

*Clarification to the queries of Members of Indian Corrugated Box Manufacturers Association, Mumbai on GST dated 16.08.2017*

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| To      | Members of Indian Corrugated Box Manufacturers Association, Mumbai    |
| From    | Rohit Kumar Singh, Dipak Tiwary - Karvy Data Management Services Ltd. |
| Date    | August 16, 2017   |
| Subject | Impact of GST on corrugated box industry                              |

**Query 1: Negative list for which ITC is not allowed.**

**Answer:** Section 16 of CGST Act 2017 narrates the provision of input tax credit eligibility under GST regime. Below are the basic parameters which should be met to avail ITC under GST:

- The recipient is in possession of an invoice / debit note or any other tax paying document
- The recipient has actually received the goods or services
- The supplier has discharged the output tax liability
- The supplier has filed the return

Certain inward supplies goods & services have been classified under Section 17 (5) for which the recipient shall not be eligible to avail the input tax credit. Below mentioned are such categories:

- **Motor vehicles and other conveyances** except (when they are used for making any further outward supplies of such vehicles and conveyances or is used for transportation of passengers or used for providing training on driving, flying and navigating such vehicles or conveyance or used for transportation of goods)
- **Food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery** except where such inward supply of goods or services or both are used by a registered person for making an outward taxable supply of the same category of goods or services
- **membership of a club, health and fitness centre**
- **rent-a-cab, life insurance and health insurance** except where Govt. has notified such services to be obligatory for an employer to provide to its employee under any law and where such inward supply of goods or services or both are used by a registered person for making an outward taxable supply of the same category of goods or services
- **travel benefits extended to employees on vacation** such as leave or home travel concession
- **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 service

- **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