



CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



No. CWC/FD- Taxation/GST/2018-19

Dated: 19.06.2018

GST CIRCULAR-11

- 1. All the Regional Managers of CWC**
- 2. All the Executive Engineers in-charge of Construction Cells of CWC**
- 3. All the AGMs / Managers / (Sr.) Asstt.Manager(Accts.) In-charge of Finance & Accounts Wings of all Regional Offices & Construction Cells of CWC**

Sub: Calculation of ITC attributable to exempted services

- 1.0 Please refer to annexure IV of GST Circular No. 2 dated 21.06.2017 whereby detailed procedure for calculation and reversal of ITC towards exempted services was explained. The same is once again explained with example as under:

Total Input Tax Credit (T)			
For Purely Personal Supplies (T1)	For Purely Exempted Supplies (T2)	Non- Eligible ITC (Block Credits) (T3)	Fully taxable ITC (T4)

Calculation of Common Credit assuming details for the month of April 2018 (this calculation is required to be done for each month separately) are as under:

Total Input Tax Credit available in the tax period – Rs. 2,00,000 (T)

Value of taxable supplies – Rs. 10,00,000/-

Value of exempted supplies – Rs. 2,00,000/-

Value of personal supply- Rs. 0

Input Tax Credit for personal purpose- Rs. 0 (T1)

Input Tax Credit exclusively for exempted supplies- Rs. 50000/- (T2)

Non –eligible Input Tax Credit (block credit) e.g. rent –a-cab/food & beverage etc. Rs. 10,000/- (T3)

Input Tax Credit exclusively for taxable supplies- Rs. 50,000/- (T4)

Calculation of eligible ITC (C1)

$$C1=T- (T1+T2+T3)$$

- : 2 : -

$$C1=2,00,000-(0+50,000+10,000)$$

$$C1=1,40,000/-$$

Calculation Common Credit (C2)

$$C2=C1-T4$$

$$C2=1,40,000-50,000$$

$$C2=90,000$$

ITC attributable to exempted supplies D1

'E' is the aggregate value of exempt supplies during the tax period, and

'F' is the total turnover in the State of the registered person during the tax period:

$$D1= E/F * \text{Common Credit}$$

$$D1=2,00,000/12,00,000*90,000$$

$$D1=15,000/-$$

Total Available Credit

$$T4+C2-D1$$

$$=50000+90000-15000$$

$$=1,25,000/-$$

- 2.0 As per Rule 42(2) the input tax credit determined above on monthly basis shall be calculated finally for the financial year on the basis of final data (Audited accounts) following the end of the financial year to which such credit relates. The same is required to be done before the due date for furnishing of the return for the month of September 2018 in the manner specified above-

In case Input Tax credit excess claimed on monthly basis

- (a) where Input tax credit availed on the basis of monthly reversal ratio exceed the input tax credit available on the basis of yearly reversal ratio. The difference (excess credit availed) is required to be reduced from input tax credit ledger not later than the month of September 2018 and interest @ 18% on said excess availed ITC is required to be deposited starting from the first day of April 2018 till the date of payment; or

In case Input Tax credit short claimed on monthly basis

(b) where Input tax credit availed on the basis of monthly reversal ratio is less than the input tax credit available on the basis of yearly reversal ratio. The difference (short availed credit) is required to be added in input tax credit ledger not later than the month of September 2018 for availment in F.Y. 2018-19.

3.0 Regions are advised to compute the excess/short credit for F.Y. 2017-18 and make necessary adjustment in ITC ledger in F.Y. 2018-19 but before filing return for the month of September 2018.

This issues with the approval of GGM(F&A).

(AMIT PURI)
Deputy General Manager(Tax)

Copies for information to:

1. PPS to Managing Director, CWC, CO, New Delhi
2. AM to Director(Finance) / SAM to Director(Personnel) / PS to Director(MCP), CWC, CO, New Delhi
3. PS to CVO / PPS to GGM(A/cs), CWC, CO, New Delhi
4. All HODs at CWC, Corporate Office, New Delhi
5. All DGMs/AGMs/Managers / (Sr.) Asstt. Managers / Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi
6. PPS to GM(Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website
7. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.