

CENTRAL WAREHOUSING CORPORATION
(GOVT. OF INDIA UNDERTAKING)

By Speed Post / Email

No. CWC/FD-Compilation/An. Closing/17-18

23rd May, 2017

Accounts Circular # 13

Subject: Changes Required In Accounting Methods and Procedures with the Implementation of GST...reg

1.0 Corporate office reviewed the Accounting system currently being used by CWC at its 23 Accounting units with the requirements of GST payments & filling of returns in the Model GST law & draft rules and decided that the following discipline is required for booking of income and expenses i.e invoice issued and received besides capturing the right data both for inward and outward supply of services.

Existing practice	Discipline required
For reserved capacity, warehouses raises bill in advance in 1 st week of the month and forward the same to RO by 2 nd Week.	Warehouses should raise the bill by 2 nd of the month and forward immediately to RO so as to reach the RO by 5 th .
For General warehousing, the Units issue the cash receipt directly at the time of delivery of stock and for other services like PCS, weighment charges etc, and forward the monthly cash book to RO by 2 nd week of subsequent month for accounting.	Booking of Invoice, Debit Note, Credit Note should be done at warehouse only to enable the output services data to reach the concerned RO by month end. Payment vouchers and receipts are to be issued simultaneously and same should be sent during the course of the month. In addition, Warehouses should prepare the monthly cash book on last working day of the month and forward immediately to RO so as to reach the RO latest by 2 nd or 3 rd of the month for timely accounting.
In respect of input services/purchases, the bill is sent to Accounts Section only after the bill is processed and sanction is obtained.	Copy of the bills/invoices for the input services/purchases should be sent to Accounts Section immediately for accounting and the sanction obtained and communicated at the earliest.
Unpaid liability are informed to Accounts Section after a gap of one/two months	Unpaid liabilities are to be informed to Accounts Section in the first week of subsequent month.

This is to be ensured that the correct data is to be sent by Warehouses to RO by last day/next day of the month so that the return can be filed in time. The bills of suppliers received during the month are to be sanctioned and sent to regional offices for booking by last day of the month. Supplier will have to be asked to send their Invoice on the date of issue so that same can be accounted for and input credit can be taken

- 2.0 IN GST all the returns have to be filed online with perfection. The return for outward supplies is required to be filed by 10th and for inward supplies by 15th of the following month. It is thus, required that accounting of all inward/outward invoices for various supply/services is completed well in time as per 2.0 above. The return is to be filed by capturing the figures from the books of accounts. The tax credit under GST can be availed on Inputs only after supplier has filed his input return in time under GST clearly stating GST registration no. of CWC. Our customers can avail tax credit of GST charged by the Corporation in our bills only after we file output return under GST clearly stating the GST ID of our clients/depositors.
- 3.0 Invoices raised for services (like storage, MF, PCS etc.) should be accounted latest by 3rd of the following month. Similarly, for input services, accounting should be completed by the end of month i.e. 30th /31st. No accounting entry for inward supply in a month should be carried forward to next month for entering. This only will ensure availment and accounting of correct input credit.
- 4.0 For this purpose, Vendor-wise/customer-wise accounting is to be done. The expenditure is to be booked by debiting relevant expenditure account and with corresponding credit by creating the vendor account. For bank payment voucher, on release of payment, the Vendor account shall be debited and bank shall be credited. However, in case of small cash purchases/expenses where on the spot payments are released direct entry may be passed by recording the GST registration no of the supplier in reference.

Master for both supplier of Goods and services and customers should be created having the following fields:

1.	Name of the party	
2.	Address of the party	
3.	PAN No.	
4.	GST No./Service tax No./VAT, whichever is applicable	
5.	Name of contact person	
6.	Contact No.	
7.	Mail id	

5.0 5.1 Separate Accounting heads also needs to be created for input tax credit control and avaiement account with respect to CGST, SGST and IGST and similarly, for output services, CGST output tax payable, SGST output tax payable and IGST tax payable.

5.2 While opening the ledger, it is to be ensured that the option on available in tally for maintaining the ledger "Bill by Bill" to be clicked "yes" i.e. these ledgers to be maintained party wise in tally.

5.3 However, the Regional offices having the administrative control of two or more states shall instead of opening the ledger shall open the group for items mentioned in 5.1 and open the state wise ledger under that group for input tax credit control and avaiement account with respect to CGST, SGST and IGST and; similarly, for output services, CGST output tax payable, SGST output tax payable and IGST tax payable.

