**FAQs on Goods & Services Tax**

**10. Input Tax Credit**

**Q 29. Is there any negative list on which ITC is not permitted?**

Ans. Section 16 (9) of the MGL provides for the negative list with respect to the admissibility of ITC. It has been provided that the ITC on following items cannot be availed:

(a) motor vehicles, except when they are supplied in the usual course of business or are used for providing the following taxable services—

(i) transportation of passengers, or

(ii) transportation of goods, or

(iii) imparting training on motor driving skills;

(b) goods and / or services provided in relation to food and beverages, outdoor catering, beauty treatment, health services, cosmetic and plastic surgery, membership of a club, health and fitness center, life insurance, health insurance and travel benefits extended to employees on vacation such as leave or home travel concession, when such goods and/ or services are used primarily for personal use or consumption of any employee;

(c) goods and/or services acquired by the principal in the execution of works contract when such contract results in construction of immovable property, other than plant and machinery;

(d) goods acquired by a principal, the property in which is not transferred (whether as goods or in some other form) to any other person, which are used in the construction of immovable property, other than plant and machinery;

(e) goods and/or services on which tax has been paid under section 8; and

(f) goods and/or services used for private or personal consumption, to the extent they are so consumed.

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