

Q. Is it compulsory that job work provisions should be followed by the principal?

A. For goods manufactured by job worker, the GST has to be paid by the principal once such goods are supplied either by the principal or job worker on behalf of the principal. Please refer to Section 143 of the CGST Act. For the job work charges, the same would need to be paid by the job worker.

Q. Some capital goods like jigs and fixtures are non-usable after their use and normally sold as scrap. What is the treatment of such items in job work provisions?

A. It is suggested that the jigs and fixtures are brought back to the principals place from job workers place and then initiate the sale process. This will ensure that the job work register is updated. If the jigs and fixtures are sold from job worker premises prior permission has to be sought from the Department.

Q. If the air-conditioner dealer permanently transfers an air-conditioner from his stock in trade for personal use at his residence, then does that transaction constitute a supply?

A. Yes the transfer of stock for personal use amounts to supply and GST has to be paid on the same

Q. 180 days payment limit is applicable for Import purchase also? if payment is not made within 180 days to foreign supplier, IGST paid credit will be disallowed?

A. Time limit of 180 days is not applicable for reverse charge transactions. Please refer second Proviso to Section 16(2)(d).

Q. If any works contracts done, what GST rate need to apply for given transaction, as whole consider as works contract(without considering the material) and charge GST, else need to separately in invoice material and services.(Even PO got as works contract basis only)

A. Notification No. 11/2017 (Central Tax) Rate dated 28.6.2017 specifies that works contract service will attract 9% (CGST) rate. Hence, in total 18% is the GST rate for works contract service. This is to be paid on total value of contract.

Q. ISGST applicable on freight charges paid to Vessel?? What if Import is CIF basis?

A. IGST is payable on freight charges paid to Vessel. In case of import on CIF basis the entire amount is liable for IGST