Summary of Provisions of Input Tax Credit under VAT Law of 20 States

CORPORATE IDT

	Note-1	**Full set-off on all local VAT-paid purchases under Tax Invoice (where VAT shown separately), made in the course of business.**
	Note-2	**CST paid to Vendors for inter-State purchases is not elgible for any Set-offs.**

Sr.No	State	Full VAT Input Tax Credits - Eligibility / admissibility & purposes specified	Conditions / Restrictions	Reduction in Set-offs / Reversal of Input Tx credit	Non-admissibility
1	**ANDHRA PRADESH** {Sec.13,22,38 / Rule 16,20}	On ALL VAT-paid goods at point of purchase on receipt of Tax invoice during Tax period, if such goods are for use in business; E.T. paid eligible for adjustment against output VAT.	ITC can be adjusted against Output VAT or CST; Excess ITC for any Tax period may be claimed in next Tax Return, with adjustments if any until March on Form 'VAT-200-B'.	Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%) in case of Branch Transfers outside A.P. In case of works contract -> ITC limited to 75%.	No ITC allowed on Petrol, Motor spirits, Diesel Oils; on transfer of business; fuels for captive power generation/power plants; input used in Factory/Office const., generators used for captive generation; works contracts under composition.
2	**ASSAM** {Sec.11,14,15 / Rule 9,11,12}	On VAT-paid purchases in Tax period following after receipt of Tax invoice; for Sale/resale of taxable goods in/from Assam; for Capital goods for manufacture of taxable goods; Use in manufacture/packing of taxable goods for sale	Input tax rebate can be adjusted against Output VAT; Excess ITC carried over to next Tax periods. ITC on Capital goods (other than second hand) available from commencement of commercial production - to be adjusted against Output tax over a period of 3 years.	Reduction of amount equivalent to CST that would have been leviable; in case of Branch Transfers outside Assam of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale).	No set-off allowed on (i) Capital or other expenditure on land, civil structure or construction; (ii) Capital goods purchased for use in generation of energy/power including captive power (iii) Vehicles, Office equipments, furniture, electrical fixtures; (iv) Composition Tax is paid (v) goods lost/damaged and not eventually sold; (vi) goods lying unsold at time of closure
3	**BIHAR** {Sec.16 / Rule 12,14,15,}	On VAT-paid purchases upon receipt of Tax invoice; for Sale/resale of taxable goods in/from Bihar; for Capital goods for resale or manufacture of taxable goods; Use in manufacture / packing of taxable goods for sale	Input tax rebate can be adjusted against Output VAT or CST; rebate can be carried forward to subsequent months until year-end; and excess can be claimed as refund within 3 mths or can also be carried forward to next year.	Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of Branch Transfers outside Bihar of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale).	No set-off allowed on purchases where (i) Composition Tax is paid (ii) Goods purchased are given out on lease (iii) Capital goods like Civil structure and immovable goods or properties, Vehicles, Office equipments, furniture, electrical fixtures;
4	**KERALA** {Sec.11,12,13 / Rule 12-A,12-C,13,14,15,46,47,47-A}	On ALL VAT-paid goods purchased, for purposes of Resale in/from Kerala, for use in works contracts, for use as input/capital goods in manufacture / processing of goods; for packing; for inter-State sale.	Input tax rebate can be adjusted against Output VAT, E.T. or CST; Excess can be c/f to next Tax periods until last Return of year, and thereafter granted as refund. Input tax rebate on all Capital goods (over 10 lacs) allowed over period of 3 yrs from date from which Capital goods are put to use; for industrial units the period is 12 mths; If Capital goods are sold/branch transferred, the ITC claimed to be reversed. Decl Form '21-B'/'21-C'/'21-J' from seller prescribed for claiming ITC.	Reduction of 4.04% of net Purchase price (i.e. set-off available in excess over 4%) in case of Branch Transfers outside Kerala of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale); or where the goods sold in inter-State are exempt.	No set-off allowed on (i) Air conditioners (ii) Civil structure and immovable goods or properties (iii) Vehicles other than goods delivery vehicle (iv) Office furniture/fixtures/ fittings/equipments (v) Elevators (vi) Computers other than for business puepose (vii) All kinds of cranes, earth movers, JCB, Excavators, Road rollers, concrete mixing machine and other similar machineries used in connection with supply of labour and services (viii) Building materials and fixtures used in construction activities (ix) Capital goods purchased prior to VAT Act (xi) purchases from dealer paying compounded tax (xii) goods remaining unsold at closure of business.
