



CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



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

Dated: 30.10.2017

GST FAQs-3

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 employees involved in accounts closing and for taking lectures during training. Whether such payments attracts GST under RCM being paid to unregistered persons?	<p>Schedule III of CGST act, 2017 provides that:-</p> <p><i>"Services by an employee to the employer in the course of or in relation to his employment are exempt from GST".</i></p> <p>Therefore, as these payments are made as consideration towards employment & applicable TDS under Income Tax Law is deducted then no GST is applicable on such payments. Thus, payment of honorarium by CWC to accounts staff and for taking lectures would not attract any GST liability.</p>
2.	Whether transfer of Chemicals from buffer stock maintained in one State to another State is subject to GST?	<p>Inter-state self-supplies such as stock transfers shall be taxable as GST registration of different states shall be treated as "Distinct person" as per GST Law. Such transactions are taxable even if there is no consideration.</p> <p>However, intra-state self-supplies are not taxable. Transferring State is required to raise invoice to the RO in state to which transfer of chemical is made. Thus, it is advised to procure goods and services state-wise instead of transferring them from one State to another State.</p>
3.	Sale of tender form is subject to GST. How to reflect the GST recovered from bidder on sale of tender form as no invoice	<p>The activity of sale of tender form is subject to GST and CWC needs to issue an invoice with applicable GST for this as per the Section 31(3)(b) of the CGST act, 2017.</p>

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	is raised in this case?	CWC shall raise the invoice when the payment towards the sale of tender form is received. However, the GST component should be clearly indicated in the tender document separately depicting total cost of tender document including GST.
4.	Applicability of GST on reimbursement of electricity charges from depositor or CHA for space provided to them on rent.	<p>GST exemption on electricity charges is only for persons involved in generation and distribution of electricity. The applicability of GST on reimbursement of electricity charges to CWC is as under:</p> <p>(a) In case the electricity charges are being recovered on actual basis i.e. on pure agent basis, the same shall not be subject to GST whether billed along with rental or separately.</p> <p>(b) In cases the electricity charges are billed at a higher rate whether along with rent or separately, the same shall be liable to GST.</p>
5.	Applicability of GST on storage and warehousing of seeds.	<p>As per Sl. No. 57 of the Notification No. 9/2017-Integrated Tax (Rate) dated 28/06/2017, (e) loading, unloading, packing, storage or warehousing of agricultural produce;</p> <p>shall be exempt from tax under GST law.</p> <p>The definition of agricultural produce as provided under Notification No. 9/2017-Integrated Tax (Rate) dated 28/06/2017 states that, "agricultural produce" means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market"</p> <p>According to Circular No.189/8/2015-Service Tax dated 26/11/2015 issued under erstwhile regime, it was stated that "There is no doubt that seed is not covered under the definition of agriculture produce".</p> <p>Considering the clarification as issued under erstwhile regime, the seeds are not be</p>

		considered as an agricultural produce under GST regime also. Accordingly, storage and warehousing of seeds would attract GST.
6.	There is no GST on the H&T operation & being carried out for handling of agricultural produce. However H&T contractor also supplies casual labour which is used in foodgrains warehouse for technical work. Please clarify the applicability of GST on supply of casual labour.	Since supply of manpower is not an exempted supply as per the exemption Notification No. 9/2017- Integrated Tax (Rate) dated 28/06/2017, it shall be taxable under GST law.



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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.