



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 – II

Q1. I have purchased a villa at Hyderabad on 28/12/2017 for Rs.48 lacs. The builder has collected Rs.5.76 lacs as GST in addition. He has not passed on any input credit to me. What is the course of action available to me?

Ans. GST is applicable if handed over before the issue of occupancy certificate. Reduction of price is one of the conditions for the fulfilment of Anti-profiteering provisions specified in section 171 of the CGST Act.

In case if you find that the builder has not passed on the benefit, you can take it up with him or file a complaint for the same.

Q2. Please suggest can supplier/ Vendor raise a single invoice for the month for aggregating supply made by him within the month under GST.

Consolidation will help in term of single invoice by vendor and single process of invoice in the month rather than process of invoice for each consignment/ supply basis.

Hence, If possible supply throughout a month can be affected through delivery challan and generating a supply GST invoice at end of month aggregating month supply made.

Ans. No

Q3. Is GST applicable on air freight in case of imports and exports and are there any exemptions available thereof.

Ans. GST is not payable on Air Freight charges of imported goods. It is to be paid only in case of goods imported by sea. No GST is payable on export goods. If paid, it is refunded by way of rebate

Q4. A registered taxpayer (sole proprietor) under GST has died, now we have to cancel the GST registration with effect of death, but one month's GST is still pending.

1. Can we pay GST first and then cancel the GST registration (is this possible).
2. If we cancel it first then how we pay one month pending GST.

Ans. If the taxes are due to government, in case of deceased person, his legal heirs will be liable to pay the dues with interest. Section 79 of CGST Act has provisions in this respect. Hence it is advised that the dues should be paid, the returns should be filed and then the registration can be cancelled. You can approach the jurisdictional officer and explain him the facts and your readiness to pay the dues of the deceased. This should be done through a written letter to safeguard your interest.

Q5. Whether the GST Audit is a statutory obligation?

Ans. Yes if your turnover is above 2 Cr.

Q6. Under CGST Rules 2017, CHAPTER XVI, Section 138(e-way rules), If an unregistered supplier under GST Act supplies goods (value more than 50,000) to an unregistered buyer then is it mandatory to issue an e-way bill and if yes then what is the procedure for the same.

Ans. Yes, E-way Bill is to be generated from the Portal.

Q7. Presently whether the E-Way bill has been issued for Inter State movement of goods or Inter and Intra State movement?

Ans. Interstate rules are very clear. and for Intra state it depends on which state you are belong to.

Q8. Whether e way bill applicable on end user?

Ans. E-way bill is to be generated by the supplier as per the Tax Invoice issued by him. Either the buyer or transporter can issue E-way bill. The end user - i.e. customer has to accept or reject the e-way bill.

Q9. If any works contracts done, what GST rate need to apply for given transaction, whether as a whole it should be considered as works contract (without considering the material) and charge GST or need to separately prepare invoice of material and services. (Even PO got as works contract basis only)

Ans. Notification No. 11/2017 (Central Tax) Rate dt. 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.

Q10. We are public limited company having canteen in factory premises.

We have canteen contractors who run the canteen. As per scope we have to provide everything except grocery/grains & man power. From 15/11/2017 GST rate on almost all types of canteen, restaurants etc has been reduced to 5% from 18%. Contractor is still charging 18% on the pretext that he has 80+ units all over India and he has to take credit.

We are a power generating unit and our final product "electricity" is out of purview of GST and hence we cannot take input credit.

Under the situation what should be our final incidence? Contractor is also arguing that he is coming under "outdoor caterers" and GST is 18%. He argues the 5% GST is applicable if company runs its own canteen.

It is ridiculous if company runs its own canteen where is the question of billing. Kindly give your valuable input.

Ans. GST @ 18% is applicable on Industrial Canteen. GST council has to take steps to reduce the GST rate on industrial canteens. Suggested the company sends the representation to reduce the GST rates on Industrial canteens for which the company is not able to avail input tax credit.

Q. 11 AFTER COMPLETION OF GST REGISTRATION FOR PRIVATE LIMITED COMPANY, I AM UNABLE TO SUBMIT THE FORM WITH DSC. IT SHOWS AS A SYSTEM ERROR OCCURRED WHILE SIGNING WITH DSC.

Ans. Please check system requirement. Also install EMsinger for GST.