5	**CHHATTISGARH** {Sec.13 / Rule 9}	On VAT-paid purchases for Sale / export in / from Chhtt.; sale to SEZ; for use as Capital goods; Consumption / use in manufacture/processing/mining of taxable goods for sale/export in / from Chhtt.	Input tax rebate can be adjusted against Output VAT or CST; and balance can be c/f towards tax payable in subsequent year; Input tax rebate remaining unadjusted after two years, granted by way of refund. ITC on Capital goods in 36 mthly instalments.	(i) Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of (i) Branch Transfers in/from Chhtt. (disposals otherwise than by way of sale); (ii) proportinate reduction of ITC if goods used in taxable sale & tax free sale or used in ineligible activity	No set-off allowed on transactions where (i) Composition tax is paid; (ii) goods purchased for sale or manufacture of goods for sale, but the purchased goods or manufactured goods are given away as free sample/gift/replacement; (iii) Capital goods used in generation of energy/power incl. captive power plant; (iv) Capital expenditure on land, building materials & fixtures used in construction; (v) Office furniture, fuxtures, fittings & eqpts.motor vehicles, air-conditioner plants. (vi) Goods to be used in making tax free sale
6	**DELHI** {Sec.9,10 / Rule 6,7,10}	On VAT-paid purchases in course of business upon receipt of Tax invoice; for Sale/resale/inter-State sale/sale in course of export of taxable goods in/from Delhi; for goods & building materials for resale as such or for use in works contracts for Employer; Capital goods for resale / mfrg of taxable goods; Use in mfrg/packing of taxable goods for sale.	Input tax rebate can be adjusted against Output VAT, CST; excess credit can be C/F or may be claim for refund ITC on Capital goods allowed @ 1/3 at time of purchase, and balance 2/3 in two equal annual instalments	Reduction of 2% of net Purchase price (i.e. set-off available in excess over 2%); in case of Branch Transfers outside Delhi of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale).	No set-off allowed for (i) purchase of non-creditable goods like Automobiles, Fuels, Air-conditioning plants other than for manufacturing purposes, Office equipments, stationery items, electrical fixtures, generators and elec. installations, Elevators; (ii) where Composition Tax is paid (iii) purchase of consumables or capital goods where dealer is a job worker and not engaged in business of manufacture of goods (iv) where Capital goods depreciation is claimed under Income Tax Act; (v) goods used for construction of or incorporation in civil structures not constituting part of works contracts. Goods used in making exempt sales

Sr.No	State	Full VAT Input Tax Credits - Eligibility / admissibility & purposes specified	Conditions / Restrictions	Reduction in Set-offs / Reversal of Input Tx credit	Non-admissibility
7	**GUJARAT** **{Sec.11 / Rule 15, 17, 18, 45}**	(i) On VAT-paid (& Purchase Tax pd.) purchases for Sale/export in/from Gujarat; for sales to SEZs; for Use as raw materials/packing materials in manufacture of taxable goods for sale/export. (ii) On transfer of business, Transferee entitled to ITC. (iii) ITC of purchase tax,additional tax & entry tax in the month of tax paid	Calculate ITC as per Form '201' separately for each 1 month Tax period. ITC shall be adjusted against the Output VAT or CST; and balance, if any, shall be carried over to next Tax period of same year or subsequent year. ITC (other than on Capital goods) remaining unadjusted at end of year shall be refunded not later than expiry of 2 years from end of the year.	(i) Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of Branch Transfers outside Gujarat of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale). (ii)Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%);for ITC of fuel other than used in motor vehicle or in generation of electrical energy (iii) Reduction of 2% of net Purchase price (i.e. set-off available in excess over 2%); if goods are sold in the course of Inter state sale or used in manufacture of goods which are sold in the course of inter state sale	No set-off allowed on transactions where (i) Composition tax is paid; (ii) goods purchased for sale or manufacture of goods for sale, but the purchased goods or manufactured goods are given away otherwise than by way of sale/resale/use in manufacture; (iii) Capital goods are used in transfer of property in goods (whether as goods or in some other form) involved in execution of works contract (iv) purchase of vehicles other than for trading; (v) property or goods not connected with business; (vi) goods used as fuel in generation of electrical energy; (vii) goods which remain unsold at time of closure of business.
