

GST Queries

Questions ::

- 1 *GST regime is requiring ONLINE Filing and Data Capture. What is minimum requirement for the system. Many Traders and Manufacturers, service providers use small set up for system.*

The minimum requirement is the internet connectivity at the time of filing of returns, the accounting software like tally will come in handy and once you know how to operate in that system, it will be very easy

- 2 *Currently Many manufacturers have got exemption from payment of Excise as they are in MSME Sector. The basic exemption limit proposed is very small as the GST is a value addition tax. How these organizations will be protected.*

There is no special provision under GST for those in MSME sector, however those manufacturers of dealers (other than supplier of services except restaurant services) will have an option for paying tax under composition scheme. Under this scheme the returns are to be filed on quarterly basis and the tax is to be paid on the basis of turnover in that period, however, no ITC would be available to such taxpayers, and they will not be able to collect tax from the buyers. This scheme is available for those having turnover of less than rs. 75 lakhs.

- 3 *In GST there is no exemption for Exports or Deemed Exports including SEZ supply. How the REFUND mechanism will work and exporters will be provided prompt credit.*

Exports under GST shall be considered as interstate supply thereby attracting IGST, however, the supply for export can be made on payment of tax as well as under bond or letter of undertaking. When the goods or services are exported on

payment of taxes. 90% of the refund would be paid within 7 days of filing refund application without detailed verification by the department and the remaining 10% would be paid after due verification within 60 days of filing application, however, this would be applicable to only those who have a credit rating of 5 or more. Regarding deemed export the supplies would be required to be made on payment of GST and then refund to be claimed by the recipient of such supplies.

4 Seamless Credit for Tax paid on Inputs or Purchases is assured. How about exempted units purchases.

When the goods or services are purchased by the registered person from an unregistered person, the tax would be payable by the recipient under Reverse Charge mechanism, however, the tax so paid would be available as Input tax credit if such receipts are allowable for ITC. Thus inward supply from an unregistered supplier would increase the tax compliance to the recipient.

5 When credit is available for the IGST for Imports and no Payment is required due to accumulated credit, Will refund be available for manufacturer or Assessess.

The question does not appear to be clear, however, under GST the refund of the taxes would be available only when the credit is accumulated due to the export supplies or when the outward supply is in a inverted rate structure, i.e. the inward supplies attract higher rate of taxes and outward supplies attract lower rate of taxes, which would result in the accumulation of credit.

6 There are IGST, CGST and SGST. Credit utilization is also structured due to set up of State and Central tax. Is there any provision for refund of the un-utilised credit.

The reply is same as above.

7 Any proposal for different exemption limit for the Trader/Manufacturer of goods and the service provider??

Under GST there is no distinction between supplier of goods or supplier of services or a manufacturer the exemption limit is common for all.

8 In GST Set up provision is for registration by manufacturer or service provider in each State and Branch. How about Insurer or Courier or Bank Service provider or Association have branches but services are centralized??

Under GST the registration is allowed only state wise and so the centralized registration for the business in more and one state or territory is not allowed.

9 under current system there are different type of Excise regn., i.e. Mfg., Dealer, Importer and EOU separately... under GST, will it be different?

No there would be common registration for all. Only SEZ would required to take separate registration.

10 Will the Classification of goods purely based on HSN , in ALL GST Segment, ?? and RATE standard across group.

The classification of goods would be based on HSN, the rate of tax would be on the basis of rates specified against each item. The details are available on department's website.

11 What will be status of the unit presently working under STP/EHTP/EOU? Will they need to change their system of working?? Will the unit continue to avail Duty free Import/procurement.

The EOUs will have to procure tax paid goods and services and claim refund from the department.

12 *GST Credit is available as per matching principle. The payment is done later after close of month. Do this mean that credit can be taken after payment is done by supplier next month?? What about Year end Credits??*

The credit is available after fulfillment of four conditions, viz, the person claiming the credit has received the goods and/or services, the person must have received the invoices, the person supplying the goods or services must have paid the taxes and he must have filed the valid return. Practically if the invoices are matched the credit would be available as reflected in the e-credit ledger generated by the system on 17th on the basis of which you can fulfill your tax obligations, however, if the supplier of goods on which you have taken credit fails to pay tax to the government or fails to file the valid return of 20th of the month, then for the next month you will have the output tax liability to that extent.

13 *Current system allows Branch transfer or C& F Agents transfer without payment of Duty/Tax and collected at time of Branch sale. No such provision in GST so Duty/Tax to be paid on transaction. Pl confirm.*

If the branch transfer or stock transfer is between the units in the same state of territory, no tax shall be leviable, however, if such branch transfer is between the units falling in different states or territory, it shall be considered as supply and IGST would be leviable on such transfers.

Suggestions:

14 *Provision be made for condoning Initial lapses without affecting revenue??*

It appears so however, no official notification or declaration by the department yet.

15 *How will the availability of System?? Past experience is that many times system is not available during filling time. Server failure should compensate dates for filling.*

The GSTN is a very robust system, and any glitch appears to be improbable.

16 *Any proposal for HELP DESK during initial set up time by System experts??*

Help desk is already available in all the Commissionerates.

17 *Assesse have difficulty in migration of registration for GST. How the system will ensure registration by all before implementation?*

Steps are being taking to ensure that registrations are provided to all those who have applied for it.