

FREQUENTLY ASKED QUESTION (FAQ)

DATE :- 28/07/2017

1. What is the GST rate on the supply of goods and service both under a Works Contract? Whether seprate rate for goods and service will be applicable?

Ans:- Entry 6 of the said schedule has categorically included "works contract as defined in section 2(119)" as supply of services. And as per Section 2(119) of the CGST Act, 2017 , "works contract" means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract.

Applicable rate of GST on such contracts rate will be applicable @18%.

2. Whether GST will be applicable on EMD and Secuirty deposit (SD) and what is the rate on the same?

Ans:-GST will not be applicable on the SD unless such SD is applied towards the supply of goods and services.

Rate of GST will depend upon the applicable rate on goods or service.

3. Whether GSTIN no is mandatory in invoice?

Ans:- When vendor is registered person and issued tax invoice under GST act 2017 then GSTIN is mandatory in invoice.

In Case of purchase from an unregistered person, GSTIN is not mandatory, in such cases GST will be payable under reverse charge mechanism.

4. Whether GST will be applicable on services and goods supplied by WCR to other railways and intra department units?

Ans: As per entry no. 8 of notification 12/2017 dated 28/06/2017 only following services provided by the central government to other central government will be taxable:-

- a) Service by the department of post by way of post, express, parcel, speed post, life insurance, and agency service provided to a person other than central government, union territory and state government.
- b) service in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport.
- c) service of transport of goods or/and passengers.

Hence, all services other than above mentioned services provided by the Central Government to other Central Government will be exempted.