8	**HARYANA** **{Sec.8 / Rule 20,40,41}**	On VAT paid goods for the purpose of (i) local or inter-State sale in / from Haryana / export; (ii) use as raw material / containers / packing materials / Capital goods in manufacturing / processing of taxable goods for sale / resale / export in / from Haryana.	Input tax rebate can be adjusted against Output VAT, CST; Excess ITC to be carried forward to next Tax period; thereafter to be granted as refund.	prorata reduction of ITC ; in case of Branch Transfers outside Haryana of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale). ITC not claimable against purchases with Composition tax.	No set-off allowed on (I) (a) Capital goods to be used mainly in mfrg. of exempt goods or in telecomm. network or mining or gen./distr. of electric energy/power; (b) Petroleum products used as fuel, or when exported out of State. (II) In case of Other goods, (i)when used in telecomm. network, in mining, or in gen./distr. of electricity/power; or (ii) when exported out of State or disposed of otherwise than by sale; or (iii) when used in the mfrg/packing of exempt goods except when such goods are sold in course of export of goods out of India; or (iv) when used in the mfrg/packing of taxable goods which are exported out of State or disposed of otherwise than by sale; or (v) when left in stock, whether in form purchased or in manufactured/processed form, on date of cancellation of Regn.
9	**HIMACHAL PRADESH** **{Sec.11 / Rule 20,21,22,23}**	On VAT paid goods for the purpose of (i) local or inter-State sale in / from H.P. / export; (ii) use as raw material / containers / packing materials / Capital goods in manufacturing / processing of taxable goods for sale / resale / export in / from H.P.	ITC can be adjusted against Output VAT or CST; Excess ITC can be carried over to the next month until end of year; ITC on Capital goods only after commencement of commercial production over period of 3 yrs.	Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of Branch Transfers outside H.P. of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale),tax paid on fuel used in manufacture of taxable goods/captive generation of power, in respect of goods resold at a price lesser than purchase price,-> reduction shall be equal to differential amount of tax paid/payable on purchase & tax paid/payable on sale price	No set-off allowed on purchases of goods (i) effected from URDs (ii) used as free samples (iii) used for personal consumption (iv) held in stock at closure of busisness
10	**JHARKHAND** **{Sec.18,19,21 / Rule 25,26,27}**	On VAT-paid purchases upon receipt of Tax invoice; for Sale/resale/inter-State sale/sale in course of export of taxable goods in / from Jharkhand; for Capital goods for resale or manufacture of taxable goods; Use in manufacture/packing of taxable goods for sale	Input tax rebate incl E.T. can be adjusted against Output VAT, CST; Excess ITC carried over to next Tax periods. ITC on Capital goods (other than second hand) available from start of commercial production - to be adjusted against Output tax equally over a period of 36 mths	Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of Branch Transfers outside Jharkhand of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale).	No set-off allowed on purchases where (i) Composition Tax is paid (ii) Capital Goods not being second-hand, other than for use in manufacturing or for manufacture of finished goods which are Branch Transferred; (iii) stock of goods remaining unsold at closure of business; (iv) Capital goods like Civil structure and immovable goods or properties, Vehicles, Office equipments, Electrical & Electronics goods & appliances like Air Conditioners, Telephones, Computers; Elevators; furniture, electrical fixtures; (v) goods given away as free samples or used for personal use
11	**KARNATAKA** **{Sec.10,11,12,14,17,19,20 / Rule 127,131,133}**	On ALL VAT-paid goods purchased; for Sale/resale of taxable goods in/from Karnataka; zero-rated sales (to SEZs); for use as raw material/component/consumable or fuel in manufacture/processing, which may result in emergence of another commercial commodity or not; for use as packing material; for use as capital goods in manufacture / processing / storing or any other activity connected with business of dealer.	Input tax rebate can be adjusted against Output VAT or CST or E.T; Excess can be carried over to next Tax periods. Input tax rebate on all capital goods (over 10 lacs) can now be claimed in the month of their purchase itself instead of apportioning it over a period of twelve months. If Capital goods are sold / branch transferred, the ITC claimed to be reversed.	Reduction of 2% of net Purchase price (i.e. set-off available in excess over 2%); in case of Branch Transfers outside Karnataka of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale).	No ITC on purchases of Motor vehicles, all electrical/electronic appliances,other than those for use in the manufacture, processing, packing or storing of goods for sale and those for use in computing, issuing tax invoice or sale bills, security and storing information. Furniture, Cement and construction materials , paints, fuel.

