



सत्यमेव जयते

ARA1807106675

BEFORE THE AUTHORITY FOR ADVANCE RULINGS  
for the State of Andhra Pradesh ( Goods and Service Tax )  
(5th Floor, O/o Chief Commissioner of Commercial Taxes, D.No:5-56, Block-B, R.K Spring  
Valley Apartments, Edupugallu, Vijayawada-521151.)

Present:

Sri. J.V.M Sarma (Member)

Sri.Amaresh Kumar (Member)

The Eighth day of June, 2018

Ruling No. AAR/AP/6 (GST)/2018

In

Application No.AAR/7 (GST)/2018

1	Applicant	M/s INDIAN COTTON SOLUTIONS.COM PRIVATE LIMITED (GSTIN:37AADC17003D1ZZ) D.No4-5-60/2/A, Main Lane, Saibaba Road, Guntur - 522007.
2	Jurisdictional Officer	Assistant Commissioner(State Tax), Brodipet Circle,
3	Present for the Applicant	M.Gopi Krishna
4	Present for the Jurisdictional Officer	Not attended
5	Date of Personal hearing	04.04.2018

Note: Under Section 100 of the APGST Act'2017, an appeal against this ruling lies before the appellate authority for advance ruling constituted under section 99 of APGST Act'2017, within a period of 30 days from the date of service of this order.

...

M/s INDIAN COTTON SOLUTIONS.COM PRIVATE LIMITED, (hereinafter also referred as applicant), having GSTIN:37AADC17003D1ZZ are engaged in supply of service by providing *Mobile Laboratory Services*, to test the quality of Cotton,

The applicant has filed an application in Form GST ARA-01, dated 20.03.2018, for seeking advance ruling on 'Admissibility of input tax credit of tax paid or deemed to have been paid'. The question is as follows..

"Whether they can utilize /refund the ITC which is readily available in GST Portal, for the vehicles purchased by them for the purpose of their core business activity?"

On verification of basic information of the applicant, it is observed that the applicant falls under State jurisdiction, i.e Brodipet Circle, of Narasroopet Division ( as per the bifurcation lists of tax payers between the Centre and State in the prescribed manner ). accordingly, the application has been forwarded to the jurisdictional officers

and also a copy marked to the Central Tax authorities to offer their remarks as per the Sec. 98(1) of CGST / APGST Act'2017, and requested for the information.

In response to this communication, the concerned jurisdictional officer, offered their remarks, and stated that there were no proceedings pending relating to the applicant, and no proceedings were passed on the issue, for which the advance ruling sought by the applicant.

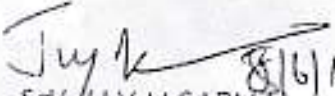
A personal hearing is called for on 04.04.2018, to hear from the applicant, Sri. M.Gopi Krishna, authorized representative had attended on behalf of the applicant and submitted the facts of case. It is submitted that the firm purchased five vehicles to use as mobile cotton labs, for the purpose of testing of quality of cotton. It is argued that, the business itself is testing and the lab ( launched on vehicles ) are to be considered as prime business components, without which there can not be any supply of services. Hence to be considered as eligible for ITC.

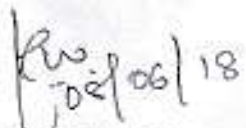
We have gone through the application filed by the applicant, and after careful examination of the said issue, this authority is of the opinion, that the Input Tax Credit on the vehicles purchased by the applicant for the purpose of their business will fall under Sec.17(5), and given the ruling accordingly. The text of Sec 17(5) is as under..

"Notwithstanding anything contained in sub-section (1) of section 16 and subsection (1) of section 18, input tax credit shall not be available in respect of the following, namely:— (a) motor vehicles and other conveyances except when they are used— (i) for making the following taxable supplies, namely:— (A) further supply of such vehicles or conveyances ; or (B) transportation of passengers; or (C) imparting training on driving, flying, navigating such vehicles or conveyances; (ii) for transportation of goods".

RULING

It is clear from the plain reading of the section, that the goods referred by the applicant do not fall under the exceptions referred in Sec.17(5) of CGST/ APGST Act'2017. Hence the applicant is not entitled for claim of ITC.

  
Sd/- (J.V.M SARMA)  
Joint Commissioner (State Tax),  
Authority for Advance Ruling,  
Andhra Pradesh.

  
Sd/- (AMARESH KUMAR)  
Joint Commissioner (Central Tax),  
Authority for Advance Ruling,  
Andhra Pradesh.

  
For Indian Cotton Solutions.com Pvt. Ltd.  
Authorized Signatory  
05/04/18  
6:00PM