**FAQs on Goods & Services Tax**

**10. Input Tax Credit**

**Q 9. Where goods and/or services received by a taxable person are used for the purpose of business and non-business supplies, whether the input tax credit is available to the registered taxable person?**

Ans. As per section 16(5) of the MGL, the input tax credit of goods and / or service attributable to only supplies effected for business purpose can be taken by registered taxable person. The amount of eligible credit would be calculated in a manner to be prescribed in terms of section 16(7) of the MGL read with GST ITC Rules (yet to be issued). It is important to note that credit on capital goods also would now be permitted on proportionate basis.

**Q 10. What would be input tax eligibility in cases where there is a change in the constitution of a registered taxable person?**

Ans. As per section 16(8) of the MGL, the transferor shall be allowed to transfer the input tax credit that remains unutilized in its books of accounts to the transferee provided that there is a specific provision for transfer of liabilities.

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