



Q 1. What is the taxable event in GST – will it be manufacturing as is presently in case of excise or sale as is in case of Sale tax?

Ans. Unlike Excise where the taxable event is manufacturing or sales in case of Sale Tax, the taxable event in case of GST will be “Supply” of Goods & Services.

Q 2. What is the meaning of the term Supply?

Ans. GST law defines supply as-

Supply includes—

- All forms of supply of goods and/or services made or agreed to be made for a consideration by a person in the course or furtherance of business
- Importation of services, for a consideration whether or not in the course or furtherance of business
- Activities specified in schedule I made or agreed to be made without a consideration.

Q 3. Whether self consumption of goods & services will be subject to GST?

Ans. Under GST, taxable event is supply of goods from one taxable person to another taxable person. Accordingly self consumption of goods & services by same taxable person is not chargeable to tax.

Q 4. Whether stock transfer of goods within the organisation will also be taxable?

Ans. Stock transfer of goods between the locations/place of business within the State registered under one registration won't be taxable. However, Interstate stock transfer of products, consumables & other materials will be taxable.

Further in case organisation holds more than one registration in a single state, then stock transfer between locations under these registrations will be taxable.

Q 5. How will exports be taxed under GST?

Ans. No tax will be payable on export of goods & services under GST. They will be treated as zero rated supply.

As per IGST Law, Zero rated supply means any of the taxable supply of Goods & or services, namely-

- Export of goods and/or services
- Supply of goods and/or services to a SEZ developer or an SEZ unit.

Q 6. What is the impact on tax credit if supply is considered as Zero Rated supply?

Ans. Subject to provisions of Sec 17(2) of CGST Act, Credit of input tax can be availed for making zero rated supplies.

Q 7. How will imports be taxed under GST?

Ans. Imports will be treated as interstate transactions. Accordingly, IGST will be levied on import of goods & services.

Q 8. How the tax liability shall be determined in case of a composite supply?

Ans. Composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply and the tax applicable to principal supply will be applicable on total contract value.

Q 9. How the tax liability shall be determined in case of a mixed supply?

Ans. In case of mixed supply comprising two or more supplies, the particular supply which attracts highest rate of tax will be applicable to entire contract value.

Q 10. Whether works contract will be treated as supply of goods or supply of service?

Ans. Works contract will be treated as supply of service as the same is provided in Schedule II of GST law.

Q 11. Whether works contract will be considered as composite supply or mixed supply or none of them?

Ans. Since works contract will be considered as supply of services and should be subject to a single rate of tax, it will neither be composite supply or mixed supply.

Q 12. Whether transfer of right to use goods will be treated as supply of goods or supply of service? Why?

Ans. As per schedule II of CGST Act, transfer of right to use goods will be considered as supply of services as there is no transfer of title in such supply.

Q 13. Whether goods supplied on hire purchase basis will be treated as supply of goods or supply of services? Why?

Ans. Supply of goods on hire purchase shall be treated as supply of goods as there is transfer of title, albeit at a future date.

Q 14. An individual buys a motor vehicle for personal use and after a year sells it to a dealer. Will the transaction be a supply under GST law?

Ans. No, because supply is not made by the individual in the course or furtherance of business. Further, no input tax credit was admissible on such car at the time of its acquisition as it was meant for non-business use.

Q 15. When does the liability to charge GST arise in respect of supply of goods and services?

Ans.

S.no.	In case of Goods earlier of following	In case of Services earlier of following
1	Date of issue of invoice by the supplier OR last date of issue of invoice. Last date of issue of invoice means- i. Removal of goods for supply to the recipient where supply involves movement ii. Delivery of goods in other cases.	Date of issue of invoice by the supplier OR Last date of issue of invoice i.e. within 30 days from provision of service.
2	Date on which the supplier receives the payment with respect to the supply	Date on which the supplier receives the payment with respect to the supply

Q 16. Whether there will be any reverse charge mechanism like in case of service tax?

Ans. GST law contains provision for reverse charge mechanism (RCM). Further in case of GST, RCM will not be limited only to services & will be applicable for Goods also. Government may on recommendation of council specify categories of supply of goods &/or services on which RCM will be applicable.

Q 17. When does the liability to charge GST arise in respect of supply of goods and services?

Ans.

S.no.	In case of Goods earlier of following	In case of Services earlier of following
1	Date of Receipt of Goods	Date on which payment is made
2	Date on which payment is made	Date immediately following 60 days from invoice date by supplier
3	Date immediately following 30 days from invoice date by supplier	Entry date in recipients books where above 2 cannot be applied.
4	Entry date in recipients books where above 3 cannot be applied.	

Q 18. What is the value on which GST will be levied?

Ans. GST will be charged on transaction value i.e. price actually paid or payable for supply of goods & services where supplier & recipient are not related and price is sole consideration

for supply. There are specific inclusions & exclusions which are to be considered to compute the transaction value on which GST will be levied.

Q 19. Are there separate valuation provisions for CGST, SGST and IGST on Goods and Services?

Ans. There are no separate valuation provisions for CGST, SGST & IGST. These taxes will be levied on same transaction value.

Q 20. Whether interest charged for any delayed payment will also form part of Transaction Value?

Ans. Unlike present taxation regime, Interest on delayed payment will form part of transaction value & will be subject to GST levy.

Q 21. Whether discount given to customer are to be excluded from transaction value?

Ans. Discount offered to customer will be excluded from transaction value for levy of GST if discount is given before or at time of supply & recorded on invoice.

Further after supply discounts will be excluded provided following conditions are met-

- i. Such discount is established as per an agreement entered into at or before the time of such supply and specifically linked to relevant invoices.
- ii. Input tax credit has been reversed by the recipient attributable to the discount on the basis of document issued by the supplier.

Q 22. Whether any TDS will be deducted under GST?

Ans. GST law contains provision for TDS also. Government may notify persons or category of persons who will be required to deduct TDS. TDS to be deducted at the rate of 2% in cases where total value of supply under a contract exceeds two lakh and fifty thousand rupees.