



# THE COIMBATORE BRANCH OF SIRC OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Setup by an Act of Parliament)

## NEWSLETTER

JANUARY 2023

ISSUE 01

### *From the Chairman's Desk...*

Esteemed Professional Colleagues,

I personally and on behalf of the Managing Committee of the Coimbatore Branch of SIRC of The Institute of Chartered Accountants of India wish you a very happy New Year 2023. It is never late to start a new thing at any point of time in our lifetime, let us vow to make our lives better and make this planet a better place.



During the month of December 2022, we organized weeklong Refresher Courses on GST & Direct Taxes; CPE Seminars on Code of Ethics, Standards on Auditing and Real Estate were also organized. Eminent faculty Members addressed the participants and all the programs were well attended. I thank all the faculty Members and the coordinators for their support and guidance in conducting the events.

I am glad to share with you that the Two Days CA Students Conference organized by the Board of Studies of ICAI and hosted by our Branch & SICASA went off well with excellent participation of more than 1300 Students. Students presented papers on various topics; past & present Council Members chaired the sessions. I am grateful to all the noble personalities for their motivation, support, and guidance in making the Conference a great success.

During the month of December 2022, the Committee on Public and Government Financial Management of ICAI signed a Memorandum of Understanding (MoU) with the Commissioner of Treasuries and Accounts (CTA), Gov. of Tamil Nadu (GoTN) for knowledge transfer and skill development of officials of Treasuries, Accounts and Finance Department, GoTN in the august presence of Dr.Palanivel Thiagarajan, Hon'ble Minister for Finance and Human Resources Management, GoTN.

I would like to conclude by thanking all of you for your participation in all the activities of our Branch. Do participate in all the events and extend your kind support, guidance, and cooperation.

Wishing you all the very best in all your endeavours in the New Year -2023!!!

With Best Regards,  
**CA. N.V. Palanisamy**  
Chairman

*Inside...*

- Assorted Issues in Income tax Act, 1961
- Refund under GST : Issues & Possible Solutions

Bulletin Editor :  
**CA. R. Harish**

## MEMBERS ADDRESSING IN VARIOUS CPE SEMINARS



## BRANCH LEVEL DEBATE AND CHESS COMPETITIONS







## ASSORTED ISSUES IN INCOME TAX ACT, 1961

**CA. V. Ramnath, B Com FCA**

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### ISSUES IN CHARITIES

- A public charitable trust formed on 10.12.2021.
- It did not apply for registration u/s. 12AB
- Its objects are – relief of poor, education, medical relief
- During the FY 2021-22
- It received donation of Rs.2.25 lakhs
- It had given scholarship, sponsored the medical treatment of poor people for Rs.1.50 lakhs
- It wants to file ROI for the FY 2021-22 now.
- What are the consequences?
- In the previous case, the income and expenses are altered as follows:
- It received donation of Rs.4.25 lakhs
- It had given scholarship, sponsored the medical treatment of poor people for Rs.4.00 lakhs

What would be the taxable income and what would be the rate of tax?

Ref: CBDT circular dt 11.01.1982

Similarly, in the cases of registered societies, trade and professional associations, social and sports clubs, charitable or religious trusts, etc., where the members or trustees are not entitled to any share in the income of the association of persons, the provisions of new section 167A will not be attracted and, accordingly, tax will be payable in such cases at the rate ordinarily applicable to the total income of an association of persons and not at the maximum marginal rate.

- In the previous case, the income and expenses are altered as follows:
- It received donation of Rs.4.25 lakhs (out of the above, Corpus donation of Rs.2.00 lakhs)
- It had given scholarship, sponsored the medical treatment of poor people for Rs.4.00 lakhs

What would be the taxable income and what would be the rate of tax?

Sec 11(1)(d)

Income in the form of voluntary contributions made with a specific direction that they shall form part of the corpus of the trust or institution subject to the condition that such voluntary contributions are invested or deposited in one or more of the forms or modes specified in sub-section (5) maintained specifically for such corpus.

