

GST related questions received from FIEO, Export Councils, exporters-for guidance purpose only

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| 1 | We are exporters of Home Textiles and we have paid goods lying with the suppliers and billed in the month of June. We have not paid any GST on them. They are being exported in July. Please confirm if revised billing has to be done inclusive of GST, since the dispatch will be done after July 1, under the GST Regime. | If the goods are being cleared from the place of business after roll-out of GST and tax under existing regime has not been paid on them then the exporter may clear the same after availing any of the option detailed in section 16 of the IGST Act,2017. |
| 2 | <p>We already have about 500 mts of raw material at the job workers premises despatched prior to 30.06.2017.</p> <p>i} How do we account for this raw material now?</p> <p>ii) How do we remove the finished products for export purpose from his premises and under what documents?</p> | <p>Section 141 of the CGST Act provides for transitional provisions relating to job work that may be referred.</p> <p>For the removal of finished products for export from job worker's premises section 143 of the CGST Act may be referred which provides the procedure for removal of goods from job worker's premises for export or otherwise.</p> |
| 3 | We are exporting through courier mode for e commerce. We can either add the GST to the invoice and ship the goods with courier and apply for the refund? But in this case, refund conditions would want the EGM of export to be done on <u>ICEGATE.COM</u> which will not be there in the case of sample/ ecommerce export. How will I able to get the refunds then? | Being Examined. |
| 4 | <p>Our job worker is located in a Union territory (Silvassa, Dadra Nagar Haveli) and we are located in Maharashtra.How do we register the job worker to carry out our job work in his premises.</p> <p>And when the raw material is imported for job work or finished goods are removed from his premises for export what do we mention the state of origin; as MAHARASHTRA or SILVASSA in the Shipping bill / Bill of Entry? (The technical hitch is ICEGATE does not permit when exporter/ importer's state differs from the state of origin of material.</p> | <p>In GST there is State wise registration. So in such scenario either job worker can get registered under section 25 or you may obtain registration in UT and declare his place as additional place of business.</p> <p>The purpose of filling up the details of state of origin is for the DGFT to get data about each State or UT's contribution to exports. So in such scenario the State of origin would be that of SILVASSA from where the goods are being exported. But this is not a new scenario in case of merchant exporters where the merchant exporters might be registered in one state and exporting goods from premises of manufacturer of another state.</p> |
| 5 | Presently we have retained some imported raw material in the customs bond in the pre -GST era. How | if the Warehouse Bill of Entry has been filed before 1.7.17, then IGST is not leviable upon |

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| | do we move this material to job workers premises? | clearance. However, if Bill of entry has not been filed, then IGST would be attracted. (In case shifting of goods is from bonded warehouse under section 58 of Customs Act then above reply may suffice. However, it appears that question is regarding supply from warehouse (100% EOU) to job worker premises therefore provisions with regard GST Acts would apply |
| 6 | An exporter of Gems and Jewellery sector who has gone abroad to participate in exhibition, will not have to pay IGST on his left over unsold stock of Indian origin when these items are imported back in India. Kindly mention the provision which allows this. | Notification No. 46/2017-Customs dated 30.06.2017 may apply in such cases. |
| 7 | <p>The Company has informed that they are regularly importing their raw material and many times also sourcing the same from other importers through bond to bond transfer basis against Advance License. While doing so they will be paying IGST but original importer who is transferring the material to them is also contemplating to charge GST which tantamount to double taxation.</p> <p>The Company is seeking clarification how to deal with the situation to avoid double taxation and to get input credit on IGST paid on import.</p> | The practice of bond to bond transfer against advance licence would require re-examination as licences and scrips cannot be utilised for payment of IGST be it be on imports or domestic clearances. The original importer, if he has cleared the goods from customs would have discharged IGST on such clearance and same would be availed as ITC. |
| 8 | Kindly confirm, which rate of exchange will be applicable in case of exports and imports -CBEC or RBI? | For customs purpose CBEC's notified rate and for GST purpose RBI's reference rate. |
| 9 | <p>As per customs notification no. 68/2017, continuing bond is required to be submitted by the importer to the Assistant Commissioner of customs having jurisdiction over the premises to claim exemption from BCD at the time of import of goods by 100% EOU.</p> <p>We couldn't find format of continuing bond. You are requested to provide us the same.</p> | <p>Government has notified Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 vide notification no. 68/2017-Cus (NT). The rules are obligatory only if the corresponding exemption notification provides so.</p> <p>As regards the format of the bond, the format used in respect of Customs(Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods)</p> |

