

Assorted Case Studies under GST

- **R.SUBRAMANIAN B.Sc, ACMA, FCA, LL.B.,**
- **Mobile :9940023427**
- **Mail: rsmani1969@gmail.com**

CASE STUDY -1

- Mr. X, a lender, temporarily lends the security he holds to a borrower and charges lending fees for the same from the borrower. The Borrower of Securities can further sell or buy these Securities and is required to return to the lender after a stimulated time. The Proper Officer Issued Notice to Mr X pay the GST on the Above transaction. Whether the action of the Proper officer is correct ?

CASE STUDY -2

- M/s X Ltd is an exporter. During the years 2024-2025, X Ltd took certain goods out of India for exhibition or on a consignment basis for export promotion. X Ltd is of the view that it is a zero-rated supply as per the provision of Sec 16 of the IGST Act. X Ltd seeks your view

CASE STUDY -3

- Mr X applied for Alcoholic Liquor Licence from the Government of Tamil Nadu . Mr X paid licence Fee, application Fees to the Tamil Nadu State Govt. The GST Authority Issued the Notice to Mr X to Pay the Tax under RCM . Mr X Seeks your View on the above

CASE STUDY -4

- ARR Charitable Trust received a donation of One Crore from M/s X Ltd. Whether it is supply? And liable for GST ? If your answer changes if M/s X Ltd directed the Trust to mention the name of the company and as well as the products dealt by them in a big banner

CASE STUDY -5

- Sri Chakara, an apartment owner association, is engaged in providing maintenance or repairs of the common area of the apartment and procuring goods and services by the applicant from third parties for upkeep and maintenance of flats and collecting monies from its members to pay third parties. During the year, the association collected sinking repair funds from its members. Whether the collection of sinking funds was chargeable to GST. Association seeks your view

CASE STUDY -6

- X Ltd supplied the goods to various customers. While raising invoices it stipulated the conditions that the payment to be made within 60 days. Otherwise interest will be charged @18% .During the year 2024-2025 ,40 customer not paid the consideration within 60 days . X ltd raised an invoices for the interest of Rs 60,00,000/- during the above year. However the customer not paid the interest till date. The Proper Officer issued the notice to X ltd referring section 15 (2)(d) and directed X ltd to pay the tax . X ltd seeks your view

CASE STUDY -7

- Raman & co is a trader. During the year provided a provision for legal expenses of Rs.10,00,000/- in the books of accounts. The above legal expenses debited to the profit & loss account and credited to payable account . The above payments not paid by Raman & co for the year 2024-25. However Proper Officer issued the notice to Raman & co to pay the GST under RCM. Raman & co seeks you view

CASE STUDY- 8

- Image ltd company is in the business of providing consultancy services During the year 2024-25 . It purchased coffee vending machine and claimed the ITC. However the Proper officer issued the notice to reverse the credit as the credit are ineligible u/s 17 (5) of TNGST/ CGST act. Image ltd seeks your view
- Abnormal loss / Normal loss

CASE STUDY- 9

- Mr X needs your advice for the purpose registration under TNGST/ CGST Act.

	SERVICES	**GOODS**
Taxable supply of services	Rs: 12,00,000	28,00,000
Dividend Received	Rs: 8,00,000	8,00,000
Sale of land	Rs : 22,00,000	25,00,000
Interest Received	Rs: 5,00,000 .	12,00,000

- Mr X needs your advise.

CASE STUDY -10

Whether E- way Bill required for Transactions involving supply of services?

CASE STUDY -11

- When Taxable Value is Rs. 45,000 and IGST Rs.8,100 whether E- way bill is required ?

CASE STUDY -12

- M/s Bahubali Steel had ordered goods (S.S.Pipes (HSN 7306) from M/s Mahishmati Steel Industries, Kolkata, and it is covered under a valid invoice and valid way bill. At the time of dispatch, Bahubali Steel informed the supplier to deliver the goods at another address (His brother's Premises) 4 km away from the recipient's premises owing to some road construction activity being going on. Since all the documents were prepared and the delivery was required only 4 km away. No changes were made in the Invoice and E way Bill regarding change in delivery address.

- When the goods were being **unloaded** GST officers checked the documents and since the delivery address was different then the actual place of delivery mentioned in Invoice and E-way Bill, the vehicle was detained and action initiated u/s 129(3). The goods were detained and SCN was issued u/s 129(3) and order passed demanding 200% penalty on Bahubali Steel. The recipient discharged the penalty being in a hurry to get the goods. You are approached to file appeal. What would be your grounds of Appeal?

