



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of parliament)
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TAX RESEARCH DEPARTMENT

Frequently Asked Questions on Practical Issues of GST.

- Q. (1) At the time of transition of GST from July we claimed less ITC in the GST Returns but now we came to know that we have to claim more ITC relating prior GST period , the time given by the govt for availing that benefit already over , is there any chance for adjusting that ITC, can govt may extend the period?
- Ans. The period of claiming transition period credit is over. At this point, you cannot claim the transition credit.
- Q. (2) I m providing valuation service of immovable property, i have to visit property before give valuation. What is place of supply of service?
- Ans. The GST registered premises of your office to be considered as place of supply of service. As the report is submitted from your office address.
- Q. (3) We have a sugar factory in Karnataka. we are selling sugar ex-factory to customers from other states. In this case, which tax is applicable IGST or CGST/SGST.
- Ans. For sale of sugar to customers within Karnataka State, you have to charge CGST and SGST and for sale to customers outside Karnataka, IGST is to be charged.
- Q. (4) We are purchasing PP Bags in Maharashtra and bring to Karnataka by our own transportation cost. For that we are paying SGST & CGST as place of supply is in Maharashtra.
Later, we use these pp bags in production of sugar in Karnataka and sale to Intra state as well as interstate.
In this case, can we take credit of SGST which is paid to pp bag supplier in Maharashtra?
- Ans. SGST of Maharashtra cannot be utilised in the State of Karnataka. Suggested you to get the material on IGST basis and avail the benefit of ITC.

Q. (5) HOW TO MAINTAIN BOOKS OF ACCOUNTS UNDER GST?

Ans. Under GST you have to maintain the books in your manner but provide all the information being asked by the department.

On a broad level, you have to maintain the following:

- Sales
- Purchase
- RCM purchases
- RCM sales
- Qty Registers with HSN
- Cash / Bank
- Advances received from customers

And many others.

Q. (6) I have registered under GST Composition scheme. I have filed quarterly return GSTR-4 for July-Sept month but I wrongly put my Registered Purchase details Which are not under reverse charge Mechanism (RCM), In GSTR-4 return in B2B(Reverse charge) tag. So tax liability has made Rs-14220 i.e. 5% on Rs-284400. My actual tax liability i.e. 1% of 348000=3480. I have to pay Rs-17700 to file Return. How can I adjust or refund Excess tax paid Rs-14220 in subsequent quarter? Please Guide me.

Ans. In next quarter you have to give details under table 5 of Amendments.

Q. (7) Goods sold before GST which are exempted before GST and now goods are taxable under GST regime. Then how they sent goods (via invoice or voucher)?

Ans. As the movement of goods is happening post implementation of GST and also the period of 6 months from the rollout is over, the goods has to be shipped with the tax invoice only.

Q. (8) My bank is charging GST on EMI s Interest portion but as per definition of service "Money" is excluded from the same. Hence, please clarify whether GST levied by Bank is correct or not. If correct, then please specify with GST provision.

Ans. GST is not leviable on the interest component. It is charged on bank charges. If your bank is charging GST then it would be on bank charges. However, it is advisable to get clarity from the bank.

Q. (9) WHETHER GST IS APPLICABLE ON NOTICE PAY RECOVERED FROM EMPLOYEE FOR EARLY RELIEVING. IF YES, LET US KNOW THE PROVISION ALONG WITH RATE.

Ans. I am of the view that the recovery from employee does not attract GST. Even if GST has to be paid it is the Employer who has to pay and consider the same as input tax credit. Employee should not be affected.

Q. (10) I am running readymade clothes showroom in January I registered under GST. My doubt is whether I file GSTR-1 or GSTR-3B or both. My turnover below 1.5cr.

Ans. You need to file GSTR-1 and GSTR -3B both. FOR GSTR -1 you can go for quarterly return.

Q. (11) Currently I am running a proprietor firm and now i want to convert it into a partnership firm. In that scenario whether my GSTIN will change or not.