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| | | Rules,2016 may be continued to be used. |
| 10 | <p>As per our understanding procedure of procurement certificate has been abolished both for inputs and capital goods and in its place continuing bond will be applicable. while as per above, procurement certificate is not applicable for capital goods , does it mean, it is still applicable for inputs. Pls clarify.</p> <p>Customs (Import of Goods at Concessional Rate of Duty) Rules,, nowhere talks about that these rules are applicable only on capital goods. Rather it talks about concessional duty of inputs/ raw materials. Pls clarify.</p> | <p>The procedure prescribed in Customs (Import of Goods at Concessional Rate of Duty) Rules 2017 has to be followed only if the corresponding exemption notification provides so.</p> |
| 11 | <p>Our organisation; M/s GVK Biosciences Private Limited, Hyderabad; is a 100% EOU & we import various raw materials & capital goods from countries across the globe. Before GST implementation we used to clear all import consignments through Procurement Certificate (PC) with nil customs duty payment. With effect from 1st July 2017, Customs authorities are not allowing existing PC process for Basic Customs duty (BCD) exemption. We have approached various customs officials as well as GST Central tax department however none of the officials seem to be aware of new procedure to avail BCD exemption.</p> <p>Our number of import consignments are lying at various ports; viz; Hyderabad, Bengaluru & Chennai since last ten days.</p> <p>Requesting for your personal intervention to clarify on the subject point on top priority & advise the customs authorities at the ports mentioned above appropriately, so that we can clear the consignments immediately. Moreover since these consignments are incurring demurrages at the ports with no fault of ours, please advise the customs authorities to waive off the demurrages/penalty for these consignments.</p> <p>anand.kamat@gvkbio.com</p> | <p>Government has notified Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 vide notification no. 68/2017-Cus (NT). The rules are obligatory only if the corresponding exemption notification provides so. Relevant Notification may be referred in respect of the procedures to be followed for availing the benefit.</p> |
| 12 | <p>whether post-GST the facility of Invalidation Letter against EPCG Authorization shall continue to be available for procurement of capital goods from</p> | <p>The scheme of EPCG is set to revisit. Domestic procurement would be subject to payment of GST. DGFT may make necessary provisions in</p> |

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| | domestic supplier. J C MONGIA <mongia@isgec.co.in> | this regard. |
| 13 | <p>Our exporters are facing a problem in filing of export documents of Shipping Bill in ICEGATE under item 'Guar Gum Refined Splits' -- item no. 07133910 or 07139010. The exporter is receiving 'negative acknowledgement' (obviously an error) from the system, may be because of 'Guar seed', which also falls under the same Chapter 7. We request you, Sir, to look into this urgently, as export shipments are in danger of getting delayed, much to the inconvenience of the buyers. Perhaps, there is a need to update the ICEGATE status for Guar Gum Splits, as the same has been deleted from Chapter 13 in the Union Budget 2017-18. Timely export of Guar Gum Splits is being hit because of this ICEGATE snag, which requires urgent attention.</p> <p>Sir, the Guar industry has sent many representations in the past, particularly with regard to both Customs and Excise Nomenclature ITC (HS) codes, which are aligned with the World Customs Order (HS). Since the matter of this ICEGATE acknowledgement is urgent, we request you to examine this problem at the earliest and save the Guar Gum Splits exporters from needless embarrassment with regard to delayed delivery schedules.</p> <p>Dr Debjani Roy ED, SHEFEXIL</p> | TRU to respond. |
| 14 | We are functioning in a rented building and the owner is not yet registered under GST. Whether it is mandatory for him to register and how to book their bill for July'17, if he has not furnished the Regn details. We are in a system called SAP, hence may not be allowed to proceed without giving the Regn No. please clarify. | Section 9(4) of the CGST Act may be referred. If the owner is not registered, You will be required to pay GST on RCM basis. Owner needs to be registered if his aggregate turnover is more than Rs. 20 lakhs. |
| 15 | How to proceed with the accounting of advance payment collected from customers against Proforma invoice. Whether it is mandatory to collect GST amount along with advance payment. If so, while executing the | GST has to be charged on advance payments received from domestic recipients and not from foreign recipients. |

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| | order whether we need to bifurcate the in the Bill,please clarify. | |
| 16 | I am importing & buying locally capital goods for garments industry; which are still to arrive and will pay GST & IGST on all above. I am entitled to claim ITC refund on capital goods. Thus the refund of capital goods is related to drawback on my finished export products. If any relationship exists between refunds of capital goods ITC V/S draw back on exported products, please specify. | The principle is that the benefit of both drawback and refund of duty cannot be claimed. Refund of ITC in relation to export of goods or services is governed by section 54 of CGST Act read with Rule 96 and 96A of CGST Rules. At the same time, drawback does not include incidence of duty on capital goods. |
| 17 | Can you please advise how will bill be available of staff travelling on business since air tickets and Hotel bills are issued in the name of the person travelling. Since individuals will not have GST number while the Corporate on whose behalf they travel will have GST number How ITC will be claimed in this case? | The mentioning of GSTIN of the recipient is crucial for availing ITC. So it needs to be mentioned in the bill for airline ticket or hotel. |
| 18 | As you are aware many orders are booked and shipped on C & F basis. The invoice and SB prepared is based on estimated freight which differs from actual freight invoice received after shipment. Can you please advise | The value of the export goods is to be determined at the time and place of exportation, which is basically at the port, FoB value is taken as assessable for the purposes of exports. Since the nature of contract differs from exporter to exporter, the IGST can be paid on the FOB value which may be derived from the GIF, C&F, DDP etc |
| 19 | How will the invoice be accounted so that it does not result in any discrepancy while claiming ITC? | Details mentioned in Rule 46 of CGST Rules need to be captured in invoice and accounting should be in line with the accounting standards wherein the tax component is separately recorded. |
| 20 | Since amendment of invoice is not permitted customs attested invoice will differ from the invoice of buyer in foreign currency which is C& F invoice. | Not an issue in relation to refund under GST. |
| 21 | At times the foreign banking charges are deducted in remittance. Please advise how export turn over will be calculated for purpose of ITC credit? | As per the extant norms in relation to rebate or refund under excise. In accounting terms, export turnover is defined as the remittances received against a particular export consignment while the charges for collection are recognised separately under expenses. |
| 22 | Please advise if option of compounding available to job worker/processor if total billing/turnover is below 75 lakhs? Since compounding provision is not | Composition is not available to job worker. |