- 1. Alternative route
- 2. GST-3B not filed
- 3. ITC claimed when the goods in Transit
- 4. E-Way bill expired
- 5. Personal goods

CASE STUDY -13

- Citykart Retail Pvt. Ltd. Initiated a dispatch of consignment worth Rs. 27,00,000 on 29th March 2024. Invoice, E Invoice and E-way Bill Part A was correctly prepared and uploaded. The goods were supposed to move in a truck owned by the company but no truck was available on that date. After 3 days i.e. on 2nd April the goods were unloaded in a truck

- However, due to miscommunication between staff, Part B couldn't be generated and goods were transported. On the way the vehicle was intercepted and it came to notice of the consignor about the mistake. In the SCN issued and order passed to allegations were levelled
- A. Date of Invoice and date of E-way Bill part A are different
- B. Part B not generated hence there is breach of provisions of sec 68 read with Rule 138 attracting penal action under sec 129.
- How will you contend these grounds. You may considered both grounds independently.

CASE STUDY -14

- On the basis of a recently issued circular, Mr. Akash, who had canceled the flat in 2022 but did not receive the GST amount back from the builder, intends to apply for the refund amount of the GST paid, which amounts to INR 5,40,000/-.His CA has said that he is not eligible for a refund now, as two years have passed from the date of cancellation. Since you are a GST expert and consultant, he has approached you for the probability and eligibility of a refund.

CASE STUDY -15

- M/s XYZ is in Rajasthan. It has customers in Chennai and whenever it receives an order from customers, it takes 3 days to get goods delivered in Chennai. To reduce the lead time, it entered into agreement with M/s ABC who has a warehouse in Chennai. There are two possible arrangements:
- a) M/s. ABC is supplying warehouse space where the grant to M/s XYZ is of a right to use a specific area of a warehouse or storage area for the exclusive use of the M/s XYZ to store goods, and a right of access to the storage area is granted.
- b) The storage of goods where M/s. ABC does not grant a right to a specific area for the exclusive use of M/s. XYZ, nor a right of access to the storage area.
- Whether in any of above case, M/s. XYZ is required to take registration in Chennai for further supply of goods?

CASE STUDY -16

- Mr X is a director of Rainbow Unicorn Pvt Ltd, Rainwear Pvt ltd, and Sporting India Private Limited. Mr. Y, the father of Mr. X, holds significant Shares in Rainbow Unicorn Limited compared to Mr. X, who holds a nominal share capital in Rainbow Unicorn Private Limited. To Take control of the company M/s Rainbow Unicorn Private Limited, Mr. X is ensured in a legal battle with his father, M/s Y. Mr. X has hired the top lawyers in the country to fight his case in the honorable Madras High Court.

- The Lawyers issues invoices in the name of Mr X. Mr X. has paid the lawyer's fees through company M/s Rainwear Private Limited Bank Accounts. In view of the above Facts , Mr X wants to know the GST implications on the following questions
- (i) Mr. X desires to know that whether he is a recipient as per the CGST Act 2017 and whether he will be required to discharge RCM on the lawyer fees ? Whether Mr. X will be required to take compulsory registration under section 24 of the CGST Act 2017 wherein the fees are being paid by the company bank account and the company is claiming the same as business expenditure in its books of accounts.

- (ii) Assuming company pays GST under RCM on the above mentioned transaction, Whether Department can again demand GST from Mr. X saying that Mr. X is the recipient of services and hence Mr. X will need to discharge GST on the same
- (iii) The company has availed Input Tax Credit on the GST paid on reverse charge on lawyer fees. Whether department can insist on the reversal of input tax credit by the Company with interest?

CASE STUDY -17

- Mr. A is a Chartered Accountant and is also a director in Company M/s UVW Limited. Mr. A is providing professional services and filing of returns etc to M/s UVW Limited in the capacity of Chartered Accountant. The Company M/s UVW Limited desires to know whether M/s UVW Limited is required to discharge GST under RCM on the said transaction.

CASE STUDY -18

Periscope Info solutions PTE Ltd (PISPL) is a software developer located in USA . PISPL had its wholly owned subsidiary company, Periscope India P. Ltd. (PIPL) established in India to carry out the software development work for their clients located in India as well as outside India .PIPL received the remuneration or fees for providing services of software development to the clients of PISPL in India and abroad in foreign convertible exchange.

- Management of PIPL seeks your opinion as to whether such transaction would be cover with the definition of export of services- zero rated supply and no GST is payable?
- What would be the GST implication if instead of services provided by subsidiary company on behalf of parent company, if goods were supplied by subsidiary company to a customer of the parent company in India on behalf of parent company?