### GURUKUL VERSUS INCOME TAX OFFICER – (EXEMPTION) , MUZAFFARPUR - 2022 (12) TMI 994 - ITAT PATNA

If we accept the proposition as canvassed by assessee, then the whole scheme of assessment of charitable institution/trust contemplated in Section 11 to 13 of the Act would become redundant. The arguments of the Id. Counsel for the assessee is that, it is not necessary that a trust/institution should be registered for availing benefit of Section 11(1)(d) of the Act. If an institution has demonstrated that donations were received towards corpus then automatically, it will become a capital receipt which is not taxable. However, we do not agree with these submissions because nowhere in the Act this proposition has been provided.

In the previous case, the income is altered as follows:

It received donation of Rs.4.25 lakhs (out of the above – Rs.2.25 lakhs – details of donors not available)

It had given scholarship, sponsored the medical treatment of poor people for Rs.4.00 lakhs

What would be the taxable income and what would be the rate of tax?

Sec 115BBC(1)

Where the total income of an assessee, being a person in receipt of income on behalf of any university or other educational institution referred to in sub-clause (iiiad) or sub-clause (vi) or any hospital or other



institution referred to in sub-clause (iii) or sub-clause (iv) or any fund or institution referred to in sub-clause (v) of clause (23C) of section 10 or any trust or institution referred to in section 11, includes any income by way of any anonymous donation,

In the previous case, following additional details provided

During the FY 2022-23, application for registration u/s. 12AB was made

Provisional registration was granted for three years (effective from FY 2022-23)

Does it have any impact in the taxation of previous year

Sec 12A(2) .....

Provided further that where registration has been granted to the trust or institution under section 12AA or section 12AB], then, the provisions of sections 11 and 12 shall apply in respect of any income derived from property held under trust of any assessment year preceding the aforesaid assessment year, for which assessment proceedings are pending before the Assessing Officer as on the date of such registration and the objects and activities of such trust or institution remain the same for such preceding assessment year:

M/S. ARYA SAMAJ - 2022 (11) TMI 1210 - ITAT BANGALORE

In the previous case, where donation received for Rs.4.25 lakhs but there were no anonymous donation, what would happen if no ROI was filed?

Sec 12A(2)...

Provided also that no action under section 147 shall be taken by the Assessing Officer in case of such trust or institution for any assessment year preceding the aforesaid assessment year only for non-registration of such trust or institution for the said assessment year:

A public charitable trust regd under 12A for the last 20 years, had following gross receipts and application during the FY 2022-23

Letting out of Marriage hall– Rs.50 lakhs (net income – Rs.30 lakhs)

Letting out of Shops – Rs.20 lakhs (net income – Rs.15 lakhs)

Bank interest – Rs.5 lakhs

Scholarship given – Rs.10 lakhs

Advise taxability Ref:

Sec 2(15)

Sec 13(10)

Sec 115BBI

A public charitable trust filed its audit report, for the FY 2021-22, on 15-09-2022.

It could not file ROI before 07.11.2022 – hence belated ROI was filed

It did not claim any accumulation u/s. 11(2) in the ROI filed.

What are the consequences?

Sec 13(9)

Nothing contained in sub-section (2) of section 11 shall operate so as to exclude any income from the total income of the previous year of a person in receipt thereof, if—

- (i) the statement referred to in clause (a) of the said sub-section in respect of such income is not furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year; or
- (ii) the return of income for the previous year is not furnished by such person on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the said previous year.

12A. (1) The provisions of section 11 and section 12 shall not apply in relation to the income of any trust or institution unless the following conditions are fulfilled, namely:—

(ba) the person in receipt of the income has furnished the return of income for the previous year in accordance with the provisions of sub-section (4A) of section 139, within the time allowed under that section.

Instruction no: F-173/193/2019-ITA-1 dated 23.04.2019 by CBDT addressed to Pr DGIT (Systems)

A public charitable trust is engaged in running a matriculation school only



Its gross fee receipts was only Rs.1.5 crores  
It has surplus of Rs.30.00 lakhs  
It has registration u/s. 12AB  
It could not file ROI and AR before the due date  
It plans to file ROI now by opting exemption u/s.  
10(23C)(iii) instead of sec 11  
What are the consequences ?

