ITC के लिए शर्तें

Meaning OF ISD

MAY/JUNE 2018 EXAM

Link to watch GST Lecture
https://www.youtube.com/channel/UCAcrP9ppCMI9rFpGvFPkybQ

INPUT SEVICE DISTRIBUTOR - ISD

GST Free Class

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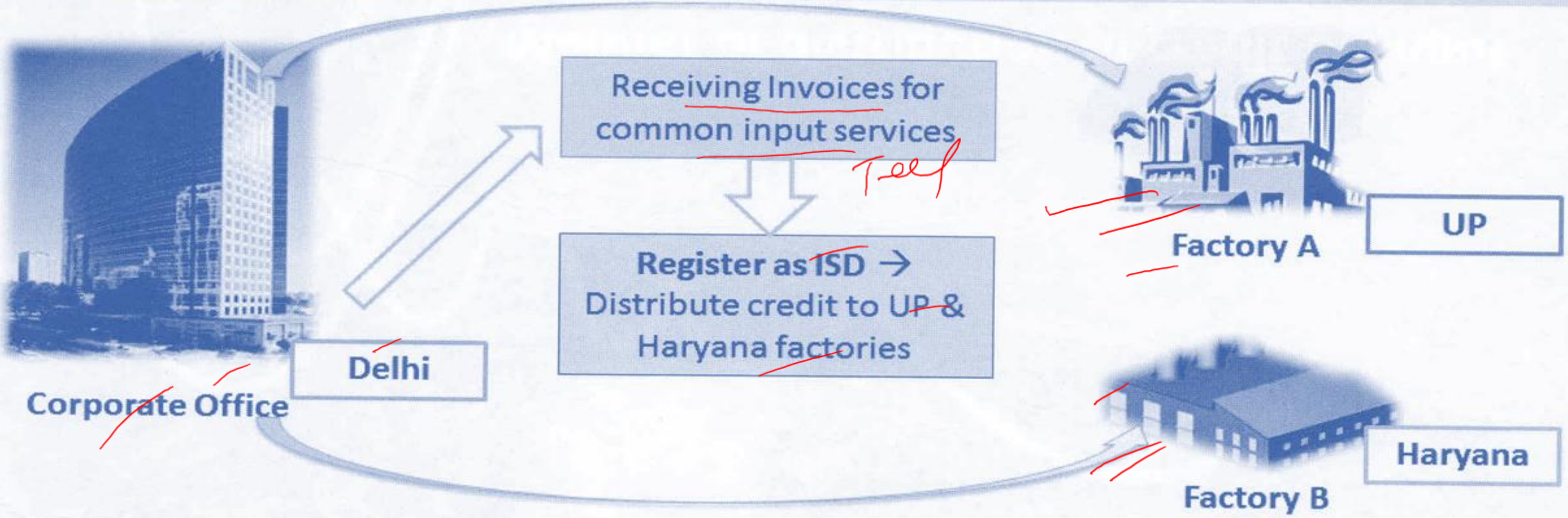
Particulars
Meaning of key terms – Inputs, Input services, Capital goods
Eligibility and conditions for taking ITC
Negative list for GST ITC
Apportionment of credit and blocked credits
Availability of credit in special circumstances
Recovery of ITC and Interest thereon
Concept of ISD & Manner of distribution of credit by ISD
Manner of recovery of credit distributed in excess

Manner of distribution of credit by Input Service Distributor ("ISD")

Meaning of ISD

HO → Tel → GST

Sec	Provision (CGST Act, 2017)
2 (61)	**Meaning of ISD** ***"Input Service Distributor"*** *means an office of the supplier of goods or services or both which receives tax invoices issued under section 31* ***towards the receipt of input services*** *and issues a* ***prescribed document*** *for the purposes of* ***distributing the credit of central tax, State tax, integrated tax or Union territory tax*** *paid on the said services to a supplier of taxable goods or services or both* ***having the same Permanent Account Number*** *as that of the said office;*



Essential conditions for distribution of credit by ISD

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Sec 20(2) → *The Input Service Distributor may distribute the credit subject to the* ***following conditions****, namely:*

(a) Credit can be distributed against ISD Invoice in accordance to Rule 54(1) [Tax invoice in special cases]

(b) Amount of credit distributed **shall not exceed the amount of credit available** for distribution;

(c) ITC **attributable to a recipient** → Distributed **only** to that recipient

A CH 10
B UP 20

(d) ITC attributable to **more than one** recipient → Distributed only amongst such recipient(s) → **pro rata*** 1:2

(e) ITC attributable to **all recipients** → Distributed amongst such recipients → **pro rata** *