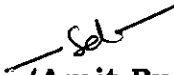
5.4 Suggested Accounting entries are prescribed in annexure-I.

6.0 The data for filling return on 10th ,15th & 20th are to be captured from the books of accounts on the basis of above entries.

7.0 Separate Accounting heads also needs to be created for input tax credit with respect to CGST, SGST and IGST and similarly, for output services, CGST output tax payable, SGST output tax payable and IGST tax payable.

8.0 Under the new GST law, the CENVAT credit available in the books of account of Corporation can be claimed based on the last service tax return filed and accounted. Units need to ensure that the CENVAT credit receivable A/c. P580 should be duly reconciled as no further change after the filing of last service tax return would be permissible.

The Circular may be brought to the notice of all concerned for scrupulous compliance.


(Amit Puri)
DGM(Tax & CA)

Distribution to:

1. All Regional Managers of CWC.
2. All Executive Engineers in-charge of all the Construction Cells of CWC.
3. All AGMs/Managers/ (Sr.) Asstt. Managers in-charge of the Finance, Accounts & Internal Audit Wings of all ROs & CCs of CWC.

Copies for information to:

1. AM to Director (Fin), CWC, CO, New Delhi.
2. PS to GM (F&A), CWC, Corp. Office, New Delhi.
3. PS to GM (Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website.
4. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.

ANNEXURE-I

Following accounting system need to be followed:

A) Entry at the time of raising the bill to customer:

Customer/Debtor's A/c	Dr.	xxx	
To Warehousing Charges/M.F/PCS/OTHERS	Cr.		xxx
To P591 CGST Output Tax Payable	Cr.		xxx
To P592 SGST Output Tax Payable	Cr.		xxx
To P593 IGST Output Tax Payable	Cr.		xxx
(Being bill raised to customer for output supply of services)			

B) Vouchers for booking of any expenditures/ inward supply of goods/services:

Expenditure A/c (Revenue/Capital)	Dr.	xxx	
P594 CGST Input Tax Credit Control A/c	Dr.	xxx	
P595 SGST Input Tax Credit Control A/c	Dr.	xxx	
P596 IGST Input Tax Credit Control A/c	Dr.	xxx	
To TDS(as applicable)	Cr.		xxx
To Supplier of Goods/Service	Cr.		xxx
(Being expenditure incurred on inward supply of services)			

Note: Input credit will be first debited to control accounts.

C) At the time of payment of expenditures/ inward supply of goods/services:

Supplier of Goods/Service	Dr.	xxx	
To Bank	Cr.		xxx
(Being payments made to supplier of goods/services)			

D) At the time of matching of input credit available in books in control account with the credit available in GSTN website. Only to the extent credit available on GSTN website is to be transferred from control a/c to avaiement a/c by passing the below mentioned entry:

P597 CGST Input Tax Credit Avaiement A/c	Dr.	xxx	
P598 SGST Input Tax Credit Avaiement A/c	Dr.	xxx	
P599 IGST Input Tax Credit Avaiement A/c	Dr.	xxx	
To P594 CGST Input Tax Credit Control A/c	Cr.		xxx
To P595 SGST Input Tax Credit Control A/c	Cr.		xxx
To P596 IGST Input Tax Credit Control A/c	Cr.		xxx
(Being party wise Credit available is transferred from control A/c to Credit A/c)			

E) At the time of Payment of balance output tax after utilization of input tax credit:

To P591 CGST Output Tax Payable	Dr.	xxx	
To P592 SGST Output Tax Payable	Dr.	xxx	
To P593 IGST Output Tax Payable	Dr.	xxx	
To P597 CGST Input Tax Credit Availment A/c	Cr.		xxx
To P598 SGST Input Tax Credit Availment A/c	Cr.		xxx
To P599 IGST Input Tax Credit Availment A/c	Cr.		xxx
To Bank			
(Being After utilization of credit available on GSTN Website balance GST paid)			

F) In case any input tax credit need to be reversed due to compliance of any provisions of upcoming GST act, following entry shall be passed:

To R897 UN-Utilised Input Tax Credit(CGST/SGST/IGST)	Dr.	xxx	
To P597 CGST Input Tax Credit Availment A/c	Cr.		xxx
To P598 SGST Input Tax Credit Availment A/c	Cr.		xxx
To P599 IGST Input Tax Credit Availment A/c	Cr.		xxx
(Being After utilization of credit available on GSTN Website balance GST paid)			