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| Q.1 | One of my companies Director is a Doctor by Profession and apart from this she also has an income from renting of machine, the aggregate of total income is 22 Lakh (8+14). Does GST will be applicable on it? |
|  | By virtue of Entry Sl. No. 74 of Notification no. 12/2017 – Central Tax (Rate), dated 28.06.2017, services provided by an authorised medical practitioner is exempted from levy of GST. But once her ‘aggregate turnover’ in a financial year exceeds Rs. 20.0 Lakh because of the value of supply of service by way of renting of machine, she will have to take registration and collect & pay GST in respect of the consideration charged for renting of machine. Method of computation of ‘aggregate turnover’ shall be Rs. 10.0 Lakh in case of special category states.  |
| Q.2 | Does return can be filed by manual intervention? By manually converting the package data into excel format? |
|  | Returns are to be filed electronically in GST Common Portal. There is no scope of filing return manually.  |
| Q.3 | In case of IGST, does central would get half tax? And the portion of SGST will be determined as per point of taxation, please clarify? |
|  | Yes, Central Government gets half amount of IGST collected. Place of supply (in a state) shall determine which state is going to get the SGST. |
| Q.4 | Now poultry industry has NIL rate of GST, so we are accumulating the input tax credit. Does this credit will be set of with output tax liability, if any arise in future by government?  |
|  | Section 17 (2) authorises a registered person to avail ITC only in respect of goods or services or both that are used in providing taxable supplies including zero – rated supplies. Hence, accumulation of credit is not allowed.  |
| Q.5 | Whether GST applicable on Processing Charges for Feed, Hatching Charges, Rearing/Growing) Charges of Birds? |
|  | Answered item – wise with explanation in later part.  |
| Q.6 | If the above service provider is not registered, RCM to apply? |
|  | In terms of provision of sub – section (4) of Section 9 of the CGST Act, 2017 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 [*i.e. the registered person*] on reverse charge basis.  |
| Q.7 | Is there any procedure for refund of unutilized GST Input Credit? |
|  | Refund of unutilised ITC is allowed in two circumstances – **(i)** zero rated supplies made without payment of tax & **(ii)** where the credit has accumulated on account of rate of tax of input being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies) except supplies of goods or services or both as may be notified by the Government. For consulting the list of goods notified by the Government, Notification No. 05/2017 – Central Tax (Rate), dated 28.06.2017 may be referred to.  |
| Q.8 | Sale of Scrap? |
|  | Nature of scrap is required to be known.  |
| Q.9 | Payment of Fooding Exp (?Expenditure) |
|  | Question is not clear.  |
| Q.10 | Labour charges, loading & unloading charges feed & ready bird |
|  | Entry No. 24 of the Notification No. 11/2017 – Central Tax (Rate), dated 28.06.2017 states that - *support services to agriculture, forestry, fishing, animal husbandry*, shall not be subjected to any levy of GST. Loading, unloading, packing, storage or warehouse of agricultural produce (here ready bird only) is covered by the scope of ‘support service’ to animal husbandry and therefore the same is exempted from levy of GST. In absence of clarity as to who engages the labour for loading & unloading of the feed, no comment is offered regarding the taxability of the supply.  |
| Q.11 | When to issue way bill (in case of Inter-state purchase, inter-state stock transfer & import of taxable goods)? |
|  | As of now, electronic way bill is not ready in the Common Goods and Services Tax Electronic Portal. However while procuring any goods into the state of West Bengal from any place outside West Bengal, e - way bill is to be generated from the portal of West Bengal Commercial Tax Directorate. In this connection Trade Circular No. 06/2017, dated 30.06.2017 issued by the Commissioner, Commercial Tax, West Bengal may be referred to.  |
| Q.12 | Is registration mandatory for transport agencies? |
|  | As per the provision of Section 22 of the CGST Act, 2017 every supplier shall be liable to be registered if his aggregate turnover in a financial year exceeds twenty lakh rupees (for special category states the limit is ten lakh rupees). In case transport agencies (? Goods Transport Agencies) exceeds the threshold limit of Rs. 20.0 lakh or Rs. 10.0 Lakh, as the case may be, he is liable to take registration.  |
| Q.13 | Can the input be adjusted with other type of business in the same Co. (integration of poultry & transport service provided to others) |
|  | Yes, credit accumulated in Electronic Credit Ledger is a common pool and such credit may be utilised for discharging tax liability in respect of supplies of goods or services or both. However, at the stage of availing ITC in respect of any inward supplies, adequate care is to be taken to confirm that such inward supplies is used or intended to be used in supplying goods or services or both which is taxable.  |
| Q.14 | Is the tax payable can be adjusted with input credit or to pay through cash ledger? |
