M/s Vikram Traders, Subramanyapura, Uttarahalli, Bengaluru-560 061, Karnataka (GSTIN 29AAAFV7242B1ZB)

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 08/ 2020, Date: 10-03-2020 Dated **10.03.2020**

Q Questions Before the Authority

- Eligibility to claim input tax credit on inputs attributable to the renting of immovable property

F Facts

The applicant is engaged in renting out immovable property, apart from manufacturing and supplying fabric, and pays GST on rental income under the renting of immovable property service. It procured inward supplies for construction of a building, goods and services used directly for construction, and repairs, maintenance, additions and alterations, some capitalised and some not. The applicant sought a ruling on whether ITC is available on these inputs, relying on the Orissa High Court decision in Safari Retreats Pvt. Ltd.

H Ruling

The authority rejected the application under Section 98(2) of the CGST Act because the same issue is pending before the Supreme Court in SLP No. 26696/2019, filed by the Department against the Safari Retreats decision, so the question is sub judice. The authority did not examine the merits of whether ITC is available on inputs attributable to letting out property. The ruling is procedural only.

R Reasoning

The authority noted that the Department had appealed the Orissa High Court's decision in Safari Retreats to the Supreme Court under SLP No. 26696/2019, and that the issue on blocked credit under Section 17(5)(c) and (d) was therefore pending before the apex court. Relying on Section 98(2), it held that an application on a question already pending before the Supreme Court cannot be admitted. It therefore rejected the application without deciding the applicant's arguments on Section 17(5)(d), Articles 14 and 19(1)(g), or the applicability of the Safari Retreats reasoning.

P Provisions Relied On

Section 98(2) of the CGST Act, 2017 (and corresponding KGST Act provision)

Section 98(4) of the CGST Act, 2017 and KGST Act, 2017 (form of order)

Section 97 of the CGST Act, 2017 and KGST Act, 2017 (application for advance ruling)

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Rule 104 of the CGST Rules, 2017 and KGST Rules, 2017

Section 9 of the CGST Act, 2017 (charge of tax on renting of immovable property)

Section 16 of the CGST Act, 2017 (eligibility and conditions for ITC), as cited by the applicant

Section 17(5)(c) and (d) of the CGST Act, 2017, as cited by the applicant

Section 41 of the CGST Act, 2017, as cited by the applicant

Orissa High Court decision in M/s Safari Retreats Pvt. Ltd., as relied on by the applicant

Articles 14 and 19(1)(g) of the Constitution, as argued by the applicant

! For the Practitioner

This ruling is useful mainly as a record that the authority will reject an advance ruling application on a question pending before the Supreme Court, which matters for planning a ruling application on blocked credit for letting-out property. It does not decide whether ITC is available on construction or repair inputs for rental buildings. Practitioners should check the outcome of SLP No. 26696/2019 and the status of Safari Retreats before relying on the applicant's position.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> kar_aar_08_2020_10.03.2020_vt.pdf

Prepared 19-11-2026.

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