

Ref : APS/MSCDA/662/2017

June 8, 2017

**PRESIDENTS/SECRETARIES OF ALL THE  
DISTRICT ASSOCIATION OF THE M.S.C.D.A AND ALL THE MEMBERS**

Sub : **GST GUIDELINES FOR MEMBERS**

Dear Members,

We all are well aware that Government is gearing to implement GST w.e.f. 1<sup>st</sup> July 2017. The necessary draft of Act and Rules are already framed. We have discussed about its implication on our wholesale and retail trade with our tax experts. As per the GST Rules, there are provisions to claim input tax credit on the closing stocks as on 30<sup>th</sup> June 2017 with certain conditions to be met.

**Following are few suggestions for compliance of GST :**

**1. Stocks and Purchases :**

Please monitor your purchases and purchase the quantum of goods possibly to be liquidated prior to 30<sup>th</sup> June 2017. Except the pharma companies ready to compensate the trade loss for wholesalers and retailers.

**2. Inventory:**

You are hereby advised to maintain optimum stocks to avoid shortages of medicines in the market.

**4. Stationery:**

Please find attached herewith the soft copy of suggested format of proposed invoice to be used by non GST dealer, composite dealer as well as wholesaler and retailer falling under GST for information.

**5. Correct records of purchases :**

You are advised that for the purchases made after 1st January 2017; you should fill exact invoice number and date in full, to avoid any complications for availing input tax credit on closing stocks as on 30<sup>th</sup> June 2017. Mismatch in invoice number and date may create a problem on GST portal, for matching actual figures & date, may result in loss of input credit. Kindly avail ledger copy from your supplier, check it and ensure it matches perfectly with your ledger. In case of any mis-match get it corrected intime.

**6. Update all your masters :**

- Kindly ensure and collect proper data i.e Name, address, VAT/TIN Registration, Food and Drugs Licence numbers, PAN numbers of your customers and vendors/suppliers and feed it in your computer. Re-check and correct the same. This will help you to tally your input/output tax records.
- Also note that, you have to update your product master with HSN code as well as customer and supplier master including their GSTN no. and email i.d.

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**Special Note for Members :**

- a) All wholesalers are informed that, you should be in follow up with companies for HSN code of their products along with details of product wise tax rate and price list in post GST scenario. You will also collect the GSTN number of your vendor / supplier which will enable you to provide the above details to your software vendor intime. We are also following the matter with companies at association level.
- b) All the members are finally informed that, if you are eligible and required to get registered under GST but not done migration till date then do it immediately to avoid further complications. Last date for migration is 15<sup>th</sup> June 2017. Contact your tax consultant.
- c) All retailers having a turnover above 50 lakhs p.a. and falling in GSI are advised to get computerised prior to 30<sup>th</sup> June to avoid any complications in billing and also it is necessary for filing of monthly return of GST and many more.
- d) The members who are filing the VAT return's are advised to take care that they should be prepared for filing of 1<sup>st</sup> Quarter return within time limit and at actual figures of sales and purchases that matches with the closing stock going to be shown by you as on 30<sup>th</sup> June 2017 for getting the SGST credit as per New GST rules.
- e) Semi wholesalers are not entitled to get any reimbursement on their closing stock, hence they are advised to keep minimal possible closing stock as on 30<sup>th</sup> June 2017 to avoid losses.
- f) The members having turnover below 20 Lacs p.a are eligible to receive supplies without GST registration and members having turnover below 50 Lacs are eligible to receive the stocks but both are not eligible to receive reimbursement on their closing stocks as on 30<sup>th</sup> June 2017 because they are not losing the same.
- g) Kindly note that products falling under category of GST @18% & 28% are mostly not an emergency medicines. So you can control the stocks holding to avoid losses.
- h) Please find attached special notes on transition rules related to our trade for your information and necessary action.

We have given this information for updating your knowledge. Don't treat this as final and contact your tax consultant for further queries and act at your end.

Kindly deliver this circular to all the members for their information.

Thanking you.

Yours faithfully,

For THE M.S.C.D.A.



Anil Navandar

Hon Gen. Secretary

Encl : 1. Format of Proposed invoices (4)

2. Transition Rules related to traders