

JB Nagar SC ITC Case Studies

Case Study 1

A is an unregistered person. A makes supply to B and he charges GST of Rs.100 on such supply, even though the law forbids A from charging GST. Ignorant of the law, B pays such GST to A.

Case Study 2

A has an input tax credit balance of Rs.3000 under IGST, Rs.700 in SGST and Rs. 600 in CGST during September, 2017. During that month, A has a tax liability of Rs.2000/- in IGST, Rs.5000 in SGST and Rs.5000 in CGST.

Case Study 3

A has a credit balance of Rs.2000 under IGST Act, Rs.1000 under CGST, and Rs.800 under SGST during January, 2018. During the same month, A's tax liability was IGST Rs.4000, CGST Rs.5000 and SGST Rs.500.

Case Study 4

A purchased goods worth Rs.50,000 for resale from B on which GST of Rs. 1000 was paid by A to B. A need not wait till the event of resale of these very goods to take the input tax credit of Rs.1000 under Section 16(1). He can take credit immediately, provided the other conditions prescribed in Section 16 are fulfilled.

Case Study 5

A has supplied services worth Rs. 1 lakh to B. A is a registered person and has recovered GST at the appropriate rate from B. However, A has not issued a tax invoice.

Case Study 6

ABC Ltd. raises an invoice for supply of goods on DEF Ltd. No goods are actually delivered, but tax is paid appropriately by ABC Ltd. This is done merely to show increased turnover for improving credit standing of the company.

Case Study 7

A has sold goods worth Rs.1000 to B. However, the sale has taken place on the directions of C, who is a registered person.

Case Study 8

A sells 1000kgs. of wheat to B and an invoice for the same is issued for the entire amount. A pays GST on the same after the invoice is issued, as mandated by the time of supply rules. B also makes payment of the entire consideration after the invoice is issued. However, the wheat is delivered in lots of 200 kgs. over five months.

Case Study 9

Suppose in Illustration 8, the agreement for purchase of 1000 kgs. is made in January 2017. However, instead of issuing a consolidated invoice covering the entire bulk, A issues separate invoices covering a lot of 200 kgs. each month and the goods are received in five lots spread throughout five months.

Case Study 10

A supplies goods to B and collects GST of Rs.1000. A does not pay that GST to the Government.

Case Study 11

A sells cars worth Rs.1 Crore to B. A collects the GST chargeable on these supplies from B. However, instead of paying the tax to the Government in cash, A pays it by utilising accumulated input tax credit in his account. Subsequently, during the assessment proceedings of A, it is found that A has wrongly utilised the input tax credit for payment of tax in this case.

Case Study 12

ABC Ltd. has not submitted any returns since October 2017. Its input tax credit till December 2017 was negligible. ABC Ltd. makes heavy purchases in January 2018 and wishes to take credit of the GST paid on the same.

Case Study 13

A enters into an agreement to sell goods worth Rs. 1 lakh to B in January 2018. The invoice is issued on 5.2.2018. A pays the GST on the supply in February 2018 when the delivery is made. B refuses to make any payment in respect of the value of the supply on one pretext or the other.

Case Study 14

ABC Ltd. has filed annual return on 1.10.2018 for the year 2017-18. The last date for furnishing return for the month of September following the FY 2017-18 is 20.10.2018.

Case Study 15

Suppose in Illustration 15, the annual return is filed on 25.11.2018.

Case Study 16

Mr. A is carrying on the business of providing specialised packing services from his home. Mr. A purchases a computer which is used mostly for personal purposes, but is also used regularly for business. It is also used for some business needs like, tracking online orders etc.

Case Study 17

A uses the equipment purchased by him for manufacturing phone accessories. 30% of the production is exported.

Case Study 18

XYZ Ltd. has acquired certain strategic consultancy services with respect to pricing of two products – that is Product A and Product B. Now, Product A is taxed at 18% rate of tax, whereas Product B is taxed at nil rate of tax.

Case Study 19

Suppose in Illustration 18, the strategic consultancy services were used for supply of aviation turbine fuel by XYZ Ltd., and provision of transportation services for liquid cargo belonging to other suppliers.

Case Study 20

An actress, registered under the GST law, undergoes a plastic surgery for the purpose of keeping her youthful looks intact. Such looks are, according to that actress, necessary for a successful career in the film industry.

Case Study 21

ABC Caterers, registered under the GST law, have entered into a catering contract with DEF Ltd. for supply of food and catering services at an exhibition organised by DEF Ltd. ABC Caterers purchases certain ice-cream packages from Amul on which GST is charged.

Case Study 22

Suppose in Illustration 21, the services provided by ABC Caterers is exempt from payment of tax.

Case Study 23

GHI Flight Caterers supplies food packets to XYZ Airlines. The packets are used for in-flight catering which is considered as part of the composite supply of air travel services.

Case Study 24

ABC Ltd., a registered manufacturer of hardware components, purchases some cars for providing transportation of employees.

Case Study 25

DEF Ltd. is engaged in the business of resale of cars as well as transportation of goods and passengers.

Case Study 26

Jaipuria and Sons run a pilot training academy. They teach novices the art of flying an aircraft.

Case Study 27

ABC Ltd., purchases a corporate gym membership package for its employees.

Case Study 28

DEF Ltd. commissions H to construct a corporate office for the company.

Case Study 29

Suppose in Illustration 28, H had sub-contracted some portion of the works contract to G.

Case Study 30

A, a builder, is building a house for himself.

Case Study 31

ABC Ltd. is a developer of commercial and residential units. It builds a corporate office for itself.

Case Study 32

A runs a proprietary firm registered under the GST law. Stationery is purchased in bulk by the firm ostensibly for use in the business. However, 60% of the stationery is actually used by the family of A for personal use.

Case Study 33

ABC Ltd. purchased 100 units of a precious chemical required for its factory. 70 units of the chemical are stolen after the goods are received in ABC Ltd.'s factory. The other 30 units are destroyed while the theft was carried out.