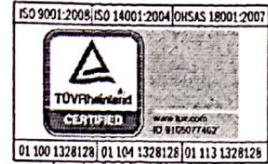


CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



No. CWC/FD- Taxation/GST/2017-18

Dated: 18.08.2017

GST FAQs-2

1. All the Regional Managers of CWC
2. All the Executive Engineers in-charge of Construction Cells of CWC
3. All the AGMs / Managers / (Sr.) Asstt. Manager (Accts.) In-charge of Finance & Accounts Wings of all Regional Offices & Construction Cells of CWC

Sr. No.	Queries	Clarifications
1.	Honorarium is paid to invited speakers in training programs and guest lectures of CWC including employees of CWC, Whether such services are subject to GST?	<p>Section 9(4) of the CGST states that:-</p> <p><i>"The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both."</i></p> <p>In view of above, the services provided by outside speakers and employees would be liable to GST and since both these persons are unregistered, CWC, would be liable to discharge the GST liability under Reverse Charge Mechanism.</p>
2.	Services by way of loading, unloading, packing, storage or warehousing of Cotton ginned or baled was exempt from service tax in service tax regime. Whether exemption under GST is available on loading, unloading, packing, storage or warehousing	<p>Loading, unloading, packing, storage or warehousing of cotton ginned or baled is not exempt from GST.</p>

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<p>of cotton ginned or baled?</p> <p>3. Whether inter state procurement of services from un-registered dealer shall be subjected to GST under reverse charge. for example Advocate bills of Sh K K Tyagi for services rendered at Delhi HC for case related to RO Mumbai. Which GST (IGST or CGST+SGST) is to be paid on such transaction. whether ITC would be available in it?</p>	<p>As per section 24(i) of the CGST Act, 2017 any person making interstate taxable supplies require compulsory registration under the said Act. Therefore, a person can make inter-state supply only after being registered under the said Act.</p> <p>Further, notification no 13/2017-Central Tax (Rate) dated 28.06.2017 read with section 9(3) & 9(4) of the CGST Act, 2017, in case of services provided by an advocate to any the business entity, the liability to pay tax is on the service recipient under reverse charge mechanism.</p> <p>Furthermore, in terms of notification no. 05/2017- Central tax 19.06.2017, the person who are engaged in provision of services which are wholly covered under reverse charge mechanism, is exempt from obtaining registration under GST i.e. advocate, GTA services etc.</p> <p>In the given example, the location of the advocate is in Delhi, and the service recipient is CWC RO Mumbai, therefore the place of supply would be location of service recipient i.e. CWC RO Mumbai and this would be considered be an inter-state supply and applicable IGST would be payable on it under reverse charge. Further input tax credit will be eligible if such services are in relation to taxable supplies made by CWC and not in relation to exempted supplies.</p>
<p>4. As per GST circular no 4, wrt merger of CC Navi Mumbai with RO Mumbai, it has been advised that TDS for all contractual payments of CC for other states of Gujarat, MP etc would be deducted by using TAN of RO Mumbai. This would necessitate necessary entry in the books of RO Mumbai as well for all such payments/expenditure,</p>	<p>The guidelines issued vide GST Circular 4 are as advised by our Income tax and GST consultant keeping in view all the applicable provisions. Thus, it is advised to follow the same. Further, there is no GST on payment of expenditure on behalf of other office (payment is only commercial arrangement). For making payment of construction work in relation to RO Ahmedabad following entry will be passed in RO Mumbai</p> <p style="text-align: right;">Books:</p> <p>RO Ahmedabad To TDS To Bank</p> <p>Similarly RO Ahmedabad will make the following</p>

which are required to be booked in concerned Regional Office. This would result in dual book entry for same expenditure/ payments, then transfer of expenditure from one RO to other RO which may require raising of tax invoice. Again, this would also result in mismatch in the Returns filed under GST and TDS which may invite departmental revenue audit. kindly guide us please.

entry:

WIP

To Contractor

Contractor

To RO Mumbai

5. Whether Expenses incurred by employees in form of medical reimbursements including purchase of medicines, TA- DA expenses incurred by employees which includes hotel stay, local conveyance, train, bus, Air tickets, and other misc expenses/ reimbursements, etc shall be subjected to GST under reverse charge. Some of these expenditure may be from unregistered dealer, whether GST would be applicable under Reverse charges on all such expenditure. There are also instances that Train/Bus/flight tickets has been booked and there is no GST no. mentioned in the tickets. Whether such services should

The reimbursement of expenditure made to employee as per employment agreement i.e. as per terms and conditions of employment are outside the purview of GST. Thus, reimbursement of medical bill will not attract GST under reverse charge even if medicines purchase by employee from unregistered vendor.

