

FREQUENTLY ASKED QUESTIONS **IMPLEMENTATION OF GST**

ISSUES CONCERNING DEPOTS

Q. What will be the format of Purchase Orders in GST Regime?

A. Purchase orders in the existing VAT regime will continue after removing the columns such as VAT columns VAT, CST etc and by adding the following fields :-

- (a) GSTN of respective depot
- (b) GST rate applicable for the index.
- (c) HSN Code for each index etc.,

Q. To whom to approach for obtaining GSTIN of suppliers, HSN Code & GST rate for each index?

A. Stores Branches have been collecting the GSTIN details of each Company and their Distribution Centres, HSN Code and GST rate for each index of all the Companies. The data will be shared in due course of time.

Q. What is going to be the Unique Identification Number (UIN) of CSD for refund mechanism?

A. The clarification in this regard is awaited from Ministry of Finance. Applicability of UIN for obtaining 50% GST refund will be clarified at the earliest.

Q. Will 50% exemption of GST rates apply on sale of non CSD items at URC?

A. Ministry of Finance vide Notification No 06/2017 & 07/2017 both dated 28 June 2017 has exempted sale / supply of goods by URCs to end customers. No URC is entitled to sell non CSD items in the same premises including INCS. Hence, non CSD items sold by any URCs to end customers are not eligible for exemption of GST rates extended by Govt of India.

Q. What will be the format of Form 2 and Return Form 2?

A. These formats under the VAT regime should continue in the GST regime after removing fields such as VAT, CST Octroi etc and by adding the following fields :-

- (a) HSN code by each index
- (b) GST rate of each index
- (c) GSTN of supplier as well as CSD depot and etc.

Q. Are Debit Note and Credit Note raised on companies required to be uploaded on GST network?

A. The depots will raise the debit notes and credit notes against the Companies towards short supply of goods, damaged goods and life expired goods which will be further uploaded to GST network clearly quoting the corresponding purchase invoice details. However, the debit notes and credit notes for non-supply, late supply, part supply, non-extension on CPS etc are not to be uploaded to GST network since these are raised towards the penalties and not related to the quantum of goods supplied.

Q. Change of HSN Code and GST rate?

A. HSN Code and GST rate is being mentioned in all circulars sent to suppliers with copy to all depots. For any changes/revision from time to time depots should maintain proper record and update regularly on receipt of circulars from HO.

Q. What is to be done in case of difference between GSTIN of firm circulated by HO and as annotated on invoice?

A. Though HO is complying data for GSTIN of each firm and will be shared later on, the correct GSTIN data will be available on bills received from firms and same data be complied by each depot depending upon its source of supply and regular checked/updated for each bill so received so that there is no mismatch in returns.

Q. Is sale of stores to URC located outside State will attract CST in GST Regime?

A. CST charged in VAT regime is subsumed in GST. Hence, interstate sale made by CSD Depots to URCs or any inter Depot transfer will not attract CST. The sales to URCs by CSD Depots are outside the scopes of GST. Hence, CSD Depots have to sale URCs situated within the state or outside the State at whole sale rates issued by F&A Branch. However, liquor is outside the purview of GST, hence sale of liquor made to interstate URCs will be loaded with CST.

Q. Is separate Notifications by State Govt towards SGST is required?

A. A letter duly signed by GM (CSD) addressed to State Govt. will be forwarded for passing of Notification by State Govt. for extending exemption of 50% SGST. Depots are to liaise with concerned authorities for issue of notification in this regard.

Q. What is the mechanism for filing of GST returns?

A. GST returns to be filed by depots can be uploaded to GST network through excel files. Hence, all the depots to record their purchases and sales meticulously in the existing automated environment viz ICSDS Phase-I, Fox Pro etc., and to prepare excel files at the end of each month and file the following returns through their respective Chartered Accountants (CAs).

GSTR-I

(Clearly showing sales to URCs as business to customers)

GSTR-2

GSTR-3

Q. Is filing of GST returns through Chartered Accountants mandatory?

A. Filing of GST Returns through Chartered Accountants is not mandatory. Depots can file all the GST Returns after preparing the same in Excel File. However, due to limitation of expertise at Depots and new system related to GST, it is advisable to file GST Returns through Chartered Accountants. This procedure will be akin to the procedure followed in the VAT regime. The Competent Authority has stopped hiring of Tax Consultants/Advocates who are not a qualified Chartered Accountant, as defined in Companies Act & CA Act.

