

GST UPDATE

**Authority For Advance Ruling
– Uttar Pradesh allows Input Tax
Credit on expense made under
Corporate Social Responsibility**



Authority For Advance Ruling – Uttar Pradesh allows Input Tax Credit on expense made under Corporate Social Responsibility (CSR)

Authority of Advance Ruling vide order no. 52 dated 22.01.2020 allowed Input Tax Credit on expenses incurred with respect to Corporate Social Responsibility (CSR) for application dated 24.09.2019 of M/s Dwarikesh Sugar Industries Limited, P.O.- Medpurasultan, Najibabad, Nagina Road, Bundki, Bijnor, Uttar Pradesh.

The below questions has been answered in the said ruling:-

Whether expenses incurred by the Company in order to comply with requirements of Corporate Social Responsibility (CSR) under the Companies Act, 2013 ('CSR Expenses') qualify as being incurred in the course of business and eligible for input tax credit ('ITC') in terms of the Section 16 of the Central Goods and Services Tax Act, 2017 ('CGST Act, 2017')?

Answer: - Yes.

Whether free supply of goods as a part of CSR activities is restricted under Section 17 (5) (h) of CGST Act, 2017?

Answer: - No

Whether goods and services used for construction of school building which is not capitalized in the books of accounts is restricted under Section 17 (5) (c) / 17 (5) (d) of CGST Act, 2017?

Answer: - ITC is not available to the extent of capitalisation.

For more details, Read the Advance Ruling from the Link below:

http://gstcouncil.gov.in/sites/default/files/ruling-new/UP_AAR_52_22.01.2020_DSIL.pdf

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