

F.17 (134) ACCT/GST/2017/ 547

Date: 12-08-2025

Circular

All Additional Commissioners (Adm.)
State tax,
Rajasthan, Jaipur

Sub.:-Regarding verification of Input Tax Credit claims for new registrations, registered after the prescribed time limit under CGST/SGST Act, 2017.

Section 25 of the SGST Act provides for procedure for registration. Sub-section of (1) of Section 25 is reproduced here:-

*"Every person who is liable to be registered under section 22 or section 24 shall apply for registration within **thirty days from the date on which he becomes liable to registration**, in such manner and subject to such conditions as may be prescribed."*

Further, Section 18 of the SGST Act, 2017 provides for availability of credit in special circumstances with certain conditions and restrictions as prescribed by the Government.

Clause (a) of Sub-Section (1) of Section 18 of the said Act is reproduced as under:-

" a person who has applied for registration under this Act within thirty days from the date on which he becomes liable to registration and has been granted such registration shall be entitled to take credit of input tax in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the day immediately preceding the date from which he becomes liable to pay tax under the provisions of this Act."

The manner of claim of such ITC has been laid down in rule 40 of the Rajasthan Goods and Services Tax Rules, 2017 which provides that:-

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40. *Manner of claiming credit in special circumstances.- (1) The input tax credit claimed in accordance with the provisions of sub-section (1) of section 18 on the inputs held in stock or inputs contained in semi-finished or finished goods held in stock, or the credit claimed on capital goods in accordance with the provisions of clauses (c) and (d) of the said sub-section, shall be subject to the following conditions, namely:-*

(a) the input tax credit on capital goods, in terms of clauses (c) and (d) of sub-section (1) of section 18, shall be claimed after reducing the tax paid on such capital goods by five percentage points per quarter of a year or part thereof from the date of the invoice or such other documents on which the capital goods were received by the taxable person.

(b) the registered person shall within a period of thirty days from the date of becoming eligible to avail the input tax credit under sub-section (1) of section 18, or within such further period as may be extended by the Commissioner by a notification in this behalf, shall make a declaration, electronically, on the common portal in Form GST ITC-01 to the effect that he is eligible to avail the input tax credit as aforesaid:

Provided that any extension of the time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

A perusal of the aforesaid legal provisions makes it evident that the benefit of ITC pertaining to the transactions made prior to the date of registration is available only to the persons applying for registration within 30 days of being liable for registration. However, it has been observed that many a times, applications for registration are filed beyond the required period of thirty days. GSTN/CRU has informed that currently, the system applies check of thirty days for filing of ITC-01 from the date of grant of registration. A Para has been raised by Comptroller and Auditor General of India (CAG) in chapter 2 of his Report (Revenue) Year 2018-19, regarding new registration after the prescribed time limit

**Government of Rajasthan
Commercial Taxes Department**

under Goods and Service Tax Act, 2017. Further, it has been objected and asked that in cases where the taxpayers have applied for registration after thirty days from the date on which they were liable for registration, what procedure is adopted to check the veracity of claims of Input Tax Credit (ITC), if any, on pre-registration stock.

Therefore, it is directed that all proper officers shall ensure regular monitoring of all new registrations and in cases, where the taxpayers have applied for registration after thirty days from the date on which they liable to be registered, the concerned officers shall proceed to reject all claims of ITC pertaining to the period prior to the date of application of registration.

All Additional Commissioners (Adm.) of State Tax, shall ensure monitoring and strict compliance of the above.



(Kumar Pal Gautam)


Chief Commissioner of State Tax,
Rajasthan, Jaipur.

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Copy to following for information and necessary action:-

1. Chief Commissioner, CGST & Central Excise, Jaipur Zone, Jaipur.
2. PS to Chief Commissioner, State Tax, Rajasthan.
3. Joint Secretary, Finance (Tax) Department, Jaipur.
4. Financial Advisor, Commercial Taxes Department, HQ, Jaipur.
5. Additional Commissioner (IT) for uploading it on Department's website www.rajtax.gov.in and on the web portal RAJVISTA, CTD, Jaipur.
6. Asst. Director, Public Relations, CTD, Jaipur for publicity.
7. Guard file.



Chief Commissioner of State Tax,
Rajasthan, Jaipur.