Ref:

Sec 11(7)

Sec 139(4C)

Sec 234F

Sec 272A(2)(e)

Maintenances of prescribed Books and records and  
place at which to be maintained

Instances inviting cancellation of regn and  
application of sec 115TD

Income applied for other than "Its objects"

Income applied for "private religious purposes"

Income of charitable trust applied for a "particular  
religious community or caste"

Consequences of cancellation

Consequences of non-renewal

### **BUSINESS INCOME COMPUTATION**

The assessee could not remit the employee welfare  
funds within the stipulated time of the respective  
statutes

Intimation u/s. 143(1) resulting in disallowance  
based on TAR – validity?

Subsequently order u/s. 143(3) confirming the  
disallowance – validity?

M/S PR PACKAGING SERVICE- 2022 (12) TMI 841 -  
ITAT MUMBAI

CHECKMATE SERVICES PVT LTD [2022 (10) TMI  
617 - SUPREME COURT]

Impact in past cases – remedy?

Assessee purchased a land for Rs.2 crores.

The land was adjacent to the existing factory building.

Bank loan of Rs.1.25 crores availed.

Landed is intended to be used for expansion of  
factory for future.

Allowability of interest on bank loan??

Sec 36(1)(iii) the amount of the interest paid in respect  
of capital borrowed for the purposes of the business  
or profession :

Provided that any amount of the interest paid, in  
respect of capital borrowed for acquisition of an asset  
(whether capitalised in the books of account or not);  
for any period beginning from the date on which the  
capital was borrowed for acquisition of the asset till  
the date on which such asset was first put to use, shall  
not be allowed as deduction.

Assessee gave the following advances

For purchase of raw material

For purchase of machinery

For staff & workers

Some of them could not be recovered and hence  
written off

Allowability of the same

Sec 36(1)(vii) r w s 36(2)

Sec 36(2) – no such deduction shall be allowed unless  
such debt or part thereof has been taken into account  
in computing the income of the assessee of the  
previous year in which the amount of such debt or  
part thereof is written off or of an earlier previous  
year, or

represents money lent in the ordinary course of the  
business of banking or money-lending which is  
carried on by the assessee;

KHYATI REALTORS PVT. LTD - [2022] 447 ITR 167  
(SC)

Firm had incurred foreign travel expenses and study  
expenses for son of a partner - allowability ?

Company incurred foreign travel expenses for  
business trip of director and his spouse – tax  
treatment in the hands of the firm and recipient?

Smt Sureka Kotari – Mad HC - Sec 2(24)(iv) - the  
value of any benefit or perquisite, whether  
convertible into money or not, obtained from a  
company either by a director or by a person who has a  
substantial interest in the company, or by a relative of



the director or such person, and any sum paid by any such company in respect of any obligation which, but for such payment, would have been payable by the director or other person aforesaid ;

Company spent Rs.5 lakhs for repairing the flooring of the local police station at the request of the police Inspector – allowability?

Firm engaged in the money lending business claimed interest on deposits accepted from friends and relatives

Rate of interest charged for interest on deposits ranged from 15% to 18%

According to AO, the Tamil Nadu Prohibition of Charging Exorbitant Interest Act, 2003 r w s 7 of the Tamilnadu Money lenders Act rate of interest can be charged only upto 12% per annum in respect of unsecured loans – therefore, excess interest should be disallowed vide expl to sec 37

MUTHOOT FINANCE CORPORATION - 2012 (12) TMI 898 - KERALA HIGH COURT

ARUN THOMAS - 2013 (6) TMI 187 - ITAT COCHIN

### **BUSINESS INCOME – DISALLOWANCES**

Assessee paid advance for supply of material in cash of Rs.50000 on 28-3-2022

The purchase of material happened only on 10-4-2022

Applicability of sec 40A(3)/(3A) on the above transaction

Assessee firm's partner went to Dubai for participating in a show

He incurred certain business expenses in currency

The INR equivalent of the said expenses exceeded Rs.10000/-

Allowability of the same

Ramlord Apparels – 2020 (9) TMI 322 Mum ITAT

Mr K Purchased gold of Rs.34.68 Crores in auction from Manapuram Finance by cash

It is the case of assessee that few bidders formed a syndicate to participate in bidding – after successful bidding – they divided the gold purchased

He reported only his share of purchase & sale – (net income – Rs.6.64 lakhs)

Seller collected 1% TCS on his name, however.

