



## GST CASE STUDY- SUDHIR HALAKHANDI

### Table -I

The dealer is a Mining company and during the Financial Year he has paid a sum of Rs. 180000.00 as Royalty to the State Government but X and Company has not paid the RCM on it and since RCM is not paid No ITC of the same is taken. The amount of RCM is as under:-

Suppose X and Company has paid the RCM then his tax Liability would have been discharged as under:-

**Table – III**

<b>TURNOVER</b>	<b>RATE OF TAX</b>	<b>SGST</b>	<b>CGST</b>	<b>TOTAL</b>
3937000.00	5%	98425.00	98425.00	196850.00
ITC OF RCM		16200.00	16200.00	32400.00
ITC		67737.00	67737.00	135474.00
TOTAL ITC		83937.00	83937.00	167874.00
NET TAX PAYABLE AFTER RCM ITC		14488.00	14488.00	28976.00
RCM Paid		16200.00	16200.00	32400.00
TOTAL CASH PAID		30688.00	30688.00	61376.00
TAX PAID IN CASH IN TABLE I		30688.00	30688.00	61376.00
DIFFERERNC		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Result	<b>There Is No Financial Difference in Payment of Tax in Cash in Both the situa Not considering RCM In This Case Is a Technical Mistake only.</b>			

Now due to this Technical Mistake the Dealer has received order to pay the following Demand

RCM -SGST	RCM-CGST	INTEREST-S	INTEREST-C	PENALTY -S	PENALTY -C
16200.00	16200.00	15708.00	15708.00	10000.00	10000.00

Result of Case study :- A non-financial Technical Mistake can have the negative effect of such a volume in the Goods and Service Tax.

The Government should give relief to these Affected Dealers.

### **Category**

1. GST

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