**Annexure-I**

**ADVICE OF SALE TAX ADVISOR**

I have examined the issue referred to me for advice. Let me tell you at the very out set that legal position emerging on implementation of GST from 1st  July 2017 is against your corporation on this issue as of now;

(i) You will not be able to claim balance VAT input under GST because your Goods & Service are exempt under GST w.e.f 1.07.2017;

(ii) You will also not get refund  under GST of the  balance amount of unutilized VAT paid on purchase of good which remains unsold as on 30.06.2017

The only solution  is emptying the stock on 30,06,2017  by way of sock sale to FCI for whom the goods in stock were procured but according to you that is not feasible.

      Under these circumstances I will advise you to keep the issue alive by claiming refund in last return under HVAT ACT/CST Act to be file for quarter ending on 30.06.2017. You should formally lodge a claim of refund of balance VAT with a formal refund application stating there in:

"AS ALL OUR GOODS AND SERVICES WILL BE EXEMPT UNDER GST W.E.F.01.07.2017 (which were taxable under the HVAT, Act) ,therefore, BALANCE INPUT CREDIT AS ON 30.06.2017 WOULD NOT BE ADJUSTABLE UNDER THE GST AS SUCH  THE BALANCE AMOUNT OF VAT [ RS.----------]  AS ON 30.06.2017 PAID UNDER HVAT ACT ON PURCHASES OF WHEAT & PADDY (WHICH ARE EXEMPT UNDER GST FROM 1.07.20170)  AND LEFT IN CLOSING STOCK AS ON 30.06.2017 BECOMES REFUNDABLE WHICH MAY BE REFUNDED IMMEDIATELY".

Mr. Kumar I will also suggest you to flag this issue  before FM through your MD & Minister so that it can be raised before GST Council at earliest. You problem can be resolved by administrative decision more quickly than the legal recourse that we will take ultimately.

Advised accordingly.

Note: I am on vacations, will send you hard copy under my signature on my return to office by this month end. You may take action as advised through this email being sent form my email ID..

Suresh Kumar Yadav,

Advocate

VAT Consultant.

26.06.2017