Sr.No	State	Full VAT Input Tax Credits - Eligibility / admissibility & purposes specified	Conditions / Restrictions	Reduction in Set-offs / Reversal of Input Tx credit	Non-admissibility
12	**MAHARASHTRA** (Sec.48,49 / Rules 52,53,54,55)	Available on ALL VAT-paid goods at point of purchase; viz.; Goods purchased for resale in / from Maharashtra; Inputs, raw materials, spares, packing materials; Fuel; Capital assets; Purchases debited to Profit & Loss A/c.	Co-relation not mandatory between purchase / sale; No reduction warranted on account of Free Issues / warranty supplies. {Where dealer is unable to identify goods purchased with goods resold or with goods used in manufacture of goods, it is presumed goods have been used in chronological order in which they were acquired. Dealer to maintain account of purchases in chronological order, viz.: (a) Tax Invoice No. and date of purchase; name of Selling dealer with Regn.Cert/TIN, if registered; description of goods; purchase price and amount of sales tax, if any.	Reduction of Tax specified % of net Purchase price (i.e. set-off available in excess over specified %); in case of (i) goods used as Fuel ----> 3% of net purchase price (ii) inputs used in manufacture of tax-free goods;-> 2% of net purchase price (iii) purchase of Office equipment / furniture / fixtures - treated as capital assets;---> 3% of Pur Price (iv) Branch Transfers outside Maharashtra;->2% of net Pur. Price (v) No reduction required, if goods despatched are brought back into Maharashtra within 6 months from date of despatch for processing or otherwise.	No set-off allowed on (i) purchases of intangible/incorporeal goods - however set-off allowed on Software if purchased for trading; Copyright, if resold within 12 months; and Exp/Imp licence, DEPB and SIM cards; (ii) where "sales" are (>) 50% of gross T.O. receipts (balance being towards "services", etc.), set-off allowed only on purchases corresp. to goods sold/transferred within 6 months during that year. (iii) purchases in Stock (other than Capital Assets) - upon discontinuation, if business is not transferred / continued. (iv) purchases of motor vehicles treated as capital assets, unless dealer engaged in leasing business; (v) consumables/capital assets, if dealer engaged in job/labour work and not manufacturing of goods for sale by him.
		Where a Business in whole or in part is transferred or otherwise disposed off or any change is effected in ownership thereof, then Person succeeding shall be entitled to take credit of any Set-off that is carried forward at time of said transfer, disposal or change.	Dealer filing a Return in respect of any period during a year, may adjust aggregate of (i) any payment made in respect of said period before filing said Return, (ii) total value of TDS Cert. received by him in that period, and (iii) amount adjustable by way of refund adjustment orders in respect of that period - AGAINST - (A) VAT payable according to Local Return, or (B) CST payable according to CST Return, for said period; or (C) Entry Tax if any, under Entry of Goods into Local Areas Act, 2003. (D) After adjustments, Excess ITC, if any, may be claimed as refund, or carry forward for adjustment towards taxes payable as per Returns to be filed for any subsequent period contained in the said year.		
13	**MADHYA PRADESH** {Sec.14 / Rule 9 }	On VAT-paid purchases for Sale / export in / from M.P.; Consumption/use in manufacture/processing/mining of taxable goods for sale/export in / from M.P.; packing materials; use as plant, machinery, equipment & parts thereof.	Input tax rebate can be adjusted against Output VAT or CST; and balance can be c/f towards tax payable in subsequent year; Input tax rebate remaining unadjusted after two years, granted by way of refund.	Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of (i) Branch Transfers in/from M.P. (disposals otherwise than by way of sale); (ii) consumption/use in manufacture/processing/packaging of tax-free goods; (iii) consumption/use in generation, transmission or distribution of electrical energy.	No set-off allowed on transactions where (i) Composition tax is paid; (ii) goods purchased for sale or manufacture of goods for sale, but the purchased goods or manufactured goods are given away as free sample/gift/replacement; (iii) building materials & fixtures used in construction; (iv) Office furniture, fuxtures, fittings & eqpts.; motor vehicles; air-conditioner plants.