Further Service of transportation of passengers, with or without accompanied belongings, by—

(a) railways in a class other than—

(i) first class; or

(ii) an air-conditioned coach;

(b) metro, monorail or tramway;

(c) inland waterways;

(d) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and

(e) metered cabs or auto rickshaws (including e-rickshaws).

are exempted from GST. Thus, if reimbursement is made for conveyance from above mode there is not liability on CWC for payment of GST under RCM.

All expenses incurred by employee on behalf of Corporation (except those which are part of employment contract e.g. medical bill, LTC etc.)

	be deemed to be taken from unregistered dealer and GST under RCM would be applicable. Kindly guide and clarify?	and reimbursed by Corporation are subject to GST under RCM if purchased from unregistered vendor subject to exemption list.
6.	Utilization of carried forward CENVAT Credit of service tax in GST regime.	CENVAT Credit of service tax would be reflected under the Credit ledger under the GST regime and would be utilized for payment of CGST only as both are levies by the Central Government.
7.	RO Hyderabad is having one registration under Service Tax. But under GST it is having 2 registration one for Andhra Pradesh and one for Telengana. How to carry forward the CENVAT Credit of Service Tax in GST regime for two registration?	<p><i>Third Proviso to Section 140 (8) of the CGST Act, 2017 states that;-</i></p> <p><i>Provided also that such credit may be transferred to any of the registered persons having the same Permanent Account Number for which the centralized registration was obtained under the existing law.</i></p> <p>Therefore CENVAT credit of Service tax can be transferred to any of the registration i.e. either to Andhra Pradesh or Telengana.</p>
8.	Utilization of Input Tax Credit of GST payment under RCM. E.g. Whether input tax credit of payment of RCM for the month of July 2017 can be avail in the month of July?	<p><i>Section 16(2) (c) of the CGST Act, 2017 states that;</i></p> <p>Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,-</p> <p>(a).....</p> <p>(b).....</p> <p><i>(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilization of input tax credit admissible in respect of the said supply;</i></p> <p>Therefore the Input tax credit for GST paid under RCM would be available in the month when the payment for tax is made. i.e. the tax liability of the month of July 2017 if paid on 20th August, 2017 than ITC will be available in the month of August only.</p>
9.	Whether GST under RCM is compulsorily required to be paid by	Section 2(82) of the CGST Act, 2017 provides that;-

<p>challan? Or it can be paid by adjusting available input tax credit.</p>	<p>“output tax” in relation to a taxable person, means the tax chargeable under this Act on taxable supply of goods or services or both made by him or by his agent but excludes tax payable by him on reverse charge basis;</p> <p>Further Section 49(4) of the CGST Act, 2017 provided that:-</p> <p>“The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in such manner and subject to such conditions and within such time as may be prescribed”</p> <p>As per Section 49(4) the amount of credit available in the electronic ledger can be used only for making payment towards output tax and the definition of output tax specifically excludes tax payable on reverse charge basis. Therefore it is mandatory to discharge the tax liability on reverse charge basis through challan only.</p>
<p>10 Time of supply for payment of GST under Reverse charges (A) In case of goods (B) In case of services</p>	<p>(A) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earliest of the following dates, namely:—</p> <ul style="list-style-type: none"> (a) the date of the receipt of goods; or (b) the date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or (c) the date immediately following thirty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier: <p>Thus, GST liability under reverse charge for procurement of goods is required to be discharged within 30 days from the date of issue of invoice even if payment of invoice is not made.</p> <p>(B) In case of supplies in respect of which tax is paid or liable to be paid on reverse charge basis, the time of supply shall be the earlier of the following dates, namely:—</p> <ul style="list-style-type: none"> (a) the date of payment as entered in the

		<p>books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or (b) the date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier:</p> <p>Thus, GST liability under reverse charge for procurement of services is required to be discharged with in 60 days from the date of issue of invoice even if payment of invoice is not made.</p>
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N.K. Grover

(N.K. GROVER)
Group General Manager(F&A)

Copies for information to:

1. PPS to Managing Director, CWC, CO, New Delhi
2. AM to Director(Finance) / SAM to Director(Personnel) / PS to Director(MCP), CWC, CO, New Delhi
3. PS to CVO / PPS to GGM(A/cs), CWC, CO, New Delhi
4. All HODs at CWC, Corporate Office, New Delhi
5. All DGMs/AGMs/Managers / (Sr.) Asstt. Managers / Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi
6. PPS to GM(Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website
7. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.