

## FAQs

- 1. A registered person's business is in many states. All supplies are below 10 lakhs. He makes an Inter State supply from one state. Is he liable for registration?**

Yes. He is liable for registration as he is engaged in Inter State supplies.

- 2. Can ITC of Swach Bharat Cess or Krishi Kalyan Cess be carried forward under GST?**

No

- 3. Is there any concept of area based exemption under GST?**

There will be no area based exemptions in GST.

- 4. Is separate registration required for trading and manufacturing by same entity in one state?**

No. There will be only one registration per State for all activities.

- 5. Does rental income up to 20 lakhs attract GST or any other charge?**

GST is leviable only if aggregate turnover is more than 20 lakhs. (Rs. 10 lakhs in 11 special category States). For computing aggregate supplies turnover of all supplies made by you would be added.

- 6. What if the dealer migrated with wrong PAN as the status of firm was changed from proprietorship to partnership?**

New registration would be required as partnership firm would have new PAN.

## **7. Do registered dealers have to upload 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.

## **8. Whether civil contractor doing projects in various states requires separate registration for all states or a single registration at state of head office will suffice?**

A supplier of service will have to register at the location from where he is supplying services.

## **9. What is treatment of promotional item given free to end consumers by FMCG companies?**

Tax is charged only on the total consideration charged for such supply.

## **10. Salary by partnership firm to Partners as per Income Tax Act liable to GST?**

Salary will not be liable for GST.

## **11. 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.

## **12. Whether slump sale attract GST?**

It will have the same treatment as normal supply.

## **13. Will Clean Energy CESS on imported Coal at Rs. 400 PMT continue to be applicable in GST?**

No. Clean Energy Cess is being repealed. Coal, however, will be subject to compensation cess at Rs 400/- per tonne.

## **14. Suppose I am in composition scheme in GST. If I purchase goods from unregistered person, then GST will be paid to Government by me or not?**

Yes, you will be liable to pay tax on reverse charge basis for supplies from unregistered person.

## **15. Whether transaction in securities is taxable in GST or not?**

No. Securities have been specifically excluded from the definition of goods as well as services. Thus, the transaction in securities shall not be liable to GST.

## **16. Can the registered person under composition scheme claim input tax credit?**

No. Registered person under composition scheme is not eligible to claim input tax credit.

## **17. What are the goods that are out of purview of GST?**

The goods that are out of the GST ambit include alcohol and specified petroleum products i.e. petroleum crude, high speed diesel, motor spirit, aviation turbine fuel and natural gas. Petroleum products will be inducted into GST at a later date.

## **18. Do I need a PAN to obtain a temporary registration as a Non-Resident Taxable Person?**

No. PAN is not mandatory for obtaining temporary registration as a Non-Resident Taxable Person however, you must have an authorized signatory who is an Indian citizen with a valid PAN card.

## **19. Do I need an Indian mobile number to obtain a temporary registration as a Non Resident Taxable Person?**

No, you do not need an Indian mobile number to obtain a temporary registration as a Non Resident Taxable Person however; you must have an authorized signatory who is an Indian citizen with a valid Indian mobile number.

## 20. Do I need a place of business in the state I intend to carry out business in?

Yes, it is mandatory for you to secure a place of business in the state you intend to obtain the registration before you apply for the registration.

## 21. 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.

## 22. Whether a separate GSTIN would be allotted to a registered person for deducting TDS (he has PAN and TAN as well)?

Separate registration as tax deductor is required.

## 23. Whether turnover of agents will be added to that of the principal for registration?

No

## 24. I have a pending export refund in Service Tax. What will happen?

Refunds under earlier laws will be given under the respective laws only.

## 25. As an exporter, how do I ensure that my working capital is not blocked as refunds?

Appropriate provisions have been made in the law by providing for grant of 90% refund on provisional basis within 7 days from filing of registration.