CASE STUDY -19

- Maruti Roadlines have received the contract for transporting goods from Mumbai to Kolhapur and his driver had kept all the required documents for transport of goods viz. Tax Invoice, E-way Bill in electronic form, weighing receipts etc. During the movement of goods to Kolhapur ,his vehicle was intercepted for verification of goods as well as documents. Squad team found that driver do not have proper documents for vehicles as prescribed under Motor Vehicle Act, 1988 and hence intercepted the vehicle as well as goods and asked them to penalty under the GST law. Whether action of the squad team is correct?

CASE STUDY -20

- Default Ltd. had filed the details of outward supplies in Form GSTR-1 but failed to file the return in Form GSTR- 3B from last two months. Since return for the last two months were not filed, now company cannot file the subsequent month outward suppliers in Form GSTR- 1 [Section 39(10)]. Management of the company apprehends that now the GST Department will initiate the recovery action and attach the property of the company as well as personal property of all the director of the company on the basis of ascertained tax liability as declared in Form GSTR-1. Management of the company seeks advice from you.

CASE STUDY 21

- E-Invoicing is applicable to dealers with aggregate turnover greater than INR 5 Cr wef 01.08.2023. Turnover of M/S Aisha Pharma Pvt Ltd was INR 4.60 Cr in the FY 2022-23. The following was reflecting in other income of the Financials:
- i. Company has also sold a Mercedes S class for INR 60 Lakhs for which the WDV in the books was INR 35 Lakhs. Block of Asset after the sale was INR 5 Cr.
- Interest Income was INR 20 Lakhs.
- Sale of Scrips was INR 15 Lakhs.
- M/s Aisha Pharma has asked for your consultancy for applicability of E-Invoicing?

CASE STUDY 22

- Sharma Traders came to know that they are eligible for e-invoicing since 01/04/2022 on 01-10-2022. Realizing this inadvertent error, the company uploads all the invoices from 1st April 2022 to 30th September 2022 belatedly on 9th October 2022, since the E-invoicing Portal was accepting the same. Date of generation of IRN on each of the E-invoices generated is 9th October, however the date of invoice is listed as the original date of the supply transaction.
- The GST Department has approached Rohini Tiles – Customer of Sharma Traders for disallowing the credit stating that one of the conditions of claiming credit u/s 16 of the CGST Act 2017 is contravened.

- Based on the above facts discuss the implications of following:
- i) Credit eligibility of Rohini Tiles? Can department ask for penalty and interest for wrongful availment of ITC?
- ii) Delayed issuance of E-Invoice – Penalty implications?
- iii) E- Invoices gets auto- populated in GSTR-1, will they reflect in October GSTR-1?
- iv) Will the IRN reflect in GST 2A/2B?

CASE STUDY 23

- Certain class of dealers are exempt from E-Invoicing. Umesh Transport is a GTA and the turnover of the company is INR 50 Cr and thus the same is eligible for E- Invoicing. Along with GTA services it also gives trucks on hire to others. Recently they have purchased Cars to run as Rent A Cab service. He has come to you to discuss the implication of e-invoicing for Rent a Cab service. Please advise.

CASE STUDY 24

- Khan Brothers transported goods from Mumbai to Ahmedabad. The lorry faced a flat tyre on the highway and it took time to repair as there was no spare. They were struck up and the e-way bill got expired. Goods were seized and Khan Brothers were asked to pay the penalty u/s 129 of the GST Act. Khan Brothers got panic and they paid the penalty via DRC- 03, even before the order was issued. Goods were released and no order was passed by the officer.
- Khan Brothers approached a GST consultant who advised them to file an appeal since the reason for expiry of E-way bill was genuine and beyond their circumstances. Can they file an appeal without order? If yes Appeal should be filed in which state?

CASE STUDY 25

- Mehta Exports issued an E-way bill for exports with payment of IGST in FY 2018-19. The exports were made under LUT without tax payment. The shipping was issued without tax payment. However, due to ignorance while raising the e-way bill, the tax was levied on the E-way bill. Thus, the liability in the E-way bill was way more than what was declared in GSTR 1 and GSTR 3B. Notice was issued to the dealer to explain the vast difference and to pay the liability with interest and penalty. Discuss the implications.
- Mehta Exports has approached you for your advice and whether the officer is justified in raising the demand.

CASE STUDY 26

- ABC LTD of Chennai hires a professional firm of Delhi to design its office in Canada. What it is the Place of Supply and whether it is chargeable to GST?

CASE STUDY (27)

- ABC Ltd placed order with XYZ ltd in a month of March 2021 to buy 12 tonnes of steel bar to be used in its commercial project.

⇩

- XYZ Ltd raised bill on ABC Ltd in March 2021 and ABC Ltd paid the entire consideration in March 2021 and availed the ITC thereon

⇩

1st Lot – Received in March 2021

⇩

2 Nd Lot - Received in July 2021

⇩

3 rd Lot – Received in December 2021

THANKING YOU ★