Ans. Yes the GSTIN will change as the PAN numbers are different.

Q. (12) WE ARE THE TRANSPORT CORPORATION HEAD OFFICE AT CHENNAI, OPERATE STAGE CARRIAGE IN AROUND TAMILNADU AS WELL AS KERALA BANGALORE PONDY TIRUPATHI. WE HAVE 22 DEPOTS OUT OF WHICH 2 DEPOT AT TIRUVANATHAPURAM AND PONDICHERRY. PROBLEM IS MATERIAL SEND TO OUTSIDE STATE DEPOT. ALREADY WE HAVE PAID GST QUESTION IS WHETHER WE HAVE PAID IGST FOR STOCK TRANSFER TO OUTSIDE STATE (THE TRANSFER MATERIAL ALREADY PAID GST).

Ans. In case of stock transfer outside the state, then IGST is applicable.

Q. (13) Internal audit party has raised bill on 17/6/2015 for work done by charging 14% service tax. However due to dispute in quality of work, only part payment was released during 2016 reimbursing the proportionate service tax. Now the dispute has been resolved and the balance payment has to be made. The party has not preferred any fresh bill for the differential amount. My query is whether now GST @18% is leviable on the balance amount or not. Please advice.

Ans. In this case, you will be required to pay the service tax only which was not paid earlier due to receipt of lesser amount. No return will be filed in this case.

Q. (14) In our cement plant vehicle(transport vehicle for employee) are used in plant as well as colony .Can we take credit on repair charges on such vehicle?

Ans. If the vehicles used are registered under the Motor Vehicles Act, then not eligible to take input tax credit.

Q. (15) Mr Gaurav has taken franchisee of Amul milk, his annual turnover is 1.5 crores,he sales milk and some milk made products like paneer, dahi, chhaj etc in loose as well as in packed form and also sale packed bread. Is GST applicable for Mr. Gaurav.

Ans. If the sale of taxable products is more than 20 lakhs then GST registration has to be obtained and GST levied only on taxable products. If sale of Taxable products is less than 20 lakhs no need of registration and charging GST.
Taxable supplies (excluding the value of inward supplies on which tax is payable by a person on reverse charge basis),

Q. (16) A Transformer manufacturing sector, GST 18% claimable on sale of transformer. But for raw material used in manufacturing transformer is purchased with different GST rates. Then how this difference can be claimed?

Ans. Inverted duty structure: Where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council.
In such cases also, refund can be applied under Section 54 of the CGST Act, 2017 read with Rule 89 of the CGST Rules, 2017.

Q. (17) I have selected quarterly return filing on GST for my client. They have started new business.
Turnover of last year ₹0.00. The sale in current year for the month of Nov & Dec is more than ₹ 1 Crore. Can I select the monthly return on GST site? What can I do for monthly return?

Ans. The option cannot be changed in between of the financial year. You will be required to select the new monthly option in April, 2018.

Q. (18) MR. A files his GST form 3B for the month of November on 20.12.2017. On 22.12.2017 he receives a GST invoice dated on 30.11.2017. When He was filling His Form 3B for the month of November he did not take the credit of the amount mentioned in the Invoice which he received on 22.12.2017.
How will he get his credit for the invoice received in Dec dated November?

Ans. There is no restriction in claiming the input credit in the same month. The input credit can be claimed in the subsequent months.

Q. (19) If I purchase goods of Rs 100/- having 12% GST (Rs 112/-). However the supplier charges 18% GST (Rs 118/-). He does not agree to change the rate. The question is am I eligible to take input credit of 18/- or Rs 12/-? Any specific provision in GST Act or any case law in earlier Acts?

Ans. Input tax credit is based on the tax invoice issued by supplier. Whatever tax charged by supplier is eligible for input tax credit.

