

**GIB/GUJ/Kandla/22.08.2019/AAR-349**

**Advance Ruling Category :** Input Tax Credit

**State :** Gujarat

**Order No.:** GIB/GUJ/Kandla/22.08.2019/AAR-349

**Name of Entry :**  
Kandla Port Trust

**Date :** 22-08-2019

**Breif Issue :**

**Facts & Issue Of The Case :**

The Applicant is engaged in port service to various clients. The applicant has residential colony for employees of the port. Quarters have been given to their employees on nominal fees and various other common facility centers like Hospital, Sports Complex, Garden, Guest House for official visitors and School for employee's children, are available within the colony.

The Applicant, vide Annexure-I of their application dated 23.03.2018, has sought for advance ruling for eligibility of Input Tax Credit (ITC) with respect of below mentioned specific expenses occurred by the applicant:-

- a. Purchase of medicines for employees as prescribed by their doctor from outside on contractual basis.
- b. Purchase of movable medical equipment at hospital.
- c. AMC for repair and maintenance of residential colony and hospitals and school (other than new constructions, ITC for which is blocked u/s 15 of CGST Act, 2017).
- d. Telephones & Mobiles at residence of officers and at hospitals.
- e. Caretaking /housekeeping services at Guest House.

Section 17 of the CGST Act, 2017 which relates to Apportionment of Credit and blocked credits and sub section (1) of Section-17 of the CGST Act, 2017 provide that **“Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business”**.

**Decision of Advance Ruling Authority :**

**Decision :**

It is very clear from the provisions of Sub Section (1) of Section 16 and Sub section (1) of Section 17 of the CGST Act, 2017, that a registered person is entitled to take credit of input tax charged on supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business only.

In view of the above, the applicant is not entitled to take credit of input tax charged in respect of above mentioned expenses as the same is not used in furtherance of their business.