NOTE:- EXCLUSIVELY FOR EDUCATIONAL PURPOSE NOT FOR ANY COMMERCIAL PURPOSE

BLOCKED ITC OR INELGIBLE ITC U/s 17(5) of CGST ACT

SR.NO.	HEADINGS	SHORT NOTES-Self	DESCRIPTION
1	Composition Supply	1)Taxable Purchases by Composition Deales not eligible for ITC	*Goods or services or both on which tax has been paid under the Composition Scheme will not be eligible for input tax credit.*
2	GST-Interest, Penalty & Fine Paid	1) No ITC by Anyone	*Also GST tax paid as interest, penalty or fine will not be eligilbe for input tax credit .*
3	Lost or Stolen or Damaged Goods	1) No ITC for followings:- Lost Goods Stolen Goods Damaged Goods Written off Goods Free Samples Goods Gift goods	*Input tax credit is not available for goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples.*
4	Personal Consumptions	1) NO ITC for Personal Consumption of goods & Service	*Goods or services used for personal consumption is not eligible for input tax credit.*
5	Non Resident Taxable Resident Person	1) NO ITC for Goods & Services purchased by Non Resident Person Except Import of goods by him	*Goods or services received by a non-resident taxable person except on goods imported by him is not eligible for input tax credit.*

6 Travel Benefit for Empleeys	1) NO ITC for Travel expenditure paid to employees on Vacation-LTA Home Travel Cancessions	*Travel benefits extended to employees on vacation such as leave or home travel concession cannot be claimed as input tax credit.*

7 Construction of Immovable Property	1) NO ITC for Goods or Services received by taxable person for construction of Immovable Property other than P & M 2) Construction includes re-construction, renovation, additions or alterations or repairs.	*Goods or services received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account or even when it's used in the course or furtherance of business cannot be claimed as input tax credit. Under GST Act, construction includes re-construction, renovation, additions or alterations or repairs.*

8 Works Contract Services	1) NO ITC for Works Contract Services received for construction of Immovable Property other than P & M 2) FURTHERANCE OF WORKS CONTRACT SERVICE ITC AVAILABLE for Works Contract Services received for construction of Immovable Property other than P & M	*Works contract services, when supplied for construction of an immovable property (other than plant and machinery), cannot be claimed as input tax credit. However, work contract services can be claimed as an input tax credit when it is an input service for the further supply of works contract service.*

9 **Motor Vehicles or Conveyances**	1) ITC NOT ALLOWED:- Normal use of motor vehicle for office use 2) ITC ALLOWED:- Motor Vehicles or Conveyance used for Further Supply of Vehicles or conveyances transportation of goods transportation of Passengers used for trainings	*Input tax credit can be claimed for motor vehicles or conveyance only when they are used for making a further supply of such vehicles or conveyances or transportation of passengers or imparting training or for transportation of goods. Hence, expenses related to the normal use of motor vehicles for office purposes cannot be claimed as an input tax credit.*
10 **Food, Beverages & Outdoor Caterings**	1) NO ITC for Regular Tax payers on Foods, Beverages & Caterings exp. 2) ITC AVAILABLE:-	*Expenses relating to food, beverages and outdoor catering can be claimed as input tax credit only when inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or both or as an element of a taxable composite or mixed supply. Hence, regular taxpayers would not be eligible for claiming input tax credit on expenses relating to food, beverages and catering.*

		Expenditure on Food, Berverages & outdoor Caterings is allowed as itc only further supply of same category of goods or services (foods, beverages & Outdoor Caterings	
11	**Life & Health Insurance, Cab Services by Empoyer to Employee**	1) ITC AVAILABLE:-Life or insurance & cab services service by employer to employee When Govt Specifies such supply is SEVICE 2) Inward supplies of Life & Health Insurance used for same category of outward taxable supply	*or health insurance can be claimed as input tax credit only when the Government notifies it as services which are obligatory for an employer to provide to its employees under law. Else, to claim input tax credit, the inward supply must have been used for making an outward taxable supply of the same category or as part of a taxable mixed supply.*
12	**Beauty Treatment, Health Services & Cosmetic and Plastic Surgery**	1) NO ITC for Expenses relating to Membership of a Club, Health & fitness centres. 2) NOT ITC for Beauty Treatment, Health Services & Cosmetic and Plastic Surgery 3) ITC AVAILABLE FOR SAME CATEGORY OUTWARD SUPPLY-Beauty Treatment, Health Services & Cosmetic and Plastic Surgery	*Beauty treatment, health services, cosmetic and plastic surgery related expenses cannot be claimed as input except when inward supply of goods or services or both of a particular category is used by a registered person for making an outward taxable supply of the same category of goods or services or as an element of a taxable composite or mixed supply.* *Similarly, expenses relating to membership of a club, health and fitness centre is not eligible for input tax credit.*