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| | allowed to a service provider? | |
| 23 | | |
| 24 | Kindly advise when garment samples are sent to accredited testing lab for testing which are not returned back can be sent only on challan and no Invoice is to be raised? OR invoice needs to be made and if so will be rate and value be '0'?If fabric sent for testing? | If the samples are being sent for testing and not returned back the concept of supply would kick in if there is consideration involved. Without invoice and with challan goods can be sent for job-work. |
| 25 | We are constructing new factory building for production of readymade garments. Construction material charged GST @ different rates. Can we get input tax credit of these GST paid on construction material paid for construction of factory building? ITC claimed on machinery will be eligible for claiming drawback or not? | No ITC on construction material. ITC on machinery will be governed by section 54 refund and Drawback provisions. Both ITC and drawback cannot be claimed together. At the same time, drawback does not include incidence of duty on capital goods. |
| 26 | If our factory building part given on rent to someone for industrial production so on that rent GST applicable or not. If yes than what is rate? That GST will be CGST or SGST or IGST? | If the aggregate turnover including rental is more than 20 lacs rupees, GST will be leviable. In case of immovable property the place of supply is location of immovable property and whether CGST & SGST or IGST is applicable would depend whether your location is in same State where property is located. |
| 27 | Is there any exemption limit on rent income? | Threshold exemption is 20 lacs (10 lacs in case of special category states except J&K). |
| 28 | As per procedure shown for Invoicing of the Export goods, the exporter is required to file an application before the "concerned" Authority for removal of the goods from the Factory. <u>Reference has to be made of this APPLICATION in the Export invoice.</u> However, it is not clarified whether this is to be done manually or through electronic means. If the same is to be sent manually, it requires additional work. On most occasions, the ACTUAL quantities of exportable pieces are known late in the night while final packing and the truck leaves for the Port even during late night hours. SO, how can we send MANUALLY this application prior to removal? If this application is to be made electronically, this is possible even in the middle of the night. We should be | ARE-1 (Application for removal of excisable goods for export) procedure was required to be followed during excise regime. This procedure is not required for commodities covered under GST law. However, for commodities under both excise & GST law, the procedure would have to be followed still. |

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| | made aware of the web-site or the link through which this can be done. | |
| 29 | A list of the job-workers has to be submitted. But no link on their GST site is seen where this can be done. Is this also required to be done manually? AEPC | GST does not provide for same. |
| 30 | Whether local Navi Mumbai APMCs are still allowed to charge local cess and other charges if we buy locally from Navi Mumbai market trader ? | APMC charges have not been subsumed in GST. |
| 31 | If an Exporter registered in New Delhi is exporting out of Ports in other states, such as Gujarat, Tamil Nadu, West Bengal, Maharashtra etc. He is exporting out of CFS or Custom Bonded Warehouses or from Warehouses placed near the Ports. So does the exporter have to register for GST in all the other states from where he is exporting? Or his registration of GST in New Delhi will suffice. | Not required to register in other places for export. |
| 31 | Wherein Importers registered in New Delhi, Import goods from various ports situated in different States of the country. So do they need to register in all the states, from where they are importing. | Not required to register. |
| 33 | When the exporter is filing the shipping bill, he has to state over there the "State of Origin" of the goods. So currently as on 3rd July, 2017, the problem faced by the exporter is that, if he is registered in New Delhi and he states the "State of Origin" of goods as Gujarat, the shipping bill number is not generated. But, when he states the "State of Origin" of goods as New Delhi, then immediately, the shipping bill number is obtained. So we need to know, whether this is software problem or there are certain rules for this | Same as point no.4 above. |
| 34 | We refer to circular no. 26/2017-customs (CBEC) dated 1st July 2017 In this circular, the customs have in detail, stated about "Self-Sealing of Containers, stuffed in warehouses and factories" We refer to Point 9 (vii), wherein they have stated that the containers will be Self-Sealed using "Tamper Proof | This issue would be clarified in due course. |

