



Queries relating to GST received from various Sectors have been scrutinised and developed into short FAQs.

The second part, containing 50 questions and their answers, is given below.

PART-2

S. No.	Query	Reply	S. No.	Query	Reply
Returns					
1.	What would be done on the tax paid on advance receipt if advance has to be refunded in any circumstance?	Advance refunded can be adjusted in the return.	26.	I am a trader. I have excise paid purchase invoice. Whether I can claim credit of full excise duty on closing stock of 1st July 2017?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
2.	Do registered dealers have to upload the sale details of unregistered dealers also in GST?	Generally not. But required in case of inter-State supplies having invoice value of more than Rs 2.50 Lakhs.	27.	If a trader purchases directly from manufacturer & has documents showing excise, will he get full excise credit or 40% of CGST?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
3.	How to incorporate two supplies in return for Pharma with same HSN code of four digits but having different tax rates?	Returns provide for furnishing rate wise details.	28.	If a FSD (First Stage dealer) purchases directly from manufacturer and has value cum excise duty and excise duty is not separately shown will he get full credit?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
Supply					
4.	Should we discharge GST liability for all reverse charge having small amounts of Transaction or any amount limit is there?	It has been decided that Rs. 5000/- per day exemption will be given in respect of supplies received from unregistered person. For supplies above this amount, a monthly consolidated bill can be raised.	29.	Is the full excise credit also available to traders who purchase directly from manufacturers and excise is separately shown in invoice?	Full transition credit of such duty will be available on stock in hand in respect of which you have duty paying excise document subject to conditions under Section 140(3) of the CGST Act.
5.	What will be the treatment of promotional items given free to end consumers by FMCG companies?	Tax will be charged only on the total consideration charged for such supply.	30.	In June 17 Vat return, no amount carried forward & held stock of Rs. 50 lakhs. Then can we take credit of that stock or not?	The supplier would be eligible to carry forward the closing balance of ITC from VAT return for June 17.
6.	How to comply with 9(4) of CGST Act if POS is in another State of the unregistered supplier?	Any person making inter-state supply has to compulsorily obtain registration and therefore in such cases, section 9(4) will not come into play.	31.	What will be the impact of closing stock which has been already paid vat on 1st July?	The supplier would be eligible to carry forward ITC on such stock from last VAT return.
7.	Under supply from unregistered dealer the purchaser have to pay GST on RCM basis, so whether stipend paid to intern will also come under RCM?	Stipend paid to interns will be employer-employee transactions. Hence, not liable for GST.	32.	If in Vat return refund claimed in June 17 & no balance credit in GST, then what's the position of submission of Form C?	Refund claimed under existing law will be handled as per the provisions of the existing law. Form C to be submitted in terms of provision of Rule 1(1) of Transition Rules.
8.	Salary by partnership firm to Partners as per Income Tax Act liable to GST?	Salary will not be liable for GST.	33.	Some service was provided on 28.06.2017 but Invoice will be raised on 05.07.2017. Whether we have to charge Service Tax or GST?	If Point of Tax arises after appointed date, then GST will be chargeable on such supply.
9.	Sec 9(4) of CGST Act 2017. Do I need to pay under RCM if I purchase stationary worth Rs.100 from an unregistered stationary shop?	It has been decided that Rs. 5000/- per day exemption will be given in respect of supplies received from unregistered person.	34.	Would we be eligible for credit on Capital Goods in transit and received post GST?	No provision for such credit is there in GST law.
10.	What is the treatment of promotional item given free to end consumers by FMCG companies? If taxable, whether ITC is allowed?	Tax is payable on consideration received for the supply and ITC will be available accordingly.	35.	What about VAT balance pending on transition date?	Balance VAT credit in the return for June 2017 will be transferred as SGST Credit.
11.	Whether GST will be leviable in case of returnable packing material like drums supplied with finished goods?	GST will be levied on the value charged for the supply only.	36.	What about deemed export against Form H?	Form H will not be there in GST.
12.	How will disposal of scrap be treated in GST?	If the disposal is in the course or furtherance of business purposes, it will be considered as a supply.	37.	Who will bear tax difference on closing stocks as on 30th June 2017? Whether the manufacturer/ dealer or government?	Closing ITC in VAT return will be allowed to be carry forward in GST.
