

AUTHORITY FOR ADVANCE RULING –UTTAR PRADESH
4, Vibhuti Khand, Gomti Nagar, Lucknow

**PROCEEDING OF THE AUTHORITY FOR ADVANCE RULING U/S 98 OF THE
GOODS AND SERVICES TAX ACT, 2017**

Sub:- GST ACT, 2017 – Advance Ruling U/s 98 – liability to tax under GST Act in respect to application dated 24.09.2019 of M/s Dwarikesh Sugar Industries Limited, P.O.- Medpurasultan, Najibabad, Nagina Road, Bundki, Bijnor, Uttar Pradesh - Order- Reg.

1) M/s Dwarikesh Sugar Industries Limited, P.O.- Medpurasultan, Najibabad, Nagina Road, Bundki, Bijnor, Uttar Pradesh- 246 762 (here in after called the applicant) is a registered assessee under GST having GSTIN: 09AABCD8192N1Z0.

2) The applicant is a company incorporated under the Companies Act, 2013 and engaged in the business of manufacture and sale of sugar and allied products. In order to comply with the Corporate Social Responsibility (CSR) in terms of Section 135 of the Companies Act, the applicant undertakes following activities:

- Construction of school building, additional rooms, laboratories, etc.;
- Free supply of furniture / fittings such as tables, chairs etc., to be used in the school;
- Free supply of electrical goods for use in school; and
- Other expenses such as provision of goods / services to Registered Charitable Trusts / NGO's

In order to undertake the above-mentioned CSR activities, the applicant procures various goods and services on which GST is charged by the supplier.

3). Accordingly, following questions have been posted by the applicant, in his application dated 24.09.2019 (application completed in all aspect received by the Authority on 25.10.2019), before the Authority: –

- i. 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')?
- ii. Whether ITC in relation to CSR activities which have been obligated under a law are restricted under Section 17 (5) of CGST Act, 2017? If yes,