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| | <p>Electronic-seal of Standard Specification”.</p> <p>In this regards, we wish to know, from where our member exporters can avail this type of Seal and the software required to put in all the details</p> | |
| 35 | Does GST Change any of our Formats from the Export Commercial Invoice and Packing List? Do we need to add our GST Number in Any Place in Export Invoice? | GSTIN to be mentioned in GST Invoice and Shipping Bill. |
| 36 | Our Suppliers are Manufacturers Basically and we Deal in Purchase Against "H" Form, because of GST as being replaced on Behalf of H form- Do we pay taxes even at Exported Materials? And if yes, can we claim for rebate of the taxes paid? And how, kindly elaborate and explain. | There is no difference between merchant exporter and manufacturer exporter. Both to pay tax on procurement of goods or services and can claim rebate at the time of export. |
| 37 | As Traders we also sell locally to customers or port sometimes, so where do we look at the list of products and the taxes Implemented on the same, and HS Code of the same, Also guide us thru Local Domestic Invoice & Also Sale against H form Invoice, | Rule 46 of CGST Rules may be referred to. System of “H” form has been discontinued. |
| 38 | We also buy from Manufacturers or Traders and sell to Sellers Exporting it to different countries, what can be done in that case, same applies against H form sales or anything else needs to be done? | Pay GST on procurement of goods and export the same under claim of refund/rebate. |
| 39 | Does the Policy MEIS from DGFT Still remains and with the proper rates or not, if yes, where can we look at new rates, kindly advise if any change? | DGFT issue. |
| 40 | We get Drawback of 1% on Product Exported and ARE1 Refunds in the Service Tax Exempt, do we still apply and get the benefit? | Drawback can be claimed but not along with refund. |
| 41 | The Government Says Refund In 7 Working Days Of GST, So If I Ship In First Week July, Returns To Be Filed By 10th Of August, So Refund Comes Fater 40-50 Days So How Can Govt Say Refund In 7 Days ? | Refund within 7 days of filing of refund application and in case of export with payment of duty, the shipping bill itself shall be deemed as application for refund. |
| 42 | WHAT IS INPUT TAX CREDIT MAPINGS, ON WHAT ALL SERVICES WE CAN TAKE TAX CREDITS FOR EXPORT CARGO AND WHEN WILL REFUND COME | ITC is available on all goods or services except mentioned in Section 17(5) of CGST Act. Refund is governed by Section 54 of CGST Act read with Rule 96 and 96A of CGST Rules. |
| 43 | We are merchant exporter based in Mumbai & export of sesame seeds is effecting from Mundra Port (Gujarat). Due to GST, Mundra Custom is not accepting | As in point no. 4 |

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| | shipping bill as we are based in Maharashtra & origin of cargo is Gujarat/M.P/U.P. Due to which we are not able to re-claim 5 % GST on export. | |
| 44 | Can you guide whether there is GST on Sesamum Seeds and Sesamum Oil Cake? | TRU to respond. |
| 45 | The Freight Forwarders and Shipping Companies aren't convinced that Export Ocean Freight doesn't attract GST. There is still no clarity. Hence, if we could get a clarification from the GST Council or Ministry, it should lay the matter to rest. | TRU to respond. |
| 46 | Does broker start charging after he crosses the 20 lakhs limit or can he start to charge from the first Invoice ? | If he is an agent then no threshold otherwise threshold of 20 lac applies. |
| 47 | Most of the brokerage is in respect of oilseeds which is agriculture produce where the property of the product post farms does not change, will it still attract GST ? | TRU to respond. |
| 48 | Brokerage charged to foreign Companies for such agricultural produce not having enterprise in India will it attract GST ? | Intermediary services will be taxable in India. Pl see section 13(8) of IGST Act. |
| 49 | As per DTAA does this have different implication which is conflicting with GST ? | In GST the taxability depends upon Place of supply. |
| 50 | Are all services availed for which GST has been paid entitled to ITC or are there any services which are outside this ? | Negative list detailed in section 17 (5) of CGST Act, 2017. |
| 51 | TDS deducted by person availing service is it to be deducted on the pre-GST amount ? | TDS provisions have not been operationalised so far. |
| 52 | Merchant exporters located in one state and procuring from various states for shpt from various states not having offices there, but having job work done, how are they to receive their invoice from suppliers to ensure that their GST Refund on exports does not get held up. | On procurement, IGST to be paid and refund to be claimed. If job work done and export directly from premises of job worker then either job worker to be registered or his place be declared as additional place of business by merchant exporter as per the procedure prescribed under section 143 of CGST Act. |
| 53 | GST tax charged by the job work provider will it be entitled to ITC ? | Yes |
| 54 | Domestic supplier Invoice is in Indian rupee whereas Shipping Bill filed is in USD with the FOB amount shown in Indian rupee as per the Custom Exchange rate, both amounts are different. How is the exporter | IN GST invoice, value is to be declared as per RBI rate and in export invoice as per custom exchange rate. |

