

GIB/MH/CMS INFO/19.03.18/AAR-135

Advance Ruling Category : Input Tax Credit

State : Maharashtra

Order No.: GIB/MH/CMS INFO/19.03.18/AAR-135

Name of Entry :

CMS Info Systems Limited

Date : 19-03-2018

Product/ Service Involve :

Motor Vehicle

Breif Issue :

Facts & Issue Of The Case :

The applicant has sought the advance ruling for the following issues :

1. Whether “supply” of such motor vehicles as scrap after its usage can be treated as “supply” in the course or furtherance of business and whether such transaction would attract GST? If yes, then what is rate of GST or/ compensation cess ?
2. Whether input tax credit is available to CMS info system Ltd. On the purchase of motor vehicles i.e, cash carry vans which are purchased ,used for cash management business and supplied post usage as scrap ?

The applicant is having cash management network pan India, and is engaged in the activities like-providing ATM’s and installing the same at various locations across India, managing cash circulations through transporting cash from currency chests to bank branches, cash pick-up and delivery from and to dedicated banks.

As and when the vehicles become scrap, they have to be disposed off and the proceeds therefrom to be identified as income for the business which is reflected in the Profit & Loss Account of the business. Buying new assets and discarding the old and unusable assets is an activity in the course of carrying on of the business. Hence, we conclude that supply of such motor vehicles as scrap after its usage is an activity of ‘supply’ in the course or furtherance of business and such transaction would attract GST.

‘Money’ is specifically excluded from the definition of ‘goods’ and no input tax credit in respect of motor vehicles and other conveyance as stated in section 17(5) (a) would be leviable in respect of transportation of money in motor vehicles as per GST Law.

Decision of Advance Ruling Authority :

Decision :

Details here in this application are inadequate as per the notifications No. 1/2017-Central/ State Tax (Rate) and notification No.1/2017-Compensation Cess (Rate) as amended from time to time.

Input Tax Credit would be available when the motor vehicles are used for transportation of goods. Therefore, the input tax credit on purchase of motor vehicles i.e, cash carry vans would not be available.

Appropriate reference is made to the Appellate Authority for Advance Ruling for hearing and decision on this question.

Following AAAR can be referred:

AAAR "CMS Info Systems

Limited"(Maharashtra): [GIB/MH/CMS/06.08.2018/AAAR-19](#) & [GIB/MH/CMS INFO/31.10.2019/AAAR-39](#)