** on the basis of the* ***turnover in a ~~State~~/UT*** *of such recipient, during the relevant period, to the aggregate of the turnover of* ***all such recipients/ all recipients*** *and which are operational in the current year, during the said relevant period*

Other Conditions under Rule 39

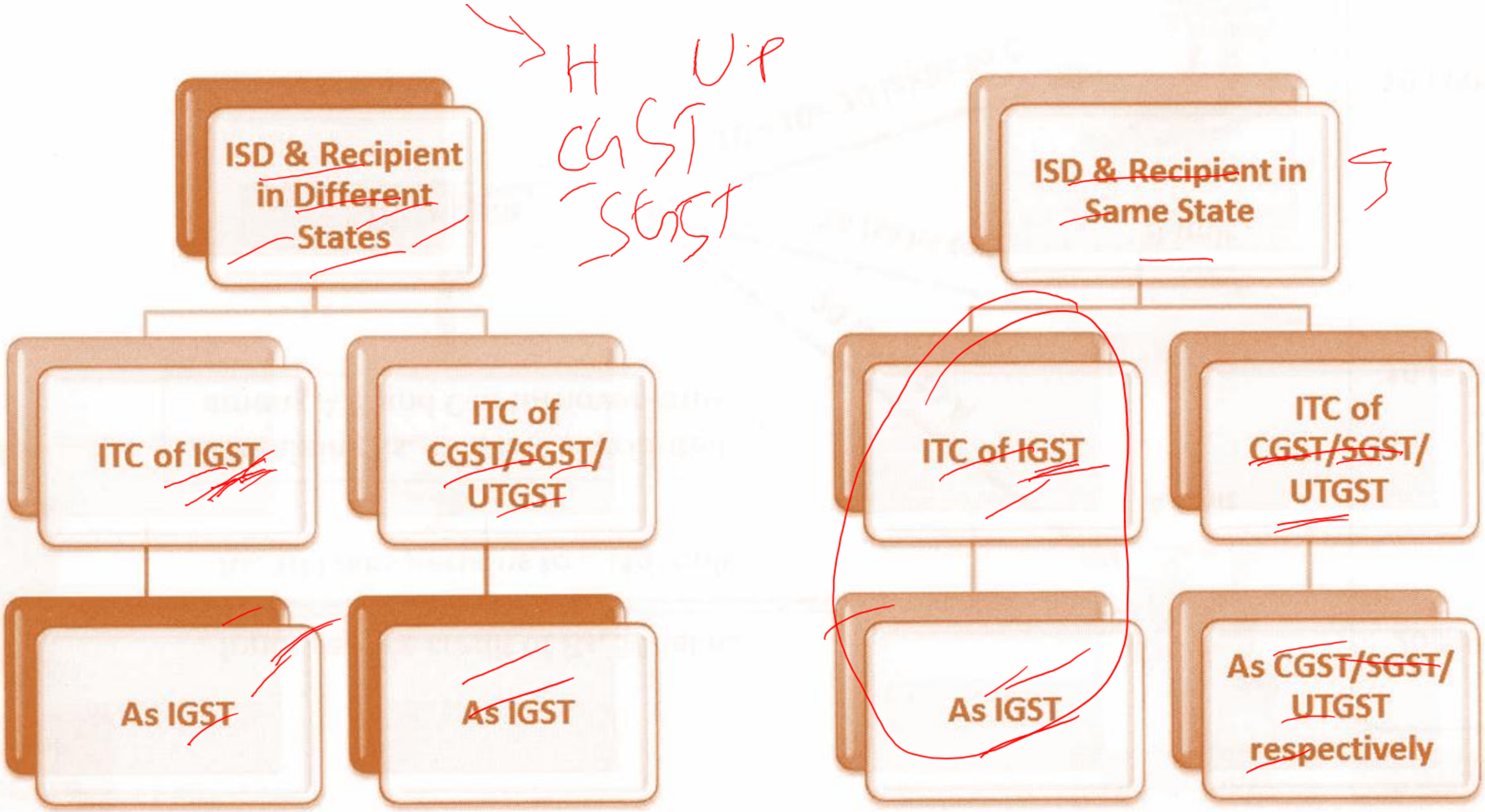
- ITC available for distribution in a month should be distributed in the **same month** and details thereof shall be Furnished in **FORM GSTR-6**
- **Ineligible & eligible** credit should be distributed **separately**
- ITC on account of **CGST, SGST, UTGST and IGST** shall be distributed **separately**
- For **reduction of credit** in case the ITC already distributed gets reduced for any reason → ISD shall issue an **ISD credit note**

