



CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



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

Dated: 15.12.2017

GST FAQs-4

- 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.	CWC has raised the invoice in Service Tax regime. Now, the invoice value is to be revised on a lower side in GST regime.	<p>Section 142(2)(b) of the CGST Act, 2017 states that</p> <p><i>“where, in pursuance of a contract entered into prior to the appointed day, the price of any goods or services or both is revised downwards on or after the appointed day, the registered person who had removed or provided such goods or services or both may issue to the recipient a credit note, containing such particulars as may be prescribed, within thirty days of such price revision and for the purposes of this Act such credit note shall be deemed to have been issued in respect of an outward supply made under this Act:</i></p> <p><i>Provided that the registered person shall be allowed to reduce his tax liability on account of issue of the credit note only if the recipient of the credit note has reduced his input tax credit corresponding to such reduction of tax liability.”</i></p> <p>Therefore, based on above rule for any downward revision of the price under GST regime, in relation to an invoice raised in service tax regime, CWC can raise a credit note and adjust the same against its GST liability, provided the recipient of the credit note also reverses the equivalent amount of input tax credit on basis of such credit note.</p>

		It is also advised to obtain a written declaration from the customers for the reversal of input tax credit on basis of above credit note issued by CWC, in order to ensure the compliance of the above condition.
2.	GST implications on services rendered from SEZ unit to DTA (Domestic Tariff Area).	Under GST regime, supplies from SEZ unit have been considered to be inter-state supplies as per Section 7(5)(b) of the IGST Act & IGST shall be levied on all inter-state supplies. Accordingly, in case of supply of services from an SEZ unit to DTA, IGST shall be levied by SEZ unit on forward charge basis without any exemption.
3.	Where the insurance, fumigation, weighment etc. are billed separately for the warehoused goods, same shall also be exempt from GST or not?	Reference is invited to GST Circular 4 dated 20.07.2017 wherein it has already been clarified that where the insurance charges, overtime and fumigation for agricultural produce and rice are charged separately, the same shall not be subject to GST as these charges together with storage constitute composite supply, the main supply of service being warehousing / storage of agricultural produce. However, it is advised to charge all such charges in invoice for storage charges only. Weighment charges if charged separately shall attract GST.
4.	What is the Rate of GST for sale of tender form?	GST rate for sale of tender form in physical form is 12% whereas sale of tender form online is subject to GST @ 18%.
5.	Procedure for issuing work order, invoicing by contractor and payment of same for construction and repairs works done by CCs for various States.	Vide Office Order No. CWC/FD-Taxation/GST/2017-18/60B dated 03.07.2017 it has already been clarified that invitation of tender, issuing purchase/procurement order for works and issue of invoice by contractor will be done in the name, address and GST registration no. of the concerned State where the actual constructions and repairs work is done. This may be ensured.
6.	Place of supply for dedicated warehousing services.	Vide GST circular 3 dated 30.06.2017, it was advised that place of supply for dedicated warehousing will be location of the customer. However, after discussion with our GST consultant M/s. Deloitte, following is clarified: CWC give some place in warehouses to customers on dedicated basis – stock register, stacking etc. is done by customer itself. However, insurance of Cargo is taken by CWC.

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		<p>In such cases, the place of supply shall be the location of warehouse as these services are used directly in relation to immovable property and a right to use is given to customer. Thus, for dedicated warehousing, in tax invoice CGST & SGST will be charged irrespective of the location of the customer.</p>
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(N.K. GROVER)
Group General Manager(F&A)

Copies for information to:

1. PPS to Managing Director, CWC, CO, New Delhi
2. PS to Director(MCP), CWC, CO, New Delhi
3. 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.