14	**ODISSA** {Sec.20,21,22 / Rule 11,12,13,14,66}	On VAT-paid purchases upon receipt of Tax invoice; for Sale/resale of taxable goods in Orissa; zero-rated sales (to SEZs); for Capital goods for resale or manufacture of taxable goods; Use in manufacture/packing of taxable goods for sale	Input tax rebate can be adjusted against Output VAT and only to extent of corresp. CST payable; Excess ITC carried over to next Tax periods until 24 months from close of year. ITC on Capital goods available from date of 1st corresponding Sale - to be adjusted against Output tax equally apportioned over a period of 36 mths. In case of Lease, corresp. ITC shall be spread over the period of lease term.	Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of goods used in manufacture of goods that are Branch Transferred from Orissa (disposals otherwise than by way of sale);	No set-off allowed on transactions where (i) Composition tax is paid; (ii) goods lost/damaged and not eventually sold; (iii) goods lying unsold at time of closure of business;
15	**PUNJAB** {Sec.13,15 / Rule 18,19,21,22,23,24}	On VAT paid goods for the purpose of (i) local or inter-State sale in/from Punjab / export; (ii) use as raw material / containers / packing materials / Capital goods in mfrg/processing of taxable goods for sale/resale/export in/from Punjab. (iii) entry tax paid while importing of Goods from outside the Punjab eligible for ITC	Input tax rebate can be adjusted against Output VAT, CST; Excess ITC to be carried forward to next Tax period; thereafter to be granted as refund. ITC not transferable except when ownership of business is entirely transferred.	Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of (i) Branch Transfers outside Punjab of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale). (ii) Sent for Job Work but not received back within 90 days (iii) in respect of goods resold at a price lesser than purchase price,-> reduction shall be equal to differential amount of tax paid/payable on purchase & tax paid/payable on sale price	No set-off allowed on purchase of - (unless the taxable person is in the business of dealing in such goods) Automobiles; petrol, diesel, lpg, civil structure/immovable goods or properties; office equipment and building material, furniture fixtures inc. electrical fixtures/fittings, air-conditioning/refrigeration units except where essential for sale/storage/manufacturing process of taxable goods; goods used in generation/distribution/transmission of electrical energy unless it is for captive consumption, in which case, it would be allowed @ 4%; goods used for personal consumption or gifts.Goods used as gift, goods from dealer opted composition scheme, No ITC on lost goods or goods used in exempted sale
16	**RAJASTHAN** {Sec.18 / Rule 18}	On VAT-paid purchases on receipt of Tax invoice; for Sale/resale/inter-State sale/sale in course of export of taxable goods in / from Rajasthan; for Use in manufacture/packing of taxable goods for sale;	(i) To be claimed within 3 months from date of invoice. (ii) Input tax rebate can be adjusted against Output VAT, CST; (iii) Excess ITC to be carried forward to next Tax periods of the year, balance refundable after next year-end. (iv) ITC on Capital goods shall be C/F till first sale of the goods manufactured from such capital goods.	(i) Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of Branch Transfers/consignment sale outside Rajasthan of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale). (ii) in respect of goods resold at a price lesser than purchase price,-> reduction shall be equal to differential amount of tax paid/payable on purchase & tax paid/payable on sale price	No set-off allowed on (i) Civil Structures and immovable goods or properties; (ii) Building material used in construction activities; (iii) Vehicles; (iv) Office Equipments; (v) Furniture, fixture including electrical fixtures and fittings; (vi) Capital goods purchased prior to VAT Act. (vii) no ITC on purchase from dealer of composition scheme (viii) High & light speed desiel oil and crude oil

Sr.No	State	Full VAT Input Tax Credits - Eligibility / admissibility & purposes specified	Conditions / Restrictions	Reduction in Set-offs / Reversal of Input Tx credit	Non-admissibility
17	**TAMIL NADU** **{Sec.3,14,19 / Rule 10}**	On VAT paid goods for the purpose of Resale / inter-State sale in / from T.N.; for use as raw material / containers / packing materials / Capital goods in manufacturing / processing of taxable goods for sale / resale in / from T.N.	ITC can be adjusted against Output VAT or CST; Excess ITC can be carried over to the next month until end of year; ITC be claimed within 90 days from the date of purchase or before end of FY, ITC on Capital goods only after commencement of commercial production over period of 3 yrs and unavailed credit shall lapse, upto 50% can be availed in same year.	Reduction of 3% of net Purchase price (i.e.set-off in excess over 3%) in case of Branch Transfers outside T.N. of inputs used in mfr of goods transferred, Reversal of ITC if goods purchased are returned;	No set-off allowed for (i) Goods sold inter-State / Branch transferred without Form 'C'/'F'.