13.	I am from MP and providing service to a customer in Maharashtra. I outsource the work to a service provider in Maharashtra, what tax i need to charge?	Generally these will be two supplies where the supplier from MP will charge IGST from the recipient in Maharashtra. Whereas, the service provider in Maharashtra will charge IGST from the recipient in MP.	38.	How will we get input credit on stock in hand for spare parts billed from other state, excise, CST and entry tax paid?	For all inputs with duty paying documents available respective CGST/SGST credit will be available. But credit of CST will not be available.
14.	If address of buyer is Punjab and place of supply is same as state of supplier (Rajasthan), then IGST will apply or CGST/SGST?	If the place of supply and the location of the supplier are in the same State then it will be intra-State supply and CGST / SGST will be applicable.	39.	A trader buys from manufacturer not registered in excise as his turnover is below 1.5 crore. then in such case can traders take ITC on stock up to 40%?	Deemed Credit will be available on stock in hand provided the conditions of section 140(3) read with Rule 1(4) of Transition Rules are satisfied.
15.	Why is bifurcation of cash deposit as CGST-SGST-IGST required? Is cash held against a GSTIN, to be adjusted via return u/s 39?	Three levies are under three different statutes and are required to be separately accounted for.	40.	Whether we will be eligible for credit of duty paid on Capital Goods in transit and received post GST?	No such provision in GST.
16.	What is the difference in between 'Nil rated', 'taxable at 0%' and exempted goods and services? Especially in relation with ITC	Exempt supply includes Nil rated (taxable at 0%) and non-Taxable supplies and no ITC is available for such supplies.	41.	Can ITC of Swachh Bharat Cess or Krishi Kalyan Cess be carried forward under GST?	No
17.	Will professional tax will be abolished in Maharashtra after introducing of GST?	Professional tax is not a tax on supply of goods or services but on being in a profession. Professional tax not subsumed in GST.	42.	Will Clean Energy CESS on imported Coal @ Rs. 400 PMT continue to be applicable in GST?	No. Clean Energy Cess is being repealed. Coal, however, will be subject to compensation cess @ Rs 400/- per tonne.
18.	Employer provides bus service, meal coupon, telephone at residence, gives vehicle for official and personal use, uniform and shoes, any GST?	Where the value of such supplies is in the nature of gifts, no GST will apply till value of such gifts exceeds Rs. 50000/- in a financial year.	43.	Whether closing balance of education cess & secondary and higher education cess prior to 1st Mar 2015 can be carried forward in GST?	No it will not be carried forward in GST as it is not covered by definition of "eligible duties and taxes" under Section 140 of the CGST Act.
19.	The definition of composite supply and the description of same under Section 8 differ. Please explain consequences.	Section 2(30) defines what will be considered as a composite supply. Whereas, Section 8 provides that in case of a composite supply, the treatment for tax rate etc. will be that of principal supply.	44.	Can u clarify for 40% benefit on closing stock does 1 year limit apply or not?	Deemed credit will be available for all stock procured within a 1 year period.
20.	Whether slump sale will attract GST. If yes then under which Section?	It will have the same treatment as normal supply.	45.	Till what time is transition credit available? Where do I need to declare my input stock?	The window to declare transition credit forms is three months from the appointed day. Please refer to transition rules for more details.
21.	Whether Salary by Partnership firm to Partners as per Income Tax Act liable to GST? Partners are not employees of the firm.	Salary will not be leviable of GST.	UTGST		
Transition					
22.	How do I avail transition credit ?	Transition credit can be availed by filing the respective forms under Transition rules.	46.	Will there be GST in A&N Islands as previously there was no VAT?	Yes. For supplies within A&N, CGST plus UTGST would be leviable.
23.	Please provide the clarity on area based exemption 50/2003 in UK & HP.	Area based exemptions will not be continued under GST. It will be operated through the route of reimbursement as prescribed.	Others		
24.	We manufactured excisable goods. But unit availed the exemption benefits 50/2003. What about my dealers stock?	The dealer will get deemed credit @ 40% / 60% of the CGST paid on supply of such goods in GST. If the goods are branded and value more than Rs. 25,000, full credit using CTD can be availed.	47.	Whether IGST would be levied twice on high seas sales? First on high seas sales and second on custom clearance. IGST paid on one available as ITC?	IGST shall be levied only once on imports.
25.	A trader buys from manufacturer not registered in excise as his turnover is below 1.5 cr. Then in such case can trader take ITC on stock upto 40%?	Yes deemed credit will be available subject to satisfaction of other conditions as prescribed.	48.	Will Krishi Mandi Fee (imposed in U.P.) be waived off in GST?	GST does not concern such fee so GST does not affect it.
			49.	Is E-Way Bill applicable from 1st July 2017?	The present system for E-way Bill in States to continue, till the E-Way Bill procedures are finalized.
			50.	Is there a sunset clause for Anti-Profiteering law?	Yes, the sunset clause for Anti-profiteering Law is of two years.

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