After noticing the TCS reported, inflated both purchase and sale for the amount distributed among friends and filed Revised ROI.

AO applied sec 40A(3)

Natesan Krishnamoorthy – 2019 (1) TMI 607 Mad HC

M/s. ABC & Co is a firm consisting of Mr. A, Mr B (Mr. A's son and Mrs. C (wife of Mr. A) as partners

Mr. B went abroad for higher studies during the FY 2021-22 and became non-resident during the said FY.

However, firm had provided for interest to the partner

Mr. B filed ROI reporting the income by way of interest from firm

However, TDS provisions are not complied with.

Consequences???

Sec 40(a)(i) & Sec 201(1).

### **BUSINESS INCOME – OTHERS**

In which scenarios, a company or LLP would be required to file Form 3CB (Instead of Form 3CA)

Whether the tax auditor is required to report the trade discount given (for volume achievement) to a related party u/s. 40A(2)

Liabilities no longer required written back – credited to profit and loss account – Should be it reported in the TAR under “profit chargeable u/s 41(1)”

### **CAPITAL GAINS**

A company sold a factory building on account of losses

This resulted in surplus u/s. 50.

It had accumulated b/f business losses

It seeks to set off the business loss against the income computed u/s. 50.

M/S. NANDI STEELS LIMITED - [2021] 436 ITR 238 (Kar)

A company sold its machineries on account of business losses

This resulted in surplus u/s. 50

It had accumulated b/s. long term capital loss

It seeks to set off the LTC loss against the STCG computed u/s. 50





Mr A got an immovable property from his father by Will

While selling it, the buyer wanted Mr. A's two sons to sign the document of sale

Consideration was given equally and TDS was effected in all three people's PAN equally

In whose hands Capital gains to be offered and how to consider TDS?

Mr A converted his capital asset into stock in trade

Subsequently, he became a partner in the firm and contributed his stock in trade to the firm

The firm is engaged in same line of business

The stock was accounted at FMV in the books of the firm

Taxability of surplus in the hands of Mr A

Sec 43C, Sec 45(2) and Sec 45(3)

Mr. A entered into agreement with Mr. B for sale of immovable property and received Rs.10 lac as advance

As per terms, if he cannot clear title by obtaining necessary papers, he has to refund 10 lacs and pay Rs.10 more lakhs

As he could not get the necessary papers, he cancelled the deed and paid Rs.20 lakhs

Tax treatment of excess Rs.10 lakhs in the hands of Mr. B

Mr. A borrowed money from bank for which he offered few properties as collaterals

As he could not clear the debts bank auctioned one of the properties for settling the dues

The Guideline value is more than the auction price

What is the consideration for sec 50C?

Would it be different if bank auctioned the property after life time of Mr. A?

When the owner gives POA and takes Rs.50 lacs as consideration and POA holder sells the property for Rs.100 lakhs, what value shall be considered for computing the capital gains in the hands of the owner?

DR. Sabesan Parameswaran - 2022 (11) TMI 1079 - ITAT CHENNAI - 16-11-22

Whether the provisions of sec 45(5A) would apply to a JDA entered into in the State of Tamilnadu?

(ii) "specified agreement" means a registered agreement in which a person owning land or building or both, agrees to allow another person to develop.....

### OTHER SOURCES

Sec 56(2)(x) taxes the amount/specified asset received exceeding Rs.50k except on certain occasions / from certain persons. Exception includes from or by any trust or institution registered under section 12A or section 12AA or section 12AB; or

Does that mean, a trust need not apply 85%?

a trustee (individual) receiving benefit would not be liable?