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| | supposed to declare ? | |
| 55 | Purchases made prior to 30th June and S/bills filed post 30th June are entitled to drawback till 31st August. Is this understood correct ? | Drawback for the period 1.7.2017 to 30.9.2017 is governed by Notification no. 131/2016-Cus (NT) dated 31.10.2016 as amended by Notification 59/2017-Cus (NT) dated 29.6.2017. Exports in this period are eligible for composite rate of drawback subject to condition that input tax credit of Central Goods and Services Tax (CGST) or Integrated Goods and Services Tax (IGST) on the export goods or on inputs and input services used in manufacture of export goods are not claimed or no claim is made of refund of IGST paid on export goods and exporters do not carry forward CENVAT credit on export goods or on inputs under CGST Act. |
| 56 | Purchases made post 1st July and S/bills filed post 1st July can they avail drawback ? As declaration is sought from the exporter which contradicts this implying they cannot file drawback S/bill. | Same as point no. 55 above. This is subject to requisite certificate/declaration to be given. |
| 57 | Imports made under Advance authorization scheme - how are they to pay and obtain tax refund? Is there any procedure where importer can give LUT ? | Imports under Advance Authorization are subject to IGST and Compensation Cess. ITC can be taken for such payments. Provisions for refund of unutilized credit or IGST paid on exports are already available under GST law. There is no LUT procedure for duty free imports. |
| 58 | We have noticed that unutilized ITC eligible on exports under LUT is less than the refund of unutilized ITC eligible on exports under payment of IGST. Does it mean that certain amount of unutilized ITC will lapse in case we are exporting goods without payment of IGST under LUT ??? Please clarify and comment what is advisable for exporters as far as monetary benefit is concerned. | Although both are similar but for ease of compliance refund of integrated tax paid on export of goods may be better. |
| 59 | We are registered GST Number, having Registered Office in Santacruz and Warehouse at Turbhe, Navi Mumbai. So, Letter of Undertaking (LUT) to Which Jurisdiction we have to submit. | The jurisdiction of principal place of business. Pl see circular no 4/4/2017-GST dated 07/07/2017. |

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| | IOPEA | |
| 60 | <p>We make electric motors (85011020, 85011012, 85011019) to be charged at 18% under GST regime</p> <p>And the Gear boxes -(84834000) to be charged at 28% under GST regime</p> <p>We also mount motor on to gear boxes i.e. geared motors & the HSN code is missing. Whenever we supply geared motor, we rigidly combine motor with gearbox. The final result is a single entity (Gear Motor). Hence it seems to be surely composite supply.</p> <p>However how do we determine which is the principal supply out of the motor or gearbox as in some products component cost of motor is higher compared to the gearbox and in other cases the cost of gearbox is higher compared to the motor. In certain cases cost of motor is equal to the cost of the gearbox. Until today in our industry we have seen many import shipping bills of geared motors where it has been classified under motor code i.e. 8501_____ series. At the same time we have invoiced all geared motors in domestic market as well as export under code 8501_____ series. If required we can send you the custom stamped EXCHANGE CONTROL COPIES for your inspection.</p> <p>We are utterly confused what to do & our business is at a standstill. At the same time customers are suffering. We are losing revenue because of lack of clarity on the TAX RATE to be charged. We seek your help and immediate attention.</p> <p>accounts@mechtex.com</p> | <p>The determination of principal supply is not dependent upon value. Dominance test of the supply along with trade parlance theory to be applied. HSN have remained same as they were existing earlier.</p> |
| 61 | <p>Prior to the GST regime a DTA Vat registered dealer was supplying to a SEZ unit without charging Vat. In case of Intra State supply simply the Invoice stamped by SEZ customs was enough as proof . In case of Inter State supply SEZ unit was required to issue an I Form.</p> | <p>Suggestion only. May be referred to Sectoral Group on Exports for examination and suggestions.</p> |

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| | <p>Under the GST regime all supplies to SEZ are zero rated and treated as exports. A GST registered dealer is now required to supply against Export Invoice either against LUT/ Bank Guarantee or under refund mechanism.</p> <p>SEZ units procures very small items also from DTA traders. An invoice could be as low as 100/- . The DTA suppliers specially traders are not interested to go through the cumbersome process of Export Invoice, Refund, LUT or BG. This is causing tremendous hardship in procurement of small maintenance and consumable items by SEZ from DTA.</p> <p>It is suggested that a DTA unit may be allowed to supply to SEZ say upto an Invoice value of 1 lac by not charging GST and simple submission of Stamped Invoice by SEZ customs should suffice as proof of export.</p> | |
| 62 | <p>In the transition period for 3 months, same duty drawback rates (B column) are being carried forward provided the exporter does not take the credit of central taxes. Is there any process to claim the refund of only SGST portion that the exporters will also incur on his procurement, during this time. Logically drawback rates carry only central taxes portion.</p> | <p>If drawback for exports availed, refund of same cannot be claimed under CGST Act,2017. For claim of refund of SGST portion, Section 54 of particular State's SGST Act may be referred.</p> |
| 63 | <p>Is there any explicit clarity regarding EO for EPCG that were issued before 30th June, but are used for import after 1st July. Here the duty debit would be only BCD, so logically the EO should also be 6 times of only BCD portion.</p> | <p align="center">Ministry of Commerce issue</p> |
| 64 | <p>How to find out who is our Jurisdictional authority?</p> | <p>List of jurisdictional offices is available on website.</p> |
| 65 | <p>Is the module for refund of GST in place. What is the exact procedure for refund,</p> <ul style="list-style-type: none"> - what is estimated time when we can get refund after 20th final monthly return - Do we apply for IGST, CGST and SGST separately or it will be one amount or separate amounts in the same refund application? | <p>Pl see section 54 of CGST Act and Rule 96 & 96A of CGST Rules.</p> |

