



**Eligibility of ITC in pursuance of the Ministry of Home Affairs (MHA)**  
**Order No. 40-3/2020-DM-I(A) dated 15.04.2020**

The guidelines issued by the Ministry of Home Affairs (MHA) vide Order No. 40-3/2020-DM-I(A) dated 15.04.2020 in furtherance of the current COVID-19 situation wherein the Chairperson, National Executive Committee in his powers conferred under Section 10(2)(I) of the Disaster Management Act, 2005 issued directions to be implemented by persons mentioned in the said Order.

In the order, Annexure II deals with 'Standard Operating Procedure for Social Distancing for Offices, Workplace, Factories and Establishments' the Order at Sr. No. 02 and 05, which mandates implementation of certain measures , namely:-

1. Providing transportation facility to the workers coming from outside whereby such facility should not be dependent on the public transport system. Further, the vehicle is allowed to work with the passenger capacity of 30-40% only.
2. Mandatory Medical Insurance for the workers.

In view of the aforementioned guidelines, by virtue of proviso to Section 17(5) of the CGST Act, 2017, the GST paid on rent a cab services and availed by the supplier and also the medical insurance services availed, in compliance of the above directions is available as ITC, as the above directions of the MHA issued under the DM Act, 2005 has the force of law.

For perusal, even though availment of ITC on such services is generally barred under Section 17 (5) (b) (i) of the Act, reference is invited to the below proviso under the said section.

**Provided** that the input tax credit in respect of such goods or services or both shall be available, where it is obligatory for an employer to provide the same to its employees under any law for the time being in force.

Thus, when the conditions as requisite under the said order or any other order that has the force of law provides for a mandate as above; ITC will be eligible, so long such order persists.

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