



Clarification to the queries of Members of Indian Corrugated Box Manufacturers Association, Mumbai on GST dated 18.07.2017

To	Members of Indian Corrugated Box Manufacturers Association, Mumbai
From	Rohit Kumar Singh, Dipak Tiwary - Karvy Data Management Services Ltd.
Date	July 18, 2017
Subject	Impact of GST on corrugated box industry

Query 3: From Mr PSR Prasad, Jayaraj Fortune Packaging:

We sell material on Ex-Factory price basis. We charge customer freight as per actual.

Where should we need to mention freight in Invoice? I.e. after taxes or before taxes.

Under what HS code freight would be accounted? Kindly clarify.

Answer: Where a supplier supplies goods to a customer on ex-factory prices and charges freight as per actuals on the invoice, the supplier needs to issue Tax Invoice to his customer in the following manner:

(i)	Base value of the goods as determined on ex-factory price basis –	xxxxx
(ii)	Freight Charges for transportation of goods	- xxxxx
	<u>Total taxable value of goods (i+ii)</u>	<u>- xxxxx</u>
	<u>CGST + SGST or IGST at the rate applicable on the goods supplied</u>	<u>-xxxxx</u>

Here transportation services is considered to be in combination with the goods supplied to the customer and such supply shall be treated as a composite supply wherein supply of goods is a principal supply and rate of tax under GST will be the rate applicable to the principal supply of goods.

HSN Code applicable to the principal supply of goods will have to be considered in both the line items in the above mentioned illustration.

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