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| 66 | If a supplier pays Rs. 1 less as per his GST liability for the month, then no one will get credit- this needs to be looked into. | This has already been examined and provisions have been made accordingly. |
| 67 | As per declaration at the time of exports without payment IGST, they say no credit to be taken for any taxes on stocks. What about SGST? | Excise wing may clarify |
| 70 | In case we export against Drawback, will the SGST paid on input be available as credit? | Same as point no. 62 |
| 71 | Benefits of Export in INR to Nepal/Bhutan/Iran | Zero rating of exports |
| 72 | Treatment of Merchant Exporters in GST | Same as any other exporter |
| 73 | , pls inform what procedure EOU has to follow to get exemption from BCD on import of input and capital goods. | With regard to EOUs, procedure is prescribed in the notification no. 52/2003, as amended. |
| 74 | Is it true that first return shall be filed only by 20 September 2017. If so, Merchant exporters shall be burdened with GST outstanding for the month of JULY, AUGUST & SEPTEMBER. If the refund is not made by 30 September than we shall be further burdened with the tax outstanding for the month of October also. Even if the refund is made in September, our fund blockade is for 3 months i.e. $18\% \times 3 = 54\%$ of monthly turnover which is very high for any exporter to survive Here more that the cost of interest , issue is the availability of the capital. | First return to be filed by 20 th August, 2017 albeit in simple form i.e. Form GSTR-3B. |
| 75 | Treaty between Government of India and Nepal allows the export in Indian Rupee also. However for such exports, no incentive and duty drawback is allowed. These exports are taking place against LC and also as open sale PAYMENT IS MADE BY RTGS / TT / DRAFT . Under Excise regime no Excise duty and sales tax was charged and such sale were exempted under ARE1 AND H FORM. What will be the status of such sale under GST rule: I. Whether exporters should raise export invoice charging IGST and such IGST shall be eligible for refund claim. If refund claim is not allowed then Nepal | Exports to NEPAL to be zero rated |

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| | <p>buyer shall be required to pay such taxes and in such cases how the buyer shall get refund or It will be additional cost to them</p> <p>II. Any ARE 1 is to be issued against such invoice. No ARE1 is being signed by CEX Authority</p> <p>III. Any other formalities or steps to be taken in respect of export to Nepal in INR</p> | |
| 76 | <p>Exports to Bhutan in Indian Rupee</p> <p>Treaty between Government of India and Bhutan allows the export in Indian Rupee. No US Dollar transaction is taking place. However for such exports, no incentive and duty drawback is allowed. These exports are taking place against LC and also as open sale. But on such sale under Excise regime Excise duty was charged and sales tax was NIL and such sale were exempted under H FORM under sales tax. What will be the status of such sale under GST rule :</p> <p>i. Whether exporters should raise export invoice charging IGST and such IGST shall be eligible for refund claim</p> <p>ii. Any ARE 1 is to be issued against such invoice. Excise are not issuing ARE!</p> <p>iii. Any other formalities or steps to be taken in respect of export to Bhutan</p> <p>Kindly review Section 96(8), which says</p> <p><i>The Central Government may pay refund of the integrated tax to the Government of Bhutan on the exports to Bhutan for such class of goods as may be notified in this behalf and where such refund is paid to the Government of Bhutan, the exporter shall not be paid any refund of the integrated tax."</i></p> | Exports to Bhutan to be zero rated |
| 77 | Is ITC available on: | Section 17 (5) of CGST Act, 2017 may be referred. |

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| S.No | Question/Issue | Reply |
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| | <ul style="list-style-type: none"> - Foreign Travel/ Domestic Travel by Exporters. - Entertainment expenses - Inward/ outward courier expenses. - Tele communication. - Staff Welfare Expenses. - Insurance expense. - Bank charges. - Repair & Maintenance charges. - Annual Maintenance contracts. - Services of labour contractors. | |
| 78 | <p>ITC for the GST paid under reverse charge mechanism for services under the heading Goods Transport Agency (GTA).It has been notified that GST will be charged at the rate of 5% with no ITC facility to the tax payer i.e. the recipient of the service.Previously this service was covered under the Reverse Charge Mechanism and an abatement of 75%, was also available.Moreover service tax was payable on 25% portion, but Service Tax credit was also allowed.But in the GST regime, it is not clear whether ITC on such GST services will be available or noy else it will make exports uncompetitive?</p> | <p>Recipient to pay GST on RCM basis in cash but they will be entitled for ITC of GST paid on GTA services. The supplier i.e. GTA is not eligible for ITC.</p> |
| 80 | <p>Registration: It has been published that VAT registered unit shall automatically be registered under GST. Please confirm.</p> | <p>Automatically migrated does not mean that the taxpayer has not to do anything. They have to complete the procedure as prescribed in Rule 24 of CGST Rules.</p> |
| 81 | <p>Registration for New Units: Units not registered under VAT. What shall be the process of registration.</p> | <p>Chapter VI relating to registration in CGST Act and Chapter III in CGST Rules may be referred.</p> |
| 82 | <p>Payment of GST on raw materials used in manufacturing of carpets and how to get refunds on exports. List of raw materials are long. Some of them are as under: Woollen yarn (ii) Manmade fibre yarn (iii) Yarn mixed wool and manmade fibre (iv) Cotton yarn for warp (v) Cotton yarn for weft (vi) Dyeing from units using Boiler (vii) Dyeing from units not using Boilers (Bhatta) (viii) Packages materials (ix) Transport charges (x) Ocean</p> | <p>GST paid on inputs will be available as refund in terms of Rule 96 and 96A of CGST Rules.</p> <p>Purchase of finished carpets from an unregistered supplier would be subject to GST on reverse charge basis if the recipient is</p> |

