



Gujarat AAR: Canteen Charges recovered from employees and free bus transportation provided to employees not leviable to GST

Gujarat AAR holds that GST is not leviable at the hands of the Applicant, on the amount representing the employees portion of canteen charges, which is collected by the Applicant and paid to canteen service provider; Further rules that GST is not leviable on free bus transportation facility provided to employees; Rules that ITC on GST paid on canteen facility is blocked credit under Section 17 (5)(b)(i) CGST Act and thus, inadmissible to the Applicant, however, ITC on GST paid on hiring of Bus, having approved seating capacity of more than 13 persons used for transportation of passengers, is admissible; Noting that sub clause of Section 17(5)(b)(i) ends with colon : and is followed by a proviso and this proviso ends with a semicolon, clearly derives that “It is obvious that the legislature intended the said subclauses to be distinct and separate alternatives, with distinctively different qualifying factors and conditionalities”: AAR GUJ