GIB/AP/KSR & Company/14.02.2019/AAR-229

Advance Ruling Category : Input Tax Credit

State : Andhra Pradesh

Order No.: GIB/AP/KSR & Company/14.02.2019/AAR-229

Name of Entry :
KSR & Company

Date : 14-02-2019

Breif Issue :

Issue & Fact of the Case:

Whether the applicant is eligible for Input Tax Credit in respect of GST paid on goods and services used as inputs in execution of Works contracts specifically in execution of Road work contracts to Government engineering department?

If not on which type of goods and Services, the ITC is not eligible?

> The applicant is a work contractor executing the works awarded by the government of Andhra Pradesh the name of the work being awarded by the applicant is special repairs to feeder road.

> The applicant claims that being the work contractor in execution of the works awarded by the government of Andhra Pradesh, the ITC availed by him has to be considered that it is an input service for further supply of works contract service.

> As per Section 17 (5) (c) of CGST Act 2017, Input Tax credit shall not be available in respect of "works contract services when supplied for construction of an immovable property (other than Plant and Machinery) except where it is an input service for further supply of works contract services".

> Applicant is in the same line of business and entitled to take ITC on the tax invoice raised by his supplies as his output is works contract services.

> As per Section 17 (5)(d) Input Tax credit shall not be available in respect of "Goods or Services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business".

Decision of Advance Ruling Authority :

<u>**Decision:**</u>

The applicant is eligible for Input Tax credit in respect of the GST paid on goods and services used as inputs in execution of works contracts

Input tax credit restriction under section 17(5)(c) and 17(5)(d) will not apply to the applicant as his output is works contracts service.