



# How to Claim Input Tax Credit

Step-by-step process for assesseees under the CGST Act, 2017

You receive a purchase invoice / tax document

**Are you a registered GST taxpayer?** 01  
Must be registered under CGST Act · Composition dealers cannot claim ITC

Registered taxpayer?

YES — PROCEED

NO

**ITC not allowed**  
Register first

**Meet all 4 conditions under Section 16(2)** 02  
Every condition must be satisfied simultaneously — no partial credit

**CONDITION 1**  
**Valid tax document**  
Tax invoice / debit note / bill of entry per Rule 36. All mandatory fields must be present.

**CONDITION 2**  
**Goods / services received**  
Actual receipt required. For instalments — ITC only on last lot received.

**CONDITION 3**  
**Tax paid by supplier**  
Supplier must have paid GST to the government. Verified via GSTR-2B.

**CONDITION 4**  
**Return filed**  
Buyer must file GSTR-3B. Filing blocked if ITC ledger shows mismatch (2026 rule).

All 4 conditions satisfied?

YES — PROCEED

NO

**ITC denied**  
Rectify failed condition

**Reconcile with GSTR-2B** 03  
Invoice must appear in auto-populated GSTR-2B by 14th. If missing — follow up with supplier to file GSTR-1.

**Check blocked credits — Sec 17(5)** 04  
Motor vehicles, food, club memberships, health services, works contract on immovable property — permanently blocked.

Invoice in GSTR-2B & not blocked?

YES — PROCEED

NO

**ITC denied / blocked**  
Resolve mismatch first

## Claim ITC in GSTR-3B · Table 4

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Enter eligible ITC amount. From Jan 2026 — portal enforces hard validation. Excess claims will block your return filing. Complete reconciliation before filing.

**180-Day Rule:** Pay your supplier within 180 days of invoice date — failing which ITC is reversed with interest. Re-claimable once payment is made.



### ITC Successfully Claimed

Credit reduces your net GST output liability · Reflect in Electronic Credit Ledger