## 26. What duties will be levied on import of goods?

“Customs duty and cess as applicable + IGST+ GST compensation cess”  
IGST and GST compensation cess shall be paid after adding all customs duty and customs cess to the value of imports.

## **27. Does aggregate turnover include value of inward supplies received on which reverse charge mechanism is payable?**

Aggregate turnover does not include value of inward supplies on which tax is payable on reverse charge basis.

## **28. Can we use provisional GSTIN or do we get new GSTIN? Can we start using provisional GSTIN till new one is issued?**

Provisional GSTIN (PID) should be converted into final GSTIN within 90 days. Yes, provisional GSTIN can be used till final GSTIN is issued. PID and final GSTIN would be same.

## **29. Whether trader of country liquor is required to migrate to GST from VAT as liquor is out of GST law?**

If the person is involved in 100% supply of goods which are not liable for GST, then no registration is required.

## **30. Whether aggregate turnover includes turnover of supplies on which tax is payable by the recipient under reverse charge?**

Outward supplies on which tax is paid on reverse charge basis by the recipient will be included in the aggregate turnover of the supplier.

## **31. If there are two SEZ units within same state, whether two registrations are required to be obtained?**

SEZs under same PAN in a state require one registration.

## **32. Is an advocate providing interstate supply chargeable under Reverse Charge liable for registration?**

Exemption from registration has been provided to such suppliers who are making only those supplies on which recipient is liable to discharge GST under reverse charge mechanism.

### **33. When is registration in other state required? Will giving service from Nasik to other state require registration in other state?**

If services are being provided from Nasik then registration is required to be taken only in Maharashtra and IGST to be paid on inter-state supplies.

### **34. I have enrolled in GST but I forgot to enter SAC codes. What should I do?**

The status is migrated. The same can be filled while filing FORM REG-26 for converting provisional ID to final registration.

### **35. I have ST number on individual name and have migrated to GST. I wish to transfer this on my proprietorship firm.**

This conversion may be done while filling FORM REG-26 for converting provisional ID to final registration.

### **36. If someone trades only 0% GST items (grains, pulses) then is it necessary to register for GST, if the turnover exceeds Rs.20 lakhs?**

A person dealing with 100% exempted supply is not liable to register irrespective of turnover.

### **37. Is it correct that person dealing exclusively in NIL rated or exempt goods/ services liable to register if turnover is greater than 20 lakhs / 10 Lakhs?**

There is no liability of registration if the person is dealing with 100% exempt supplies.

### **38. If I register voluntarily though turnover is less than 20 Lakhs, am I required to pay tax from 1st supply I make post registration?**

Yes, you would be treated as a normal taxable person.

### **39. I am registered in TN and getting the service from unregistered dealer of AP, should I take registration in AP to discharge GST under reverse charge mechanism?**

Any person who makes interstate taxable supply is required to take registration. Therefore in this case AP dealer shall take registration and pay tax.

### **40. If a company in Maharashtra holds only one event in Delhi, will they have to register in Delhi? Will paying IGST from Maharashtra suffice?**

Only if you provide any supply from Delhi you need to take registration in Delhi. Else, registration at Mumbai is sufficient (and pay IGST on supplies made from Mumbai to Delhi).

### **41. How long can I wait to register in GST?**

An unregistered person has 30 days to complete its registration formalities from its date of liability to obtain registration.

### **42. What If I am not liable to register under GST but I was registered under Service tax?**

You can apply for cancellation of Provisional ID on or before 31st July 2017.

### **43. Are there exemptions for SEZ? How are SEZ transactions treated in GST regime?**

Supplies to SEZs are zero-rated supplies.

### **44. How are the sale and purchase of goods to and from SEZ treated? Will it be export / input?**

Supply to SEZs is zero rated supplies and supplies by SEZs are treated as imports.