  HO
- Any **additional amount** of ITC on account of issuance of a **debit note** to ISD by the supplier → Shall be **distributed in the month** in which the debit note is included in the return **in FORM GSTR-6**
- ITC required to be **reduced** on account of issuance of a **credit note to** ISD by the supplier → Shall be apportioned to each recipient in **same ratio** in which ITC contained in the original invoice was distributed

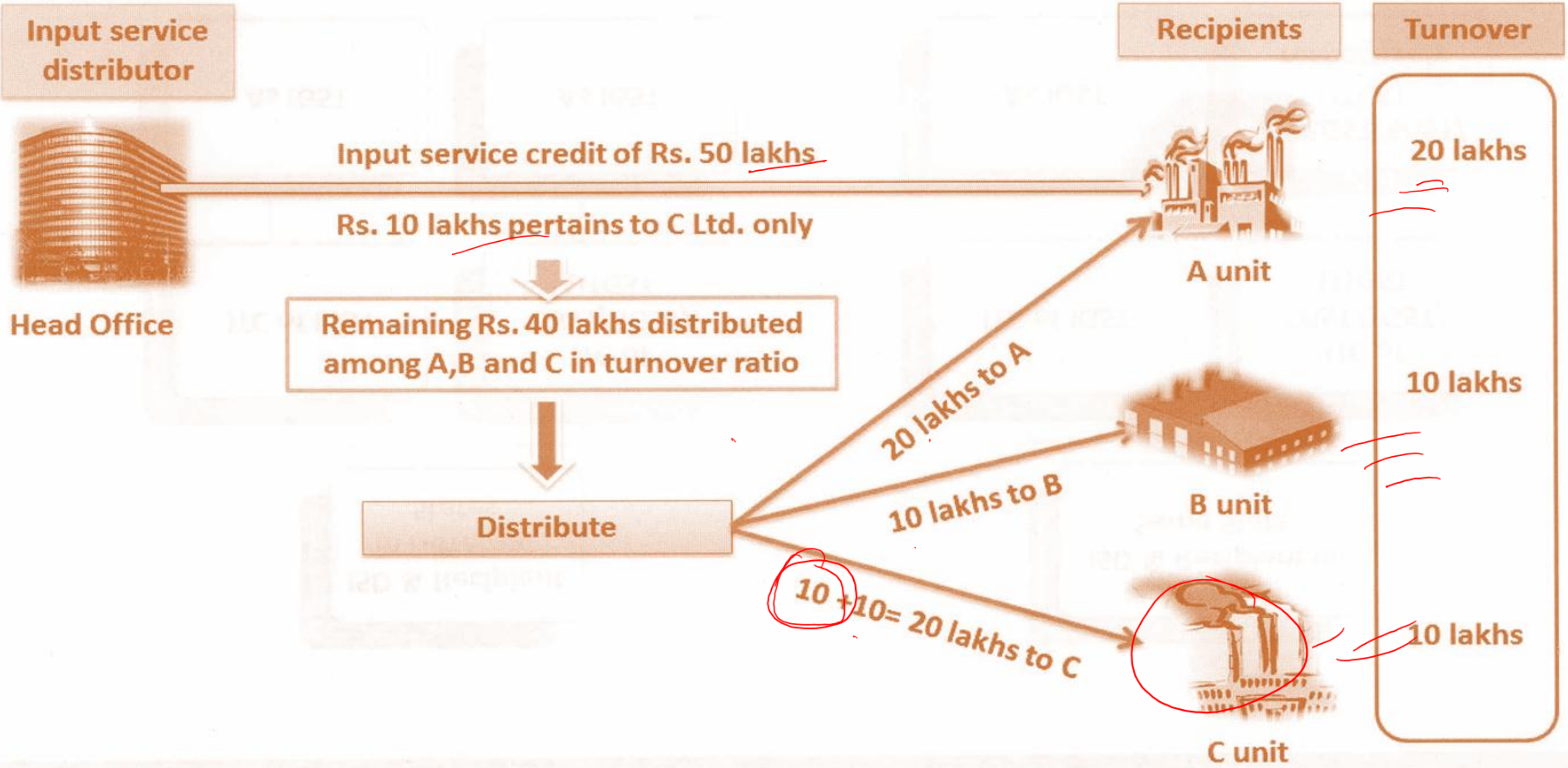
  → Reduced from amt to be distributed in that month

  → If negative, then, added to output liability of recipient

Manner of distribution of credit by ISD – Sec 20(1) r.w. Rule 39(1)(f)



