Section 17 (5) - Negative List of ITC

<table>
<tr><th>Clause No.</th><th>Type of Goods or Service</th><th>Exception</th></tr>
<tr><td>(a)</td><td>Motor vehicles & conveyances</td><td>• For further supply of such vehicles or conveyances
• Transportation of passengers
• Motor Driving school
• Transportation of goods (eg. GTA paying GST @12%)</td></tr>
<tr><td>(b)</td><td>• Food and beverages
• Outdoor catering
• Beauty treatment
• Health services
• Cosmetic and plastic surgery</td><td>• If the category of inward and outward supply is
– same or
– belongs to a mixed or composite supply.</td></tr>
<tr><td></td><td>Membership of a club, health and fitness centre</td><td>---------------
(eg. MD(Mr. X) taken membership of a club & Co. paying membership fees-No ITC to Co & Mr. X)</td></tr>
<tr><td></td><td>• Rent-a-cab
• Life insurance
• Health insurance</td><td rowspan="2">• Services which are obligatory for an employer to provide to its employees
• If the category of inward and outward supply is
– same or
– belongs to a mixed or composite supply.</td></tr>
<tr><td></td><td>Travel benefits extended to employees on vacation(ITC will be allowed for travel for business purposes)</td></tr>
<tr><td>(c)</td><td>Works contract services when supplied for construction of an immovable property</td><td>• Plant or Machinery
• For further supply of works contract service</td></tr>
<tr><td>(d)</td><td>Goods or services for construction of an immovable property
– on his own account or
– for used in the course or furtherance of business
(i.e capitalized in books)</td><td>• Plant or Machinery

(Eg. ITC is available on inputs used to manufacture P&M)</td></tr>
<tr><td>(e)</td><td>Goods or services on which tax has been paid under Composition Scheme</td><td>---------------</td></tr>
<tr><td>(f)</td><td>Goods or services received by a non-resident</td><td>• Goods imported by him
(i.e. IGST paid on Import of goods)</td></tr>
<tr><td>(g)</td><td>Goods or services used for personal consumption</td><td>---------------</td></tr>
<tr><td>(h)</td><td>Goods lost, stolen, destroyed, written off or disposed of by way of gift or free samples</td><td>---------------</td></tr>
<tr><td>(i)</td><td>Any tax paid in accordance with sections 74, 129 and 130 (Fraud Cases)</td><td>---------------</td></tr>
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