Q. (24) My Client is registered in GST, having GSTIN and want to export its merchandise. But, it has no IEC (Import Export Code). May please advice:
1. Should it require to apply with DGFT to get its PAN validated as IEC? or
2. Is its PAN sufficient for the purpose and do not need to apply for IEC or for validation of PAN as IEC with DGFT?

Ans. It is not mandatory to have the IEC for exports.

Q. (20) One of my client has sold his entire business including machinery and furniture by transferring all shares of all share holders. My questions are 1. Is there any GST liability in this transaction? 2. Can purchaser of business continue with old GST no.?

Ans. GST will be applicable on the sale of business including machinery. Since the ownership is changing, fresh registration will be required to be obtained in this case by the person who is purchasing the business.

Q. (21) If a register dealer (NOT MOTOR CAR DEALER) sales his motor car , is he required to pay GST on same ? as Input tax credit was not allowed on same. If GST is payable , at what rate and Cess is also applicable?

Ans. As the taxpayer has not taken in the ITC on the car logically it is not applicable when the taxpayer is selling. Another one is if we see the definition of supply, it says supply includes, "sale" it may be interpreted as sales and asked to pay GST.

Q. (22) In case of Bill To Ship to , if the Bill to buyer is outside India and the ship to is in India and goods does not crossed the custom s frontier of India will it be a domestic supply ? Will the supplier needs to charge IGST or CGST+SGST to the foreign buyer? How the Invoice will be entered in GSTR 1? Whether ITC will be available to the Indian entity who receives the supply on behalf of foreign buyer?

Ans. The place of supply of goods in case of:
(a) imported into India shall be the location of the importer;
(b) exported from India shall be the location outside India.
it does not talk about the actual delivery of the goods but if we see the definition of the export of goods as per sub-section 5 section 2 of the IGST act it says "export of goods with its grammatical variations and cognate expressions,
Means taking goods out of India to a place outside India;"
If we go by definition as per export of goods it is not exported. Please check with your jurisdiction officer also once.

Q. (23) One if my clients have input of Rated 12 % and output Rated 5 %, So how to claim the balance and procedure?

Ans. Section 54(3) provides for refund of tax on account of difference in input tax and output tax (Output tax being lower than input tax).
Form GST-RFD-01 needs to be filed for claiming such refund.

Q. (24) when we have received discount with GST from our supplier how can we treat ?

Ans. Generally GST is charged after considering the Discount, then account for the net of discount amount as mentioned in the invoice.

Q. (25) Which section we should refer to determine place of supply in case of over the counter sale 10(1)(a) or 10(1)(c).

Ans. Section 10 1(a) talks about specifically for movement of goods and section 10 1(c) talks about cases where there is no movement of goods.
When we sell over the counter, it normally falls in 10 1(c) as the customer picks up the goods and take it along with him. Say for **example** as an individual I am travelling to Delhi from Mumbai and walks into a electronics showroom and buys a mobile phone, in such cases even though i am from Mumbai, the taxes will be CGST and SGST of Delhi only.

Q. (26) GTA services are liable for GST under Reverse Charge Mechanism.
1. However in some cases where Registered GTA collects tax under forward charge basis @5% or @ 12% whether the same can be claimed as input by service receiver?
2. Whether in the above mentioned case the service receiver still needs to pay GST on Reverse Charge?(He has already paid GST to GTA)

Ans. If the GTA is charging GST in the bill, you can take credit of the same provided the relevant eligibility conditions are for Input Services are fulfilled.

If the GST is paid by the GTA, there is no necessity to pay the GST under RCM.

Q. (27) I have an query that if i mentioned wrong HSN Code in GST invoice but it won t give any impact on GST rate because it has same rate as correct HSN Code. So, what will be consequences?

Ans. Your customer may face problems in inwarding the material due to wrong code. The credit may be denied due to mismatch once the portal starts functioning fully.

