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Annexure No 29

Fax : 040-23310474  
Telex : 0425-6356 FOOD IN  
Grams : STATE FOOD  
Post Box No.: 1527



Phone: Managing Director: 23310973  
Office: 23310173  
23312104

## The 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

SMT. B.UDAYA LAKSHMI, IAS.,  
VC & MANAGING DIRECTOR.

CIRCULAR NO. 68 MKTG.

Mktg.M6/5547/2008/RG Dal.

Date:06.06.2009.

Sub:- APSCSCL – Marketing – Procurement of Redgramdal through Tenders for distribution under PDS at subsidised rate – Stocks purchased from others States – Clarification on VAT – Reg.

- Ref:-
1. GO Rt.No.128 CA, F & CS (CS.I) Dept., dtd.3.10.2008.
  2. HO Circular No.62 Mktg, (No.Mktg.M6/5547/2008/RG.Dal).dtd:10.12.2008.
  3. HO Lr.No.Mktg/M6/5547/2008/RG.Dall, dtd.03.01.2009.
  4. HO Lr.No.Mktg/M6/5547/2008/RG.Dall, dtd.04.05.2009 addressed to Commr.of Commercial Taxes.
  5. Commr. of Commercial Taxes Ref.No.AIII(1)/243/08, dtd 13.05.2009.

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In the reference 1<sup>st</sup> cited, Govt. issued orders that the APSCSCL shall pay VAT on purchase of Redgramdal brought from places outside A.P. for distribution under PDS and later claim reimbursement within the over all subsidy provided to the Department under MIO 2008-09, on the request of the Corporation to consider VAT exemption to the traders who bring Redgramdal from other States other than Andhra Pradesh or the APSCSCL may be permitted to pay the VAT on such quantity subject to reimbursement by the Government in order to procure more quantitie of Redgramdal from other States to stabilise the open market prices in A.P.

In the reference 2<sup>nd</sup> cited, the following instructions have been issued on VAT liability on purchase of Redgramdal based on the clarification of the Commercial Taxes Department:

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Signature.....

### **1) Procurement of Redgramdal from local VAT dealers:**

Purchase of Redgramdal is inclusive of all taxes. Therefore, the dealers are liable to pay tax @ 4% under A.P.VAT Act. The dealer shall specifically show VAT at 4% in purchase invoice (Tax Invoice). The District Managers while furnishing the VAT returns shall show VAT, cost including VAT, cost excluding VAT and VAT amount on purchase of Redgramdal.

### **2) Procurement of Dal from outside the State:**

The Supplier should be a Registered Dealer with Sales Tax Department in the outside State and should clearly mention TIN No. in the Invoice, as source of supply is very important. The District Managers shall obtain Tax Invoices from outside the State dealers clearly stating that no VAT is payable in their State. Further, the truck chit accompanying the truck transporting the dal shall be accompanied with way bill issued by the C.T. Department of outside the State and copy of the same should be obtained from the outside dealer along with Tax Invoices. In this case no "C" Form is to be given to the dealers by the Corporation.

### **3) Procurement of dal from outside the State through local dealers (transit sale).**

In this case, the dealers shall invariably submit E-1 Form and then the District Managers shall send the proposal to the Head Office for release of C-Form. The District Managers should ensure that the dealer has made an endorsement (signature and stamp) on the reverse of the way bill and tax invoice stating that the stocks shall be unloaded at the specified destination point (godown). After release of C Forms only the District Managers shall pay the withheld amount to the dealers. If the dealer fails to submit the E-1 Form the District Managers shall not send any proposal to Head Office for release of C Forms under any circumstances. The District Managers shall send the supporting document copies to Head Office along with VAT Return in the first week of succeeding month with dealer-wise quantity purchased during the month duly indicating the stocks supplied by outside the State Dealers / stocks supplied through transit sale which covered E-1 Form transaction and stocks supplied by A.P. Dealers.

In the reference 3<sup>rd</sup> cited, the District Managers have been requested to withhold 4% on the value of total claim and release the balance 6%, if the stocks are received in good condition, after examining the matter with reference to Government orders on payment of VAT.

In the reference 4<sup>th</sup> cited, the Commissioner of Commercial Taxes has been requested to inform the requisite documents to be considered in proof of receipt of Redgramdal stocks from outside the State for settlement of claims of the suppliers and for release of the withheld amounts @ 4%, as some of the District Managers have requested the Head Office for instructions on release of the withheld amount of 4% to the Suppliers on the basis of delivery challan / truck chits, as Way Bills are not issued in Karnataka and Maharashtra States since Redgramdal is a tax free commodity.

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In the reference 5<sup>th</sup> cited, the Commissioner of Commercial Taxes, Government of Andhra Pradesh, Hyderabad has informed as follows:

"In the absence of way bill system in the selling State, the invoice copy of the selling dealer must be verified whether it is stamped and checked at the Check Post of the Commercial Taxes Department. Apart from this also, the Lorry Receipt (LR) of the transporter may be considered as a proof of transportation of Redgramdal from other States."

Besides the above, the District Managers may also verify the financial transactions made by the local suppliers for the purchase of dall outside the State for claiming VAT exemption. The District Managers are requested to keep the record of all relevant documents in their offices as proof, as per the directives of the Commissioner of Commercial Taxes as far as payment of VAT is concerned.

Any slackness in this regard will be viewed seriously and the District Managers will be personally held responsible if they fail to follow the rules and directions issued in this regard.

If the District Managers, without obtaining the relevant documents release the money and subsequently if the Corporation is forced to pay the VAT, in such cases the entire amount will be recovered from the District Managers concerned.

Hence, all the District Managers are requested to take action as above for settlement of pending claims of the Redgramdal Suppliers who have supplied stocks from VAT exempted States.

Receipt of the circular may be acknowledged.

Sd/- B.Udaya Lakshmi  
VC & MANAGING DIRECTOR.

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

*[Handwritten signature]*  
GENERAL MANAGER (Mktg.)

To  
All the District Managers, APSCSCL.  
Copy to all the Joint Collectors & EOEDs, APSCSCL.  
Copy to the General Manager (Fin.), APSCSCL, Hyderabad.  
Copy to the Commissioner of Civil Supplies, A.P., Hyderabad.  
Copy to SF/spare.

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