Can a father give gift of Shares of Rs.20 lakhs to his son to create his son's HUF?

Demon period cash deposit - rate of tax 77.25% or 30% with normal SC & E Cess?

Sandesh Kumar Jain [2022 (11) TMI 126]. - Japalpur ITAT

### ASSESSMENT, APPEAL, ETC

Whether payment of 20% tax is not mandatory for maintaining appeal

KARANGIPULLY VINOTHKUMAR - 2022 (11) TMI 1262 - MADRAS HC

Correct course of action is to file a stay request u/s. 220(6)

Noorul Islam Educational Trust - 2022 (11) TMI 1024 Mad HC

When an appeal is pending against the order of assesment, can a rectification petition u/s. 154 be filed?

When refunds of other years are sought to be adjusted against the disputed demand, can the authorities take more than 20%

GOEL ROAD CARRIERS PRIVATE LIMITED - 2022 (5) TMI 285 - DELHI HIGH COURT

An assessee who is not liable for tax audit sold his business under slump sale - While filing ROI - obtained Form 3CEA as per sec 50B(2) - what is his due date?



# REFUND UNDER GST : ISSUES & POSSIBLE SOLUTIONS

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**AGENDA**

- Recent Amendments
- Case Studies

## PERIOD OF LIMITATION – 13/2022 CT dt 05/07/2022

excludes the period from the 1<sup>st</sup> day of March, 2020 to the 28 day of February, 2022 for computation of period of limitation for filing refund application under section 54 or section 55 of the said Act.

Relevant Date	Old Limitation	New Limitation
20/10/2018	20/10/2020	20/10/2022
20/10/2019	20/10/2021	20/10/2023

Dr. K. Praveen, Chartered Accountant

## RETROSPECTIVE CHANGE IN RATE OF INTEREST

- Interest only on net liability paid by cash
- Interest not applicable on ITC availed but not Utilised
- Interest @ 18% [Not 24%] on ITC availed and utilised
- Application of Refund for excess paid interest ?

Dr. K. Praveen, Chartered Accountant

## RECREDIT OF ERRONEOUS REFUND PAID

Rule 86(4B) inserted:

Where a registered person deposits the amount of erroneous refund sanctioned to him:

- U/s 54 (3)
- u/s 96(3) in contravention of sec 96(10)

- along with interest and penalty, wherever applicable,
- through cash in Form GST DRC 03
- on his own or on being pointed out,
- an amount equivalent to the amount of erroneous refund deposited by the registered person shall be re credited to the electronic credit ledger by the proper officer
- By an order made in FORM GST PMT 03 A ..(Rule 86)

Dr. K. Praveen, Chartered Accountant

## CHANGE IN FORMULAE OF IDS

1 Old Formula

$$\left( \frac{\text{Turnover of inverted rated supply of goods and services}}{\text{Adjusted Total Turnover}} \times \text{Net ITC} \right) - \left( \text{Tax payable on such inverted rated supply of goods and services} \right)$$

2 New Formula

$$\left( \frac{\text{Turnover of inverted rated supply of goods and services}}{\text{Adjusted Total Turnover}} \times \text{Net ITC} \right) - \left( \text{Tax payable on such inverted rated supply of goods and services} \times \frac{\text{Net ITC}}{\text{ITC availed on inputs and input services}} \right)$$

Dr. K. Praveen, Chartered Accountant

## CHANGE IN FORMULAE OF IDS

Illustration:

Particulars	Taxable Value	Rate	Tax
Turnover under inverted duty	3,000,000	5%	150,000
Other taxable turnover	1,000,000	18%	180,000
<b>TOTAL TURNOVER</b>	<b>4,000,000</b>		<b>330,000</b>

Type of Credit	ITC claimed in GSTR-3B	Net ITC under Rule 89(5) = ITC on Inputs
Inputs	195,000	= 195,000
Input Services	125,000	
Capital Goods	30,000	
<b>Total ITC</b>	<b>350,000</b>	