Eg: Manner of distribution of credit by ISD



Manner of recovery of credit distributed in excess

Sec	Provision (CGST Act, 2017)
21	**Manner of recovery of credit distributed in excess** *Where the Input Service Distributor distributes the credit* ***in contravention of the provisions*** *contained in section 20* ***resulting in excess distribution of credit to one or more recipients*** *of credit, the excess credit so distributed shall be* ***recovered from such recipient(s) along with interest,*** *and the provisions of section 73 or 74 as the case may be, shall mutatis mutandis, apply for determination of amount to be recovered.*

Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized for any reason **other than fraud or any wilful misstatement or suppression of facts**

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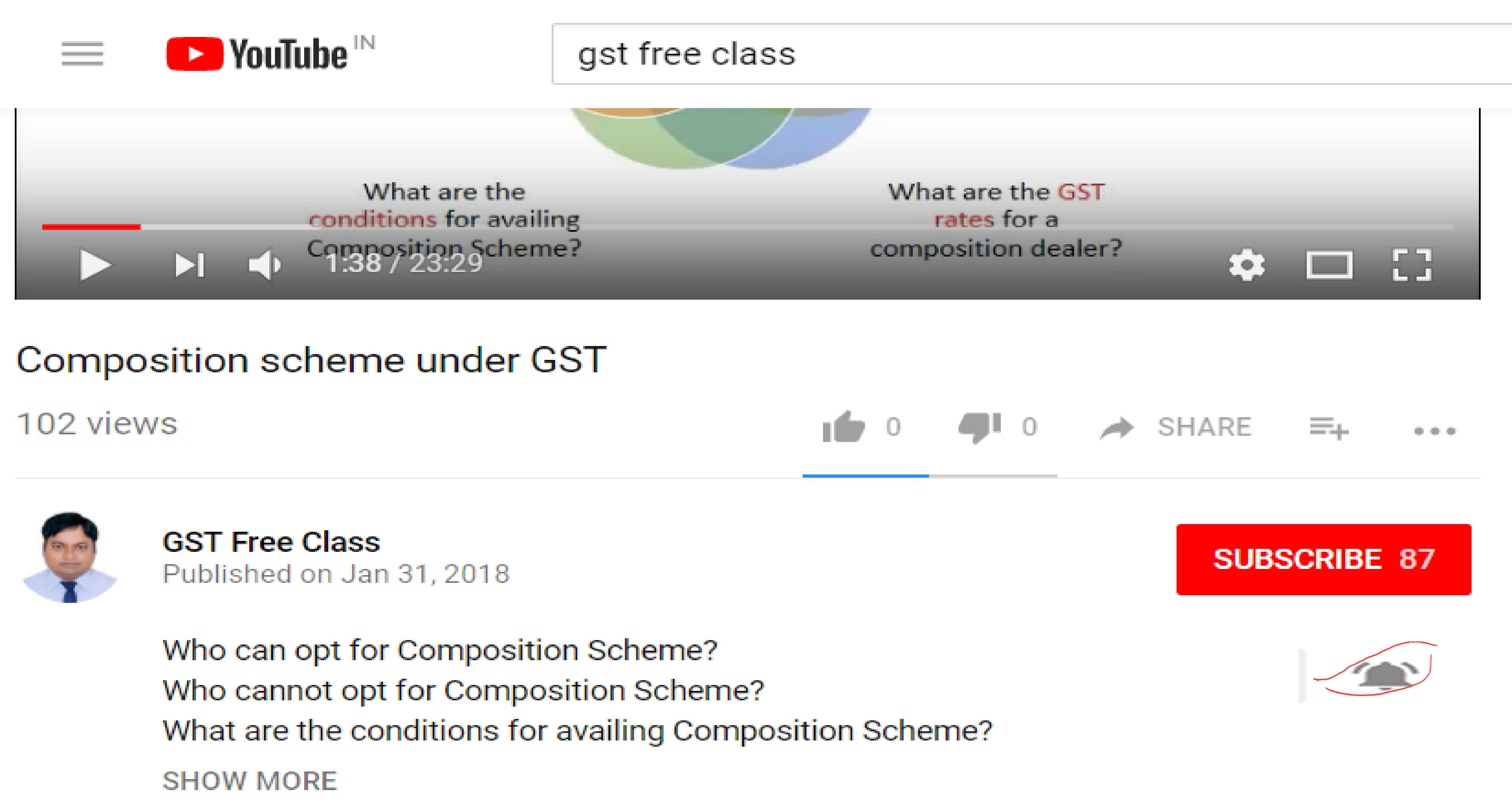
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Thank you