

## **Rules for ITC Utilisation:**

1. Credit can be utilized to pay off the liabilities in the following manner:

(a) IGST input tax credit shall first be utilized towards payment of IGST liability and the amount remaining, if any, may be utilized towards the payment of CGST, SGST/UTGST liabilities in any order, before utilizing the CGST, SGST/UTGST credit.

(b) CGST input tax credit shall first be utilized towards payment of CGST liability and the amount remaining, if any, may be utilized towards the payment of IGST liability. CGST credit shall be utilized only if IGST credit is not available.

(c) SGST/UTGST input tax credit shall first be utilized towards payment of SGST/UTGST liability and the amount remaining, if any, may be utilized towards payment of IGST liability (if no CGST credit is available). SGST/UTGST credit shall be utilized only if IGST credit is not available.

(d) CGST input tax credit cannot be utilized towards payment of SGST/UTGST liabilities and

(e) SGST/UTGST input taxed credit cannot be utilized towards payment of CGST liabilities.

2. ITC cannot be utilized for payment of reverse charge liabilities.

3. ITC can be utilized for payment of tax only.

4. ITC can't be utilized for payment of TDS/TCS/interest/penalty/fee/others.

5. The amount allowed to be entered for utilization of credit can't be more than the amount of balance available in the Electronic Credit Ledger.

6. A unique transaction number shall be generated at the Common Portal for each debit or credit to the electronic cash or credit or liability ledger and the same will be reflected in the corresponding ledgers of the taxpayer.

7. Credit availed on input CESS paid on inward supplies will be available for set-off against any output tax liability of Cess only. There is no Inter head adjustment for Cess Input Tax Credit