Dr. K. Praveen, Chartered Accountant

## CHANGE IN FORMULAE OF IDS

1 Old Formula

$$\left( \frac{\text{Turnover of inverted rated supply of goods and services}}{\text{Adjusted Total Turnover}} \times \text{Net ITC} \right) - \left( \text{Tax payable on such inverted rated supply of goods and services} \right)$$

$$\left( \frac{3,000,000}{4,000,000} \times 195,000 \right) - \left( 150,000 \right)$$

REFUND CLAIM AMOUNT (3,750)

Dr. K. Praveen, Chartered Accountant





## CHANGE IN FORMULAE OF IDS

Notifications 14/2022 dt 5-July-22

2 New Formula

$$\left( \frac{\text{Turnover of inverted rated supply of goods and services}}{\text{Adjusted Total Turnover}} \times \text{Net ITC} \right) - \left( \frac{\text{Tax payable on such inverted rated supply of goods and services}}{\text{ITC availed on inputs and input services}} \times \text{Net ITC} \right)$$

$$\left( \frac{3,000,000}{4,000,000} \times 195,000 \right) - \left( \frac{150,000}{320,000} \times 195,000 \right)$$

REFUND CLAIM AMOUNT **54,844**

Ica & Associates, Chartered Accountants

## CHANGE IN FORMULAE OF IDS

Circular No. 181/13/2022-GST dt 10-Nov-22

Vide Notification No. 14/2022-Central Tax dated 05.07.2022, amendment has been made in sub-rule (5) of rule 89 of CGST Rules, 2017, modifying the formula prescribed therein. The said amendment is not clarificatory in nature and is applicable prospectively with effect from 05.07.2022. Accordingly, it is clarified that the said amended formula under sub-rule (5) of rule 89 of the CGST Rules, 2017 for calculation of refund of input tax credit on account of inverted duty structure would be **applicable in respect of refund applications filed on or after 05.07.2022**. The refund applications filed before 05.07.2022 will be dealt as per the formula as it existed before the amendment made vide Notification No. 14/2022-Central Tax dated 05.07.2022.

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## CASE STUDIES

### REFUND OF ITC ON CAPITAL GOODS ?

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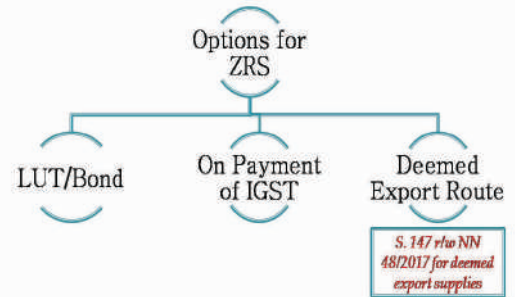
#### CASE STUDY 1

A Software development holding EPCG license [and has availed the benefit of IGST] is engaged in export of services. It is planning to procure capital goods within India worth Rs 1 crore, GST @ Rs 18 lakhs. How best to optimize this GST of Rs 18 lakhs.

Would the answer change if it has not availed the benefit of IGST on imports but only the benefit of BCD

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## OPTIONS FOR ZERO RATED SUPPLY



Ica & Associates, Chartered Accountants

## OPTIMISATION OF CESS

### CASE STUDY 2

1. ABC Pvt Ltd is engaged in the manufacture of apparels. It has its head office in Palakkad [GSTIN-1]. It has its own processing unit in Tiruppur [GSTIN-2]. The processing unit carries out job working activity for the HO. Export orders are received at HO and exports are made from Palakkad.
2. For running the boiler, the processing unit in Tiruppur purchases coal. CGST+SGST+Cess is levied on Coal. Processing unit would raise IGST invoice to the Export unit.
3. Cess paid is Rs 50 lakhs per annum. Any method to optimise this CESS ?

