

**GIB/RJ/Indag Rubber/22.10.2019/AAR-348**

**Advance Ruling Category :** Input Tax Credit

**State :** Rajasthan

**Order No.:** GIB/RJ/Indag Rubber/22.10.2019/AAR-348

**Name of Entry :**  
Indag Rubber Limited

**Date :** 22-10-2019

**Breif Issue :**

**Facts & Issue Of The Case :**

The applicant is a registered industry engaged in manufacturing of tread rubber, unvulcanized rubber strip gum, universal spray cement and tyre retreading industry. The applicant has sought the advance ruling on the following issues –

Whether the applicant is eligible to claim credit of the GST charged by vendor at the time of supply of goods and services to it, which are used for carrying out the following activities for setting up of MRO facility which will be rented out :

- a. Civil work
- b. External Developments Works

The nature of work undertaken in the activity of MRO is for supply of goods and services leading to creation of immovable property. In accordance with Section 2(60) of the GST Act provides for the definition of Inputs as “any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business.”

Section 16(1) provides that every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both made to him, which are used or intended to be used in the course or furtherance of business.

**Decision of Advance Ruling Authority :**

**Decision :**

The applicant therefore is not eligible to claim credit of GST charged by vendor for supply of goods and services to it, which are used for carrying out activities (civil work and External development Works) for setting up of MRO facility.