

# **Inland Waterways Authority of India**

## **Frequently Asked Questions (FAQ)**

### **Part - 3**

<b>Sl.No.</b>	<b>Query</b>	<b>Reply</b>
<b>1.</b>	How will the goods and services be classified under GST regime?	<p>HSN (Harmonized System of Nomenclature) code shall be used for classifying the goods under the GST regime. Taxpayers whose turnover is above Rs. 1.5 crores but below Rs. 5 crores shall use 2-digit code and the taxpayers whose turnover is Rs. 5 crores and above shall use 4-digit code. Taxpayers whose turnover is below Rs. 1.5 crores are not required to mention HSN Code in their invoices.</p> <p>Services will be classified as per the Services Accounting Code (SAC).</p>
<b>2.</b>	Whether supplies made without consideration will also come within the purview of supply under GST?	Yes, but only those activities which are specified in Schedule I to the CGST Act / SGST Act. The said provision has been adopted in IGST Act as well as in UTGST Act also.
<b>3.</b>	What is the treatment of composite supply and mixed supply under GST?	<p>Composite supply shall be treated as supply of the principal supply.</p> <p>Mixed supply would be treated as supply of that particular goods or services which attracts the highest rate of tax.</p>
<b>4.</b>	Are self-supplies taxable under GST?	<p>Inter-state self-supplies such as stock transfers, branch transfers or consignment sales shall be taxable under IGST even though such transactions may not involve payment of consideration. Every supplier is liable to register under the GST law in the State or Union territory</p> <p>from where he makes a taxable supply of goods or services or both in terms of Section 22 of the model GST law.</p>
<b>5.</b>	When does the liability to pay GST arise in respect of supply of goods and Services?	<p>Section 12 &amp; 13 of the CGST/SGST Act provides for time of supply of goods. The time of supply of goods shall be the earlier of the following namely,</p> <p>(i) the date of issue of invoice by the supplier or the last date on which he is required under Section 31, to issue the invoice with respect to the supply; or</p>

		(ii) the date on which the supplier receives the payment with respect to the supply.
6.	When are the provisions of the Valuation Rules applicable?	Valuation Rules are applicable when <ul style="list-style-type: none"> <li>(i) consideration either wholly or in part not in money terms;</li> <li>(ii) parties are related or supply by any specified category of supplier; and</li> <li>(iii) transaction value declared is not reliable.</li> </ul>
7.	When is payment of taxes to be made by the Supplier?	Payment of taxes by the normal tax payer is to be done <b>on monthly basis by the 20th</b> of the succeeding month. Cash payments will be first deposited in the Cash Ledger and the tax payer shall debit the ledger while making payment in the monthly returns and shall reflect the relevant debit entry number in his return. As mentioned earlier, payment can also be debited from the Credit Ledger. Payment of taxes for the month of March shall be paid by the 20th of April. Composition tax payers will need to pay tax on quarterly basis.
8.	What happens if the taxable person files the return but does not make payment of tax?	In such cases, the return is <b>not considered as a valid return</b> . Section 2(117) defines a valid return to mean a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full. It is only the valid return that would be used for allowing input tax credit (ITC) to the recipient. In other words, unless the supplier has paid the entire self-assessed tax and filed his return and the recipient has filed his return, the ITC of the recipient would not be confirmed.
9.	What is TDS under GST?	TDS stands for Tax Deducted at Source (TDS). As per section 51, this provision is meant for Government and Government undertakings and other notified entities making contractual payments where total value of such supply under a contract exceeds Rs. 2.5 Lakhs to suppliers. While making any payments under such contracts, the concerned Government/authority shall deduct 1% of the total payment made and remit it into the appropriate GST account. <b>(This provision is deferred)</b>

10.	What would happen of the ITC taken by the registered person if he has not paid the consideration along with tax within 180 days from the date of issue of invoice?	The amount of <b>ITC would be added to output tax liability</b> of the person. He would also be required to pay interest.  However, he can take ITC again on payment of consideration and tax.
11.	Where the registered taxable person has claimed depreciation on the tax component of the cost of capital goods under the provisions of the Income Tax Act,1961, will ITC be allowed in such cases?	The input tax credit shall not be allowed on the said tax component in respect of which depreciation has been claimed.
12.	What type of outward supply details are to be filed in the return?	A normal registered taxpayer has to file the outward supply details in GSTR-1 in relation to various types of supplies made in a month, namely outward supplies to registered persons, outward supplies to unregistered persons (consumers), details of Credit/Debit Notes, zero rated, exempted and non-GST supplies, exports, and advances received in relation to future supply.
13.	Can a recipient feed information in his GSTR-2 which has been missed by the supplier?	Yes, the recipient can himself feed the invoices not uploaded by his supplier. The credit on such invoices will also be given provisionally but will be subject to matching. On matching, if the invoice is not uploaded by the supplier, both of them will be intimated. If the mismatch is rectified, provisional credit will be confirmed. But if the mismatch continues, the amount will be added to the output tax liability of the recipient in the returns for the month subsequent to the month in which such discrepancy was communicated.
14.	What are the details to be provided through GSTR 3?	GSTR-3 is a consolidated return filed by the taxpayer based on GSTR-1 and GSTR-2. GSTR-3 provides the details of tax liability for a given tax period and details of tax paid. GSTR-3 provides details of gross turnover, export turnover, exempted domestic turnover, Nil rated turnover, Non GST turnover and Net taxable turnover.  GSTR 3 needs to be filed by 20th of the succeeding month following the end of month for which it is filed. Late filing would be permitted only on payment of late fee.
15.	Can unutilized Input tax credit be allowed as refund?	Unutilized input tax credit can be allowed as refund in accordance with the provisions of

		<p>sub-section (3) of section 54 in the following situations: -</p> <ul style="list-style-type: none"> <li>(i) Zero rated supplies made without payment of tax;</li> <li>(ii) Where credit has accumulated on account of rate of tax on inputs being higher than the rate of taxes on output supplies (other than nil rated or fully exempt supplies)</li> </ul>
<b>16.</b>	<p>Suppose a taxable person has paid IGST/ CGST/SGST mistakenly as an Interstate/intrastate supply, but the nature of which is subsequently clarified. Can the CGST/SGST be adjusted against wrongly paid IGST or vice versa?</p>	<p>The taxable person cannot adjust CGST/SGST or IGST with the wrongly paid IGST or CGST/SGST but he is entitled to refund of the tax so paid wrongly - Sec.77 of the CGST/SGST Act.</p>
<b>17.</b>	<p>What is the time limit for taking refund?</p>	<p>A person claiming refund is required to file an application before the expiry of two years from the "relevant date" as given in the Explanation to section 54 of the CGST/SGST Act.</p>
<b>18.</b>	<p>If any goods or services are supplied in GST, in pursuance of contract entered under existing law, which tax will be payable?</p>	<p>GST will be payable on such supplies- section 142(10) of the CGST Act.</p>