|  | Available ITC may be adjusted towards discharge of tax liability in respect of outward supplies and balance, if any, is to be paid in cash ledger.  |
| Q.15 | Carriage inward of chicks, eggs, birds  |
|  | As per Entry Sl. No. 18 of Notification No. 12/2017 – Central Tax (Rate), dated 28.06.2017 services by way of transportation of goods by road except the services of a goods transport agency is exempted from levy of GST. Further, as per Entry Sl. No. 21 of the above referred notification, services provided by a GTA by way of transport in goods carriage of ‘agricultural produce’ is exempted from levy of GST. Para 2(d) of the said notification defines ‘agricultural produce’. Chicks, eggs, birds are covered by the definition of ‘agricultural produce’.  |
| Q.16 | Carriage inward for feed (from plant to godown & godownn to farm) for consumption of live birds. |
|  | As per Entry Sl. No. 18 of Notification No. 12/2017 – Central Tax (Rate), dated 28.06.2017 services by way of transportation of goods by road except the services of a goods transport agency is exempted from levy of GST. However, services of GTA, if availed in transporting the feed shall not be exempted.  |
| Q.17 | Carriage inward for agricultural products (maize, bajra) & processed products (Soya Doc, M Doc) |
|  | As per Entry Sl. No. 18 of Notification No. 12/2017 – Central Tax (Rate), dated 28.06.2017 services by way of transportation of goods by road except the services of a goods transport agency is exempted from levy of GST. Further, as per Entry Sl. No. 21 of the above referred notification, services provided by a GTA by way of transport in goods carriage of - *milk, salt and food grain including flour, pulses and rice* is exempted from levy of GST. Here the word ‘including’ may be read as *‘*such as’.Hence, transportation of ‘maize’, ‘bajra’ by a GTA is exempted from levy of GST. However, there is no exemption in respect of processed products. |
| Q.18 | Carriage inward for carriage for stock transfer of goods (feed, raw materials) |
|  | Answered against Q.16. However, character of ‘raw materials’ is to be known to reply properly.  |
| Q.19 | Is GST payable for rent paid to individuals for office/godown |
|  | If it is presumed that the individual is not registered, then GST is payable by the person (if registered) who has taken the office/godown on rent.  |
| Q.20 | If any factory/godown/office is taken on rent basis, the reimbursement of elec charge |
|  | There shall be no GST in respect electricity charge since ‘Electrical Energy’ is exempted from levy of GST in terms of Notification No. 02/2017 – Central Tax (Rate), dated 28.06.2017 [Entry Sl. No. 104]. |
| Q.21 | Commission/brokerage for agricultural commodity |
|  | Only the services provided by ‘Commission agent’ in respect of sale or purchase of agricultural produce are exempted.  |
| Q.22 | Professional Charges/Consultancy charges |
|  | Only agricultural extensive service that mean to say application of scientific research and knowledge to agricultural practices through farmer education and training is exempted.  |
| Q.23 | We are giving feed making charges for feed production. Will GST be applicable? |
|  | No, GST is not chargeable. Entry No. 24 of the Notification No. 11/2017 – Central Tax (Rate), dated 28.06.2017 states that - *support services to agriculture, forestry, fishing, animal husbandry*, shall not be subjected to any levy of GST. Intermediate production process as job work in relation to ~~cultivation of plants and~~ rearing of all life forms of animals, ~~except the rearing of horses,~~ for food, fibre, fuel, raw materials or other similar products or agricultural produce, has been defined as ‘support services to agriculture, forestry, fishing, animal husbandry’. Animal husbandry is the branch of agriculture concerned with animals that are raised for meat, fibre, milk, eggs or other products. It includes day-to-day care, selective breeding and raising of livestock.Chickens eat grains and seeds. Production process by which balanced diet is prepared by proportionate mixing of various grains and seed etc. cannot be separated from the process of raising of life forms of animal and therefore, feed making charges given may be considered as an intermediate production process and exempted from levy of GST.  |
| Q.24 | GST will be applicable on freight (inward & outward) for goods transport of feed, soya, bird lifting, maize?  |
|  | Para 2(d) of the Notification No. 12/2017 – Central Tax (Rate), dated 28.06.2017 defines ‘agricultural produce’. While defining the scope of ‘agricultural produce’, processes which is usually done by a producer which does not alter the essential character of the said produce but makes the produce marketable has been kept within the scope. Thus, chicks, eggs, birds, maize, soya are covered by the definition of ‘agricultural produce’ and as per Entry Sl. No. 21 of the Notification No. 12/2017 – Central Tax (Rate), dated 28.06.2017, freight (inward or outward) charged by GTA is exempted. But, freight (inward or outward) charged by GTA for transporting ‘feed’ is not exempted as such goods is not covered by the definition of ‘agricultural produce’. |
| Q.25 | Will GST be applicable on Hatching charges? |
