Goods & Services Tax

Educational Series

PD & PP : GST : 308 *28 August, 2018*

Clarification on applicability of Notification No. 20/2018 – Central Tax (Rate) Circular No. 56/30/2018 – GST

Circular clarifies that

Lapse of ITC

- ITC of Inputs lying unutilized after payment of tax upto July 2018 will lapse
- ITC on Capital Goods & Input Services will not lapse

Formula - Rule 89 (5) of CGST Rules

- Formula applicable u/r 89(5) to apply mutatis mutandis to calculate ITC to be reversed/ lapsed

Inverted Rate Structure

- NN 20/2018 - CT(Rate) will not apply where credit accumulation is not on account of inverted rate structure

Note: Notification No. 20/2018 – CT (Rate) will not apply to Zero rated supplies

Source: NACIN weekly update

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