Q. Is 50% exemption of GST applicable to CSD Staff at Depots?

A. 50% of GST rates exemption is extended to all the supplies by CSD to its authorized customers and to the URCs as per the Notification No. 07/2017 dated 28 June 2017 issued by Ministry of Finance. CSD Staff are authorized customers to purchase goods at CSD Depots as per existing procedure. Hence, there should not be any doubt on eligibility of 50% exemption of GST rates to the sales made to CSD Staff at depots.

Q. Is 50% exemption of GST applicable for Defence Civilians for purchase of AFD-I items like TV, Refrigerator, Two Wheelers and Four Wheelers?

A. 50% GST rate exemption has been extended to all the authorized customers vide Notification No. 07/2017 dated 28 June 2017. Hence all the authorized customers who purchase AFD-I items like TV, Refrigerator, Two Wheelers and Four Wheelers etc. including Defence Civilians will be authorized for 50% exemption in GST rates. Hence, rates applicable to Armed Forces Personnel will be equally applicable to all eligible authorized customers.

Q. Is QD to be calculated without 50% of GST rates inclusive in selling prices?

A. 50% of GST will be the cost to CSD after filing/accounting the exemption operation of 50% GST rate. Hence, it becomes cost for CSD and not any tax element. Hence, it should be considered for computation of QD. However, the same is being sent for clarification to CDA (CSD). After receipt of clarification, a separate instruction will be issued to all the Depots.

Q. What is billing mechanism for AFD-I items in GST regime?

A. AFD-I suppliers are to bill to the respective Depots by adding corresponding GST rate (100%). CSD Depot will make payment towards AFD-I items supplied by the companies including 100% GST amount. Further, Depots have to claim refund of 50% of GST rate by filing necessary GST Returns.

Q. Which account is to be used for GST refund purpose?

A. "Main Account" of Depot will be used for the purpose of GST Refund.

Q. Can HSN Code be same for two or more than two items?

A. HSN Code can be same for similar category of items.

Q. How to resolve different HSN Code intimated by Store Branch Circulars and HSN Code mentioned in the suppliers bill?

A. Different HSN Code as intimated by circulars issued by Store Branches and as mentioned in suppliers Bill can be resolved by referring to concerned Store Branch directly. However, HSN Code with dot in between as happened in case of HUL (3401.11.90) should be accepted since it is different way of presentation of HSN Code.

Q. Should HSN Code with 4 digit to be accepted?

A. As per notification No. 12/2017 dated 28 June 2017 issued by Ministry of Finance, a company with annual turnover in the preceding Financial Year of more than one crore fifty lakhs and up to 5 crores shall mention first 2 digits of HSN Code and annual turnover of more than 05 crores shall mention first 4 digits of HSN Code. Thus, HSN code with first 4 digits can also be accepted though the Store Branch circulars convey 8 digits.

Q. Can firm raise Debit/Credit Notes on CSD?

A. Yes. The firms can raise Debit/Credit Notes on CSD. Debit/Credit Notes raised by the firm will be on account of correcting errors in invoice amount due to factors such as short/excess supply, wrong pricing etc. Such Debit/Credit Notes will be part of GST returns filing in GSTR-I uploaded by firms.

Q. Can one Invoice contain items having different GST rates?

A. An invoice can contain items having different GST rates say 5%, 12%, 18% and 28%. An invoice should not be rejected on the grounds that items falling under different GST rates have been included in one invoice. However, companies have been advised to segregate the supplies to feature each category of GST rate at one place for easy accounting at Depots vide letter No. 6/F&A/C&C/GST/6335 dated 27 July 2017.

Q. Rejection of supplies from companies due to mismatch of invoice formats from the format issued by F&A Branch vide letter No.6/F&A/C&C/419 dated 16 June 2017

A. Complaints have been received from many companies stating that Depots are refusing delivery of goods against the orders on the pretext that invoice format are not matching with format circulated by F&A Branch vide above quoted letter.

In this regard it is once again clarified that invoice format circulated by this office was "PURELY ADVISORY IN NATURE" covering small scale sole proprietorship to HUL. Hence, if the invoice is meeting basic requirements of GST law such as GSTIN, GST rate, CGST, SGST, IGST, and etc., all the depots are to accept the goods.

ISSUES CONCERNING SUPPLIERS

Q. What is going to be the Unique Identification Number (UIN) of CSD for refund mechanism?

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Q. Are Debit Note and Credit Note raised on companies required to be uploaded on GST network?

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ISSUES CONCERNING URCs

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