|  | Entry No. 24 of the Notification No. 11/2017 – Central Tax (Rate), dated 28.06.2017 states that - *support services to agriculture, forestry, fishing, animal husbandry*, shall not be subjected to any levy of GST.Animal husbandry is the branch of agriculture concerned with animals that are raised for meat, fibre, milk, eggs or other products. It includes day-to-day care, selective breeding and raising of livestock.The process of ‘Hatching’ is intricately associated with the entire process of animal husbandry and no way be delinked, it would be considered as a support service to animal husbandry notwithstanding the fact that ‘*Explanation’* added to the entry does not specifically covers ‘Hatching’. |
| Q.26 | We have paid labour charges to farmer. Will GST be applicable on this payment? |
|  | Supply of farm labour is a support service to animal husbandry and therefore shall not be subjected to levy of GST as per Entry Sl. No. 24 of the Notification No. 11/2017 – Central Tax (Rate), dated 28.06.2017. |
| Q.27 | We have paid daily labour charges. Will GST applicable? |
|  | It is covered by Schedule III of CGST Act, 2017, hence no tax is payable.  |
| Q.28 | We are purchasing used Tray and Cartoon (old). Will GST be applicable? |
|  | Supply of used/old Tray and Cartoon (Old) by an unregistered supplier is exempted in the hands of the recipient (under RCM) as per exemption Notification No. 10/2017 – Central Tax (Rate), dated 28.06.2017.  |
| Q.29 | We are giving commission on ready bird sale/feed production. Will GST be applicable? |
|  | Entry No. 24 of the Notification No. 11/2017 – Central Tax (Rate), dated 28.06.2017 states that - *support services to agriculture, forestry, fishing, animal husbandry*, shall not be subjected to any levy of GST. Services provided by ‘Commission Agent’ in respect of sale or purchase of agricultural produce (here bird only) is covered by the scope of ‘support service’ to animal husbandry and therefore the same is exempted from levy of GST, but not to the commission paid for feed production.  |
| Q.30 | Rent paid (factory rent/godown rent/office rent). Will GST be applicable? |
|  | If the person who is offering the factory/godown/office on rent, is registered, he is liable to charge GST on the amount claimed as rent. If the said person is not registered, but the person who is availing the accommodation on payment of rent, is registered, then the latter is liable to pay GST following the RCM.  |
| Q.31 | Our first query is related to Feed Processing Charge - can we claim exemption under Sl. No. 58 of list of services exempted from GST as follows: |
| Ans.  | Already answered. Answer to Q. No. 23 may be referred to. Referred Sl. No. 58 could not be linked.  |
| Q.32 | Adjustment procedure of CGST, SGST & IGST paid during purchase of HDPE and Gunny Bags with sale of Old/Waste (Raw material empty bags) HDPE & Gunny Bags. |
| Ans. | Waste, parings and scrap, of plastics attracts CGST @ 9% + SGST @9%. ITC earned on purchase of HDPE and Gunny Bags (if any) may be utilised towards payment of GST in connection with sale of Old/Waste HDPE Bags or Gunny Bags, as the case may be.  |
| Q.33 | Our GST liability on payment of rent hired for godown/office to unregistered property owner. |
| Ans. | Already answered. Answer to Q.30 may be referred to. |
| Q.34 | We purchase tax free as well as tax paid Poultry Feed Supplement. We require to mix them to final product. Sometimes, we require to transfer the above mixture interstate. Is there will be any tax implication?  |
| Ans. | “Poultry Feed” is covered by Entry Sl. No. 102 of the Notification No. 02/2017 – Central Tax (Rate), dated 28.06.2017 and thus exempted from levy of GST. What is the final product’ has not been stated. However, presuming that it is ‘Poultry Feed’, addition of small amount of feed supplement won’t alter the character of the goods and the same shall remain exempted. Hence, there would be no tax implication in respect of supply of such goods, be it inter-state or intra-state supply.  |
| Q.35 | We are not entitled for ITC credit as our products are exempted or ‘NIL’ rated. The amount of GST we will be paying while purchasing any taxable input, will add to our cost. We have to pay GST [@5% without ITC or @12% (*sic.* 18%) with ITC] under Reverse Charge Mechanism (RCM) on the transportation charges for importing the inputs (GTA).  |
| Ans. | No comment. |
| Q.36 | Most of the items of expenses debited in Profit & Loss Account (like, repairs & maintenance, business promotion expenses, legal expenses, audit fees, job work charges, growing charges rent etc.) will attract GST under RCM which will add to our cost. |
| Ans. | No comment. |
| Q.37 | Purchase from unregistered parties of any taxable input will attract GST under RCM (subject to daily exemption limit of Rs. 5,000/-).  |
| Ans. | No comment. |
| Q.38 | Whether GST on exempted input (like Maize etc.) are subjected to tax under RCM? |
| Ans. | If supply of goods or service is exempted, then there is no question of payment of GST either in forward charge method or in reverse charge method.  |
| Q.39 | Whether ITC on taxable inputs can be adjusted against tax liability under RCM. |
| Ans.  | There is no bar as such. |
| Q.40 | Whether service offered by the farmers for growing/rearing the live poultry exempted (as available in Service Tax) |
| Ans. | Entry No. 24 of the Notification No. 11/2017 – Central Tax (Rate), dated 28.06.2017 may be referred to. |