Q. (28) I am unable to file GSTR 4 of my client. he was registered as composite dealer on 11th Sept 2017. Therefore oct-dec quarter return is to be submitted. but GST site pop out with message that " You cannot file return for this quarter and next quarter"

Ans. Since the registration is obtained on 11th Sep, you need to file the rerun for the Sep month from 11th Sep to end of Sep and the file for the oct to Dec quarter.

Q. (29) The buttons in the main screen of GSTR3B are inactive(freezed). Status is Submitted. Unable to file GSTR 3B. Please suggest

Ans. Apparently it seems that you have only generated and submitted the 3B return. It was not filed with Digital Signature. If the button is freezed, pl contact GST Portal by raising the query.

Q. (30) I have user id & password of client but I want to change his existing email id & phone no which was given at the time of registration. Please advice how it possible.

Ans. Based on information available to me without amendment you can change only Password Not user ID.

Q. (31) In case of hiring of manpower service the bill raised by the client is (Basic WAGES+EPF+ESI+SERICE CHARGE). Whether GST is calculated on the Basic wages or on the (Basic+EPF+ESI+SERIVE CHARGE) . PLS CLARIFY

Ans. GST is payable On Total Cost (Wages+PF+ESI+Service Charge).

Q. (32) While uploading ITC-04 data on portal , in respect of one challan number containing more than one description, but portal did not accepting this. Please advice how we should treat such kind of issues.

Ans. The information needs to be clubbed together in one line.

Q. (33) I have filed GSTR-1 for the month of July but i entered wrong invoice no. under tile documents issued. Can I able to rectify it in my August month s GSTR-1.

Ans. Presently there is no provision to revise GSTR-1. This can possibly be corrected when GSTR-2A will be auto populated. Presently the full system is not in force.

Q. (34) Is there any input tax credit available on premium payment of vehicle insurance for official purpose.

Ans. Input tax credit is not allowed for Car (Refer Section 17(5) CGST Act) even if used for official purpose. Accordingly, the credit on the insurance premium relating to the car will not be available.

Q. (35) A person is having restaurant cum bar.in this connection, whether he can be opted for composition scheme under GST?

Ans. Restaurant cum bar cannot opt for composition scheme.

Q. (36) WHAT IS MONTHWISE LAST DATE OF FILING GSTR2 AND GSTR 3?

Ans. As of now these two returns are on hold and the new dates are not yet announced.

Q. (37) A person is having a wine shop. Whether he can be opt the composition scheme under GST?

Ans. Wine sales is not covered GST , it still attracts VAT.

Q. (38) A person is having restaurant cum bar.in this connection, whether he can be opted for composition scheme under GST?

Ans. Restaurant cum bar cannot opt for composition scheme.

Q. (39) Under GST, What's the difference between Tax payer and Tax deductor. Please define.

Ans. Tax Deductor is the person who is deducting tax under TDS in GST.

Q. (40) I am working in Public limited Sugar, power & Alcohol manufacturing co. We are purchasing coal for our power plant and paid cess @ Rs.400 PER mt. Whether we can claim refund for cess paid or can we adjust the cess only when at the time of cess applicable goods sales. Suppose if we purchase 4000 mts of coal from supplier, we sale the same to our sister concern in very small level. Hence we have to loose the cess paid amt. Please reply.

Ans. You are not allowed to claim refund of the Compensation Cess paid on the inputs. However, if you have a liability to pay Compensation Cess on the supplies made by you, you can avail the credit of cess paid on inputs. Your example is clear. You can take the credit to the extent of liability on supplies to sister concerns only. Balance will become cost to you.

Q. (41) A small Trader want to register under Composition Scheme of GST during the second week of January 2018. Whether the Trader can be opt the scheme. Is there any time period for obtaining the Composition scheme under GST?

Ans. There is no time limit, they can apply for registration under composition scheme.

Q. (42) what is the maximum cash amount of GST tax invoice in a single invoice?

Ans. Apparently there is no limit for tax invoice. It seems that this query is relating to exemption for paying GST on supply of goods and services from unregistered persons. The limit for such transactions was Rs. 5000/- per day. However, this provision has been kept in abeyance as on date.

