-2323 4924

E-mail : lshyd@lakshmisri.com

AHMEDABAD

B-334, SAKAR-VII,
Nehru Bridge Corner,
Ashram Road,

Ahmedabad - 380 009

Phone : +91-79-4001 4500

E-mail : lsahd@lakshmisri.com

PUNE

607-609, Nucleus, 1 Church Road,
Camp, Pune – 411 001

Phone : +91-20-6680 1900

E-mail : ls pune@lakshmisri.com

KOLKATA

2ND Floor, Kanak Building

41, Chowringhee Road,
Kolkatta-700071

Phone : +91-33-4005 5570

E-mail : lskolkata@lakshmisri.com

CHANDIGARH

1st Floor, SCO No. 59,
Sector 26,

Chandigarh - 160026

Phone : +91-172-492 1700

E-mail : lschd@lakshmisri.com

GURGAON

OS2 & OS3, 5th Floor, Corporate Office
Tower, AMBIENCE Island, Sector 25-A,
Gurgaon - 122001

Phone : +91-124-477 1300

E-mail : ls gurgaon@lakshmisri.com

ALLAHABAD

3/1A/3, (opposite Auto Sales), Colvin
Road, (Lohia Marg),

Allahabad -211001 (U.P.)

Phone no. : (0532) – 2421037, 2420359

Email: lsallahabad@lakshmisri.com

.....

Disclaimer: L&S Update is meant for informational purpose only and does not purport to be advice or opinion, legal or otherwise, whatsoever. Lakshmikumaran & Sridharan does not intend to advertise its services through this update. Lakshmikumaran & Sridharan or its associates are not responsible for any error or omission in this update or for any action taken based on its contents. To unsubscribe, please mail to update@lakshmisri.com.