
Updates/GST/Advance Ruling/Legal-34-17/2023
Dt. 05/09/2023

(Advance Rulings in Gujarat from 1st Aug to 31st Aug. 2023)

Advance Ruling Branch
Gujarat State Tax Department

Rulings given by Authority of Advance Rulings (AAR)

Eimco Elecon India Limited

Sr. No.	Advance Ruling sought for	Ruling
1.	Whether GST is applicable on the <u>amount recovered/collected by the applicant from the employees and contract workers towards canteen services provided by third party CSP</u> at the canteen facility, which is obligatory for the applicant to provide and maintain under section 46 of the Factories Act, 1948.	1. GST, at the hands of the applicant, is <u>not leviable on the amount representing the employees portion of canteen charges</u> , which is collected by the applicant and paid to the CSP.
2.	Whether the <u>applicant is eligible to avail ITC</u> of the GST charged by the CSP for providing the canteen services, which is mandatory for the Applicant to provide and maintain under section 46 of the Factories Act, 1948.	2. GST, at the hands of the applicant, <u>is leviable on the amount representing the contractual worker portion of canteen charges</u> , which is collected by the applicant and paid to the CSP. 3. Input Tax Credit <u>(ITC) will be available to the applicant</u> on GST charged by the CSP in respect of canteen facility provided to its direct employees working in their factory and the corporate office, in view of the provisions of Section 17(5)(b) as amended effective from 1.2.2019 and clarification issued by CBIC vide circular No. 172/04/2022-GST dated 6.7.2022 read with provisions of section 46 of the Factories Act, 1948. ITC on the <u>above is restricted to the extent of the cost borne by the applicant for providing canteen services to its direct employees, but disallowing proportionate credit to the extent embedded in the cost of goods recovered from such employees</u> . 4. <u>ITC on GST paid on canteen facility is not admissible</u> to the applicant under Section 17(5)(b) of CGST Act, 2017, <u>on the food supplied to contractual worker supplied by labour contractor</u> .

Bayer Vapi Pvt. Ltd.

Sr. No.	Advance Ruling sought for	Ruling
1.	<p>Whether the applicant <u>is entitled to take ITC</u> of the CGST & SGST paid by them <u>on the services received from Vapi Enterprise Ltd in the form of transfer of its rights in the leasehold land owned by GIDC in favour of the applicant</u> which is to be used by the applicant in the course or furtherance of its business in terms of the provisions prescribed under the CGST & SGST Act.</p>	<p>➤ The applicant is <u>not entitled to take ITC</u> of the CGST & SGST paid by them on the services received from Vapi Enterprise Ltd in the form of transfer of its rights in the leasehold land owned by GIDC in terms of Section 17(5)(d) of the CGST Act, 2017.</p>

Thanks

Note:

- a) The above rulings are available on the department's website for reference.**
- b) Please contact the Advance Ruling Branch in case of any ambiguity in the above rulings.**