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Andhra Pradesh State Civil Supplies Corporation Ltd.

(A State Government Undertaking)

Regd. Office: 6-3-655/1/A, Civil Supplies Bhavan, Somajiguda, HYDERABAD -500 082

V.ANIL KUMAR . I A.S.
V C & MANAGING DIRECTOR

L.No.Acts.65/VAT/2013.

Dated: 26-12-2013

CIRCULAR. No 59/ Fin & I.A.

Sub:-APSCSCL-HO-Finance & Accounts- Purchase of Red gram Dall by District offices-Imposition of Quality cuts-certain instructions on booking of purchases and VAT on Red gram Dall from April 2013 -Reg.

The District offices are purchasing Red gram Dall every month from suppliers within the State and from outside the State as per the Tenders finalized by the Head office. In the transaction quality cuts are imposed towards unhusked and other unsound grains and recovered from the cost of Dall by paying net amount.

In this connection the following instructions are issued regarding treatment of the transaction in accounts and for submission of VAT returns,

1. The net purchase cost of Dall after deduction of Quality Cuts shall be entered in OE IV. Presently some district offices are entering the gross value in OE IV under purchases and crediting the amount of Quality Cuts to "Income from Quality Cuts A/C" VAT is being paid on gross value of purchases. Such practice is creating problems at the time of VAT Assessment. Hence the net purchase cost shall be booked in OE IV as purchases w.e.f April 2013.

2. VAT shall be calculated and paid to the Supplier, only on the net purchase cost after deduction of Quality Cuts @5%. If VAT was paid at any time on the gross purchase value, such excess payment shall be recovered from the supplier.

3. The net purchase value as above and VAT thereon shall be entered in OE IV and reported in monthly VAT returns. The net average rate per MT shall be shown in the return

4. The monthly VAT return shall be supported by the details of quality cuts made during the month in annexure IV in the following proforma

Annexure IV

Details of quality cuts imposed on purchase of Red gram Dall during the Month

(Value in Rs)

S.N o	Particulars	Purchases within the State	Purchases outside the State
1	Qty .received during the month (MTs)		
2	Rate per MT		
3	Gross Purchase Cost		
4	Quality Cuts imposed – a) Unhusked b) Other unsound grains Total (a+b)		
5	Net Purchase Cost (3-4)		
6	VAT @5% on(5)		NIL
7	Net Average Cost per MT (5/1)		

In cases where there is more than one rate during a month separate statement shall be prepared in respect of each rate.

Information in the above pro forma shall also be submitted for the months of April 2013 to November 2013. Variations on this account in any of those months shall be adjusted in the VAT return for December 2013.

Receipt of the Circular shall be acknowledged

Sd/-

VC & Managing Director

// t.c.f.b.o //

GENERAL MANAGER (FINANCE) *FAC*

To,
All the District Managers APSCSCL
All the Zonal Managers APSCSCL for information

Copy to
General Manager (Mktg) APSCSCL Hyderabad for information
Manager (Audit) APSCSCL Hyderabad for information