

## FREQUENTLY ASKED QUESTIONS (FAQ)

1. All expenses like packing /penalty which are charged in Sales Invoice are taxable in GST? How to charge in bill?

Ans. All expenses will have to be included in the value and invoice needs to be issued accordingly. Please refer to Section 15 of CGST Act and Invoice Rules

2. A contract for a painting job was entered on 19th June, 2017. The job is performed from 10th July, 2017 to 30th July, 2017. Whether GST applicable?

Ans. The said supply will be taxable under GST law as services are performed after appointed date i.e. 1<sup>st</sup> July 2017

3. Is GST applicable on advance payment to suppliers?

Ans. Yes, as per Section 12 of CGST Act, 2017 relating to “Time of Supply of Goods”, provision says that liability to pay tax on goods shall arise on the earlier of the following dates:-

- a) date of issue of invoice by the supplier
- b) date on which the supplier receives the payment with respect to the supply:

Therefore in case of Advance Payment for Supply of Goods, Supplier receives the payment with respect to supply hence liable to be taxed under GST.

Receipt Voucher as per clause (d) of sub-section (3) of Section 31 containing details as per CGST Rules, 2017 shall be issued by the Supplier.