18	**UTTAR PRADESH** **{Sec.13,14,15 / Rule 24,25,26,27}**	On VAT-paid (purchases) on receipt of Tax invoice to be claimed in the Tax Return of the Tax period **in which goods are purchased;** for Sale/resale/inter-State sale/sale in course of export of taxable goods in / from U.P.; for Use in manufacture/packing of taxable goods for sale; for transfer of property in works contracts	Input tax rebate can be adjusted against Output VAT, CST; Excess ITC to be c/f until first Tax periods of next year; ITC on capital goods available if same are used for mfrg. of taxable goods for sale, or for generation of electrical energy for captive power plant - in three equal annual instalments to be claimed in first Tax Return of each year. 1st instalment to commence from Return of last period of year in which Capital goods have been purchased.	(i) Reduction of 4% of net Purchase price (i.e. set-off available in excess over 4%); in case of Branch Transfers outside U.P. of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale). (ii) in respect of goods resold at a price lesser than purchase price,-> reduction shall be equal to differential amount of tax paid/payable on purchase & tax paid/payable on sale price	No set-off allowed for Air conditioning units or air conditioners, refrigerators, air coolers, fans, and air circulators if not connected with manufacturing process; An automobile including commercial vehicles, and two or three wheelers, and parts, components and accessories for repair and maintenance thereof; Goods purchased and accounted for in business but utilized for the purpose of providing facility to the employees. Vehicle used for transporting goods or passengers or both; Capital goods used in the execution of a works contract; and Captive power plant used for generation of electrical energy and its parts, components and accessories for repair and maintenance thereof;
19	**UTTARAKHAND** **{Sec.6(3); Rule 16}**	On VAT paid goods for the purpose of (i) local or inter-State sale in / from Uttaranchal / export; (ii) use as raw material/containers/packing materials in manufacturing/processing of taxable goods for sale/resale/export in/from Uttaranchal;	ITC to be computed as per the purpose of utilisation of purchases; total ITC will be aggregate of all commodities. ITC for Capital Goods related to manufacture to be claimed in two equal yearly instalments.	Reduction of 2% of net Purchase price (i.e. set-off available in excess over 2%); in case of Branch Transfers outside Uttaranchal of goods purchased or of finished goods out of raw materials purchased (disposals otherwise than by way of sale).	No set-off allowed for (i) Goods not connected with business; (ii) goods used in mfrg/processing of exempt goods; (iii) goods given out for lease (iv) goods for use in works contract; (v) goods used in generation of energy/power incl captive power; (vi) capital expenditure on land, civil structure or construction, (vii) motor car, accessories or spare parts; (viii) goods unsold at closure of business; (ix) Composition Tax is paid
20	**WEST BENGAL** **{Sec.22 /Rule 19,20,20A,23}**	On VAT-paid purchases upon receipt of Tax invoice; for Sale/resale / export in / from W.B.; zero-rated sales (to SEZs); for Use in works contracts; for Capital goods for resale or manufacture of goods; Use in manufacture/packing of taxable goods for sale/export in / from W.B.	Input tax rebate can be adjusted against Output VAT or CST; excess carried over to next year. ITC on Cap. goods in 4 equal half-yearly instalments, where purchase price is more than 1 crore. ITC allowed where goods returned by job-worker to Manufacturer within 90 days. Transferee / lessee entitled to claim ITC lying unutilised in account of transferor.	Reduction of 3% of net Purchase price (i.e. set-off available in excess over 3%); in case of goods used in manufacture of goods that are Branch Transferred from W.B. (disposals otherwise than by way of sale);	No set-off allowed on transactions where (i) Composition tax is paid; (ii) goods purchased not used for business (iii) Air-conditioning units; automobiles; (iv) Building materials, Iron&Steel used in construction, repairs of Civil structures (v) Office equipments, furniture, electrical fixtures, (vi) Generators for captive generation, fuels; (vii) goods lost/damaged and cannot be eventually sold; (viii) goods lying unsold at time of closure of business; (ix) Reversal of ITC already claimed, where Capital goods are disposed otherwise than by way of sale within 3 years of purchase.