Q. (43) What are the documents required for registration (acquire new GSTIN No.) of a Company.

Ans. PAN, Directors PAN, Photos, separate email for each director and phone nos, Other registration no like IEC, CIN etc., Registration certificate, lease document or ownership document etc. HSN codes and SAC for goods and services provided, authorised signatory details, bank details etc. Once you go to the GST Portal, all these will be available through format only.

Q. (44) Please provide clarification on this notification suppose if we had deposited tax under RCM on 20.10.2017. Can be eligible for refund?

Ans. Though deposit is made on 20th Oct, what is the time of supply for the transactions? The basis on that only it can be confirmed that if the amount deposited is eligible for refund or not.

Q. (45) Services were provided and invoices were raised prior to GST for which there is downward revision in price for services and credit note is to be issued. Please suggest whether to reverse GST or service tax in credit note.

Ans. During the Service tax regime there was no credit note adjustment and hence for the credit note for invoice raised prior to 1.7.2017 no GST/Service Tax credit can be adjusted.

Q. (46) Advance received in previous month, GST paid on advance, invoice raise in current month. In GSTR-1 table B2B has shown full invoice amt in current month and adjustment of advance shown in 11b, but tax liability ledger showing full liability. it should show adjustments of tax paid against advances.

Ans. It would have been correct if the GSTR - 2 and GSTR - 3 are in place, but now we do not have them, till such time you should adjust the same in GSTR - 3B and do the process you are doing currently.

Q. (47) GST payable on Advance Received from Customer on Provision of Supply in future?

Ans. GST is payable on advances received for supply of goods and services. However, the provision for paying advance for supply of goods has been kept in abeyance till 31st March, 2018. Hence, GST needs to be paid on advances received for supply of services.

Q. (48) Can GST applicable on LD? if yes, what is HSN/SAC code ?

Ans. LD is financial in nature and no GST is applicable.

Q. (49) I have taken Cenvat Credit in TRAN 1 C/Forward from ST-3 (Service Tax + K.K.Cess) but Central Excise Dept said K.K. Cess credit to be reversed, Tran1 window closed, please guide how to reverse K.K. Cess.

Ans. Whatever excess credit is taken in TRAN-1, the same should be reversed through GSTR-3B for current month under Ineligible ITC - Others Column.

Q. (50) My query is related to GST on Rent of Immovable property, many cases we found people charged IGST , please clarify in which case we charge IGST on Rent of Immovable property.

Ans. In case of immovable property, place of supply of service is where the property is located. Hence, if the owner is located in another state than property, then he will charge IGST.

Q. (51) Please advice what is a tax rate for canteen service.

Ans. Vide Notification No. 46/2017 (Central Tax Rate) dt. 14.11.2017, for catering services, the GST rate is 5% and credit of inputs and input services is not allowed.

Q. (52) Unable to revise service tax return due to technical issue of website. There is a difference in amount of Service tax input carried forward. Please suggest me, what should I suppose to do in the current scenario to submit my Tran-1.

Ans. Please update the correct amount in Tran 1 and explain to the audit team during visit if any.

Q. (53) Please advise the SAC for being an Examiner of answer scripts of an Institution and the related expenses incurred?

Ans. Apparently it appears that this will be covered under residual category - 999799 - Other service nowhere else classified.

Q.(54) One of my client is exporting services of technical support without LUT/BOND/PAYMENT OF IGST TILL NOVEMBER. Now I want to know that should he need to pay tax and claim refund for that period or submit a back dated bond.

Ans. As of on date there is no clear provision on how to handle such things.

Q. (55) Please tell me that if a hotel is booking rooms on tariff but receiving the amount after deducting the commission amount of make my trip or oyo. Then GST will be charged after deduction of commission or on the full amount.

Ans. GST on room tariff is computed on the declared room tariff and not on the transaction value.