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## VALIDATION OF EXEMPTION

### CASE STUDY 3

1. W.e.f 18.07.2022 food items, *say maida* which is **pre-packaged and labelled** is taxable.
2. ABC Pvt Ltd has its manufacturing unit in Coimbatore and its sales depot in Punjab.
3. Coimbatore unit sells 50 kg maida bag [having 2 kgs retail package each] to Indian Army, Punjab. – **Taxable ?**
4. At times it would stock transfers 50 kg maida bag [having 2 kgs retail package each] from Coimbatore to Punjab. Punjab unit further sells it to Indian Army. – **Taxable or Exempt ?**
5. **How can refund be used as a mechanism to validate the exemption. Incidence of taxes ?**

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## EXCESS PAYMENT OF TAXES

### CASE STUDY 4

1. For the tax period February 2018, tax to the extent of CGST Rs 3,50,000 & SGST Rs 3,50,000 remained unpaid. Company discovered this in July 2018 and paid them in GSTR-3B of July 2018. However the company did not report this in GSTR-9 and the auditor made them pay this tax again in November 2018.
2. Can the excess tax paid be claimed as a refund ?
  - a. Which is the excess tax paid – Paid in July 2018 or in November 2018 ?
  - b. Under which category should refund be filed – 'Excess Payment of Tax' or 'Others' ?
  - c. Which is beneficial for the company ?

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## EXCESS PAYMENT OF TAXES

### CASE STUDY 5

- For the tax period February 2018, tax to the extent of CGST Rs 3,50,000 & SGST Rs 3,50,000 remained unpaid. Company discovered this in July 2018 and paid them in GSTR-3B of July 2018. However the company did not report this in GSTR-9 and the auditor made them pay this tax again in November 2018.
- Can the excess tax paid be claimed as a refund ?
  - Which is the excess tax paid – Paid in July 2018 or in November 2018 ?
  - Under which category should refund be filed – 'Excess Payment of Tax' or 'Others'
  - Which is beneficial for the company ?

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## REQUIREMENT OF LUT

### CASE STUDY 6

A company exports Tissue Cultured Plants which are carrying Nil rate of GST. It has ITC accumulated to the tune of CGST Rs 5 lakhs and SGST Rs 5 lakhs.

- Can it claim refund of the same ?
- Can it go under on payment of IGST
- The company has not furnished LUT, can the officer deny the refund on this ground ?

Circular 45/2018

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## EXPORT OF SERVICES

### CASE STUDY 7

What is the Turnover of Zero Rated Supply of Services for XYZ Ltd

Particulars [June 2021]	Amount
Total Payments received in June 2021 for Zero Rated Supply of Services	10,00,000
Advances received but services not yet completed	3,00,000
Completed supply in June 2021 whose payment was received in May 2021	5,00,000

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### CASE STUDY 7

What is the Turnover of Zero Rated Supply of Services for XYZ Ltd

Particulars	Amount
Services Exported in January, disclosed in GSTR-1 & 3B of January 2022	10,00,000
Consideration received in March 2022	10,00,000

For which tax period should the refund be applied ?

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### CASE STUDY 7

What is the Turnover of Zero Rated Supply of Services for XYZ Ltd

Particulars	Amount
Services Exported in January, disclosed in GSTR-1 & 3B of January 2022	10,00,000
Consideration received in March 2022 as full and final settlement	7,00,000

What would be the GST implications?

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## INVERTED DUTY STRUCTURE

### CASE STUDY 8

- A company purchases fibre [18%], converts into yarn [12%] and then supplies. At times it also supplies fibre as such without processing it into yarn i.e. trading of yarn.
- For the tax period April 2022, it has purchased fibre [100 kgs – GST Rs 10 lakhs] which remains in stock for April 2022. The company has sold yarn which was available as opening stock. The entire fibre purchased in April 2022 was sold in the month of June 2022 as such [i.e. traded]. The company closes all its operation with effect from June 2022.
- On 5<sup>th</sup> July 2022, the company makes an application for IDS refund. Validate the claim made by the company.

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## MEMBERS ADDRESSING IN VARIOUS CPE SEMINARS







## MEGA CA STUDENTS CONFERENCE 2022