**45. Please clarify status of international export freight under GST as the same was exempt under POS rules. It is zero rated in most countries.**

POS for transport of goods are depending upon location of service provider/service receiver. Exports are treated as zero rated supplies.

**46. When goods are being imported from SEZ who will pay IGST?**

Such supply is treated as import and present procedure of payment of duty continues with the variation that IGST is levied in place of CVD.

**47. Who is paying IGST under GST when goods are procured from SEZ? In the past regime, importer was paying both BCD and CVD.**

Such supply is treated as import and past procedure of payment continues with the variation that IGST is levied in place of CVD.

**48. Is SGST of Rajasthan charged by supplier on purchase from Rajasthan can be utilize for payment of SGST in Madhya Pradesh?**

SGST of one State cannot be utilized for discharging of output tax liability of another State.

**49. How one can use SGST credit for the payment of IGST on another state?**

SGST Credit can be used for payment of IGST liability under the same GSTIN only.

**50. Can one State CGST be used to pay another state CGST?**

The CGST and SGST Credit for a State can be utilized for payment of their respective CGST/SGST liabilities within that State for the same GSTIN only.

## **51. In case of service supplied, should the credit be given to the state where it is billed or the state it is rendered?**

Tax will be collected in the State from which the supply is made. The supplier will collect IGST and the recipient will take IGST credit.

## **52. How will the credit / debit note from unregistered supplier be reported to GSTN and ITC claimed in the same?**

Like invoice, credit/debit notes on behalf of unregistered person will be given by registered person only. Further, GSTR2 provides for reporting of same by the recipient.

## **53. A shop sells taxable & exempt products to the same person (B2C), is it required to issue tax invoice and bill of supply separately?**

In such a case, the person can issue one tax invoice for the taxable invoice and also declare exempted supply in the same invoice.

## **54. Do registered dealers have to record Aadhaar/PAN while selling goods to unregistered dealers?**

There is no requirement to take Aadhaar / PAN details of the customer under the GST Act.

## **55. All expenses like freight / transport / packing which were charged in Sales Invoice are taxable in GST? How to charge in bill?**

All expenses have to be included in the value and invoice needs to be issued accordingly.

## **56. Can we move construction material to builders on delivery challan and issue tax invoice post completion of activity?**

If the goods are meant to be supplied in the course of construction, an invoice is necessary. If the goods are tools which are to be used for construction, then delivery challan should be issued.

## 57. How to treat following transaction in GST:

(i) Delivered supply shortages in Transit.

(ii) Customer gets less quantity and pays less.

The supplier may issue credit note to the customers and adjust his liability.

## 58. Should we issue Self Invoice for GST liability discharge on reverse charge mechanism or GST can be discharge through expenses booking voucher?

For reverse charge mechanism, liabilities tax invoice has to be issued on self.

## 59. What would be done on tax paid on advance receipt if advance has to be refunded in any circumstance?

Advance refunded can be adjusted in return.

## 60. 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.

## 61. 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.

## 62. Under supply from unregistered dealer the purchaser have to pay GST on reverse charge mechanism basis. So whether stipend paid to intern will also come under reverse charge mechanism?

Stipend paid to interns will be employer-employee transactions. Hence, it is not liable for GST.

### **63. Do I need to pay under reverse charge mechanism if I purchase stationary worth Rs.100 from an unregistered stationery shop?**

It has been decided that Rs. 5000/- per day exemption will be given in respect of supplies received from unregistered person.

### **64. Whether GST is levied in case of returnable packing material like drums supplied with finished goods?**

GST is levied on the value charged for the supply only.

### **65. 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.

### **66. If address of buyer is Punjab and place of supply is same 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.

### **67. 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.

## **68. 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.

## **69. How do I avail transition credit?**

Transition credit can be availed by filing the respective forms under Transition rules upto 30.09.2017.

## **70. Is there a sunset clause for Anti-Profiteering law?**

Yes, the sunset clause for Anti-Profiteering Authority is of two years.