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| | <p>freight (xi) Shipping Agent charges and many others.</p> <p>It may be noted that raw material costs are 40 to 60% of total cost of product and GST on raw materials shall be quite substantial will GST be refunded</p> <p>Weaving charges paid to weavers. It may not attract GST.</p> <p>Guchhi order from subcontractor. It may attract GST.</p> <p>Purchase of finished carpets from non-registered suppliers: Will it attract GST ?</p> | registered. |
| 83 | Purchase of finished carpets from registered dealers will there be no GST if export documents shipping bill after exports are given to supplier. What shall be time period for export ? | Purchase will be subject to payment of GST but the same will be available as refund after exports. |
| 84 | Movements of cargo from exporters Warehouse to shipping and clearing agents. It should be free of GST. Please confirm ? | It is movement for transportation of goods and not subject to GST if the shipping and clearing agent is not the agent of exporter i.e. it should not fall within the purview of clause 3 of Schedule I of CGST Act,2017. |
| 85 | Stocks of carpets and raw materials in the godown of exporters as on 30.06.2017. Will it require any paper work such as stock list ? | For what purpose. Query not clear? |
| 86 | Carpets on order with weavers, washing, finishing, binders and other works should be free of GST. Please confirm ? | If job work, no GST except for the charges paid to job worker provided procedure laid down in section 143 is followed. |
| 87 | <p>Monthly Return.</p> <p>GST requires statement in GST R-1. In carpet industry there are exporters who have regular shipments every month and that are also many exporter who have exports only once or twice in a year or in 2 year.</p> <p>What about monthly statement for such exporters who do not have monthly exports ?</p> <p>Are they required to file NIL return ?</p> <p>What about refund if GST paid in a month on raw material with Nil exports.</p> | <p>Nil return to be filed once registered even if no supply.</p> <p>Refund of ITC only when exports takes place or there is inverted duty structure. Pl see section 54 of CGST Act.</p> |
| 88 | <p>Interstate sale (Sale or return basis)</p> <p>There are organization who want carpet on approval basis. If they do not sell they return the carpet. What about GST in such case ?</p> | Please see section 31(7) of CGST Act, 2017. |
| 89 | Kindly inform how to deal with the in inventory at present under GST rule. | Inventory at present to be declared to avail ITC in terms of section 140 of CGST Act read with Rule 117 of CGST Rules. |
| 90 | Also in case the local carpet buyer to whom a supply is made and invoice with GST paid is submitted desires to return the goods . | Returns through credit notes as prescribed in section 34 of CGST Act. |

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| 91 | How paid GST by the seller will be adjusted? | Adjusted through credit note in return. |
| 92 | A trader or businessman whose turnover is below 20 lacs yearly is exempted from GST. | Yes. Not required to register. |
| 94 | The entire industry should request Govt. of India to abolish 20 lacs cap and enhance it upto 75 lacs slab for the hand made Carpet Industry which may prove to be a booster to the exporters under MSME category. | CGST law provides for 20 lacs. Composition scheme can be availed for turnover up to Rs. 75 lac. |
| 95 | If we make a carpet with manmade fiber both the material and jobwork is rated @ 18% e.g. if the cost is Rs.50000.00 payable GST on material and jobwork is Rs.9000.00, but if we sell it for example at Rs. 60000.00 GST chargeable on a carpet @ 12% will be 7200.00. So paying GST 9000.00 during manufacturing and getting GST of 7200 after sales . How would the excess paid GST be adjusted ?? | ITC on account of inverted duty structure can be refunded except in case of certain goods such as textiles and works contract service as laid down in Not No. 5/2017- Central Tax (Rate). |
| 96 | Export Air freight is attracting a GST of 18% . We hear that the drawback will continue until Sep. 2017 subject to further review . If we make an export shipment in July 2017 , and for drawback claim there is a provision of an undertaking saying no tax credit has been taken nor would be claimed in future . but this GST of 18% paid on airfreight of that particular shipment , could it be taken in input credit and claimed further ? because GST paid on amount of air freight will be a lot more than the amount of drawback received for that air shipment. | In case of export air freight the place of supply is destination of goods which is outside the country so the requirement of payment of GST on same does not arise. Please see section 13(9) of IGST Act. |
| 97 | Since Rs.20.00 lac turnover businessmen are not included in GST so if they carry (transport) goods worth Rs.50000.00 and if checked by GST authorities then which prove (documents) they have to produce to the authorities? | Invoice or challan |
| 99 | Our finance minister told on TV that businessmen having turnover between Rs.20.00 lac to Rs.75.00 lac will pay 1% if they are traders and 2% if they are manufacturers then in this case will they get themselves registered in GST or not and what would be their liability concerning selling goods to registered GST businessmen? | They will require registration and they will pay this tax on turnover but they cannot charge this from customer be it be registered or unregistered. |
| 100 | Impact of GST on drawback concerning your letter dated:01.07.2017 Duty drawback facility under GST regime. | Drawback for the period 1.7.2017 to 30.9.2017 is governed by Notification no. 131/2016-Cus (NT) dated 31.10.2016 as amended by Notification 59/2017-Cus (NT) dated 29.6.2017. From 1.10.2017, drawback would cover only the incidence of customs duty on imported inputs and central excise duty on goods specified in Fourth Schedule to Central Excise Act 1944. |

