

**GIB/WB/Ishan Resins/17.01.2020/AAR-309**

**Advance Ruling Category :** Input Tax Credit

**State :** West Bengal

**Order No.:** GIB/WB/Ishan Resins/17.01.2020/AAR-309

**Name of Entry :**

Ishan Resins & Paints Limited

**Date :** 17-01-2020

**Breif Issue :**

**Facts & Issue Of The Case :**

The Applicant intends to lease trucks or tankers without operator to goods transport agencies (hereinafter called 'GTA') or any other persons. The applicant seeks the advance ruling on the following questions-

- whether supply of services by way of leasing of goods transport vehicles without operators to GTA would be exempt under serial no. 22 (b) of Notification no 1212017 CT(Rate) dated 28/06/2017 (corresponding State Notification No. 1136 - FT dated 28/06/2017), as amended from time to time (hereinafter collectively called 'Exemption Notification').
- If not exempted what will be the appropriate classification and rate of tax in GST Act, 2017. Further, the applicant seeks clarification on whether the credit of input tax paid on purchasing of motor vehicles is admissible or not.

The Applicant intends to lease out vehicles like trucks, tankers etc. that are designed to transport goods. The control and possession of the vehicle will be transferred to the lessee, who will engage operator and bear the cost of repair, insurance etc. It is, therefore, not classifiable under SAC 9966, which is restricted to rental services of transport vehicles with operator.

**Decision of Advance Ruling Authority :**

**Decision :**

The Applicant's service of leasing goods transport vehicles is classifiable under SAC 997311 and taxable under Sl. No. 17(iii) of Notification No. 11/2017-CT (Rate) 28/06/2017 (corresponding State No. 1135-FT dated 28/06/2017), as amended.

The Applicant can claim input tax credit in accordance with law on the goods transport vehicles so leased out.