

GIB/MH/CMS/06.08.2018/AAAR-19**Appellate Advance Ruling Category :** Input Tax Credit**State :** Maharashtra**Order No.:** GIB/MH/CMS/06.08.2018/AAAR-19**Name of Entry :**

M/s. CMS Info Systems Ltd.

Date : 06-08-2018**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 decision of the advance ruling is (a) 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. (b) 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. Now, the appellate authority for advance ruling states that the safeguards are prescribed by the RBI are not applicable to goods clearly establishes that RBI Considers the money as different from goods. The exclusion of ‘money’ from the scope of the E-way Bill has no bearing on the definition of the ‘Goods’ provided in the CGST Act.

As per the Notification No. 2/2017 -Central Tax (Rate) dated 28.06.2017, wherein full exemption has been provided to Rupees Notes ,placed under Sr.no. 117 and falling under chapter/heading 48/ 4907, when sold to RBI the said exemption has been provided to Rupees Notes on which printing is done by RBI to convert them into currency, this notification does not support their argument and their claims either. Applicant relying upon rule 138(14) which carves out goods the transportation of which would not require the preparation of E-Way bill . E-Way bill has no bearing on the definition of the ‘goods’ provided in the CGST Act and the same should not prevail over the provisions laid down in act.

Decision of Advance Ruling Authority :**Decision :**

As per the Appellate Authority for advance ruling Input Tax Credit is not available to CMS Info systems Limited on purchase of Motor Vehicles i.e, cash carry vans, which are purchased and used for cash management Business and supplied post usage as scrap.

Following AAAR can be referred in context of decision made in AAR "CMS Info Systems Limited" (Maharashtra):

[GIB/MH/CMS INFO/19.03.18/AAR-135](#) & AAAR "CMS Info Systems Limited"(Maharashtra): [GIB/MH/CMS Info/31.10.2019/AAAR-39](#)