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| 101 | What will be GST Rate for Job For i.e Weaving , washing , finishing extra ? | TRU |
| 102 | Will the rates for Jute carpets Job work and Woolen Carpet Job will be the same or different ? | Pertains to TRU. |
| 104 | What will be the GST on Rent and is there any limit of threshold for it ? | Yes. Threshold for exemption from registration is Rs. 20 lacs |
| 105 | Which expense will not get covered in refund , also beside these all are refundable? | Section 17 (5) of CGST Act refers |
| 106 | We are 100% Export unit . So If we do not have export in a certain month but we have paid GST on process and purchase , how we will claim the refund ? | No export no refund |
| 108 | Issuance of material on Job work challan will be the same or there will be any change in it ? | On Challan. Pl see section 143 of CGST Act. |
| 109 | If this is going to be changed , what will be the new format for Challan and Invoice ? | On challan |
| 110 | What about the Old Stock , will we get DDBK and other benefits same as we were getting before GST ? | <p>Drawback for the period 1.7.2017 to 30.9.2017 is governed by Notification no. 131/2016-Cus (NT) dated 31.10.2016 as amended by Notification 59/2017-Cus (NT) dated 29.6.2017.</p> <p>Exports in this period (including those from old stock) are eligible to composite rate of drawback subject to condition that input tax credit of Central Goods and Services Tax (CGST) or Integrated Goods and Services Tax (IGST) on the export goods or on inputs and input services used in manufacture of export goods are not claimed or no claim for refund is made for IGST paid on export goods and exporters do not carry forward CENVAT credit on export goods or on inputs under CGST Act.</p> <p>From 1.10.2017, drawback would cover only the incidence of customs duty on imported inputs and central excise duty on goods specified in Fourth Schedule to Central Excise Act 1944.</p> |
| 111 | There is a confusion on GST charged on the transport freight and Shipping freight . We understand that this is in refundable category ? | If paid for export of goods, the same would be refunded. |

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| 112 | Maximum of us who sell full container , usually make one Invoice for the container . Goods for this use to go in 2 different trucks with help of Cargo Declaration . Will the same is applicable now or we have to make separate Invoices for each Truck ? Also in case of separate Invoice , this will get charge us highly as well as not easy to make customer understand for it too | One invoice |
| 113 | Somewhere it's mentioned that Expense uptoRs. 5000/- daily are exempted in GST , please clarify if this is applicable , what expenses are going to be covered ? | Only for all supplies received from one or more than one unregistered suppliers per day by a registered recipient. |
| 114 | What about GST charged on our Domestic as well as foreign tour expenses i.e. Flight , Hotel etc. ? | If GST paid on same and does not fall in the exclusions mentioned section 17(5) of CGST Act and used for furtherance of business, ITC would be available. |
| 115 | <p>Please refer to the new taxation which is called GST and we are point out some effect for Manufacturing of carpets, as you are well aware that a manufacturer may send out their goods to a job worker with following process and later supply such goods to its customers and all the below Job work covered under GST act with the rate between 5% to 18% and all the below 11 process covered only one product which is Carpets.</p> <ul style="list-style-type: none"> • RAW MATERIAL PURCHASE • DYEING CHARGES • WEAVING CHARGES • WASHING CHARGES • BINDING CHARGES • CLIPPING CHARGES • STREATCHING CHARGES • FINISHING CHARGES • PRINTING & LABELLING CHARGES • PACKAGING CHARGES • TRANSPORTATION CHARGES <p>Imposition of GST on all the above job works in the carpets sector is expected to badly hit the industry that has large number of carpets & floor covering units.</p> <p>In this reference we would like to request you to please confirm with concern GST Authorities to suggest a satisfactory option about GST for Carpet Job works specially related to GST rate.</p> | Supplies for Job work is GST free but GST to be charged on charges collected by job worker. Please sees ection 143 of CGST Act. |
| 117 | Tax rate on Raw material/Packing material & carpets. | TRU to respond. |
| 118 | Procedure of stock transfer between interstate units. | Issuance of Invoice as prescribed in section 31 of CGST Act. |
| 119 | Procedure of Job work outsourced from vendor's | Section 143 of CGST Act refers |